



Testimony

Before the Subcommittee on Federal Financial Management,
Government Information, Federal Services, and
International Security, Committee on Homeland Security
and Governmental Affairs, U.S. Senate

For Release on Delivery
Expected at 2:30 p.m. EDT
Thursday, September 20, 2007

INFORMATION TECHNOLOGY

Further Improvements Needed to Identify and Oversee Poorly Planned and Performing Projects

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Highlights of [GAO-07-1211T](#), a testimony before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The Office of Management and Budget (OMB) plays a key role in overseeing federal information technology (IT) investments. The Clinger-Cohen Act, among other things, requires OMB to establish processes to analyze, track, and evaluate the risks and results of major capital investments in information systems made by agencies and to report to Congress on the net program performance benefits achieved as a result of these investments. OMB has developed several processes to help carry out its role. For example, OMB began using a Management Watch List several years ago as a means of identifying poorly planned projects based on its evaluation of agencies' funding justifications for major projects, known as exhibit 300s. In addition, in August 2005, OMB established a process for agencies to identify high risk projects and to report on those that are performing poorly.

GAO testified last year on the Management Watch List and high risk projects, and on GAO's recommendations to improve these processes. GAO was asked to (1) provide an update on the Management Watch List and high risk projects and (2) identify OMB's efforts to improve the identification and oversight of these projects. In preparing this testimony, GAO summarized its previous reports on initiatives for improving the management of federal IT investments. GAO also analyzed current Management Watch List and high risk project information.

To view the full product, including the scope and methodology, click on [GAO-07-1211T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

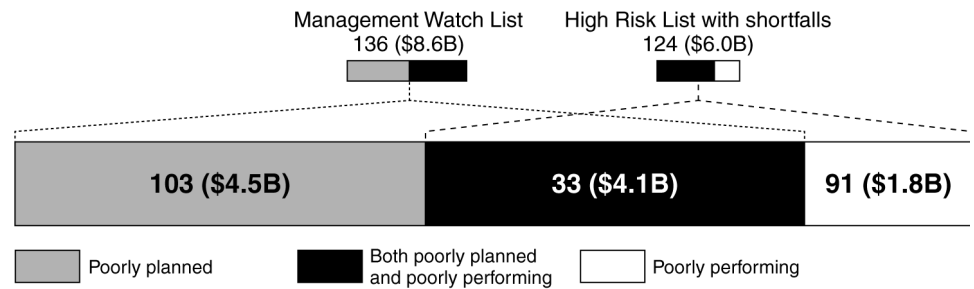
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What GAO Found

OMB and federal agencies have identified approximately 227 IT projects—totaling at least \$10.4 billion in expenditures for fiscal year 2008—as being poorly planned (on the Management Watch List), poorly performing (on the High Risk List with performance shortfalls), or both. The figure below shows the distribution of these projects as well as their associated dollar values.

Poorly Planned and Poorly Performing IT Projects (as of June 2007)



Source: GAO analysis of OMB data.

OMB has taken steps to improve the identification and oversight of the Management Watch List and High Risk projects by addressing recommendations previously made by GAO, however, additional efforts are needed to more effectively perform these activities. Specifically, GAO previously recommended that OMB take action to improve the accuracy and reliability of exhibit 300s and consistent application of the high risk projects criteria, and perform governmentwide tracking and analysis of Management Watch List and high risk project information. In response to these recommendations, OMB, for example, started publicly releasing aggregate lists of Management Watch List and high risk projects by agency in September 2006 and has been updating them since then on a quarterly basis. However, OMB does not publish the reasons for placing projects on the Management Watch List, nor does it specifically identify why high risk projects are poorly performing. Providing this information would allow OMB and others to better analyze the reasons projects are poorly planned and performing, take corrective actions, and track these projects on a governmentwide basis. Such information would also help to highlight progress made by agencies or projects, identify management issues that transcend individual agencies, and highlight the root causes of governmentwide issues and trends. Until OMB makes further improvements in the identification and oversight of poorly planned and poorly performing IT projects, potentially billions in taxpayer dollars are at risk of being wasted.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the federal government's key processes for improving the management of information technology (IT) investments totaling \$65 billion for fiscal year 2008. Effective management of these investments is essential to the health, economy, and security of the nation. The Office of Management and Budget (OMB) plays a key role in overseeing federal IT investments. In particular, as required by the Clinger-Cohen Act, OMB must establish processes to analyze, track, and evaluate the risks and results of major capital investments in information systems made by executive agencies and to report to Congress on the net program performance benefits achieved as a result of these investments.

To help carry out its oversight role, OMB has developed several processes, including its Management Watch List and high risk projects.¹ The Management Watch List identifies projects that are poorly planned (projects with weaknesses in their funding justifications, known as exhibit 300s). High risk projects require special attention from oversight authorities and the highest level of agency management, and include projects that are poorly performing (projects experiencing performance shortfalls, meaning that they do not meet one or more of four performance evaluation criteria).² The Management Watch List and high risk processes are instrumental in helping to identify and improve oversight of poorly planned and poorly performing projects.

Last September, we testified on OMB's oversight of federal IT projects. We highlighted the number and dollar value of the projects identified as poorly planned and/or poorly performing as a result of the Management Watch

¹While not a subject of my testimony, OMB also uses the e-Gov Scorecard as a mechanism for managing federal IT projects. Quarterly e-Gov Scorecards are reports that use a red/yellow/green scoring system to illustrate the results of OMB's evaluation of agencies' implementation of e-government criteria in the President's Management Agenda. The scores are determined in quarterly reviews, where OMB evaluates agency progress toward agreed-upon goals along several dimensions, and provides input to the quarterly reporting on the President's Management Agenda. Key criteria used to score agencies e-government process include acceptable business cases, cost and schedule performance; and security accreditation. As of June 30, 2006, 21 of the 26 departments/major agencies were identified as having a yellow (mixed results) or red (unsatisfactory) score.

²High risk projects are identified as having performance shortfalls if one or more of the following performance evaluation criteria are not met: establishing baselines with clear cost, schedule, and performance goals; maintaining the project's cost and schedule variances within 10 percent; assigning a qualified project manager; and avoiding duplication by leveraging inter-agency and governmentwide investments.

List and high risk processes. Given the importance of OMB's oversight processes, you asked us to (1) provide an update on the Management Watch List and High Risk projects, and (2) identify OMB's efforts to improve the identification and oversight of these projects. In preparing this testimony, we summarized our previous reports on initiatives for improving the management of federal IT investments and interviewed OMB staff on their efforts to better identify and oversee Management Watch List and high risk projects.³ We also analyzed current Management Watch List and high risk project information. We performed our work in accordance with generally accepted government auditing standards.

Results in Brief

OMB and federal agencies have identified approximately 227 IT projects—totaling at least \$10.4 billion in expenditures for fiscal year 2008—as being poorly planned, poorly performing, or both. Specifically, through the Management Watch List process, OMB determined that 103 projects (totaling about \$4.5 billion) are poorly planned. In addition, agencies reported that 91 of their high risk projects (totaling about \$1.8 billion) were poorly performing. Thirty-three projects (totaling about \$4.1 billion) are both poorly planned and poorly performing. For example, the Department of Treasury's Electronic Fraud Detection System was identified as being poorly planned, the Social Security Administration's Disability Service Improvement project was identified as being poorly performing, and the Department of Homeland Security's Secure Border Initiative Net Technology Program was identified as being both poorly planned and poorly performing.

