

Audit

Report



DEFENSE ENVIRONMENTAL SECURITY CORPORATE
INFORMATION MANGEMENT PROGRAM

Report No. D-2001-015

December 7, 2000

Office of the Inspector General
Department of Defense

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Acronyms

ASD(C ³ I)	Assistant Secretary of Defense of Command, Control, Communications and Intelligence
CIM	Corporate Information Management
DENIX	Defense Environmental Network Information Exchange
DESCIM	Defense Environment Security Corporate Information Management
DMRD	Defense Management Report Decision
DUSD(ES)	Deputy Under Secretary of Defense for Environmental Security
OSD	Office of the Secretary of Defense
USD(AT&L)	Under Secretary of Defense for Acquisition Technology and Logistics



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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December 7, 2000

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION
TECHNOLOGY AND LOGISTICS

SUBJECT: Audit Report on the Defense Environmental Security Corporate
Information Management Program (Report No. D-2001.015)

We are providing this report for review and comment. We performed the audit in response to a request from the Chairman of the Senate Armed Services Committee. You did not respond to the draft audit report dated October 31, 2000.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. We request that the Under Secretary of Defense for Acquisition Technology and Logistics provide comments on this report by January 8, 2001.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Kathryn M. Truex at (703) 604-9045 (DSN 664-9045) (kmtruex@dodig.osd.mil) or Ms. Wanda A. Hopkins at (703) 604-9049 (DSN 664-9049) (wahopkins@dodig.osd.mil). See Appendix C for the report distribution. The audit team members are listed inside the back cover.

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Assistant Inspector General
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Office of the Inspector General, DoD

Report No. D-2001-015
(Project No. D2000AS-0207.00)

December 7, 2000

Defense Environmental Security Corporate Information Management Program

Executive Summary

Introduction. The Chairman of the Senate Armed Services Committee requested a comprehensive and detailed audit of the current status and operation of the Defense Environmental Security Corporate Information Management Program.

DoD established the Corporate Information Management initiative in 1989 to improve functional processes, make better use of information technology, and eliminate duplicate information systems across seven administrative areas. In December 1991, the corporate information management scope was broadened to include environment. The Deputy Under Secretary of Defense for Environmental Security directed the Defense Environmental Security Corporate Information Management (DESCIM) Program. The program was not a discrete information system but rather a collection of activities that included development, operation and maintenance of a web site, and review and development of information systems and applications, initially conducted under the rubric of the corporate information management initiative.

By 1993, it was apparent that the overall corporate information management initiative was faltering and in October 1993 the Deputy Secretary of Defense directed that migration systems be selected, within 6 months, for a follow-on DoD-wide transition to selected systems over a period not to exceed 3 years. By 1997, most corporate information management efforts had been abandoned as DoD sought new approaches in responding to rapid changes in technology.

The Under Secretary of Defense for Acquisition Technology and Logistics decided to continue funding the Defense Environmental Security Corporate Information Management Program from the DoD operations and maintenance, defense-wide account. Approximately \$100.4 million was expended on the Defense Environmental Security Corporate Information Management Program from 1992 through FY 2000.

Objectives. Our objective was to evaluate the status and operation of the Defense Environmental Security Corporate Information Management Program.

Results. The DoD did not effectively implement and manage the development of the DESCIM Program. The Deputy Under Secretary of Defense for Environmental Security did not comply with policy to develop standard automated information systems for defense environmental programs that met established mission and interoperability

requirements; develop environmental information systems consistent with information technology and program acquisition development strategies; establish a solid program infrastructure with a defined mission, cohesive organization, and clear management responsibilities; and document the management or expenditure of program funds in a responsible manner. As a result, the DESCIM Program has not succeeded despite the expenditure of \$100.4 million and 9 years of effort. Additionally, DoD did not realize its goals to improve environmental processes, to make better use of information technology, and to eliminate duplicate environmental information systems across DoD. The projected funding for the Defense Environmental Security Corporate Information Management Program from FY 2001 through 2007 is \$57.7 million. While there may remain a need for corporate information reporting in the environmental area, DoD could put \$57.7 million to better use by terminating the DESCIM Program.

Summary of Recommendations. We recommend that the Under Secretary of Defense for Acquisition Technology and Logistics terminate the Defense Environmental Security Corporate Information Management Program and stop funding. We also recommend that the Under Secretary for Acquisition Technology and Logistics issue DoD instructions required to implement DoD Directive 4715.1, "Environmental Security," February 24, 1996, and also determine the DoD corporate environmental reporting requirements at the federal, state, local, and international levels; and, in cooperation with the Military Departments and Defense Agencies design appropriate corporate mechanisms, to include relevant funding profiles, for complying with those requirements.

Management Comments. We issued the draft audit report on October 31, 2000. Management did not provide comments. We request that the Under Secretary of Defense for Acquisition Technology and Logistics submit comments on the final report by January 8, 2001.

Table of Contents

Executive Summary	i
Introduction	
Background	1
Objectives	1
Finding	2
Appendixes	
A. Audit Process	12
Scope	12
Methodology	12
Management Control Program	13
Prior Coverage	13
B. Corporate Information Management Initiative	14
C. Environmental Corporate Management Organization Structure	15
D. Report Distribution	20

Background

DoD established the Corporate Information Management (CIM) initiative in 1989 to improve functional processes, make better use of information technology, and avoid the cost of developing and supporting redundant systems. The Assistant Secretary of Defense (Command, Control, Communications and Intelligence), (ASD[C³I]) issued policy and guidance at the Office of the Secretary of Defense level and received the initial funding for all CIM initiatives. The Under Secretary of Defense for Acquisition Technology and Logistics (USD[AT&L]) provided oversight to its principal staff assistants responsible for CIM and distributed the funds received from ASD(C³I) to each functional CIM under its purview.

In December 1991, Defense Management Report Decision (DMRD) No. 920 directed the establishment of a CIM effort for environmental information systems. Based on DMRD 920, USD(AT&L) initiated the Defense Environmental Security Corporate Information Management (DESCIM)¹ Program in 1992. The DESCIM Program, under the direction of the Deputy Under Secretary of Defense for Environmental Security (DUSD[ES]), was not a discrete information system development effort but rather a collection of activities that included the development, operation and maintenance of a web site and review and development of information systems and applications, all of which were initially conducted under the rubric of the CIM initiative.

