



United States General Accounting Office
Washington, DC 20548

Accounting and Information
Management Division

B-285766

July 10, 2000

Mr. Charles M. Smith
Information Systems Security Officer
Charleston Financial Service Center
Department of State
P.O. Box 150008
Charleston, SC 29415-5008

Dear Mr. Smith:

Subject: Electronic Signature: Sanction of the Department of State's System

This letter responds to your June 30, 2000, request that we sanction the operation of your electronic signature system for full-scale implementation in the Overseas Financial Management System. We have reviewed the material provided and conclude that the electronic signatures generated by this system provide at least the same quality of evidence as the handwritten signatures they are designed to replace.¹ Specifically, your system is designed to produce electronic signatures that are (1) unique to the signer, (2) under the signer's sole control, (3) capable of being verified, and (4) linked to the data in such a manner that if the data are changed, the signature is invalidated upon verification.

We note that the State Department utilized an electronic signature system that was developed by the Corps of Engineers and was previously sanctioned² by our office. Adoption of the Corps system was used to reduce development risks and costs. The State Department estimates that using the Corps's system saved about \$750,000 in development costs, accelerated the deployment of the system by about 30 months, and allowed you to field a production system about 9 months after contract award. We consider this approach to be a "best practice" since it reduces the costs to perform a necessary function while reducing the development time and risks. It also demonstrates that one of the Corps' objectives in developing its electronic signature system—developing a system that can be used by other agencies—has been accomplished with overall benefits to the federal government.

¹We outlined the necessary attributes of electronic signatures in a decision of the Comptroller General. 71 Comp. Gen. 109 (1991).

²*Corps of Engineers Electronic Signature System* (GAO/AIMD-97-18R, November 19, 1996).

In our evaluation, we considered a review conducted by the State Department's Bureau of Diplomatic Security, Analysis and Certification Division. It is our understanding that the bureau is independent of the Chief Financial Officer and is the organization that is required to evaluate systems for accreditation. The resulting report was positive and the system was recommended for accreditation by the Chief Financial Officer. This accreditation was granted on March 22, 2000.

With this letter, we sanction full-scale deployment of your electronic signature system for financial management applications. As discussed, you will need to continue to monitor the effectiveness of controls over the system as part of your agency's annual review process under the Federal Managers' Financial Integrity Act (FMFIA). Reviewing this system as part of your FMFIA process should provide management and others adequate assurance that the stated controls continue to function as designed and that when warranted, improvements are implemented. Although the electronic signature system is part of your financial management system, this letter does not constitute approval of your financial management system as defined by 31 U.S.C. 3512(f)(2).

We are also sending a copy of this letter to the Corps of Engineers for its information. Should you have any questions, please contact Chris Martin, Assistant Director, at (202) 512-9481.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Keith A. Rhodes', written in a cursive style.

Keith A. Rhodes
Chief Technologist