

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

DISPOSITION OF TELECOMMUNICATIONS SERVICES
AND EQUIPMENT AT EAKER AIR FORCE BASE

Report Number 93-019

November 6, 1992

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The following acronyms are used in this report.

AFB.....Air Force Base
AUTOVON.....Automatic Voice Network
CSA.....Communications Service Authorization
DCS.....Defense Communications System
DECCO.....Defense Commercial Communications Office
DISA.....Defense Information Systems Agency
SAC.....Strategic Air Command
TSO.....Telecommunications Service Order
TSR.....Telecommunications Service Request



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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REPORT
NO. 93-019

November 06, 1992

MEMORANDUM FOR ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on Disposition of Telecommunications
Services and Equipment at Eaker Air Force Base (Project
No. 2RD-0014.02)

Introduction

During our audit of Disposition of Telecommunications Services and Equipment (Project No. 2RD-0014), we found that due to the lack of effective planning for revalidation or disconnection of telecommunications services during the base closure process, services at Eaker Air Force Base (AFB), Blytheville, Arkansas, were not discontinued when requirements for the services no longer existed. Had Eaker AFB officials effectively planned for and established milestones for revalidating or disconnecting services during the base closure phasedown, about \$19,000 in communications costs could have been avoided. When this condition was brought to management's attention, prompt action was taken to discontinue the unneeded services.

Background

Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, established the Base Closure and Realignment Commission (Commission). The Commission was established to ensure a timely, independent, and fair process for closing and realigning U.S. military installations. The statute required the Secretary of Defense to submit a list of proposed military base closures and realignments to the Commission by April 15, 1991. Eaker AFB was recommended for closure by the Secretary of Defense and was approved for closure by the Commission. Closure actions at Eaker AFB are to be completed in December 1992. During the phasedown process of realignment or closure, management must effectively plan for the disconnection or reconfiguration of telecommunications services to avoid continued payment for services that are no longer needed or cost-effective.

Eaker AFB long-haul telecommunications services are provided by the Defense Communications System (DCS), a composite of DoD-owned and leased telecommunications subsystems and networks under the management control and operational direction of the Defense Information Systems Agency (DISA). To obtain telecommunications services from the DCS, Eaker AFB officials issued Telecommunications Service Requests (TSRs) to DISA through their Telecommunications Certification Office. TSRs serve as the basis for Telecommunications Service Orders (TSOs) used by the Defense Commercial Communications Office (DECCO) to issue Communications Service Authorizations (CSAs). The CSAs are service contracts placed against basic ordering agreements established with various vendors. The same basic documents and process are used for circuit disconnects.

DoD Directive 4640.13, "Management of Base and Long-Haul Telecommunications Equipment and Services," December 5, 1991, requires that when telecommunications circuits lacking valid requirements are identified, the circuits are to be promptly disconnected.

Objective

The objective of the audit was to determine whether leased long-haul and base telecommunications services and equipment at Eaker AFB, which was undergoing closure, were effectively and efficiently disconnected, changed, or reconnected elsewhere.

Scope

Data on telecommunications services were extracted from DISA's Worldwide On-Line System and from the data base at DECCO. The extracts were limited to the 47 circuits (see Enclosure 1) routed to or from Eaker AFB that were active at the time of the audit. The cutoff date for the extracts was January 24, 1992.

We traced the circuits to physical installation locations and verified the status of their service. We interviewed Eaker AFB personnel to determine whether requirements for the telecommunications services had been revalidated. Also, we determined the cost of each circuit that remained active after the requirement ceased.

This economy and efficiency audit was made from January through April 1992. The audit was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD, and accordingly, included such tests of internal controls as were considered necessary. The activities we visited or contacted are listed in Enclosure 4.

Discussion

We reviewed the 47 DCS long-haul telecommunications circuits, with a net annual recurring cost to the Government of about \$351,000. The circuits were leased to provide telecommunications services for the Strategic Air Command (SAC) mission at Eaker AFB. Our analyses of the circuits showed that as the SAC mission was phased down, communications managers at Eaker AFB did not effectively revalidate or disconnect services, costing about \$36,000 annually, for five (11 percent) of the circuits reviewed. Of the five, one Automatic Voice Network (AUTOVON - now part of the Defense Switched Network) access circuit capable of providing Flash precedence service, with an annual cost of about \$6,000, unnecessarily remained operational for 9 months. Two other AUTOVON access circuits capable of providing Priority precedence service¹, with combined annual costs of about \$12,000, unnecessarily remained operational for 2 and 3 months, respectively. Two other circuits, a foreign exchange² and a data circuit, with combined annual costs of about \$18,000, unnecessarily remained in service for 9 months and 8 months, respectively.

Base closure phasedown plans did not include adequate milestones for the preparation of TSRs to ensure the timely termination of services no longer required. TSRs to terminate services should have been prepared well in advance to avoid unnecessary expenditures for services that remained in effect after functional activities on the base transferred and their telecommunications requirements ceased. Due to the lack of effective planning for prompt service termination, the DoD expended an estimated \$19,000 for services that were no longer required. When we questioned the expenditures, management took prompt action to terminate the services. Copies of TSRs documenting the action were provided to us in June 1992. The action will result in a cost avoidance of \$8,997 through December 1992 (Enclosure 2), the planned closure date for the base. Because of the prompt action by management to terminate services, no recommendations were made in the draft report.