In the FY 2001 National Defense Authorization Act, section 319, Congress directed the Secretary of Defense to submit, not later than 60 days after the date of the enactment of the Act, a report to the congressional defense committees on the DESCIM Program. The report, which is pending, is to address issues with the DESCIM Program and contain specific recommendations regarding the future missions of the program.

Objectives

We conducted the audit in response to a request in April 2000 from the Chairman of the Senate Armed Services Committee. The objective of the audit was to evaluate the status and operation of the Defense Environmental Security Corporate Information Management Program. See Appendix A for a discussion of the audit scope and methodology, the organizations visited and contacted, management controls, and a summary of prior coverage related to the audit objective.

¹The original name for the program was Defense Environmental Corporate Information Management. The DUSD(ES) added Security to the program name at a later date.

Administration of the Defense Environmental Security Corporate Information Management Program

DoD did not effectively implement and manage the development of the DESCIM Program. This condition occurred because management did not:

- comply with policy to develop standard automated information systems for defense environmental programs that met established mission and interoperability requirements;
- develop environmental information systems consistent with information technology and program acquisition development strategies;
- establish a solid program infrastructure with a defined mission, cohesive organization, and clear management responsibilities; and
- document the management or expenditure of program funds in a responsible manner.

As a result, the DESCIM Program has not succeeded after the expenditure of \$100.4 million and 9 years of effort. Additionally, DoD did not realize its goals to improve functional processes, to make better use of information technology, and to eliminate duplicate environmental information systems across DoD. The projected funding for the Defense Environmental Security Corporate Information Management Program from FY 2001 through 2007 is \$57.7 million. While there may remain a need for corporate information reporting in the environmental area, DoD could put \$57.7 million to better use by terminating the DESCIM Program.

Departmental Policy

The DUSD(ES) did not comply with information technology acquisition policy to ensure that the DESCIM Program met Departmental environment mission requirements.

Corporate Information Management Initiative. The OSD began the CIM initiative in 1989 in an effort to save billions of dollars by streamlining operations and deploying standard information systems to support common business operations. The OSD believed that thousands of automated systems and numerous administrative and mission-related processes supporting DoD functions were redundant and inefficient. See Appendix B for a further discussion of the CIM initiative.

The DMRD 920, December 13, 1991, established the requirement for environmental functions to join in the CIM initiative. DMRD 920 stated that the DoD environmental mission lacked a comprehensive management approach, which resulted in inefficient and redundant organizations and slower overall implementation of the environmental mission. The USD(AT&L) responsibility was to ensure that automated systems developed for all environmental programs met established DoD mission and interoperability requirements. DoD transferred Component funds to OSD to support the centralization of the DESCIM efforts. Additionally, the DMRD 920 stated that USD(AT&L) and the Director, Defense Information, should establish a CIM group to determine the actual automation development requirements for environmental systems as rapidly as possible. Neither USD(AT&L) nor the Director, Defense Information, formally chartered or established an environmental CIM group.

Department of Defense Directive 4715.1. This Directive, "Environmental Security," February 24, 1996, established the policy for DoD to display environmental security leadership within DoD activities worldwide and support the national defense mission. The Directive provided 14 points to accomplish this including:

- cooperating with and involving appropriate United States federal, state, inter-state, Indian nation and local officials, and public stakeholders in the implementation of environmental security programs;
- making productive use of the corporate information management initiative;
- integrating environment, safety, occupational health, explosives safety, fire and emergency services, and integrated pest management values into DoD acquisition, procurement, maintenance, and repair processes for systems, equipment, facilities, and land; and,
- supporting international activities, consistent with national security policy, related to environmental security programs.

The directive required the USD(AT&L) to provide policy and guidance, oversight, advocacy, and representation for environmental security programs, and to issue organization and management guidance for and provide direction and supervision to the Environment, Safety, and Occupational Health Policy Board. Further, DUSD(ES) was to act on behalf of the USD(AT&L) on all its environmental security-related authorities, serve as principal staff assistant for the DESCIM Program, and prepare implementing instructions within one year. As of October 2000, USD(AT&L) had not prepared organization and management guidance for the board and DUSD(ES) had not prepared implementing instructions.

Information Technology Policy. The on-going emphasis on obtaining the full benefits of information technology has generated considerable Federal Government and DoD policy and direction. Good oversight and management practices dictate that DoD managers implement and follow such policy.

Clinger-Cohen Act of 1996. The Clinger-Cohen Act of 1996 required that executive managers implement deliberate processes for maximizing value and managing the risks of information technology acquisitions. The DESCIM Program consistently lacked a disciplined approach. For example, although the DESCIM Program began in 1992, DUSD(ES) did not complete a review of the environmental information system universe until 1996.

Office of Management and Budget. Office of Management and Budget Circular Numbers A-123, "Management Accountability and Control," June 21, 1995, and A-130, "Management of Federal Information Resources," February 8, 1996, established policy governing the management of Federal programs, to include the requirement to design a management structure to ensure accountability for results. DUSD(ES) did not adhere to the Office of Management and Budget policies for the DESCIM Program.

DoD Directive 5000.1. DoD Directive 5000.1, "Defense Acquisition," March 15, 1996, applied to all elements of the DoD. The Directive described broad management principles that were applicable to all DoD acquisition programs. The primary objective of the defense acquisition systems policy was to acquire quality products that satisfy the needs of the operational user with measurable improvements to mission accomplishment, in a timely manner, at a fair and reasonable price. Successful acquisition programs are fundamentally dependent upon competent people, rational priorities, and clearly defined responsibilities. The acquisition management system governed by this directive provided for a streamlined management structure and event-driven management process that emphasizes risk management and affordability and that explicitly links milestone decisions to demonstrated accomplishments.

DoD Directive 8000.1. DoD Directive 8000.1, "Defense Information Management (IM) Program," October 27, 1992, described management principles that are mandatory for all information management activities, including those related to acquisition of information systems, resources, services, and infrastructures. This policy applied to the information management resources and services used for routine administrative and business applications. It is DoD policy that accurate and consistent information shall be made available to decision-makers expeditiously to effectively execute the DoD missions. The policy further stated that a disciplined life-cycle approach shall be used to manage information systems from inception through discontinuance. Information systems are planned, acquired, developed, and implemented from a DoD-wide perspective to ensure consistency of information and processes in and across functional areas. Finally, information systems development or modernization shall be based on sound business principles, incorporating the evaluation of costs and benefits to include the satisfaction of mission requirements; and consistency with life-cycle management policies and procedures. Neither USD(AT&L) nor DUSD(ES) took steps to apply these principles to systems managed under the DESCIM Program and did not establish a solid program infrastructure with a defined mission, cohesive organization, and clear management responsibilities.