OMB has taken steps to improve the identification and oversight of the Management Watch List and High Risk projects by addressing some of the recommendations that we had made previously. However, additional efforts are needed to more effectively perform these activities. Specifically, we previously recommended that OMB take action to improve the accuracy and reliability of exhibit 300s, of application of the high risk projects criteria, and perform governmentwide tracking and analysis of Management Watch List and high risk project information. In

³GAO, *Information Technology: OMB Can Make More Effective Use of Its Investment Reviews*, [GAO-05-276](#) (Washington, D.C.: April 15, 2005); *Information Technology: Agencies Need to Improve the Accuracy and Reliability of Investment Information*, [GAO-06-250](#) (Washington, D.C.: Jan.12, 2006); *Information Technology: Agencies and OMB Should Strengthen Processes for Identifying and Overseeing High Risk Projects*, [GAO-06-647](#) (Washington, DC, June 15, 2006).

response to our recommendations, OMB, for example, started publicly releasing aggregate lists of Management Watch List and high risk projects by agency in September 2006 and has been updating them since then on a quarterly basis by posting them on their website. However, OMB does not publish the reasons for placing projects on the Management Watch List, nor does it specifically identify why high risk projects are poorly performing. Providing this information would allow OMB and others to better analyze the reasons projects are poorly planned and performing, take corrective actions, and track these projects on a governmentwide basis. Such information would also help to highlight progress made by agencies or projects, identify management issues that transcend individual agencies, and highlight the root causes of governmentwide issues and trends. Until OMB makes further improvements in the identification and oversight of poorly planned and poorly performing IT projects, potentially billions in taxpayer dollars are at risk of being wasted.

Background

Each year, OMB and federal agencies work together to determine how much the government plans to spend for IT and how these funds are to be allocated. Federal IT spending has risen to an estimated \$65 billion in fiscal year 2008.

OMB plays a key role in overseeing the implementation and management of federal IT investments. To improve this oversight, Congress enacted the Clinger-Cohen Act in 1996, expanding the responsibilities delegated to OMB and agencies under the Paperwork Reduction Act.⁴ Among other things, Clinger-Cohen requires agency heads, acting through agency chief information officers, to better link their IT planning and investment decisions to program missions and goals and to implement and enforce IT management policies, procedures, standards, and guidelines. The act also requires that agencies engage in capital planning and performance and results-based management.⁵ OMB's responsibilities under the act include establishing processes to analyze, track, and evaluate the risks and results of major capital investments in information systems made by executive agencies. OMB must also report to Congress on the net program

⁴44 U.S.C. § 3504(a)(1)(B)(vi)(OMB); 44 U.S.C. § 3506(h)(5) (agencies).

⁵40 U.S.C. § 11312; 40 U.S.C. § 11313.

performance benefits achieved as a result of major capital investments in information systems that are made by executive agencies.⁶

In response to the Clinger-Cohen Act and other statutes, OMB developed policy for planning, budgeting, acquisition, and management of federal capital assets. This policy is set forth in OMB Circular A-11 (section 300) and in OMB's Capital Programming Guide (supplement to Part 7 of Circular A-11), which directs agencies to develop, implement, and use a capital programming process to build their capital asset portfolios. Among other things, OMB's Capital Programming Guide directs agencies to

- evaluate and select capital asset investments that will support core mission functions that must be performed by the federal government and demonstrate projected returns on investment that are clearly equal to or better than alternative uses of available public resources;
- institute performance measures and management processes that monitor actual performance and compare to planned results; and
- establish oversight mechanisms that require periodic review of operational capital assets to determine how mission requirements might have changed and whether the asset continues to fulfill mission requirements and deliver intended benefits to the agency and customers.

To further support the implementation of IT capital planning practices as required by statute and directed in OMB's Capital Programming Guide, we have developed an IT investment management framework⁷ that agencies can use in developing a stable and effective capital planning process. Consistent with the statutory focus on selecting,⁸ controlling,⁹ and

⁶These requirements are specifically described in the Clinger-Cohen Act, 40 U.S.C. § 11302 (c).

⁷GAO, *Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity*, GAO-04-394G (Washington, D.C.: March 2004).

⁸During the selection phase, the organization (1) identifies and analyzes each project's risks and returns before committing significant funds to any project and (2) selects those IT projects that will best support its mission needs.

⁹During the control phase, the organization ensures that, as projects develop and investment expenditures continue, the project is continuing to meet mission needs at the expected levels of cost and risk. If the project is not meeting expectations or if problems have arisen, steps are quickly taken to address the deficiencies.

evaluating¹⁰ investments, this framework focuses on these processes in relation to IT investments specifically. It is a tool that can be used to determine both the status of an agency's current IT investment management capabilities and the additional steps that are needed to establish more effective processes. Mature and effective management of IT investments can vastly improve government performance and accountability. Without good management, such investments can result in wasteful spending and lost opportunities for improving delivery of services to the public.

Prior Reviews on Federal IT Investment Management Have Identified Weaknesses

Only by effectively and efficiently managing their IT resources through a robust investment management process can agencies gain opportunities to make better allocation decisions among many investment alternatives and further leverage their investments. However, the federal government faces enduring IT challenges in this area. For example, in January 2004 we reported on mixed results of federal agencies' use of IT investment management practices.¹¹ Specifically, we reported that although most of the agencies had IT investment boards responsible for defining and implementing the agencies' investment management processes, agencies did not always have important mechanisms in place for these boards to effectively control investments, including decision-making rules for project oversight, early warning mechanisms, and/or requirements that corrective actions for underperforming projects be agreed upon and tracked. Executive-level oversight of project-level management activities provides organizations with increased assurance that each investment will achieve the desired cost, benefit, and schedule results. Accordingly, we made several recommendations to agencies to improve their practices.

In previous work using our investment management framework, we reported that the use of IT investment management practices by agencies was mixed. For example, a few agencies that have followed the framework in implementing capital planning processes have made significant

¹⁰During the evaluation phase, actual versus expected results are compared once projects have been fully implemented. This is done to (1) assess the project's impact on mission performance, (2) identify any changes or modifications to the project that may be needed, and (3) revise the investment management process based on lessons learned.

¹¹GAO, *Information Technology Management: Governmentwide Strategic Planning, Performance Measurement, and Investment Management Can Be Further Improved*, [GAO-04-49](#) (Washington, D.C.: Jan. 12, 2004).

improvements.¹² In contrast, however, we and others have continued to identify weaknesses at agencies in many areas, including immature management processes to support both the selection and oversight of major IT investments and the measurement of actual versus expected performance in meeting established performance measures.¹³ For example, we recently reported that the Department of Homeland Security and the Department of Treasury did not have the processes in place to effectively select and oversee their major investments.¹⁴

OMB's Management Watch List Is Intended to Correct Project Weaknesses and Business Case Deficiencies

To help ensure that investments of public resources are justified and that public resources are wisely invested, OMB began using its Management Watch List in the President's fiscal year 2004 budget request, as a means to oversee the justification for and planning of agencies' IT investments. This list was derived based on a detailed review of the investments' Capital Asset Plan and Business Case, also known as the exhibit 300.

The exhibit 300 is a reporting mechanism intended to enable an agency to demonstrate to its own management, as well as OMB, that a major project is well planned in that it has employed the disciplines of good project management; developed a strong business case for the investment; and met other Administration priorities in defining the cost, schedule, and performance goals proposed for the investment.

We reported in 2005 that OMB analysts evaluate agency exhibit 300s by assigning scores to each exhibit 300 based on guidance presented in OMB Circular A-11.¹⁵ As described in this circular, the scoring of a business case

¹²These agencies include the Departments of Agriculture, Commerce, and the Interior.

¹³For example, GAO, *Information Technology; Treasury Needs to Strengthen Its Investment Board Operations and Oversight*, [GAO-07-865](#) (Washington, D.C.; Jul. 23, 2007); *Information Technology; DHS Needs to Fully Define and Implement Policies and Procedures for Effectively Managing Investments*, [GAO-07-424](#) (Washington, D.C., Apr. 27, 2007); *Information Technology; Centers for Medicare & Medicaid Services Needs to Establish Critical Investment Management Capabilities*, [GAO-06-12](#) (Washington, D.C.: Oct. 28, 2005); *Information Technology; Departmental Leadership Crucial to Success of Investment Reforms at Interior*, [GAO-03-1028](#) (Washington, D.C.: Sept. 12, 2003); and *United States Postal Service: Opportunities to Strengthen IT Investment Management Capabilities*, [GAO-03-3](#) (Washington, D.C.: Oct. 15, 2002).

