



United States General Accounting Office

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Accounting and Information  
Management Division

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August 1998

Government-wide and  
Defense Information  
Systems Issue Area

Active Assignments

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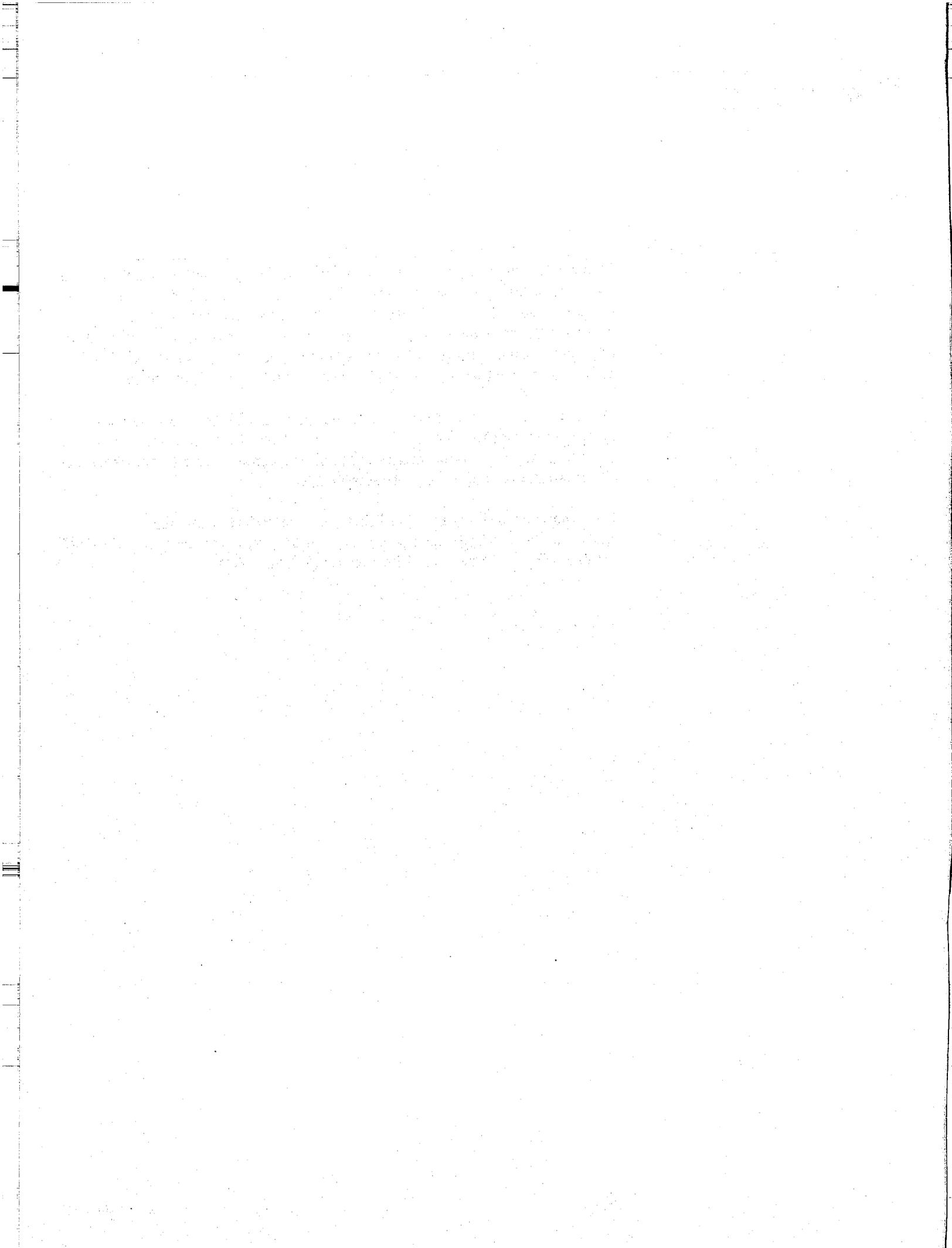
# Foreword

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This report was prepared primarily to inform Congressional members and key staff of ongoing assignments in the General Accounting Office's Government-wide and Defense Information Systems issue area. This report contains assignments that were ongoing as of August 17, 1998, and presents a brief background statement and a list of key questions to be answered on each assignment. The report will be issued quarterly.