Management of the DESCIM Program

DoD management did not ensure that an effective DESCIM Program was developed that reduced legacy and duplicate environmental information systems. The DUSD(ES) long-range goal was to organize the migratory systems into seven DoD target suites that covered overall environmental functional activities. The seven suites were Environmental Security Corporate Reporting, Cleanup Technology, Information/Technology Transfer, Environmental Planning and Assessments, Environmental Inventory Management, Safety/Defense Explosives Safety Management, and Conservation. According to DUSD(ES) documentation, development work for three of the seven suites, Cleanup Technology, Environmental Planning and Assessments, and Conservation, had not started and DUSD(ES) had no plans to perform automation support. The remaining four suites, Environmental Security Corporate Reporting, Information/Technology Transfer, Environmental Inventory Management, and Safety, were under development but were not being used by more than two Military Departments. In FY 1997, USD(AT&L) terminated funding for DoD CIM efforts from a central fund but decided to continue funding the DESCIM Program from its operations and maintenance, defense-wide account.

Program Structure. The DUSD(ES) and the predecessor organization, the Deputy Assistant Secretary of Defense for the Environment, never established a solid program infrastructure with a defined mission, cohesive organization, and clear responsibilities in accordance with defense acquisition principles outlined in DoD Directives 5000.1 and 8000.1. In 1992, DUSD(ES) established the DESCIM Program office, on an ad hoc basis, using only detailees and contract employees to support DESCIM activities for over 6 years. The detailees were never formally assigned to DUSD(ES) and continued to be supported and appraised by their parent component. Frequent changes in personnel created program office turmoil and contributed to a lack of management stability, continuity, and coherence.

The DESCIM Program directors were also detailees from the Military Departments and were expected to respond to multiple levels of guidance and supervision as shown in the organization charts in Appendix C. These multiple expectations of the Program Directors could not be fulfilled. Although DUSD(ES) provided the only consistent source of program direction with regard to both information systems development and funds management, the program was poorly managed. This was particularly the case following the collapse of other CIM efforts and subsequent lack of involvement by the Military Departments and ASD(C³I). In 1998, DUSD(ES) used OSD business process reengineering personnel billets to staff the technical director and functional data administrator positions for the program. These two positions were the first OSD personnel billets assigned to the DESCIM Program. Appendix C shows the different organizational structures of the DESCIM program management office from January 1992 to October 2000.

Established Mission. For 9 years, the DESCIM Program functioned without a formal charter or strategic plan. The DUSD(ES) continued to disregard DoD Directive 8000.1, because it did not base the change in mission focus on sound

business principles and incorporate the evaluation of costs and benefits to include the satisfaction of mission requirements.

Charter. Although a proposed charter for the DESCIM Program was prepared and staffed in 1992, it was never finalized. Another charter signed by the Principal Deputy Under Secretary of Defense for Environmental Security in November 1999 was neither staffed with nor endorsed by the OSD, Military Departments, or Defense Agencies staff components. The November 1999 charter belatedly attempted to establish the purpose, mission, functions, organization, management responsibilities and relationships of the DESCIM program management office, 8 years after the DMRD 920 established the DESCIM Program. That charter stated that the DESCIM program management office, as the primary DoD agent, should ensure that the automated information management systems developed for all environmental security programs met the DoD mission and interoperability requirements. The mission of the DESCIM program management office, according to the November 1999 document, was to coordinate the development and maintenance of integrated, cost effective, and useful environmental security systems under the authority and direction of the DUSD(ES) in cooperation with the Military Departments and the Defense Agencies, in a manner that precluded duplication. The charter may have been appropriate in 1992 but was out-of-date in 1999 considering that DoD had reassessed the need of the CIM program before November 1999. The DoD determined that the CIM program had not succeeded in reducing the cost of system development and support.

Strategic Plan. The DUSD(ES) never coordinated, approved, or implemented a strategic plan for the DESCIM Program. DUSD(ES) wrote a draft strategic plan in 1994 which underwent several revisions, but never approved the document. The DUSD(ES) staff prepared another draft strategic plan titled "FY 2001 Strategic Plan," which was essentially the same as the 1994 plan. As of October 2000, DUSD(ES) has not finalized the FY 2001 strategic plan.

Program Redirection. The initial DMRD 920 established an environmental CIM in late 1991 to ensure that automated systems developed for all environmental programs met DoD mission and interoperability requirements. DMRD 920 states, "This is particularly crucial in successful implementation of the environmental program since installations may have more in common with another installation in the same state than with an installation in another state but in the same Service." To facilitate that goal, all funds expended to upgrade or develop DoD component environmental information systems were transferred from the component budgets to OSD.

By October 1993, the emphasis of all DoD CIM initiatives shifted from development and reengineering of systems to the elimination of legacy systems. The DESCIM Program responded by selecting 93 of the 1,766 legacy systems for further evaluation. By 1996, DUSD(ES) narrowed that universe to 29 environmental functional activity areas, but lost focus of both the developmental and installation levels. The initial goal of DUSD(ES) was to provide common tools to respond to the requirements generated by the Components.

One of the tools developed under the umbrella of the DESCIM Program was the Defense Environmental Network Information Exchange (DENIX), a worldwide web site. DENIX was the only DESCIM Program-developed tool used by all the Services and Defense Agencies. The site included email, file upload and download capability, and access to licensed copies of environmental subscriptions. However, DENIX did not fulfill the requirements of DMRD 920 nor was it within the scope of what the DESCIM Program was established to accomplish. DENIX also did not ensure that automated systems developed for environmental functional areas met the mission and interoperability requirements established by DoD. While informative, the web site did not reduce duplicative or inefficient environmental systems within the DoD, with the possible exception of the number of subscriptions to various environmental publications and information bulletin boards. Additionally, the environmental community stated that constant changes reduced the usefulness of the web site. The changes were more public relations driven than user driven. The DESCIM Program completely funded the development, operation, and maintenance of DENIX while the operation and maintenance of all other environmental systems under the DESCIM Program umbrella were paid for by the Military Departments that ran the system.

DoD Directive 4715.1, February 1996, added new areas of emphasis to the environmental portfolio, particularly in the areas of international security partnerships and partnerships with state and local governments. This new emphasis was reflected by the travel of the third DESCIM director in FY 1998 who was absent from the Washington area on travel 38 percent of the working days that year. The DUSD(ES) managers' and the DESCIM director's travel included trips to Darwin, Australia; Johannesburg, South Africa; and Stockholm, Sweden. Although this travel was not inconsistent with DoD policy, the DESCIM Program made little progress during this period.

