



Highlights of [GAO-06-698T](#), a testimony before the Committee on the Judiciary, U.S. Senate

### Why GAO Did This Study

The Trilogy project—initiated in 2001—is the Federal Bureau of Investigation’s (FBI) largest information technology (IT) upgrade to date. While ultimately successful in providing updated IT infrastructure and systems, Trilogy was not a success with regard to upgrading FBI’s investigative applications. Further, the project was plagued with missed milestones and escalating costs, which eventually totaled nearly \$537 million. This testimony focuses on (1) the internal controls over payments to contractors, (2) payments of questionable contractor costs, and (3) FBI’s accountability for assets purchased with Trilogy project funds.

### What GAO Recommends

GAO’s related report (GAO-06-306) makes 27 recommendations to help improve (1) FBI’s and the General Services Administration’s (GSA) controls over their invoice review and approval processes and to address questionable billing issues and (2) FBI’s accountability for assets. FBI concurred with GAO’s recommendations. GSA accepted the recommendations but expressed concern with some of the findings and one recommendation. GAO reaffirms its position on all of its findings and recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-698T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-698T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda M. Calbom at (202) 512-9508 or [calboml@gao.gov](mailto:calboml@gao.gov).

## FEDERAL BUREAU OF INVESTIGATION

# Weak Controls over Trilogy Project Led to Payment of Questionable Contractor Costs and Missing Assets

### What GAO Found

FBI’s review and approval process for Trilogy contractor invoices, which included a review role for GSA as contracting agency, did not provide an adequate basis for verifying that goods and services billed were actually received and that the amounts billed were appropriate, leaving FBI highly vulnerable to payments of unallowable costs. This vulnerability is demonstrated by FBI’s payment of about \$10.1 million in questionable contractor costs we identified using data mining, document analysis, and other forensic auditing techniques. These costs included first-class travel and other excessive airfare costs, incorrect charges for overtime hours, potentially overcharged labor rates, and charges for which the contractors could not provide adequate supporting documentation to substantiate the costs purportedly incurred.

FBI also failed to establish controls to maintain accountability over equipment purchased for the Trilogy project. These control lapses resulted in more than 1,200 missing pieces of equipment valued at approximately \$7.6 million that GAO identified as part of its review. The table below summarizes questionable contractor costs and missing assets that GAO identified.

#### Questionable Costs and Missing Assets

Dollars in thousands	
Issues identified	Amount
First-class travel	\$20.0
Excessive air travel costs	49.8
Excess overtime charges	400.0
Potential overcharging of labor rates	2,100.0
Inadequately supported subcontractor labor costs	1,957.9
Inadequately supported other direct costs	5,508.3
Duplicate payment of subcontractor labor invoice	26.3
<b>Total questionable costs</b>	<b>\$10,062.3</b>
1,205 pieces of missing equipment	\$7,607.1

Source: GAO.

Given the poor control environment and the fact that GAO reviewed only selected FBI payments to Trilogy contractors, other questionable contractor costs may have been paid that have not been identified. If these control weaknesses go uncorrected, future contracts, including those related to Sentinel—FBI’s new electronic information management system initiative—will be greatly exposed to improper payments. In addition, the lack of accountability for Trilogy equipment calls into question FBI’s ability to adequately safeguard its existing assets as well as those it may acquire in the future.