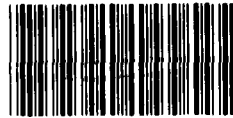




UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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ACCOUNTING AND FINANCIAL
MANAGEMENT DIVISION



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B-205133

OCTOBER 21, 1981

The Honorable Malcolm Baldrige
The Secretary of Commerce

Dear Mr. Secretary:

Subject: The Bureau of the Census Must Solve ADP Acquisition
and Security Problems (AFMD-82-13)

Because our previous studies disclosed problems in the acquisition and security of automatic data processing (ADP) at the Bureau of the Census, we did a followup review to assess the progress in addressing these problems.

In a December 13, 1978, report (FGMSD-79-5) we noted that the Bureau's previous study of its ADP needs had been inadequate, the Bureau's projection of its ADP capacity had been underestimated, and another sole-source acquisition was not necessary at that time. Our effort resulted in an agreement between the Department of Commerce and the Bureau of the Census to jointly perform a new and comprehensive study. We agreed to monitor the study.

Problems noted during the 1978 review relating to the lack of ADP security and the need to protect ADP assets from willful or accidental loss were discussed separately with Bureau managers and were not addressed in the formal report.

Our most recent review disclosed that a number of these problems still need attention:

- The Bureau must stop slippage in the ADP acquisition schedule.
- The Bureau must do more to ensure that user applications are in existing Federal standard languages.
- The Bureau must meet basic ADP security guidelines.

THE BUREAU'S ADP ACQUISITION
STARTED LATE

The fully competitive computer replacement acquisition is almost 2 years behind the Bureau's initial projections. The Bureau responded slowly to GAO inquiries in the fall of 1980 and subsequent calls by the Department for a revised mission need statement

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(a mandatory initial approval document). Recently, the Bureau submitted and the Department approved both a mission need statement and a new revision of the schedule. However, the project is now almost 2 years behind its initial schedule.

In August 1979, the joint study team recommended that Census replace its ADP equipment through a fully competitive procurement in accordance with Office of Management and Budget Circular A-109 requirements. One of these requirements--a mission need statement--was prepared, reviewed by the study team, but then rejected by the Department's management because of missing elements such as "a discussion of the general schedule of events" and "the general magnitude of required funding resources." Prior to the latest procurement schedule, a mission need statement was due about December 1979. On August 24, 1981, you approved the mission need statement and revised A-109 acquisition project schedule. We believe that the primary cause of this schedule slippage was the lack of attention and priority given to the acquisition project by the Bureau's top management. However, both Department and Bureau officials noted their difficulty in scoping the mission need statement, without any examples, and said that it took a sustained joint effort by Department and Bureau personnel to produce results. This effort took place in the summer of 1981, well after the milestone (December 1979) was missed and after our followup inquiries in the fall of 1980 and the winter of 1981.

We believe that without appropriate top management attention, involvement, and priority, this schedule will probably not be met and the acquisition of essential mission resources will be further delayed.

MORE NEEDS TO BE DONE TO ASSURE THAT USER APPLICATIONS ARE IN EXISTING STANDARD LANGUAGES

Currently, two federally adopted standard programming languages are appropriate for use at the Bureau; however, the Bureau has not been enforcing either as a standard language. The longer it takes to implement standard languages, the greater the number of programs that will be written without standardization as an acceptance criterion.

The Federal Government has adopted the American National Standards Institute (ANSI) standards for BASIC, COBOL, and FORTRAN languages. COBOL was adopted as a standard language in December 1975 and BASIC and FORTRAN were adopted in September 1980. The use of ANSI COBOL and ANSI FORTRAN could substantially reduce the cost and complexity of converting from existing Bureau computer systems to those to be procured. For these reasons, the joint study team recommended the use of standard languages throughout the Bureau. Substantial progress has been made in revising much of the operating system software to permit site and vendor independence. The Bureau formed a panel in January 1981 to handle the problems in its transition to standard languages. This panel and

Bureau users adopted language standards in June 1981. The new policy calls for all new and redesigned systems to be written in standard languages. However, at present, the majority of Bureau user application software remains in nonstandard languages.

ADP SECURITY STILL IS A PROBLEM

Our review showed that the Bureau has not taken adequate action in improving ADP security in two major areas.

First, Federal regulations and guidelines require each agency to (a) perform a risk analysis and (b) develop and implement a sound security program. The Bureau has done neither. Without a risk analysis, the Bureau cannot specifically identify its risks, decide which risks require preventive and/or corrective action, or assess alternative solutions. The need is compounded by the fact that the security program is being revised. The new security program may have to be amended to reflect the findings of the risk analysis when it is finally performed.

Second, numerous potential physical security problems exist because of the Bureau's inability to apply available guidance promptly.

For example, according to Federal Information Processing Standards Publication (FIPS-PUB) 31, a dangerous activity--such as warehousing--should not be conducted adjacent to a computer facility. Yet, below the Bureau's computer room is a loading dock and a storage area for General Services Administration (GSA) trash and vehicles. The Bureau has attempted to correct this particular situation but has failed. Appeals have been made to GSA building management at all levels. We believe the Bureau should appeal to the Administrator of General Services, because the current Federal Property Management Regulation (101-36.705), as approved by the Administrator, states that FIPS-PUB 31 should be followed.

The Bureau has access systems for the Bureau buildings and the ADP facility at Suitland, Maryland, but part of the system is flawed. The ADP facility system requires that employees insert plastic card badges in a box and then key in a code to gain admittance. We found this to be working fairly well; however, the Bureau building entry system was not working as of February 1981. GAO employees were able to enter the Bureau's Federal Office Building Number 3 by displaying expired temporary badges. One GAO employee gained admittance 5 months after his temporary badge had expired. Our suggestion made in March 1980 to correct this problem was not implemented until May 1981.

The Bureau of the Census has address lists and confidential data that should be protected, but in a single inspection we found six instances where that protection was lacking. During other security inspections at the Bureau, at times other than prime shift

hours, we found an economic survey, a 1980 Census "prelist," business addresses, data placed in bags for burning, and a "Census Restricted Area" unsecured. According to Bureau security personnel, addresses are confidential and "burn" material must be kept in a locked area until the material is collected for disposal.

RECOMMENDATIONS

We recommend that you make the Department and Bureau information resources officials responsible for planning and monitoring corrective action in each of the problem areas. Specifically, we recommend that you direct these officials to ensure that:

- A fully competitive A-109 acquisition is pursued according to schedule.
- All user applications are prepared for ease of conversion to the equipment selected in the A-109 process.
- A thorough security risk analysis is performed and the security problems identified by the analysis are resolved expeditiously.

We received informal comments on our draft report from both Bureau and Department officials. Their comments indicated that the Bureau has made substantial progress in implementing our recommendations and those of the 1979 report of the joint study team. However, they noted that funding has not been available for the requisite security risk analysis.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations. You must send the statement to the House Committee on Government Operations and the Senate Committee on Governmental Affairs within 60 days of the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made over 60 days after the date of the report.

We are sending copies of this report to the Directors of the Office of Management and Budget and the Bureau of the Census, and to the chairmen of the committees mentioned above. We are grateful for the courtesies and cooperation extended to our representatives. We would appreciate your comments and notification of any actions taken or planned on the matters discussed in the report.

Sincerely yours,


W. D. Campbell
Acting Director