¹⁴[GAO-07-424](#) and [GAO-07-865](#).

¹⁵[GAO-05-276](#).

consists of individual scoring for 10 categories, as well as a total composite score of all the categories. The 10 categories are

- acquisition strategy,
- project (investment) management,
- enterprise architecture,
- alternatives analysis,
- risk management,
- performance goals,
- security and privacy,
- performance-based management system (including the earned value management system),¹⁶
- life-cycle costs formulation, and
- support of the President's Management Agenda.

Projects are placed on the Management Watch List if they receive low scores (3 or less on a scale from 1 to 5) in the areas of performance goals, performance-based management systems, security and privacy or a low composite score.

According to OMB, agencies with weaknesses in these three areas are to submit remediation plans addressing the weaknesses. OMB officials also stated that decisions on follow-up and monitoring the progress are typically made by staff with responsibility for reviewing individual agency budget submissions, depending on the staff's insights into agency operations and objectives. According to OMB officials, those Management Watch List projects that receive specific follow-up attention receive feedback through the passback process, targeted evaluation of

¹⁶Earned value management is a project management tool that integrates the investment scope of work with schedule and cost elements for investment planning and control. This method compares the value of work accomplished during a given period with that of the work expected in the period. Differences in expectations are measured in both cost and schedule variances.

remediation plans designed to address weaknesses, the apportioning of funds so that the use of budgeted dollars was conditional on appropriate remediation plans being in place, and the quarterly e-Gov Scorecards. OMB removes projects from the Management Watch List as agencies remediate the weaknesses identified with these projects' business cases.

OMB's High Risk Projects Process Intended to Correct and Improve Project Performance

As originally defined in OMB Circular A-11 and subsequently reiterated in an August 2005 memorandum, high risk projects are those that require special attention from oversight authorities and the highest levels of agency management. These projects are not necessarily "at risk" of failure, but may be on the list because of one or more of the following four reasons:

- The agency has not consistently demonstrated the ability to manage complex projects.
- The project has exceptionally high development, operating, or maintenance costs, either in absolute terms or as a percentage of the agency's total IT portfolio.
- The project is being undertaken to correct recognized deficiencies in the adequate performance of an essential mission program or function of the agency, a component of the agency, or another organization.
- Delay or failure of the project would introduce for the first time unacceptable or inadequate performance or failure of an essential mission function of the agency, a component of the agency, or another organization.

Most agencies reported that to identify high risk projects, staff from the Office of the Chief Information Officer compare the criteria against their current portfolio to determine which projects met OMB's definition. They then submit the list to OMB for review. According to OMB and agency officials, after the submission of the initial list, examiners at OMB work with individual agencies to identify or remove projects as appropriate. According to most agencies, the final list is then approved by their Chief Information Officer.

For the identified high risk projects, beginning September 15, 2005, and quarterly thereafter, Chief Information Officers are to assess, confirm, and document projects' performance. Specifically, agencies are required to

determine, for each of their high risk projects, whether the project was meeting one or more of four performance evaluation criteria:

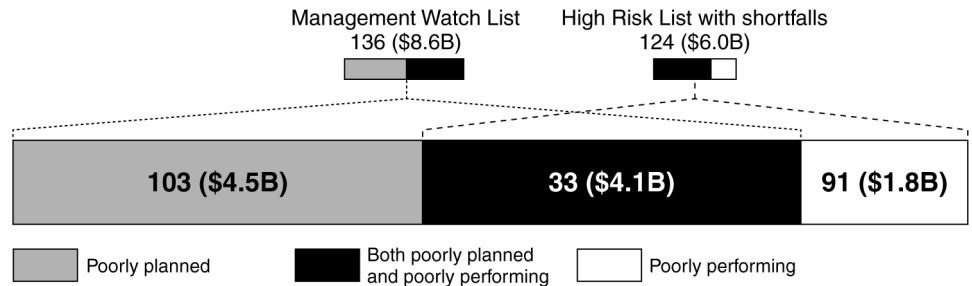
- establishing baselines with clear cost, schedule, and performance goals;
- maintaining the project's cost and schedule variances within 10 percent;
- assigning a qualified project manager; and
- avoiding duplication by leveraging inter-agency and governmentwide investments.

If a high risk project meets any of these four performance evaluation criteria, agencies are instructed to document this using a standard template provided by OMB and provide this template to oversight authorities (e.g., OMB, agency inspectors general, agency management, and GAO) on request. Upon submission, according to OMB staff, individual analysts review the quarterly performance reports of projects with shortfalls to determine how well the projects are progressing and whether the actions described in the planned improvement efforts are adequate using other performance data already received on IT projects such as the e-Gov Scorecards, earned value management data, and the exhibit 300.

Poorly Planned and Performing Projects Total at Least \$10 Billion in Estimated Expenditures for Fiscal Year 2008

OMB and federal agencies have identified approximately 227 IT projects—totaling at least \$10.4 billion in expenditures for fiscal year 2008—as being poorly planned, poorly performing, or both. Figure 1 shows the distribution of these projects and their associated dollar values.

Figure 1: Poorly Planned and Poorly Performing IT Projects (as of June 2007)



Source: GAO analysis of OMB data.

Hundreds of Projects Totaling Billions of Dollars Are Placed on the Management Watch List Annually

Each year, OMB places hundreds of projects totaling billions of dollars on the Management Watch List. Table 1 provides a historical perspective of the number of these projects and their associated budget since OMB started reporting on the Management Watch List in the President's budget request for 2004. The table shows that while the number of projects and their associated budget have generally decreased since then, they increased by 83 projects this year, and represent a significant percentage of the total budget.

Table 1: Management Watch List Budget for Fiscal Years 2004-2008 (in billions)

Fiscal years	Total federal IT projects (associated budget)	Management Watch List projects (associated budget)	Percentage of federal IT projects on Management Watch List (percentage of budget)
2004	1400 (\$59.0)	771 (\$20.9)	55% (35%)
2005	1200 (\$60.0)	621 (\$22.0)	52% (37%)
2006	1087 (\$65.0)	342 (\$15.0)	31% (23%)
2007	857 (\$64.0)	263 (\$9.9)	31% (15%)
2008	840 (\$65.0)	346 (\$14.0)	41% (22%)

Source: GAO analysis of OMB data.

As of July 2007,¹⁷ 136 projects, representing \$8.6 billion, still remained on the Management Watch List (see appendix 1 for complete list). We determined that 29 of these projects were on the Management Watch List as of September 2006.

¹⁷ This is the date of OMB's most recent Management Watch List update.

**Poorly Performing
Projects Total About \$6
Billion in Estimated
Expenditures for Fiscal
Year 2008**

As of June 2007, when agencies last reported on their high risk projects to OMB, the 24 major agencies identified 438 IT projects as high risk, of which 124 had performance shortfalls collectively totaling about \$6.0 billion in funding requested for fiscal year 2008. Table 2 shows that the number of projects, as well as the number of projects with shortfalls increased this year. OMB attributes this rise to increased management oversight by agencies.