This report was compiled from information available in GAO's internal management information systems. Because the information was downloaded from computerized data bases intended for internal use, some information may appear in abbreviated form.

If you have questions or would like additional information about assignments listed, please contact Jack Brock, Director, on (202) 512-6240; or Linda Koontz, Associate Director, on (202) 512-6240.



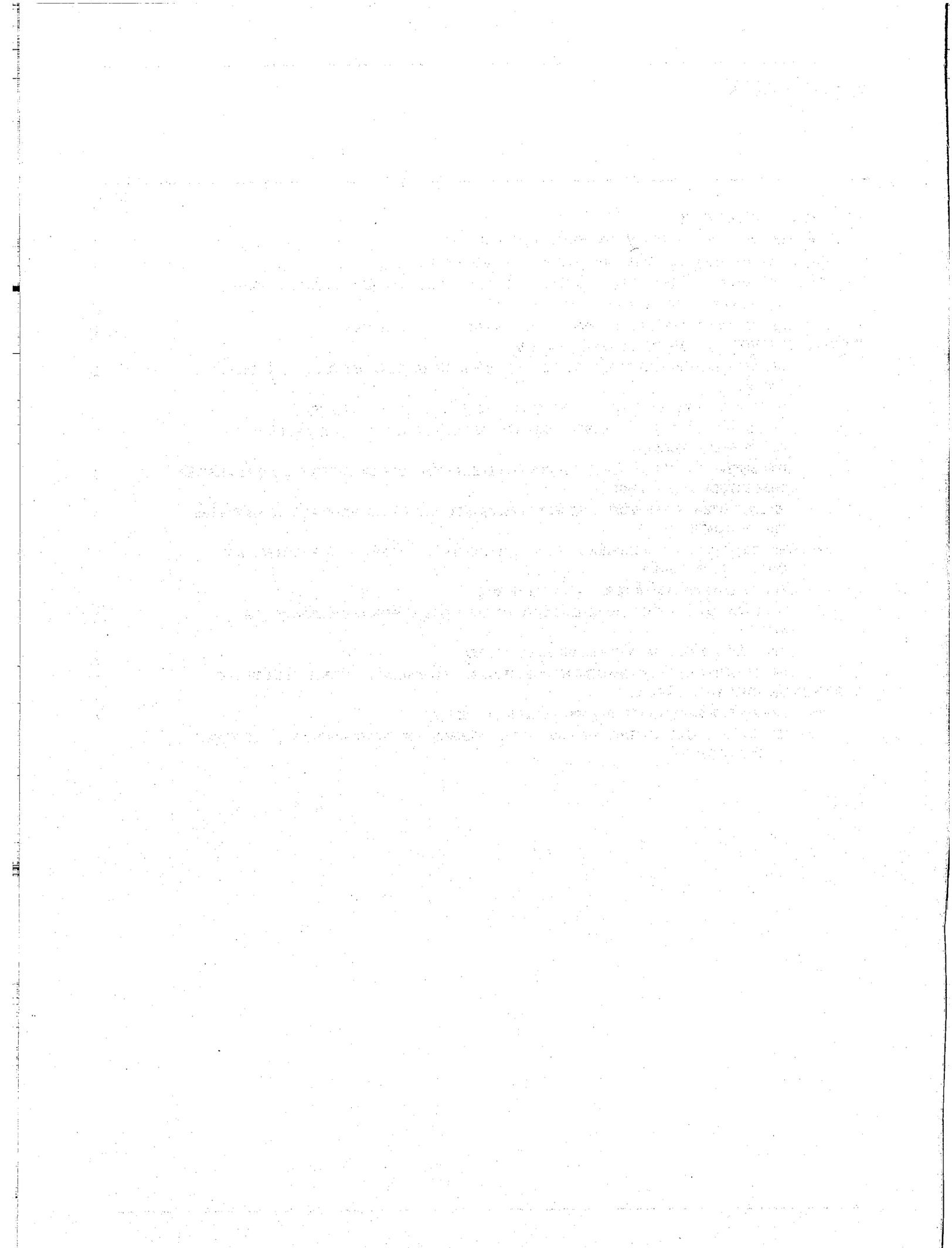
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## **Gov'twide & Defense Info Systems**