The DESCIM Program redirection continued in FY 2000. A program briefing provided to the Senate Armed Services Committee in early spring 2000 by the DUSD(ES) indicated there were two major program changes in FY 2000: the shift from installation to DoD corporate requirements and the reduction of all functional activities under DUSD(ES). The DESCIM program management office would develop applications that satisfy the DoD corporate information requirements, particularly in the area of corporate reporting. In May 2000, however, DUSD(ES) stated that DESCIM Program systems were being developed for use by the Components because the requirements that existed at DUSD(ES) were broad requirements, such as the fulfillment of a DoD-wide data call. Finally, DUSD(ES) stated in June 2000 that it was preparing a termination/transition plan that would define the direction of the DESCIM Program. As of October 2000, DUSD(ES) had not completed the termination/transition plan.

Program Assessment. The DUSD(ES) had continual problems with program management functions in the DESCIM Program. The DUSD(ES) initiated at least three independent assessments of the DESCIM Program since its inception in 1992.

The Center for Integration and Interoperability performed the first assessment and issued "A Proposed Strategy for Implementing the Environmental Security CIM," on October 1, 1993. The proposed strategy, which was not adopted, was followed by a draft strategic concept document prepared by the Systems Research and Applications Corporation on April 8, 1994. That document concluded there was no clear guidance for the DESCIM Program because USD(AT&L) had not published an environmental security policy and the DESCIM was understaffed and under-resourced; lacked component support; and had no vision. The DUSD(ES) did not heed those early cautionary notes.

By late 1998, the Military Departments expressed concern about the lack of progress by the DESCIM Program. In response to their concerns, the DUSD(ES) contracted with the Science Application International Corporation to conduct a program review. The Science Application International Corporation review, completed in March 1999, concluded that the required products were not produced on time and the large amount of funding provided for the program from 1992 through 1998 had resulted in few products with limited users. Other findings included a lack of cooperation on DESCIM systems throughout DoD; the lack of a formal plan or strategy to show program goals and objectives; a severe problem with rotating personnel; and poor internal and external communications.

Funds Management

Financial controls for the DESCIM Program were flawed. We asked USD(AT&L) and DUSD(ES) to document obligations and expenditures of funds spent and projected for use by the program from FYs 1993 to 2000, excluding component funding in the earlier years for salaries and office support. The USD(AT&L) and DUSD(ES) could not provide any detailed financial records or information from FY 1993 through FY 1998, over 5 years, stating that all the DESCIM Program financial files for that period were at the Army Environmental Center. However, DUSD(ES) did provide supporting DESCIM financial information for FYs 1999 and 2000.

Because of the USD(AT&L) or DUSD(ES) inability to provide complete information pertaining to expenditures for the DESCIM Program, DUSD(ES) issued two memoranda on July 19, 2000, one to the Assistant Secretary of the Navy for Installations and Environment and the other to the Assistant Secretary of the Army for Installations and Environment, to request assistance in identifying and gathering the DESCIM Program funding. DUSD(ES) asked the Navy to perform a detailed audit of any personal records in the possession of two prior DESCIM directors for the period FY 1993 through FY 1998. At the same time, DUSD(ES) asked the Army to initiate a comprehensive and detailed audit of all DESCIM funding transactions for the period FY 1993 through FY 1998 which were maintained at the Army Environmental Center at Aberdeen Proving Ground.

We interviewed the prior DESCIM Directors but obtained limited information about the status of DESCIM funding. We also contacted the Army

Environmental Center to obtain information concerning DESCIM Program funds management.

The Army Environmental Center served as a management support office for the DESCIM Program from FYs 1993 to 1998. This arrangement was ad hoc, as were most arrangements pertaining to the DESCIM Program, and occurred, at least in part, because the individual detailed by Army to serve as a technical director of the DESCIM Program was located at the Army Environmental Center. All funds to support the DESCIM Program were provided through the Defense operations and maintenance, defense-wide account. Funding for the DESCIM Program was drawn from the USD(AT&L) allotment of Defense operations and maintenance, defense-wide account, and was transferred to the Army Environmental Center for program expenditures, as directed by DUSD(ES).

We obtained and reviewed personal files from the two prior directors and financial files pertaining to DESCIM located at the Army Environmental Center. The two prior directors each stated that, at the time of their departures from DUSD(ES), official detailed financial program files existed. The Army Environmental Center employees provided detailed financial records for all funds managed by the Army Environmental Center at the behest of DUSD(ES). Beginning in October 1999, the Assistant Chief of Staff Installation Management (Army) assumed responsibility for serving as the DESCIM management support office documented by a written agreement dated October 7, 1999. For FY 1999, the Assistant Chief of Staff for Installation Management (Army) executed funding in the amount of \$10.9 million at the direction of DUSD(ES) and another \$10 million in FY 2000.

The following chart shows the funds Army Environmental Center received from and expended as directed by DUSD(ES) for FY 1993 through 1998 and the FY 1999 and 2000 funds managed by the Assistant Chief of Staff Installation Management (Army).