Table 2: High Risk Projects with Performance Shortfalls for Fiscal Years 2007 and 2008 (associated budget in billions)

Fiscal years	Total federal IT projects	High risk projects (associated budget)	High risk projects with shortfalls (associated budget)	Percentage of high risk projects shortfalls (percentage of budget)
2007	857 (\$64.0)	226 (\$6.4) ^a	79 (\$2.2) ^a	9% (3.4% of total IT budget)
2008	840 (\$65.0)	438 (\$14.0) ^b	124 (\$6.0) ^b	15% (9% of total IT budget)

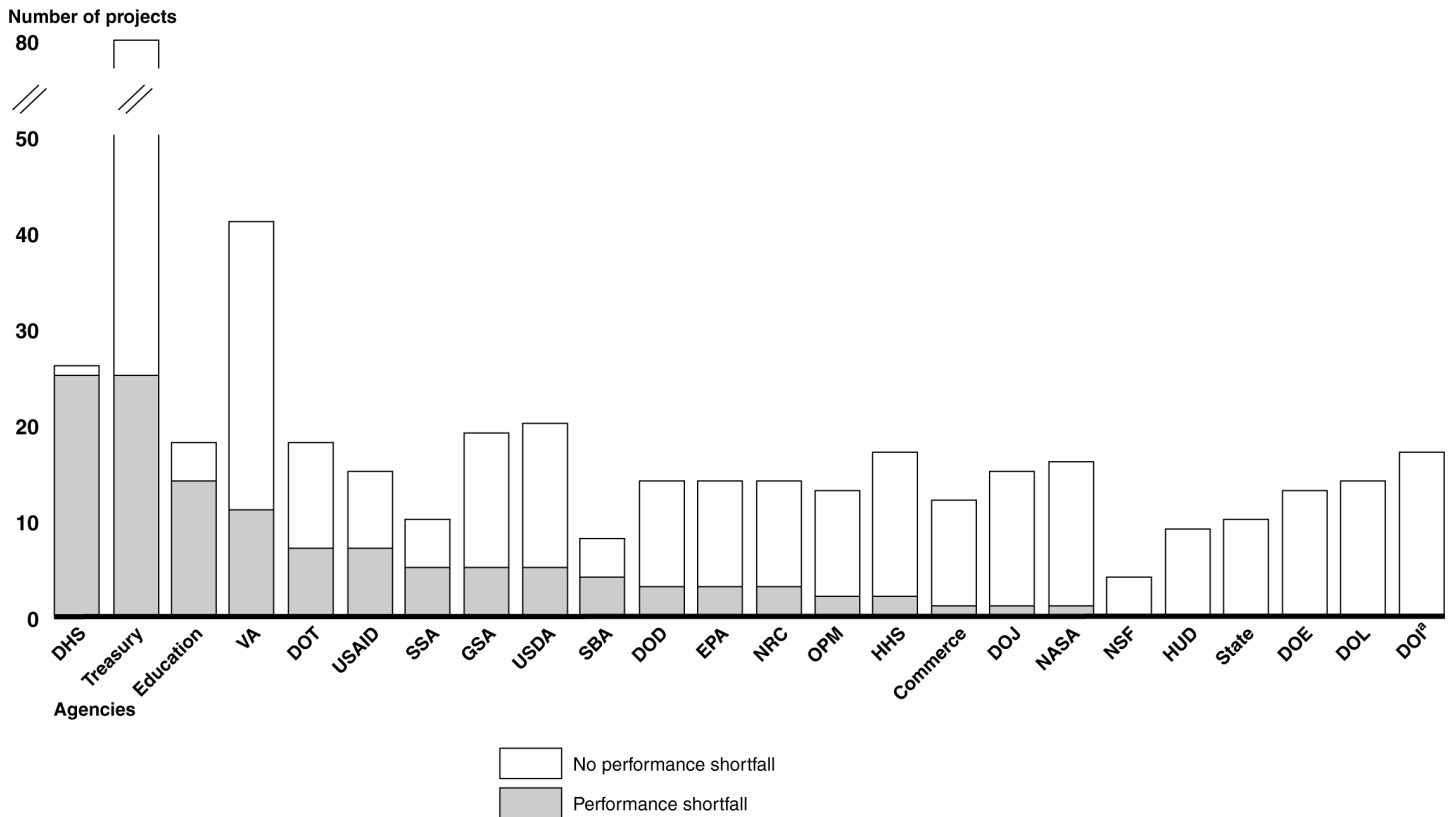
Source: GAO analysis of OMB data.

^aThese number and dollar figures are from September 2006.

^bThese number and dollar figures are from June 2007.

The majority of projects were not reported to have had performance shortfalls. In addition, five agencies—the departments of Energy, Housing and Urban Development, Labor, and State, and the National Science Foundation—reported that none of their high risk projects experienced any performance shortfalls. Figure 2 illustrates the number of high risk projects by agency as of June 2007, with and without shortfalls.

Figure 2: Number of Agencies High Risk Projects with and without Performance Shortfalls (as of June 2007)



Source: GAO analysis of OMB data.

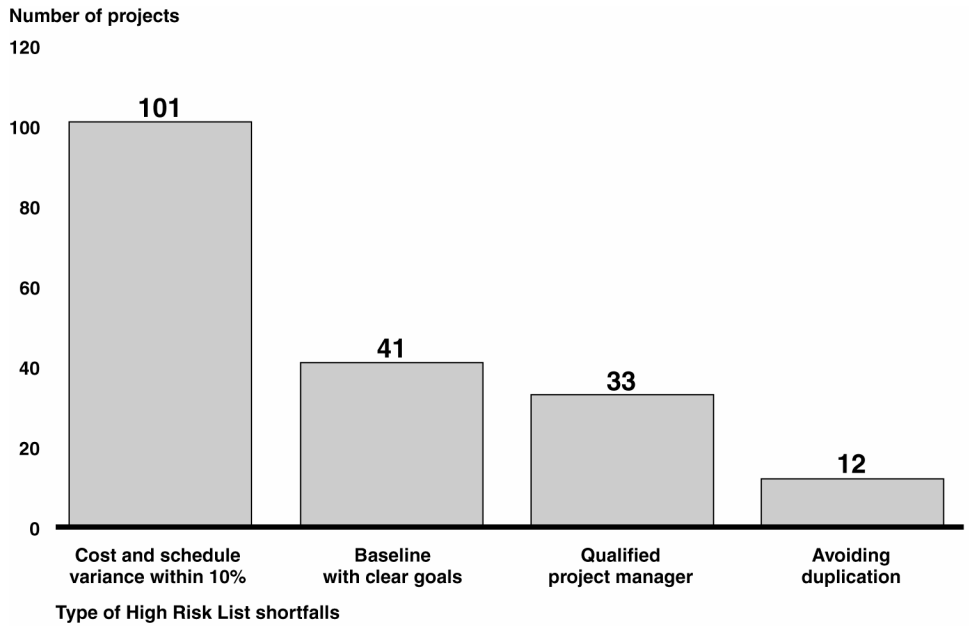
Notes: One project can have multiple shortfalls.

Department of Homeland Security (DHS); Department of Veterans Affairs (VA); Department of Transportation (DOT); U.S. Agency for International Development (USAID); Social Security Administration (SSA); General Services Administration (GSA); Department of Agriculture (USDA); Small Business Administration (SBA); Department of Defense (DOD); Environmental Protection Agency (EPA); Nuclear Regulatory Commission (NRC); Office of Personnel Management (OPM); Department of Health and Human Services (HHS); Department of Justice (DOJ); National Aeronautics and Space Administration (NASA); National Science Foundation (NSF); Department of Housing and Urban Development (HUD); Department of Energy (DOE); Department of Labor (DOL); Department of Interior (DOI).

*The Department of Interior did not provide their June 2007 high risk report to GAO.

Agencies reported cost and schedule variances that exceeded 10 percent as the greatest shortfall. This is consistent with what they reported about a year ago, and the distribution of shortfalls types is similar to last year. Figure 3 illustrates the reported number and type of performance shortfalls associated with high risk projects.

Figure 3: Reported Performance Shortfalls of 126 Projects (as of June 2007)



Source: GAO analysis of OMB data.