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### **HIGH RISK SYSTEMS-GDIS**

**TITLE: HRA 28:THE BUREAU OF PRISONS YEAR 2000 EFFORTS (511121)**

**KEY QUESTIONS :** To implement its programs, the Bureau of Prisons (BOP) relies on information systems and communications technologies, such as its SENTRY system which tracks inmate's sentences, release dates, security levels, etc. Also, security systems like cell locks may be controlled by mechanisms with embedded computer chips. In less than two years, computer systems critical to BOP could fail to perform unless proper date-dependent hardware, software, and telecommunications can be made year 2000 compliant. We will be assessing BOP's management of its year 2000 program. (1)Has BOP established structures and processes for effectively managing its renovation, validation, and implementation efforts? and (2) Is BOP reliably reporting its progress in making its systems Year 2000 compliant?

**TITLE: HRA 28:THE UNITED STATES CUSTOMS SERVICE YEAR 2000 EFFORTS (511127)**

**TITLE: HRA 28:SURVEY OF NATIONAL AND GLOBAL YEAR 2000 STATUS, PROBLEMS, AND SOLUTIONS (511129)**

**KEY QUESTIONS :** America's infrastructures are a complex array of system-based enterprises with many interdependencies at all levels (federal government, state and local government, private sector, international). GAO has been asked to identify Year 2000 status, problems, solutions in key national and international infrastructure areas, economic sectors, and core government functions.

**TITLE: HRA 27: NASA INFORMATION SECURITY (511631)**

**KEY QUESTIONS :** The security of the federal government's information systems is of increasing concern to Congress, which has initiated a series of ongoing investigations of security vulnerabilities in various agencies. NASA systems appear to be a frequent target of hackers. The agency has documented a continued increase in penetrations of its systems over the last year and is concerned about new threat exposures and system vulnerabilities inherent in rapidly advancing computer/network technologies as it moves to global Internet connectivity. During our evaluation, we will assess (1) how vulnerable NASA's mission critical information systems are to unauthorized access and (2) what the agency is doing to address this potential problem.

## ***Gov'twide & Defense Info Systems***

**TITLE: HRA 28:REVIEW OF YEAR 2000 IMPACT ON DOD MISSION CRITICAL SYSTEMS (511645)**

**KEY QUESTIONS :** DOD depends on computer systems for virtually every aspect of its operations. Since most of its systems are vulnerable to the Year 2000 (Y2K) problem, failure to successfully address the issue could severely impact DOD's ability to perform its mission. Our requester is concerned about the potentially debilitating impact of Y2K and asked that we assess selected critical warfighting and financial management systems to determine the impact and adequacy of corrective actions being taken. (1) How are the systems that DOD has identified as being most critical, important to Defense warfighting and financial operations? (2) What Y2K systems problems has DOD identified and what could be the impact if systems are not Y2K ready? (3) What is the status of Y2K remediation efforts?

### **IMPROVING INFORMATION MANAGEMENT-GDIS**

**TITLE: HRA:28 FEDERAL RESERVE BANK YEAR 2000 OVERSIGHT OF BANKING INSTITUTIONS AND INTERNAL SYSTEMS (511112)**

**KEY QUESTIONS :** Financial institutions face a particularly serious challenge in preparing themselves for the year 2000, given their heavy reliance on computer systems and the fact that many of these systems were not designed to recognize dates beyond 1999. Accordingly, we will determine what the Federal Reserve is doing to ensure that the state chartered, member banks it oversees are adequately mitigating the risks associated with this problem. We will also review the Federal Reserve's efforts to ensure its own computer systems are prepared for the century date change. In addition, we will determine whether computers purchased by the Federal Reserve during 1997 are year-2000 compliant.