FY	1993	1994	1995	1996	1997	1998	1999	2000
\$	9.6	11.9	9.8	14.2	16.3	17.7	10.9	10.0

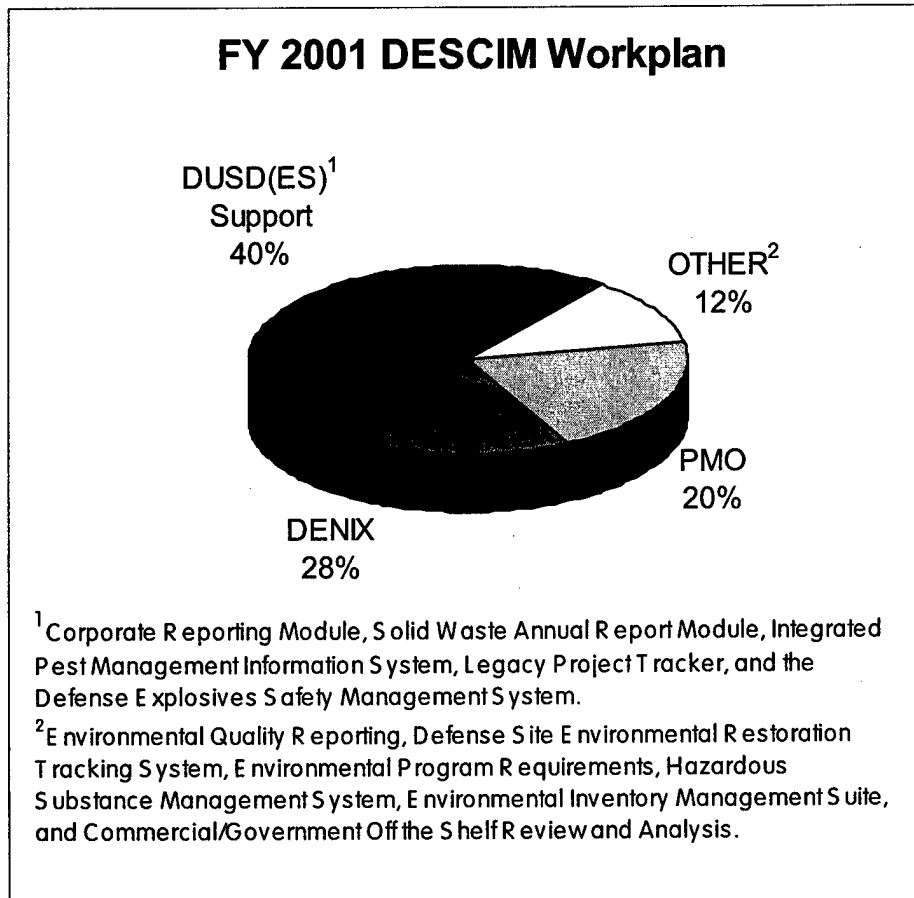
\$ in millions

Source: FYs 1993 through 1998, Army Environmental Center

FYs 1999 through 2000, Assistant Chief of Staff Installation Management (Army)

During the audit, the DESCIM director documented the funding allocation for the DESCIM Program among the different program systems in FYs 1999 and 2000, and projected for FY 2001. However, the program funding outline did not follow the Comptroller funding directives of OSD Program Budgeting Decision No. 071, November 20, 1995, which stated that as of FY 1996, the third year of DESCIM funding, the DESCIM program should have transitioned to a maintenance level, which required only minimal funding in FY 1997 and later years. Despite this guidance, continued development and operation of the DENIX web site, which was fully deployed in 1993, accounted for 28 percent of the projected FY 2001 DESCIM budget of \$14 million. As shown in the

following illustration, 88 percent of the DESCIM budget projected for FY 2001 provides for program office support, continued web site development, and systems developed solely to support DUSD(ES) operations.



The failure of either USD(AT&L) or DUSD(ES) to maintain records regarding the operations of the DESCIM Program from FY 1992 through FY 1998 constitute a breach of the requirements of DoD Directive 5015.2, "DoD Records Management Program," March 6, 2000, particularly section 5.3.2., which directs that records be: "created, maintained, and preserved to document the organization, functions, policies, decisions, procedures, and essential operational, logistical, and support transactions of the DoD."

The directive further directs the head of each DoD Component to advise all employees of their responsibility to: "create and maintain records; and not remove records from Government custody or destroy them, except as required or allowed under authorized record schedules."

Summary

The USD(AT&L) and DUSD(ES) never established a clear mission or identified user requirements for the DESCIM Program and did not ensure that the attributes of an information technology project were applied to the DESCIM Program. Additionally, the DESCIM Program did not eliminate redundant systems and inefficient administrative and mission-related processes. Also, the USD(AT&L) and DUSD(ES) did not practice sound business management practices, including use of performance goals and measures, nor provide the necessary oversight to ensure that the DESCIM Program would be effective. The DESCIM Program has not been successful and mere restructuring is unlikely to produce better results. Further, DESCIM Program results do not justify the \$100.4 million cost through FY 2000. While there may remain a need for corporate information reporting in the environmental area, DoD could put \$57.7 million to better use by terminating the DESCIM Program. If USD(AT&L) and DUSD(ES) determine that a need for corporate information reporting exists, the acquisition process must comply with DoD directives for information technology acquisition, to include planning, documentation, and funding requirements executed with the support of appropriately trained acquisition personnel.

Recommendations

We recommend that The Under Secretary of Defense for Acquisition, Technology, and Logistics:

1. Terminate the Defense Environmental Security Corporate Information Program and stop all funding.
2. Issue DoD instructions required to implement DoD Directive 4715.1.
3. Determine the DoD corporate environmental reporting requirements at the Federal, state, local, and international levels; and, in cooperation with Military Departments and Defense Agencies, design appropriate corporate mechanisms, to include relevant funding profiles, for complying with those requirements.

Management Comments Required

The Under Secretary of Defense for Acquisition Technology and Logistics did not comment on a draft of this report. We request that the Under Secretary of Defense for Acquisition Technology and Logistics provide comments on the final report by January 8, 2001.

Appendix A. Audit Process

Scope

Work Performed. We performed this audit in response to an April 25, 2000, request from the Senate Committee on Armed Services, which asked that we conduct a detailed review of the DESCIM Program and address the progress of the Program and performance since its inception in FY1992. We reviewed the available program and funding documentation, both draft and signed, from FY1992 through FY2000 including program charters, strategic plans, program reviews, contracts, and financial summaries. Additionally, we assessed the program against applicable CIM, Information Technology, and Environmental criteria and policy requirements from 1989 through 2000.

DoD-Wide Corporate Level Government Performance and Results Act (GPRA) Goals. In response to the Government Performance and Results Act, the Secretary of Defense annually establishes DoD-wide corporate level goals, subordinate performance goals, and performance measures.

DoD Functional Area Reform Goals. Most major DoD functional areas have also established performance improvement reform objectives and goals. This report pertains to achievement of the following functional area objectives and goals.

- **Information Technology Management Area. Objective:** Provide services that satisfy customer information needs. **Goals:** Modernize and integrate Defense information infrastructure. (ITM-2.2) and Improve information technology management tools. (ITM-2.4)
- **Information Technology Management Area. Objective:** Reform information technology management processes to increase efficiency and mission contribution. **Goal:** Institute fundamental information technology management reform efforts. (ITM-3.2)

General Accounting Office High-Risk Area. The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Information Management and Technology high-risk area.

Methodology

Use of Computer-Processed Data. We did not use computer-processed data to perform this audit.

Audit Type, Dates and Standards. We performed this economy and efficiency audit from May through October 2000. The audit was conducted in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available on request.