Appendix II identifies the shortfalls associated with each of the poorly performing projects.

Twenty-two high risk projects have experienced performance shortfalls for the past four quarters (see figure 4).

Figure 4: High Risk Projects with Shortfalls in the Last 4 Quarters Sorted by Funding

Agency	Investment name	Fiscal year 2008 request (in millions)	Shortfalls by Quarter							
			2005		2006				2007	
			Sept	Dec	Mar	June	Sept	Dec	Mar	June
DHS	Secure Border Initiative Net Technology Program	1,000	■	■	■	■	■	■	■	■
USDA	Modernize and Innovate the Delivery of Agricultural Systems	144	■	■	■	■	■	■	■	■
DHS	Secure Flight	53	■	■	■	■	■	■	■	■
VA	VistA Imaging	41	■	■	■	■	■	■	■	■
DHS	Transportation Worker Identification Credentialing	38	■	■	■	■	■	■	■	■
DHS	Hazmat Threat Assessment Program	28	■	■	■	■	■	■	■	■
Treasury	Integrated Financial System/CORE Financial System	17	■	■	■	■	■	■	■	■
DHS	National Emergency Management Information System	17	■	■	■	■	■	■	■	■
DHS	Disaster Management E-Gov	13	■	■	■	■	■	■	■	■
DOJ	Regional Data Exchange	10	■	■	■	■	■	■	■	■
USAID	Homeland Security Presidential Directive 12	10	■	■	■	■	■	■	■	■
USAID	Joint Assistance Management System/Procurement System Improvement Project	10	■	■	■	■	■	■	■	■
USDA	ConnectHR	10	■	■	■	■	■	■	■	■
SBA	Business Gateway	6	■	■	■	■	■	■	■	■
Treasury	Treasury Foreign Intelligence Network	3	■	■	■	■	■	■	■	■
USDA	Common Information Management System	2	■	■	■	■	■	■	■	■
DHS	Alien Flight Student Program	2	■	■	■	■	■	■	■	■
USAID	E-Authentication	2	■	■	■	■	■	■	■	■
USAID	E-Records	1	■	■	■	■	■	■	■	■
USAID	E-Travel	1	■	■	■	■	■	■	■	■
DHS	Registered Traveler	0	■	■	■	■	■	■	■	■
VA	Patient Financial Services System	0	■	■	■	■	■	■	■	■

■ Quarter in which the project had shortfall(s)

Source: GAO analysis of OMB data.

Note: Department of Homeland Security (DHS); Department of Agriculture (USDA); Department of Veterans Affairs (VA); Department of Justice (DOJ); U.S. Agency for International Development (USAID); Small Business Administration (SBA)

Of these projects, the following six have had shortfalls since the High Risk List was established in September 2005.

- Department of Homeland Security’s (DHS) Secure Border Initiative Net Technology Program, which is expected to provide on-scene agents near real-time information on attempted border crossings by illegal aliens, terrorists, or smugglers;

-
- Department of Agriculture's (USDA) Modernize and Innovate the Delivery of Agricultural Systems, which is intended to modernize the delivery of farm program benefits by deploying an internet-based self-service capabilities for customers, and eliminating the department's reliance on aging technology and service centers as the sole means of delivering program benefits;
 - Department of Veterans Affairs' (VA) VistA Imaging, which should provide complete online patient data to health care providers, increase clinician productivity, facilitate medical decision-making, and improve quality of care;
 - DHS's Transportation Worker Identification Credentialing, which is to establish a system-wide common secure biometric credential, used by all transportation modes, for personnel requiring unescorted physical and/or logical access to secure areas of the transportation system;
 - Department of Justice's (DOJ) Regional Data Exchange, which is expected to combine and share regional investigative information and provide powerful tools for analyzing the integrated data sets; and
 - VA's Patient Financial Services System, which is expected create a comprehensive business solution for revenue improvement utilizing improved business practices, commercial software, and enhanced VA clinical applications.

Several Projects are Both Poorly Planned and Poorly Performing

Thirty-three projects are on both the Management Watch List and list of high risk projects with shortfalls, meaning that they are both poorly planned and poorly performing. They total about \$4.1 billion in estimated expenditures for fiscal year 2008. These projects are listed in table 3 below.

Table 3: Projects on both the Management Watch List and the High Risk List with Shortfalls.

Agency	Investment name	Fiscal year 2008 request (in millions)
DHS	CBP Secure Border Initiative net Technology Program	1,000
DHS	DHS Financial Management Transformation; E-Gov: E-Travel Migr.; FM LoB Migr.; FM LoB Legacy Sys.	6
DHS	DHS HR IT; E-Gov: HR LoB Migr.; E-Training Migr.; EHRI Migr.; E-Training Legacy Sys.; HR LoB Legacy Sys.	17
DHS	DHS Infrastructure	1,071
DHS	FEMA eNEMIS	17
DHS	Consolidated Enforcement Environment	11
DHS	Rescue 21	0
Education	Budget Formulation and Execution LoB	0
Education	Common Origination and Disbursement	8
Education	Common Services for Borrowers	15
Education	Data Warehouse	1
Education	Education Resources Information Center	9
NASA	Integrated Enterprise Management – Core Financial	22
NRC	Electronic Information Exchange/E-Authentication Migration	1
OPM	E-Training	0
Treasury	Chief Counsel	1
Treasury	Enterprise IT Infrastructure Optimization Initiative	1,638
Treasury	Financial Analysis & Reporting System Applications	3
Treasury	Fiscal Management	0
Treasury	Integrated Collection System	9
Treasury	Integrated Financial System/CORE Financial System	17
Treasury	Enterprise Systems	1
Treasury	Examinations	4
Treasury	Treasury-Wide Enterprise Content Management Services	6
USDA	Food and Agriculture Bio-Surveillance Integration System	0
USDA	–ConnectHR	10
USDA	Modernize and Innovate the Delivery of Agricultural Systems	144
VA	Financial & Logistics Integrated Technology Enterprise	48
VA	Medical and Prosthetic Research Operations	24
VA	My HealthVet	17
VA	Patient Financial Services System	0
VA	Learning Management System	6
VA	VistA Imaging	41

Source: GAO Analysis of OMB data.

Note: Department of Homeland Security (DHS); National Aeronautics and Space Administration (NASA); Nuclear Regulatory Commission (NRC); Office of Personnel Management (OPM); Department of Agriculture (USDA); Department of Veterans Affairs (VA)

OMB Has Taken Steps to Improve the Identification and Oversight of Management Watch List and High Risk Projects, but Additional Efforts Are Needed

OMB has taken steps to improve the identification and oversight of the Management Watch List and high risk projects by addressing some of the recommendations we previously made, but additional efforts are needed to more effectively perform these activities and ultimately ensure that potentially billions of taxpayer dollars are not wasted. Specifically, we previously recommended that OMB take action to improve the accuracy and reliability of exhibit 300s and application of the high risk projects criteria, and perform governmentwide tracking and analysis of Management Watch List and high risk project information. While OMB took steps to address our concerns, more can be done.

Exhibit 300s Are Now Reported Publicly but Their Accuracy and Reliability Issues Remain

In January 2006, we noted that the underlying support for information provided in the exhibit 300s was often inadequate and that, as a result, the Management Watch List may be undermined by inaccurate and unreliable data.¹⁸ Specifically, we noted that

- documentation either did not exist or did not fully agree with specific areas of all exhibit 300s;
- agencies did not always demonstrate that they complied with federal or departmental requirements or policies with regard to management and reporting processes; for example, no exhibit 300 had cost analyses that fully complied with OMB requirements for cost-benefit and cost-effectiveness analyses; and
- data for actual costs were unreliable because they were not derived from cost-accounting systems with adequate controls; in the absence of such systems, agencies generally derived cost information from ad hoc processes.