**TITLE: ISSUES RELATED TO CUSTOMS' AUTOMATED COMMERCIAL ENVIRONMENT (ACE) (511114)**

**KEY QUESTIONS :** The Automated Commercial Environment (ACE) is Customs' planned system for processing imports to the United States. ACE is planned to collect, disseminate, and analyze import-related data and ensure the proper collection and allocation of revenues totalling about \$19 billion annually. With an estimated 10-year life-cycle cost of over \$1 billion, ACE is expected to replace the existing system, which was first implemented over 10 years ago. Additionally, ACE is planned to support legislatively mandated modernization of the import process. GAO was requested to determine: (1) Is Customs effectively managing its development of ACE? and (2) Has Customs adequately justified ACE's cost effectiveness?

**TITLE: EVALUATION OF CUSTOMS' SOFTWARE DEVELOPMENT CAPABILITY AND SOFTWARE PROCESS IMPROVEMENT PROGRAM (511115)**

**KEY QUESTIONS :** Customs spends hundreds of millions of dollars developing and maintaining software-intensive systems (like the Automated Commercial Environment or ACE). More are projected to cost Customs hundreds of millions of dollars over the next ten years. Moreover, Customs relies on the systems to administer its \$20 billion a year revenue collection function. The quality of software, the most costly and complex component of systems, is governed largely by the quality of the processes used to develop and maintain it. GAO was requested to determine: (1) the maturity of Customs' software development processes for large information systems projects, and (2) whether Customs has an effective software process improvement program.

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## ***Gov'twide & Defense Info Systems***

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**TITLE: HRA 28: REVIEW OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY'S EFFORTS TO PREPARE FOR THE CENTURY DATE CHANGE (511120)**

**KEY QUESTIONS :** Banks, like other financial institutions, face a particularly serious challenge in preparing themselves for the year 2000 given their heavy reliance on computer systems and the fact that many of these systems were not designed to recognize dates beyond 1999. Accordingly, we will determine what the Office of the Comptroller of the Currency is doing to ensure that the federally-chartered banks it oversees are adequately mitigating the risks associated with this problem, and what actions it is taking to ensure its own computer systems are prepared for the year 2000.

**TITLE: HRA 28: REVIEW OF THE FEDERAL RESERVE'S EFFORTS TO PREPARE ITS INTERNAL SYSTEMS FOR THE YEAR 2000 DATE CHANGE (511124)**

**KEY QUESTIONS :** The Federal Reserve System (FRS) operates computer systems that are critical to the smooth functioning of the U.S. financial system. For example, FRS' wholesale electronic funds transfer system (Fedwire) last year processed over 89 million transactions worth \$288 trillion. FRS has identified Fedwire and about 100 other mission critical systems as needing to be renovated to operate properly in the Year 2000. Accordingly, we will determine what the Federal Reserve is doing to ensure that its computer systems are adequately prepared for the century date change.

**TITLE: HRA 28: HEARING ON THE DISTRICT OF COLUMBIA'S EFFORTS TO PREPARE ITS SYTEMS FOR THE CENTURY DATE CHANGE (511130)**

**KEY QUESTIONS :** Our recent assessment of the Government of the District of Columbia's efforts to prepare its systems for the century date change found the District is extremely behind schedule and identified actions that the District needs to take to ensure vital services are not disrupted. The purpose of this assignment is to prepare testimony on our assessment of the District's Year 2000 efforts.

**TITLE: REVIEW OF STATE IRM MODERNIZATION/YEAR 2000 (511619)**

**KEY QUESTIONS :** The State Department plans to spend \$2.7 billion over 5 years to modernize its IRM infrastructure. At the same time, State must address the year 2000 (Y2K) date problem to avoid catastrophic failure in its mission critical and business systems. State estimates it will cost \$70 million to fix its systems. 1. How appropriate are State's strategies and actions for ensuring that Y2K problems will be successfully addressed?