Management Control Program

DoD Directive 5010.38, "Management Control (MC) program," August 26, 1996, and DoD Instruction 5010.40, "Management Control (MC) Program Procedures," August 28, 1996, required DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs achieve their intended results, resources are used consistent with agency mission, are operating as intended, and resources are protected against fraud, waste, and mismanagement.

Scope of Review of the Management Control program. Although we did not review the DESCIM Program's management control program, we reviewed the adequacy of management controls as they relate to the status and operation of the DESCIM Program. Specifically, we reviewed the management of and funding process of the DESCIM Program. We interviewed personnel from the DESCIM Program Management Office, DUSD(ES), the DoD Comptroller, Washington Headquarters Service, the Army Environmental Center, the Assistant Chief of Staff for Army Installation Management, Naval Facilities Engineering Command, and the Military Department Secretariats.

Adequacy of Management Controls. We identified a material control weakness, as defined by DoD Directive 5010.38, for the DESCIM Program. The USD(AT&L) and DUSD(ES) never established clear requirements for the DESCIM Program and did not ensure that the program management attributes of an information technology project were applied to the DESCIM Program. The USD(AT&L) and DUSD(ES) also did not practice sound business management practices or provide necessary oversight to ensure that the DESCIM Program would be effective. Additionally, the USD(AT&L) and DUSD(ES) had not implemented management controls or maintained complete financial records that provided reasonable assurance that revenues, obligations, and expenditures applicable to DESCIM Program operations for FY 1992 to FY 1998 were properly recorded and accounted to permit the preparation of accurate accounts and reliable statistical reports.

Prior Coverage

During the past 5 years, there have been no audit reports issued that related to the DESCIM Program.

Appendix B. Corporate Information Management Initiative

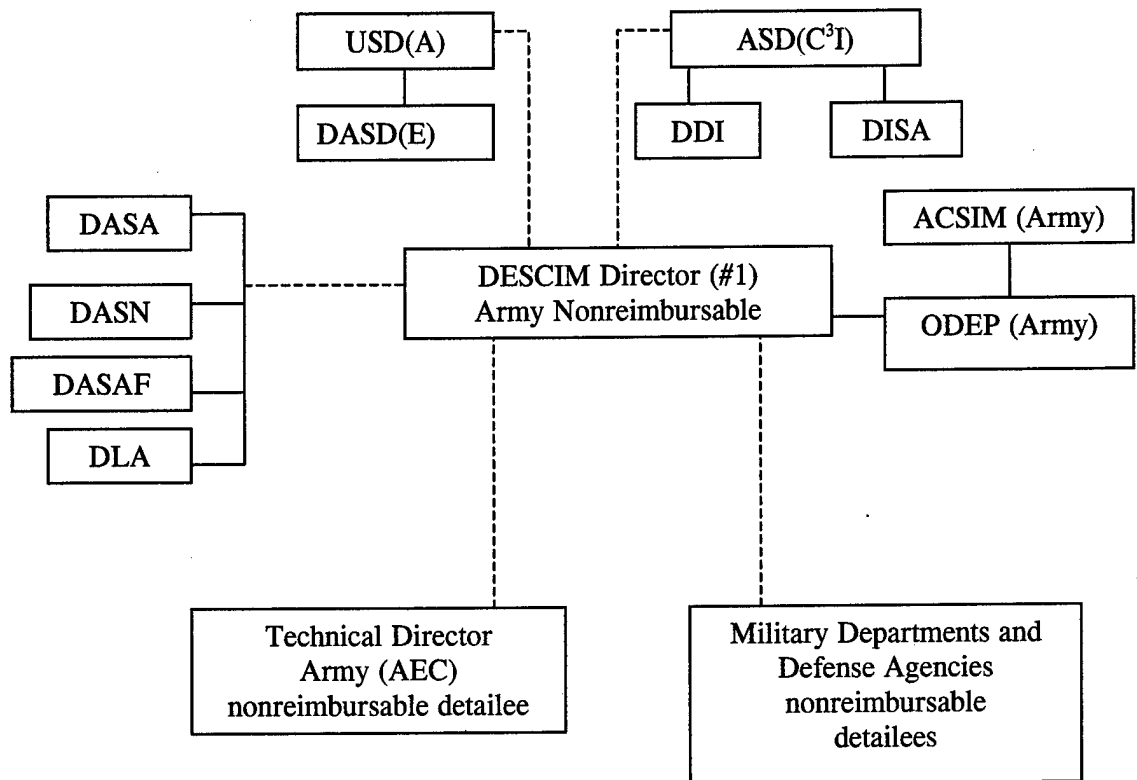
The Deputy Under Secretary of Defense memorandum "DoD Corporate Information Management," October 4, 1989, that established the CIM initiative and stated that DoD needed to improve the standardization, quality, and consistency of data from multiple management information systems. The memorandum also called for the establishment of an executive-level group of experts to provide broad guidance. The Secretary of Defense issued a memorandum "Implementation of Corporate Information Management Principles," November 16, 1990, that stated the objective of implementing the CIM initiative was to establish strong centralized policies for implementation of CIM principles through decentralized management structures. The Secretary of Defense assigned ASD(C³I) responsibility for establishing an organization to implement CIM throughout DoD and for ensuring the proper integration of DoD computing, telecommunications, and information management activities.

As CIM was envisioned, DoD emphasized two ways of achieving process improvements and addressing problems associated with its disparate and stovepipe information technology environment. The first was to reengineer business processes and then apply technology to the new processes. The second involved selecting the best DoD information systems from groups of legacy systems that provided similar automated support services and eventually replacing the duplicative systems with the best systems.

In 1997, the RAND Corporation assessed the CIM effort. The assessment looked at the DoD restructuring and reshaping of infrastructure and business practices in "Strategic Appraisal 1997: Strategy and Defense Planning for the 21st Century." The appraisal concluded that the CIM effort was widely viewed as a failure in most quarters of DoD. The CIM had not resulted in either significant process reengineering or visible savings in the hardware and software required to support information systems in the DoD infrastructure. The appraisal states that the main lesson of the CIM initiatives was that top-down, centralized management does not appear to work in the organizational environment of the defense establishment.