Internal Controls

Procedural weaknesses in the process of terminating telecommunications services and disposing of related equipment at facilities affected by the Base Closure and Realignment Program will be addressed in the report on the overall audit of Disposition of Telecommunications Services and Equipment.

¹ Preemptive capability prescribed in the DoD Joint Uniform Telephone Commissions Precedence System.

² Service from a central office other than the one from which the customer would normally be served.

Prior Audits and Other Reviews

Office of the Inspector General, DoD, Audit Report No. 90-005, "Requirements Validation For Telecommunications Services," October 16, 1989, disclosed that 21 percent of the 1,323 sample circuits reviewed at 21 DoD installations continued in service although they were no longer required, were not cost-effective in their configurations, or could not be found. For the sample circuits reviewed, the report identified 135 circuits (10.2 percent) that were no longer required, 130 circuits (9.8 percent) that were considered not cost-effective in their configurations, and 12 circuits (1.0 percent) that could not be found. We recommended that the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) "establish a definitive policy requiring DoD Components to review and revalidate telecommunications circuits leased and owned by the Defense Communications System." Management issued DoD Directive 4640.13 and DoD Instruction 4640.14, "Base and Long-Haul Telecommunications Equipment and Services," December 6, 1991, to implement corrective actions.

Management Comments

The Department of the Air Force provided comments on a draft of this report on September 4, 1992 (Enclosure 3). Management concurred with the finding and stated that guidance was sent to the major commands, notifying them of the requirement to efficiently process circuit terminations during base closures. Management also concurred with the FY 1992 and first quarter of FY 1993 portions of the budgetary figures identified in the draft report but nonconcurred with the remainder of our projected 6-year costs for services. Management stated that leased communications funding for Eaker AFB is not budgeted or programmed beyond the December 1992 closure date. As a result, management did not believe it reasonable to assume that the Air Force would continue to pay for services for which there are no users or available funding.

Audit Response To Management Comments

The Air Force comments are responsive to the finding. The lack of funding for Eaker AFB communications services does not automatically preclude the Air Force or the DoD from incurring costs for those services. The communications services questioned were leased by the DECCO for Eaker AFB by issuing CSAs to vendors. The terms of the CSAs may be established for up to 10 years. At the end of an established lease period (e.g., 10 years), the CSAs automatically renew for 30-day increments until termination orders are provided to DECCO. DECCO does not have the authority to terminate services until termination orders

are provided by the user. Due to planning oversight, including the lack of milestones for submission of termination orders, services continued after requirements had ceased and would continue even after Eaker AFB is closed, unless termination orders are provided to DECCO.

In prior audits, we found repeated cases in which leased, long-haul telecommunications services continued to be leased after requirements had ceased. In some cases, the leased circuits could not be found. Further, DoD continued to expend funds unnecessarily because users did not provide termination orders to DECCO. If termination orders are not submitted by communications managers before the closure of Eaker AFB, the potential exists for continued payments to communications vendors. However, given the remedial actions taken by the Air Force and its assurance that all circuits will be discontinued by December 1992, no further actions are required. Therefore, we revised the final audit report to reflect a cost avoidance of \$8,997 through December 1992.

Request for Comments

Since the Air Force comments on the finding were responsive and the potential monetary benefits have been revised, additional comments on this final report are not required.

The courtesies extended to the audit staff are appreciated. If you have any questions on this report, please contact Mr. Robert M. Murrell, Program Director, at (703) 692-2945 (DSN 222-2945) or Mr. Charles M. Hanshaw, Project Manager, at (703) 692-2887 (DSN 222-2887). Copies of the final report will be distributed to the activities listed in Enclosure 5.



Robert J. Lieberman
Assistant Inspector General
for Auditing

cc:

Secretary of the Air Force
Deputy Assistant Secretary of Defense (Defense-Wide Command,
Control, and Communications)
Director, Defense Information Systems Agency

COMMAND COMMUNICATIONS SERVICE DESIGNATORS FOR
DEFENSE COMMUNICATIONS SYSTEM CIRCUITS AT
EAKER AIR FORCE BASE, BLYTHEVILLE, ARKANSAS

99		*DUBB	LGBA	JAKD	7KCJ
CAPV	22MA	*DUBB	LPQZ	JAKD	7KPN
CAPV	22MB	*DUBB	LPRA	JJAV	U209
CAPV	22MC	*DUBB	LPRB	JJGV	FBFT
CAPV	22MD	*DUBB	LPKC	JJGV	FBHE
CAPV	22ME	*DUBB	LPKD	JPDD	7EEJ
CAPV	22MF	*DUBB	3H09	JRP9	747G
CAPV	22MG	*DUBB	3H10	JT1X	6B1H
*DUBB	LCT5	*DUBB	4U67	JUEE	7G06
*DUBB	LCT6	*DUBB	4U68	JUE9	75X5
*DUBB	LCTM	*DUBB	4U69	JUE9	78D6
*DUBB	LFSN	*DUBB	7EU9		
*DUBB	LF7B	*DUBB	7FFM		
*DUBB	LF7D	*DUBB	7EUP		
*DUBB	LF7F	*DUBB	7FFQ		
*DUBB	LGAX	JAKD	7JZ1		
*DUBB	LGAY	JAKD	7HA3		
*DUBB	LGAZ	JAKD	7HA4		

* Command Communications Service Designators are shown on the Defense Commercial Communications Office data base as DUBB and on the Worldwide On-Line System data base as JUBB.