¹⁸ [GAO-06-250](#).

We recommended, among other things, that OMB direct agencies to improve the accuracy and reliability of exhibit 300 information.

To address our recommendation, in June 2006, OMB directed agencies to post their exhibit 300s on their website within two weeks of the release of the President's budget request for fiscal year 2008. While this is a step in the right direction, the accuracy and reliability of exhibit 300 information is still a significant weakness among the 24 major agencies,¹⁹ as evidenced by a March 2007 President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency study commissioned by OMB to ascertain the validity of exhibit 300s.²⁰ Specifically, according to individual agency reports contained within the study, Inspectors General found that the documents supporting agencies' exhibit 300s continue to have accuracy and reliability issues. For example, according to these reports, the Agency for International Development did not maintain the documentation supporting exhibit 300s cost figures. In addition, at the Internal Revenue Service, the exhibit 300s were unreliable because, among other things, project costs were being reported inaccurately and progress on projects in development was measured inaccurately.

High Risk Criteria Are Being Applied More Consistently, but Questions Remain as to Whether All Projects Are Identified, Including Projects with Shortfalls

In June 2006, we noted that OMB did not always consistently apply the criteria for identifying high risk projects. For example, we identified projects that appeared to meet the criteria but that were not designated as high risk.²¹ Accordingly, we recommended that OMB apply their high risk criteria consistently. OMB has since designated as high risk the projects that we identified. Further, OMB officials stated that they have worked with agencies to ensure a more consistent application of the high risk criteria. These are positive steps, as they result in more projects receiving the management attention they deserve.

However, questions remain as to whether all high risk projects with shortfalls are being reported by agencies. For example, we have reported

¹⁹President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency, *Fiscal Years 2006 and 2007 Assessments Of Federal Agencies' Exhibit 300s*, (Washington, D.C.: March 2007).

²⁰President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency, *Fiscal Years 2006 and 2007 Assessments Of Federal Agencies' Exhibit 300s*, (Washington, D.C.: March 2007).

²¹[GAO-06-647](#).

in our high risk series²² that the Department of Defense's efforts to modernize its business systems have been hampered because of weaknesses in practices for (1) developing and using an enterprise architecture, (2) instituting effective investment management processes, and (3) establishing and implementing effective systems acquisition processes. We concluded that the department remains far from where it needs to be to effectively and efficiently manage an undertaking of such size, complexity, and significance. Despite these problems, Department of Defense (DOD), which accounts for \$31 billion of the government's \$65 billion in IT expenditures, only reported three projects as being high risk with shortfalls representing a total of about \$1 million. The dollar value of DOD's three projects represents less than one tenth of one percent of high risk projects with shortfalls. In light of the problems we and others have identified with many of DOD's projects, this appears to be an underestimation. Given the critical nature of high risk projects, it is particularly important to identify early on those that are performing poorly, before their shortfalls become overly costly to address.

Management Watch List and High Risk Projects Made Public, but Governmentwide Analyses Still Not Performed

Finally, to improve the oversight of the Management Watch List projects, we recommended in our April 2005 report²³ that the Director of OMB report to Congress on projects' deficiencies, agencies' progress in addressing risks of major IT investments, and management areas needing attention. In addition, to fully realize the potential benefits of using the Management Watch List, we recommended that OMB use the list as the basis for selecting projects for follow-up, tracking follow-up activities and analyze the prioritized list to develop governmentwide and agency assessments of the progress and risks of IT investments, identifying opportunities for continued improvement. We also made similar recommendations to the Director of OMB regarding high risk projects. Specifically, we recommended that OMB develop a single aggregate list of high risk projects and their deficiencies and use that list to report to Congress progress made in correcting high risk problems, actions under way, and further actions that may be needed.

²²GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: January 2005); *High-Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

²³GAO, *Information Technology: Improvements Needed to More Accurately Identify and Better Oversee Risky Projects Totaling Billions of Dollars*, [GAO-06-1099T](#) (Washington, D.C.: Sept. 7, 2006).

To its credit, OMB started publicly releasing aggregate lists of the Management Watch List and high risk projects in September 2006, and has been releasing updated versions on a quarterly basis by posting them on their website. While this is a positive step, OMB does not publish the specific reasons that each project is placed on the Management Watch List, nor does it specifically identify why high risk projects are poorly performing, as we have done in appendix II. Providing this information would allow OMB and others to better analyze the reasons projects are poorly planned and performing and take corrective actions and track these projects on a governmentwide basis. Such information would also help to highlight progress made by agencies or projects, identify management issues that transcend individual agencies, and highlight the root causes of governmentwide issues and trends. Such analysis would be valuable to agencies in planning future IT projects, and could enable OMB to prioritize follow-up actions and ensure that high-priority deficiencies are addressed.

In summary, the Management Watch List and high risk projects processes play important roles in improving the management of federal IT investments by helping to identify poorly planned and poorly performing projects that require management attention. As of June 2007, the 24 major agencies had 227 such projects totaling at least \$10 billion. OMB has taken steps to improve the identification of these projects, including implementing recommendations related to improving the accuracy of exhibit 300s and the application of the high risk projects criteria. However, the number of projects may be understated because issues concerning the accuracy and reliability of the budgetary documents the Management Watch List is derived from still remain and high risk projects with shortfalls may not be consistently identified.

While OMB can act to further improve the identification and oversight of poorly planned and poorly performing projects, we recognize that agencies must also take action to fulfill their responsibilities in these areas. We have addressed this in previous reports and made related recommendations. Until further improvements in the identification and oversight of poorly planned and poorly performing IT projects, potentially billions in taxpayer dollars are at risk of being wasted.

GAO Contact and Acknowledgments

If you should have any questions about this testimony, please contact me at (202) 512-9286 or by e-mail at pownerd@gao.gov. Individuals who made key contributions to this testimony are Sabine Paul, Assistant Director; Neil Doherty; Amos Tevelow; Kevin Walsh and Eric Winter.

Appendix I: Management Watch List Projects

The following provides additional detail on the investments comprising OMB's Management Watch List as of July 2007. Under the Clinger-Cohen Act of 1996, agencies are required to submit business plans for IT investments to OMB. If the agency's investment plan contains one or more planning weaknesses, it is placed on OMB's Management Watch List and targeted for follow-up action to correct potential problems prior to execution.

We estimated the fiscal year 2008 request based on the data in the *Report on IT Spending for Fiscal Years 2006, 2007, and 2008* (generally referred to as exhibit 53), and data provided by agencies.

Table 4: Management Watch List Projects by Agency

Agency	Investment name	Fiscal year 2008 request (in millions)
The Corps	Project Management Information System II	15
The Corps	Resident Management System	3
DHS	Non Intrusive Inspection System Program (Large Scale)	0*
DHS	Non Intrusive Inspection System Program (Small Scale)	0*
DHS	Secure Border Initiative net Technology Program	1,000
DHS	Unmanned Aircraft Systems	0*
DHS	Financial Management Transformation	6
DHS	HR IT	17
DHS	Infrastructure	1,071
DHS	Technical Operations Support	0
DHS	National Emergency Management Information System	17
DHS	Flood Map Modernization	6
DHS	Risk Assessment Systems	6
DHS	Integrated Financial Management Information System	2
DHS	Consolidated Enforcement Environment	11
DHS	Computer Network Service Defense Provider	0
DHS	Computer Forensics Laboratory	0
DHS	Integrated Deepwater System	7
DHS	Rescue 21	0
DHS	Central Index System	3
DHS	Immigration - CLAIMS 3.0	10
DHS	Naturalization - CLAIMS 4.0	16
DOD	Defense Information System for Security	64
DOL	Labor Executive Accountability Program	12