Appendix C. Environmental Corporate Management Organization Structure

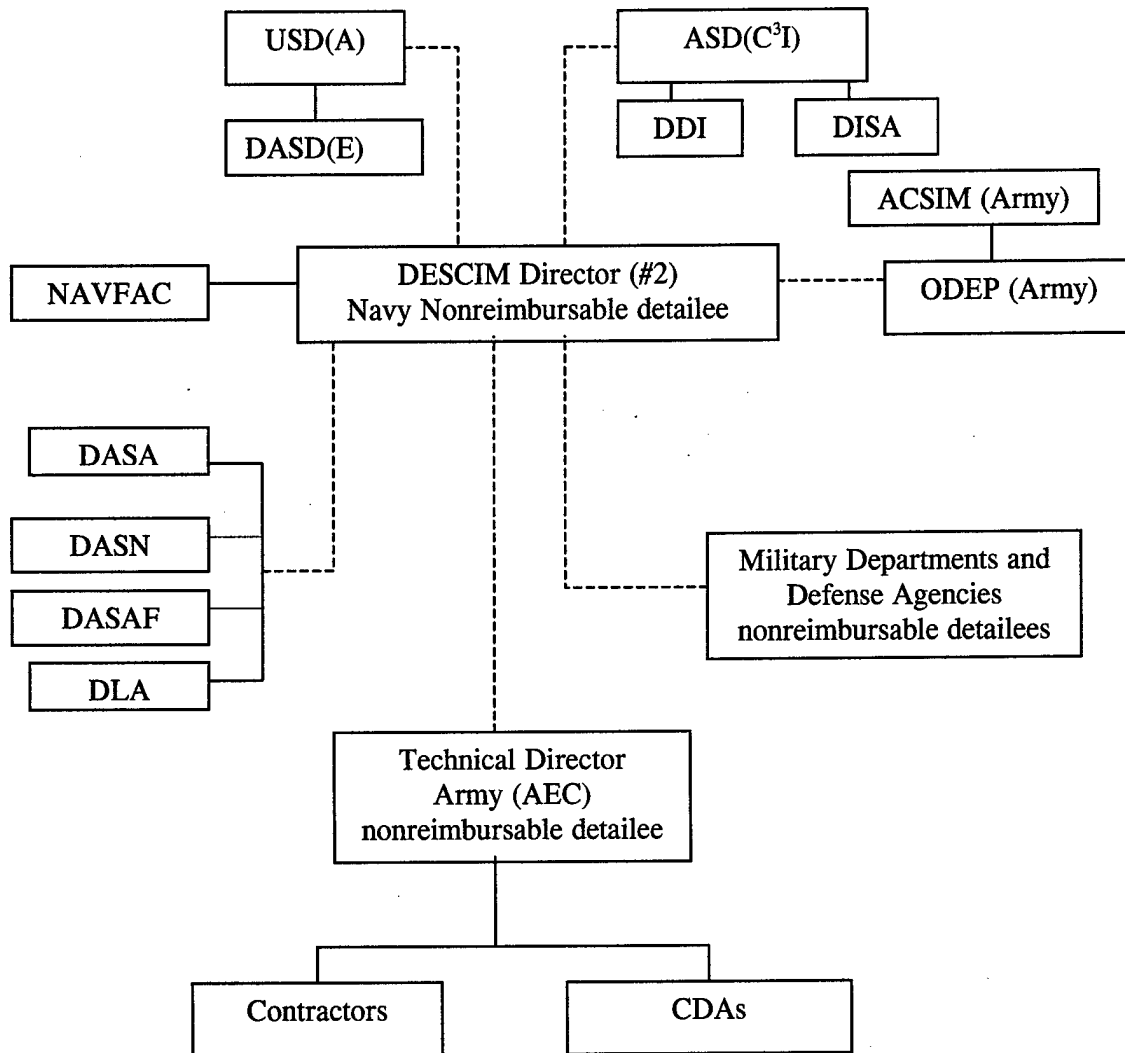
January 1992



Acronyms for organization charts are found on page 19

Environmental Corporate Management Organization Structure
(Cont'd)

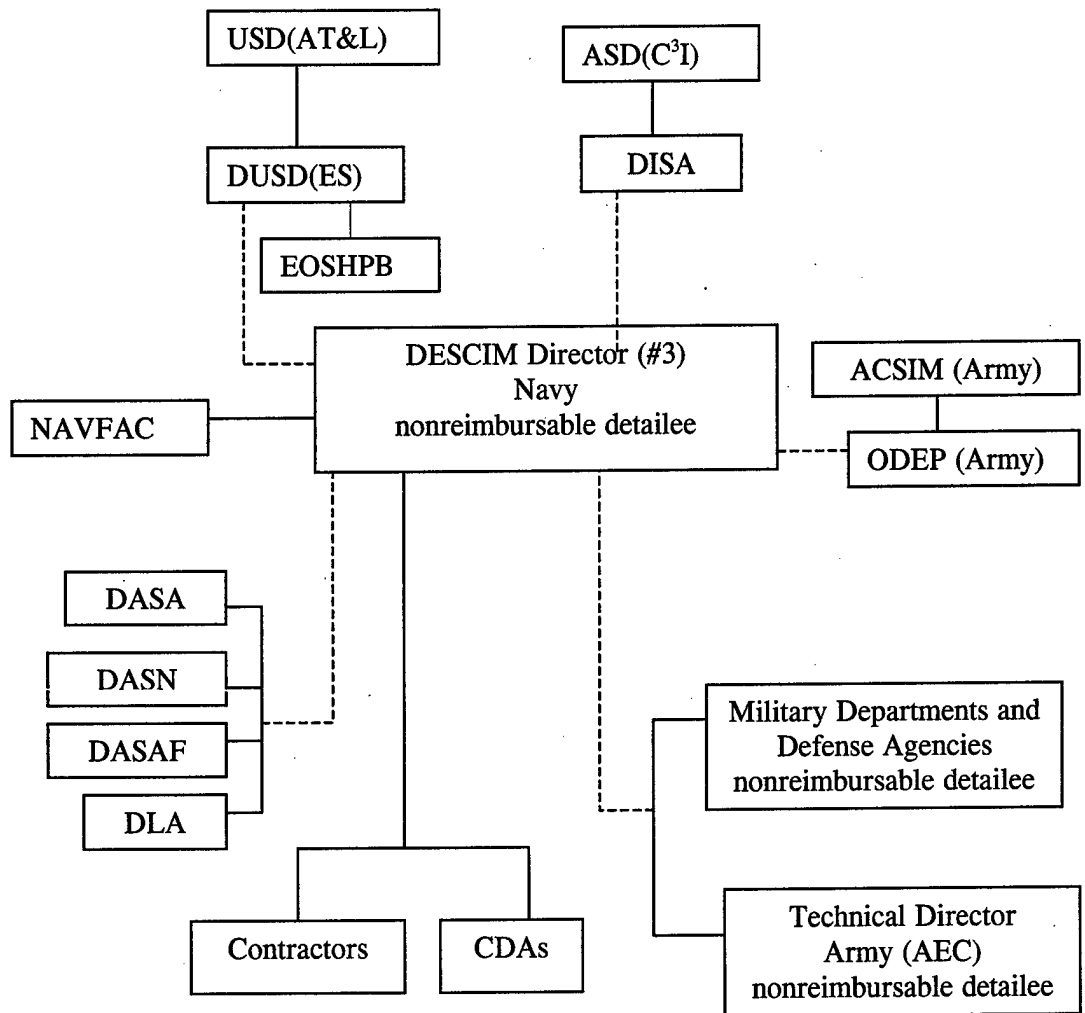
June 1992



Acronyms for organization charts are found on page 19

Environmental Corporate Management Organization Structure
(Cont'd)

