



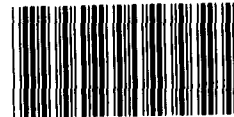
United States
General Accounting Office
Washington, D.C. 20548

Accounting and Financial
Management Division

B-251638

January 5, 1993

Mr. John F. Wallace
Director of Resources Management
U.S. Army Corps of Engineers



148217

Dear Mr. Wallace:

This letter responds to your October 27, 1992, request that we sanction the operation of your Electronic Signature Prototype System being developed by the Corps of Engineers for use in its new financial management system. We have reviewed the material attached to your request and the Technical Component for the CEFMS Electronic Signature System RFP provided to us earlier and conclude that the electronic signatures generated by this system provide at least the same quality of evidence as the handwritten signatures they are designed to replace. We have outlined the necessary attributes of electronic signatures in several Comptroller General Decisions, the most recent being 71 Comp. Gen. 109 (1991).

In addition, based on the information provided and discussions with Corps of Engineers staff, we believe that the stated internal controls, if properly implemented, are adequate for this prototype system. However, as this is a prototype system, we recognize that certain key controls required for your production system cannot be implemented at this time. We have discussed with your staff some of the improvements we believe are needed before the prototype system is converted into a production system. We were assured that the controls described to us will be properly implemented and that additional control improvements will be incorporated as experience is gained.

We are, therefore, pleased to sanction its operation, on a test basis involving two divisions, for a 1-year period to begin in February 1993. We understand that because of procurement delays, you will initially use "off the shelf" cryptographic modules which do not meet all the stated requirements for locations within these two divisions. We further understand that installation of the electronic signature system at the other divisions will await procurement of the proper modules. Also, you plan to replace the "off the shelf" modules installed at the first two divisions with modules meeting the

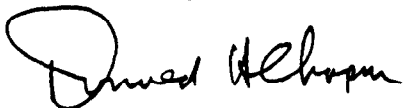
GAO/AFMD-93-44R Electronic Signature Prototype System

CSG 153/148217

stated requirements. This letter is to sanction your prototype electronic signature system and does not constitute GAO approval of your financial management system, as defined by 31 U.S.C. 3512(e)(2).

The progress made to date by the Corps of Engineers developing its electronic signature system is commendable, and we fully expect that additional improvements will be made based on the test results. We also appreciate the challenges your agency has experienced in attempting to develop a system that will not only meet your needs but those of other federal agencies as well. We look forward to working with your agency on this and other efforts in the future. Should you have any questions, please contact Chris Martin of my staff at (202) 275-9481.

Sincerely yours,



Donald H. Chapin
Assistant Comptroller General

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