Agency	Investment name	Fiscal year 2008 request (in millions)
DOT	IT Combined Infrastructure	233
Education	Budget Formulation and Execution Line of Business	0
Education	Common Origination and Disbursement	8
Education	Common Services for Borrowers	15
Education	Data Warehouse	1
Education	Education Resources Information Center	9
Education	Integrated Technical Architecture/ Enterprise Application Integration	8
Education	Migrant Student Information Exchange	4
Education	National Student Loan Data System	10
Education	Student Aid Internet Gateway	1
HHS	IT Infrastructure	126
HHS	Consolidated Infrastructure	102
HHS	Commissioned Corps Force Management System	2
HHS	Prototype Nationwide Health Information Network Architectures	56
NASA	Shared Capability Asset Program	41
NASA	Payload Operations and Integration Center	20
NASA	Integrated Collaborative Environment	21
NASA	Earth Observing Sys Data Info Sys	131
NASA	Center for Computational Sciences	15
NASA	Space and Ground Network IT Support	5
NASA	Flight Operations	79
NASA	Integrated Planning System	14
NASA	Mission Control Center	50
NASA	Software Development/Integration Laboratory	132
NASA	Space Shuttle Program Flight Software	86
NASA	Space Shuttle Program Integration	13
NASA	Space Station Production Facility	7
NASA	Shuttle Ground Camera	2
NASA	Shuttle Ground Operations	51
NASA	Shuttle Integrated Logistics	11
NASA	Shuttle Launch Control System	51
NASA	Shuttle Processing Support	13
NASA	Integrated Enterprise Management - Aircraft Management Module	5
NASA	Integrated Enterprise Management - Core Financial	22
NASA	Integrated Enterprise Management - Integrated Asset Management - Plant Property & Equipment Module	4
NASA	Office Automation, IT Infrastructure, and Telecommunications	547

Agency	Investment name	Fiscal year 2008 request (in millions)
NASA	Deep Space Network	33
NASA	Integrated Services Network	88
NRC	Agency-wide Documents Access and Management System	12
NRC	Budget Formulation Application	0
NRC	Cost Accounting System	1
NRC	Digital Data Management System	0
NRC	Human Resources Management System	1
NRC	Incident Response System	4
NRC	Infrastructure Services and Support	52
NRC	License Fee Billing System	1
NRC	License Fee Billing System Replacement	1
NRC	Licensing Support Network	2
NRC	Licensing Tracking System/Web Based Licensing	0
NRC	National Source Tracking System	4
NRC	Reactor Program System	1
NRC	Secure LAN and Electronic Safe	5
OPM	E-Training	0
SBA	Business Development Management Information System	0
Treasury	Business Master File	13
Treasury	Chief Counsel	1
Treasury	Cross Border Funds Transmittal	3
Treasury	Electronic Fraud Detection System	12
Treasury	Financial Analysis & Reporting System Applications	3
Treasury	Fiscal Management	0
Treasury	Individual Master File	13
Treasury	Integrated Collection System	9
Treasury	Integrated Financial System/CORE Financial System	17
Treasury	Enterprise Systems	1
Treasury	Examinations	4
Treasury	Oracle e-Business Suite	5
Treasury	Tax Return Database	5
Treasury	TreasuryDirect	5
Treasury	Treasury-Wide Enterprise Content Management Solution	6
Treasury	Treasury-wide Integrated IT Infrastructure	1,638
USDA	ConnectHR	8
USDA	Consolidated Infrastructure, Office Automation and Telecommunications	843

Agency	Investment name	Fiscal year 2008 request (in millions)
USDA	Farm Program Modernization	151
USDA	Food & Agriculture Bio-Surveillance Integration System	0
USDA	Human Resources Line of Business: Service Center	25
VA	Allocation Resource Center	2
VA	Automated Monument Application System	1
VA	Benefits Delivery Network Maintenance and Operations	22
VA	BIRLS/VADS	3
VA	Burial Operations Support System	1
VA	C&P Maintenance and Operations	43
VA	Capital Asset Management System	2
VA	Data Centric Transition for VR&E and Education	0
VA	Decision Support System	20
VA	Document and Correspondence Management System	1
VA	Education Maintenance and Ops	3
VA	Enrollment Operations and Maintenance	5
VA	e-Payroll	9
VA	Federal Health Information Exchange	4
VA	Financial & Logistics Integrated Technology Enterprise	48
VA	Financial Management System	16
VA	Health Admin Center IT Operations	11
VA	Health Data Repository	27
VA	Insurance System Maintenance and Operations	7
VA	IT Infrastructure	645
VA	Loan Guaranty Maintenance and Operations	2
VA	Medical and Prosthetic Research Operations	24
VA	My HealtheVet	17
VA	Patient Financial Services System	0
VA	Payroll/HR Systems	27
VA	Pharmacy Re-Engineering and IT Support	13
VA	Program Integrity/Data Management	13
VA	Rules-Based Claims Processing	0
VA	Scheduling Replacement Project	15
VA	The Education Expert System	5
VA	VA-Learning Management System	6
VA	VA-Wide e-Travel Solution	1
VA	VBA Application Migration Project	5

Agency	Investment name	Fiscal year 2008 request (in millions)
VA	VistA Imaging	41
VA	VistA-Application Development	130
VA	VistA-Legacy	352
VA	VR&E Maintenance and Operations	4

Source: GAO Analysis of OMB data.

Note: Department of Homeland Security (DHS); Department of Defense (DOD); Department of Energy (DOE); Department of Interior (DOI); Department of Justice (DOJ); Department of Labor (DOL); Department of Transportation (DOT); Environmental Protection Agency (EPA); General Services Administration (GSA); Department of Health and Human Services (HHS); Department of Housing and Urban Development (HUD); National Aeronautics and Space Administration (NASA); Nuclear Regulatory Commission (NRC); National Science Foundation (NSF); Office of Management and Budget (OMB); Office of Personnel Management (OPM); Small Business Administration (SBA); Social Security Administration (SSA), U.S. Agency for International Development (USAID); Department of Agriculture (USDA); Department of Veterans Affairs (VA)

Our research could not identify dollar amounts for these projects.

Appendix II: High Risk Projects with Shortfalls

The following provides additional detail on the high risk projects that have performance shortfalls as of June 2007.

We estimated the fiscal year 2008 request based on the data in the *Report on IT Spending for Fiscal Years 2006, 2007, and 2008* (generally referred to as *exhibit 53*), and data provided by agencies.

Table 5: High Risk Projects with Shortfalls by Agency

Agency	Investment name	Fiscal year 2008 request (in millions)	Unclear baseline	Performance shortfalls		
				Cost and schedule variance not within 10%	Project manager not qualified	Project duplicative of another
DHS	A&O Homeland Security Information Network	21	X	X		
DHS	CBP Secure Border Initiative net Technology Program	1,000	X	X		
DHS	Financial Management Transformation; E-Gov: E-Travel Migr.; FM LoB Migr.; FM LoB Legacy Sys.	6	X	X	X	
DHS	HR IT; E-Gov: HR LoB Migr.; E-Training Migr.; EHRI Migr.; E-Training Legacy Sys.; HR LoB Legacy Sys.	17	X		X	X
DHS	Infrastructure	1,071	X	X		
DHS	E-Gov E-Authentication; E-Auth. Migr.; E-Auth. Shared Serv. Prov.	0	X	X	X	X
DHS	E-Gov E-Rulemaking Migr.; E-Rulemaking Legacy Sys.	1	X	X	X	X
DHS	E-Gov FAS Migr.; FAS Sales Ctr.; FAS Legacy Sys.	0	X	X	X	X
DHS	E-Gov IAE Migr.	2	X	X	X	X
DHS	National Emergency Management Information System	17	X		X	
DHS	Consolidated Enforcement Environment	11	X	X		
DHS	NPPD Information Systems Security Line of Business	2	X	X	X	
DHS	NPPD NS/EP Priority Telecommunications Service	130	X			
DHS	Disaster Management E-Gov	13	X	X		
DHS	SAFECOM	0	X	X	X	
DHS	US-VISIT	462			X	