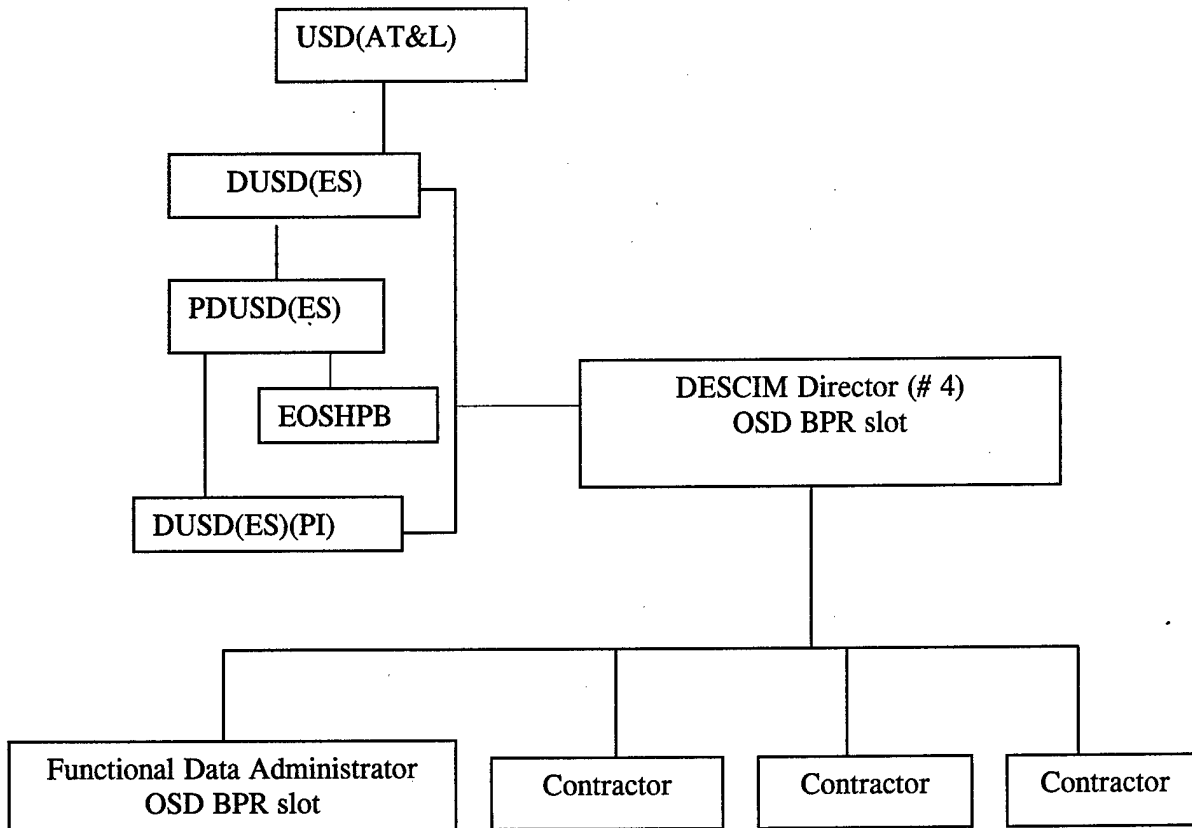
1996



Acronyms for organization charts are found on page 19

Environmental Corporate Management Organization Structure
(Cont'd)

1998 to Present



Acronyms for organization charts are found on page 19

Environmental Corporate Management Organization Structure Acronyms

ACSIM	Assistant Chief of Staff for Installation Management (Army)
ASD(C ³ I)	Assistant Secretary of Defense for Command, Control, Communication, and Intelligence
AEC	Army Environmental Center
CDA	Central Design Activities
DASA	Deputy Assistant Secretary of the Army for Environmental Safety & Occupational Health
DASAF	Deputy Assistant Secretary of the Air Force for Environment, Safety & Occupational Health
DASD(E)	Deputy Assistant Secretary of Defense for Environment
DASN	Deputy Assistant Secretary of the Navy for Environment & Safety
DDI	Director, Defense Information
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DUSD(ES)	Deputy Under Secretary of Defense for Environmental Security
DUSD(ES)(PI)	Deputy Under Secretary of Defense for Environmental Security Program Integration
DESCIM	Defense Environmental Security Corporate Information Management
EOSHBP	Environmental, Occupational, Safety and Health Policy Board
NAVFAC	Naval Facilities Engineering Command
ODEP	Office of the Director Environmental Programs
OSDBPR	Office of the Secretary of Defense Business Process Reengineering
PDUSD(ES)	Principal Deputy Under Secretary of Defense for Environmental Security
USD(A)	Under Secretary of Defense for Acquisition
USD(AT&L)	Under Secretary of Defense for Acquisition Technology and Logistics (Formerly USD(A))

Appendix D. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Acquisition, Technology, and Logistics)
Deputy Under Secretary of Defense (Environmental Security)
Under Secretary of Defense (Comptroller/Chief Financial Officer)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
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Department of the Navy

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Department of the Air Force

Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations and
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Office of Management and Budget

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations

Senate Subcommittee on Defense, Committee on Appropriations

Senate Committee on Armed Services

Senate Committee on Governmental Affairs

House Committee on Appropriations

House Subcommittee on Defense, Committee on Appropriations

House Committee on Armed Services

House Committee on Government Reform

House Subcommittee on Government Management, Information, and Technology,

Committee on Government Reform

House Subcommittee on National Security, Veterans Affairs, and International

Relations, Committee on Government Reform

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