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## Gov'twide & Defense Info Systems

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**TITLE: DOD'S DEVELOPMENT AND IMPLEMENTATION OF THE DEFENSE OF CIVILIAN PERSONNEL DATA SYSTEM (511634)**

**KEY QUESTIONS :** In developing and implementing its Defense Civilian Personnel Data System (DCPDS), did DOD adequately justify: (1) investing hundreds of millions of dollars in its own system after full consideration of alternatives such as OPM's government wide applications, (2) the number and location of system Regional Service Centers among the services and other DOD components, and (3) extensive modifications to the selected Commercial-Off-the-Shelf (COTS) human resource application system? Further, in making a substantial investment developing this system, (4) is DOD adequately mitigating high risk by adhering to the Clinger-Cohen Act's information technology investment provisions, and the department's own software acquisition best practices guidelines.

**TITLE: HRA 19:REVIEW OF DISA PRICES CHARGED CUSTOMERS (511639)**

**KEY QUESTIONS :** The Defense Information System Agency (DISA) manages the Defense Information Services business area within the DOD Working Capital Fund (DWCF). For FY 98, it is estimated that the business area will have revenue of about \$3 billion. The primary goal of the DWCF is to focus the attention of management on the total costs of operations and the management of those costs in order to provide quality goods and service at the lowest cost. (1) Is DISA recovering the full costs of its operations? (2) What actions has DOD and DISA taken or have planned to reduce costs and streamline the information service business area?

**TITLE: HRA 19:REVIEW OF DOD'S MANGEMENT OF FOREIGN MILITARY SALES ACCOUNTING FOR BILLINGS (511640)**

**KEY QUESTIONS :** The Arms Export Control Act of 1976 gives the President authority to sell defense articles and services to eligible foreign countries, generally at no costs to the U.S. government. The Act specifically requires foreign military sales (FMS) customers to pay a proportionate share of the U.S. government's nonrecurring research, development, and production costs when purchasing major defense equipment. Although DOD policy requires the recovery of these costs within 30 days of physical delivery of the equipment, the Air Force and Navy may not be collecting these costs as required. Are the Air Force and Navy correctly recovering nonrecurring research, development, and production costs owed by FMS customers?

### OTHER ISSUE AREA WORK - GDIS

**TITLE: HRA 28:EFT 99'S IMPACT ON YEAR 2000 REMEDIATION EFFORTS (511128)**

**KEY QUESTIONS :** A key requirement of the Debt Collection Improvement Act is that all federal payments--benefit and vendor payments, federal salaries, etc.--(except for tax refunds) be made electronically by Jan. 1, 1999. EFT 99 is Treasury's program for meeting this requirement. An important aspect of EFT 99 is the establishment of electronic transfer accounts (ETA) for individuals (10 million total) who do not currently have bank accounts so they can receive their payments electronically. There is a concern that requirements of EFT 99 may interfere with Year 2000 remediation efforts. GAO has been asked to assess whether the EFT 99 program will be an obstacle to the timely completion of Year 2000 remediation efforts at the Financial Management Service or financial institutions.

**TITLE: HRA 7: ANALYSIS OF WHETHER AIR FORCE SUPPLY MANAGEMENT IS PROVIDING ADEQUATE SUPPORT TO ITS CUSTOMERS (511641)**

**KEY QUESTIONS :** The Air Force supply management activity group (SMAG) is part of the Air Force Working Capital Fund. SMAG helps to maintain combat readiness by supplying the Air Force with about 2 million inventory items necessary to sustain troops, weapon systems, aircraft, and communication systems. SMAG reported \$12 billion in revenue and \$24.5 billion in inventory for fiscal year 1997. (1) Is SMAG providing timely and effective support to its customers? and (2) For selected aircraft (B-1, C-5, & F-16), what factors adversely affect SMAG's ability to provide items when/where they are needed?