**SUMMARY OF POTENTIAL
BENEFITS RESULTING FROM AUDIT**

<u>Program</u>	<u>Element No.</u>	<u>Element Title</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>6-Year Total</u>
Recurring Savings (Operational and Maintenance)										
Intelligence and Communications	0303126F	Long-Haul Communications	\$ 7,626	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,626 ^{1/}
Intelligence and Communications	0303126F	Long-Haul Communications	\$ 1,371	0	0	0	0	0	0	1,371 ^{2/}
Total										\$ 8,997

1/ Using total combined recurring costs for Command Communications Service Designators (CCSDs) JUBB 3H09, JUBB 3H10, JUBB 4U67, and JUE9 75X5 for the First Quarter, FY 1993.

2/ CCSD 99 was included for FY 1992 only because a Telecommunications Service Request had already been issued at the time of the audit for disconnect in September, 1992.

DEPARTMENT OF THE AIR FORCE COMMENTS



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C.

10.4 SEP 1992

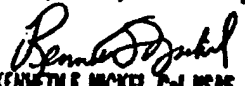
MEMORANDUM FOR DIRECTOR, READINESS AND OPERATIONAL SUPPORT
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

SUBJECT: Draft Audit Report on Disposition of Telecommunications Services and
Equipment at Eaker Air Force Base (Project No. 2RD-0014.02)

We concur with the audit report under "Discussion" that the termination of circuits should have coincided with the phase down of the SAC mission. Management controls in SAC Plan 092-0001 and HQ ACC PPlan 91-12 would have been effective if followed. AFTCO has sent guidance to the field notifying the MAJCOM's of the requirement to efficiently process circuit terminations during base closures.

We disagree, however, with FY 1993-98 savings figures from the draft Future Years Defense Program Budgetary Impact. Air Force leased communications funding for Eaker AFB is not budgeted or programmed beyond the December 1992 closure date. It is not reasonable to assume that the Air Force would continue to pay for service with no users or available funding. Recommend you keep the FY 1992 savings (\$1,371) as listed, reduce the FY 1993 savings to \$7,626 (for the 1st quarter), and delete projected savings for FY 1994 and beyond.

Finally, we are sending HQ USAF direction to the Air Force major commands reminding them of the necessity to establish proper circuit termination milestones during base closures and to ensure these schedules are being met. Point of contact is Mr Shelly, HQ USAF/SCMN, commercial phone (703) 697-2732.


KENNETH F. MICKEL, Col, USAF
Director of Mission Systems
DCS/Command, Control,
Communications, and Computers

cc: AFTCO/CC

ENCLOSURE 3

ACTIVITIES VISITED OR CONTACTED

Department of the Air Force

Headquarters, Strategic Air Command, Offutt Air Force Base,
Omaha, NE
Eaker Air Force Base, Blytheville, AR
Air Force Base Disposal Agency, Deputy Assistant Secretary of the
Air Force (Installations), Washington, DC
Air Force Communications Command, Scott Air Force Base, IL

Defense Agencies

Defense Information Systems Agency, Washington, DC
Defense Commercial Communications Office, Scott Air Force
Base, IL
Telecommunications Services and Management Office, Scott Air
Force Base, IL

REPORT DISTRIBUTION

Office of the Secretary of Defense

Assistant Secretary of Defense (Public Affairs)
Comptroller of the Department of Defense
Deputy Assistant Secretary of Defense (Defense-Wide Command,
Control and Communications), Assistant Secretary of Defense
(Command, Control, Communications and Intelligence)
Defense Base Closure and Realignment Commission

Department of the Army

Auditor General, U.S. Army Audit Agency

Department of the Navy

Auditor General, Naval Audit Service

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and
Comptroller)
Air Force Audit Agency

Defense Agencies

Director, Defense Information Systems Agency

Non-DoD Activities

Office of Management and Budget
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National Security and International Affairs Division
Technical Information Center

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Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Subcommittee on Communications, Committee on Commerce,
Science, and Transportation
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Subcommittee on Telecommunications and Finance, Committee
on Energy and Commerce
House Committee on Government Operations
House Subcommittee on Legislation and National Security,
Committee on Government Operations

ENCLOSURE 5

LIST OF AUDIT TEAM MEMBERS

William F. Thomas	Director, Readiness and Operational Support Directorate
Robert M. Murrell	Program Director
Charles M. Hanshaw	Project Manager
Raymond F. Minthorn	Team Leader
Joseph E. Wolski	Auditor