ELECTRONIC GOVERNMENT

Smart Card Usage is Advancing Among Federal Agencies, Including the Department of Veterans Affairs

Why GAO Did This Study

The federal government is interested in the use of smart cards—credit card-like devices that use integrated circuit chips to store and process data—for improving the security of its many physical and information assets. Besides providing better authentication of the identities of people accessing buildings and computer systems, smart cards offer a number of other potential benefits and uses, such as creating electronic passenger lists for deploying military personnel and tracking immunization and other medical records.

Over the past 2 years, GAO has studied and reported on the uses of smart cards across the federal government. The Subcommittee requested that GAO testify on federal agencies' efforts in adopting smart card technology—based on the results of this prior work—and on the specific actions that the Department of Veterans Affairs is taking to implement smart card technology.
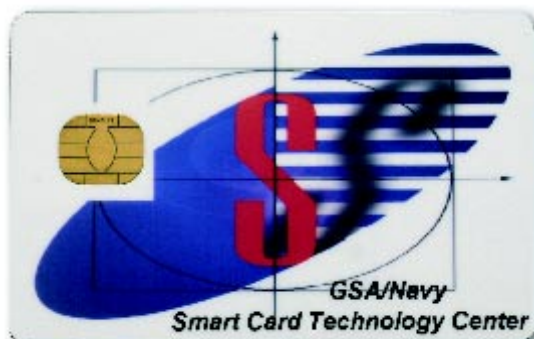
What GAO Found

As the unique properties and capabilities of smart cards have become more apparent, federal agencies, including the Office of Management and Budget, the National Institute of Standards and Technology, and the General Services Administration, have acted to advance the governmentwide adoption of smart card technology. In turn, numerous smart card projects that offer a variety of uses and benefits have been launched. As of June 2004, 15 federal agencies reported 34 ongoing smart card projects. Further, agencies' actions toward the adoption of smart cards continue to evolve as understanding of the technology grows. Agencies are moving away from the small-scale, limited-duration demonstration projects of past years (involving as few as 100 cardholders and aiming mostly to show the value of using smart cards for identification) to larger, more integrated, agencywide initiatives involving many thousands (or even millions) of users and that are focused on physical access to facilities and logical (information systems) access to computer systems and networks.

In pursuing smart card projects, federal agencies have had to contend with numerous management and technical challenges. However, these challenges may be less imposing in the future because of increased management concerns about securing federal facilities and because technical advances have improved the capabilities and cost effectiveness of smart card systems.

The Department of Veterans Affairs (VA) is one of 9 federal agencies currently pursuing large-scale, agencywide smart card initiatives. VA's project, currently in limited deployment, involves using, among other technologies, the One-VA Identification smart card to provide an agencywide capability to authenticate users with certainty and grant them access to information systems essential to accomplishing the agency's business functions. VA estimates that this project will cost about $162 million between 2004 and 2009, and enable it to issue 500,000 smart cards to its employees and contractors.

A Typical Smart Card (not to scale)

Source: GSA

United States Government Accountability Office