		Performance shortfalls				
Agency	Investment name	Fiscal year 2008 request (in millions)	Unclear baseline	Cost and schedule variance not within 10%	Project manager not qualified	Project duplicative of another
DHS	Alien Flight Student Program	2	X			
DHS	Crew Vetting	15	X	X	X	
DHS	Hazmat Threat Assessment Program	28	X	X	X	
DHS	Registered Traveler	0	X	X		
DHS	Secure Flight	53		X		
DHS	Transportation Worker Identification Credentialing	38		X		
DHS	Nationwide Automatic Identification System	22		X		
DHS	Rescue 21	0		X	X	
DHS	Customer Service Portal	13	X	X	X	X
DOC	FM LoB Migration	0	X	X	X	X
DOD	Integrated Acquisition Environment Legacy System (FedTeDS)	1			X	
DOD	Integrated Acquisition Environment Shared Service Provider (ORCA)	0			X	
DOD	Integrated Acquisition Environment Shared Service Provider (PPIRS)	0		X		
DOJ	Regional Data Exchange	10		X		
DOT	EHRI	2			X	
DOT	E-Rulemaking Migration	1	X			
DOT	FAA Telecommunications Infrastructure	222		X		
DOT	Terminal Automation Mod. & Rep.	13		X		
DOT	SWIM	23	X			
DOT	Traffic flow Management	121		X		
DOT	Regulation and Certification Infrastructure for System Safety	55	X			
Education	ADvance (Aid Delivery)	65		X		
Education	Advance Development	28		X		
Education	Budget Formulation and Execution LoB	0			X	
Education	Common Origination and Disbursement	8		X		
Education	Common Services for Borrowers	15		X		
Education	Data Strategy	14		X		

		Performance shortfalls				
Agency	Investment name	Fiscal year 2008 request (in millions)	Unclear baseline	Cost and schedule variance not within 10%	Project manager not qualified	Project duplicative of another
Education	Data Warehouse	1		X		
Education	E-Authentication Migration	3	X	X	X	X
Education	Education Resources Information Center	9		X		
Education	E-GOV: E-Rulemaking Migration	0	X			
Education	EHRI	0	X			
Education	ID Access Control System	1		X		
Education	Information Assurance	9		X		
Education	Integrated Partner Management	8		X		
EPA	eRulemaking	1		X		
EPA	E-Travel Migration	0		X		
EPA	FM LoB - Migration	26		X		
GSA	CHRIS-EHRI	7		X		X
GSA	EHRI Migration	2	X			
GSA	FAS Sales Center SSP (PP)	2		X		
GSA	IAE SSP (EPLS)	1		X		
GSA	IAE SSP (FPDS-NG)	6		X		
HHS	Federal Health Architecture	4		X		
HHS	Consolidated Acquisition Solution	8	X	X		
NASA	NASA Integrated Enterprise Management - Core Financial	22		X		
NRC	Electronic Information Exchange/E-Authentication Migration	1		X		
NRC	E-Training (Learning Management System)	0		X		
NRC	E-Travel Conversion	1		X		
OPM	E-Training	0			X	
OPM	GoLearn	0			X	
SBA	Business Gateway (Managing Partner)	6			X	
SBA	Disaster Credit Management System	13		X		
SBA	GCBD: Business Development Management Information System	0		X		
SBA	OCA: Loan Management and Accounting System	9		X		

		Performance shortfalls				
Agency	Investment name	Fiscal year 2008 request (in millions)	Unclear baseline	Cost and schedule variance not within 10%	Project manager not qualified	Project duplicative of another
SSA	Disability Service Improvement	54		X		
SSA	E-Travel Migration	0		X		
SSA	GovBenefits Migration	0		X		
SSA	IT Operations Assurance	30		X		
SSA	Telephone Systems Replacement Project	26		X		
Treasury	Chief Counsel	1		X		
Treasury	Correspondence Examination Automated System	8		X		
Treasury	Debt Management Accounting System	6		X		
Treasury	Enterprise IT Infrastructure Optimization Initiative	1,638		X		
Treasury	Examination Desktop Support System	5		X		
Treasury	Excise Files Information Retrieval System	7		X		
Treasury	Excise Tax e-File & Compliance	2		X		
Treasury	Filing and Payment Compliance	2		X		
Treasury	Financial Analysis & Reporting System	3		X		
Treasury	Financial Information and Reporting Standardization	7		X		
Treasury	Fiscal Management	0			X	
Treasury	Integrated Collection System	9		X		
Treasury	Integrated Customer Communications Environment	18		X		
Treasury	Integrated Financial System/CORE Financial System	17				X
Treasury	Integrated Submission and Remittance Processing System	17		X		
Treasury	OCC ENTERPRISE SYSTEMS	1		X		
Treasury	OCC EXAMINATIONS	4		X		
Treasury	Payment Application Modernization	18		X		
Treasury	SaBRe	5		X		
Treasury	Service Center Recognition Image Processing System	17		X		

		Performance shortfalls				
Agency	Investment name	Fiscal year 2008 request (in millions)	Unclear baseline	Cost and schedule variance not within 10%	Project manager not qualified	Project duplicative of another
Treasury	Travel Reimbursement and Accounting System	1				X
Treasury	Automated Auction Processing System	32		X		
Treasury	Foreign Intelligence Network	3		X		
Treasury	Secure Data Network	4		X		
Treasury	Treasury-Wide Enterprise Content Management Services	6		X	X	
USAID	E-Authentication	2	X	X		
USAID	E-Records	1		X		
USAID	E-Travel	1		X		
USAID	GLAS	0		X		
USAID	HR LoB - Legacy System: Time & Attendance (replace AETA)	0	X	X		
USAID	Homeland Security Presidential Directive-12	10	X	X		
USAID	Joint Assistance Management System	0		X		
USDA	Corporate Property Automated Information System	1		X		
USDA	Food and Agriculture Bio-Surveillance Integration System	0		X		
USDA	ConnectHR	10				X
USDA	Modernize and Innovate the Delivery of Agricultural Systems	144	X	X	X	
USDA	RMA-17, Common Information Management System	2	X	X		
VA	E-Gov: E-Authentication	0	X	X	X	
VA	E-Gov: Financial Management LOB	0	X	X	X	
VA	E-Gov: Human Resources Management LoB	0	X	X	X	
VA	Enterprise Human Resources Integration	2	X	X	X	
VA	Financial & Logistics Integrated Technology Enterprise	48		X		
VA	Medical and Prosthetic Research Operations	24	X	X	X	
VA	My HealthVet	17			X	

		Performance shortfalls				
Agency	Investment name	Fiscal year 2008 request (in millions)	Unclear baseline	Cost and schedule variance not within 10%	Project manager not qualified	Project duplicative of another
VA	Patient Financial Services System	0	X	X		
VA	Learning Management System	6		X		
VA	VistA Imaging	41	X	X	X	
VA	VistA-Foundations Modernization	92		X		

Source: GAO Analysis of OMB data.

Note: Department of Homeland Security (DHS); Department of Defense (DOD); Department of Energy (DOE); Department of Interior (DOI); Department of Justice (DOJ); Department of Labor (DOL); Department of Transportation (DOT); Environmental Protection Agency (EPA); General Services Administration (GSA); Department of Health and Human Services (HHS); Department of Housing and Urban Development (HUD); National Aeronautics and Space Administration (NASA); Nuclear Regulatory Commission (NRC); National Science Foundation (NSF); Office of Management and Budget (OMB); Office of Personnel Management (OPM); Small Business Administration (SBA); Social Security Administration (SSA), U.S. Agency for International Development (USAID); Department of Agriculture (USDA); Department of Veterans Affairs (VA)

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