

GOVERNMENT OF THE DISTRICT OF COLUMBIA

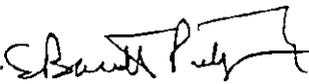


OFFICE OF THE INSPECTOR GENERAL

717 14TH STREET, N.W., 5TH FL.
WASHINGTON, D.C. 20005
(202) 727-2540

MEMORANDUM

TO: Agency Heads

FROM: E. Barrett Prettyman, Jr. 
Inspector General

DATE: January 28, 1999

SUBJECT: Management Alert Letter on the District of Columbia
Year 2000 Readiness Status (OIG-1-99DC-9909)

This management alert letter is the first in a series of letters to report on the readiness of the District of Columbia (D.C.) to cope with the Year 2000 (Y2K) conversion effort. We are preparing this Management Alert Letter to apprise the District leadership of the status of the Y2K program in the District's 16 agencies regarded as critical. The D.C. General Hospital was not listed as a critical agency initially. However, it will be added to the list of critical agencies presented in this letter. In future letters, we plan to address the District agency contingency plans and the status of the remaining agencies that are not regarded as critical.

The Office of the Chief Technology Officer (OCTO) is responsible for the Y2K Program Office and has the lead on the Y2K issue for the District. The information contained in this letter was obtained in conjunction with the OCTO. We are working with the OCTO to facilitate its efforts to achieve Y2K compliance for the District.

BACKGROUND

On January 1, 2000, a considerable number of computer systems will fail to operate correctly because the computer systems cannot handle four-digit year processing. The majority of legacy systems (current systems in place) were designed to process only two-digit years and will treat the Year 2000 as the year "00", assuming the year is 1900. Coupled with the century change, the Year 2000 is also a leap year.

The ambiguity could lead to invalid logical comparisons, invalid computations, and other false processing logic results. The loss of data integrity could spread to other computer files and shared databases. Some forecasting, retirement, and insurance benefit projections and computer programs are already experiencing problems with calculations for the Y2K and beyond.

For example, according to the Gartner Research Group¹, organizations must watch for any computer-related problems in 1998 and 1999, because "99" and several variants are often used to control the outcome of a computer program. Dates in 1999 may trigger some of these controls. Therefore, the District must ensure that all date/year fields are properly monitored and changed to meet these conditions, especially its payroll and unemployment insurance benefit systems and all other financial systems that possess arithmetic calculations or routines.

In addition, the fiscal year for the District begins on October 1, 1999. Therefore, many of these Y2K efforts should be in place by that time. The loss of mission critical systems on which the District relies will have a significant impact on the local government's ability to perform its mission.

The Y2K issue will impact the customer, supplier, legal, financial, and political environments. Potentially, inaccurate business information could be used in internal decision-making activities and exchanged with external suppliers, citizens, other state governments or federal agencies.

The Y2K problem is critical to the District's well being, and major work is required to resolve this problem. This entails remediation of over nine million lines of code. The remediation process consists of locating, converting, and testing the two-digit year field to a four-digit year field of present and future software applications that may be used in the Year 2000 and beyond.

OBSERVATIONS

The Y2K Program Office is focusing all of its efforts on only the legacy systems that are in place. The efforts consist of converting the two-digit year field to four-digit year field, and testing. Because of the time criticality, the Y2K Program Office will not be making any other enhancements to the existing legacy software. For example, the Program Office is not ensuring that the existing data routines are performing more efficiently and effectively. The main focus is on the year field. Upon completion of its remediation and testing efforts, the data routines should work the same as they did prior to the remediation and testing efforts.

The OCTO and the OIG have identified 16 mission critical agencies.
They are:

1. Metropolitan Police Department
2. Fire and Emergency Medical Services
3. D.C. Emergency Management Agency
4. DC Water and Sewer Administration
5. Department of Health
6. Department of Human Services
7. Department of Employment Services

¹ The Gartner Research Group is a product development company focused on mid-level technology applications having broad applications on a worldwide scale.

8. Office of the Chief Financial Officer
9. Department of Public Works
10. Department of Corrections
11. DC Public Schools/Board of Education
12. Department of Consumer and Regulatory Affairs
13. Lottery and Charitable Games Board
14. Office of Contracts and Procurement
15. Office of Personnel
16. Communication on Mental Health

The OCTO has established a crisis management program, which will identify, document and recommend strategies to minimize risk associated with the Y2K initiative.

The Y2K Program Office is actively working on crisis management projects for three of the 16 mission critical agencies, specifically, the Metropolitan Police Department (MPD), Department of Employment Services (DOES), and the Office of the Chief Financial Officer (CFO). As stated earlier, the D.C. General Hospital will be added to the list of critical agencies in the District. The systems for these agencies are not fully Y2K compliant because of certain obstacles that need to be overcome. These obstacles are presented in the following sections.

MPD

The MPD has two IT operating systems, namely, the Criminal Justice Information System (CJIS), and the Washington Area Law Enforcement Services (WALES). The two IT systems are primarily used for the recording and maintenance of critical police data which then updates major Federal Bureau Investigation (FBI) data systems and the National Crime Information System (NCIS).

The two systems have a mandated completion date of July 1, 1999, as required by the FBI and the NCIS. Therefore, if these systems are not Y2K compliant, major impacts on the data will occur; namely, data transfer interfaces between systems and data security could be jeopardized. Both systems are in the pre-remediation stage. As of January 25, 1999, the OCTO will bring in a team of 12 technicians to work on the first phase of the pre-remediation effort.

The first phase consists of working with the MPD Subject Matter Expert (SME) to locate, identify and gather all software modules that comprise these two systems to begin the remediation process. It will take about 90 days to complete this task. Upon completion, the data will be sent to an IBM remediation site for processing and testing. The total effort will be completed over several months and should meet the mandated date of July 1, 1999.

Contingency planning will be part of the overall efforts for remediation of these two major systems. The contingency plan will consist of a series of risk plans that will enable the MPD manually to transfer data in the event the mandated date schedule is not met.

DOES

The DOES is responsible for the employment benefits insurance system and is also in the process of having another system developed, the D.C. Unemployment Compensation System (DUCAS).

This system is currently 90 percent complete. However, the remaining work is in jeopardy because the District does not have an automated procurement system in place. An automated procurement system would enhance the overall procurement process and allow vouchers and purchasing requests to be processed in a more efficient and timely manner.

The lack of such a system has caused the aforementioned bottlenecks to occur at the procurement and contracting level, which in turn have caused delays in the completion of DUCAS. These processing deficiencies could possibly cause a delay of payment to vendors that could eventually cause a delay of service to the District. This is a serious problem that should be made a priority and addressed immediately. Upon completion of an automated procurement system, it should be Y2K compliant.

It should be noted that DOES did meet the fail date of January 4, 1999. This date is critical because the Fiscal Year for 1999 begins on October 1, 1998 and all payment transactions for the new Fiscal Year must meet the October 1 processing deadline for the District's unemployment compensation. This correlates with the federal government's Fiscal Year processing

Development and installation efforts have been in progress at DOES on the D.C. Unemployment Tax System (DUTAS). This is a new System that will allow D.C. tax information to be processed in a more efficient and effective manner. However, work on the system is in jeopardy because of the aforementioned problems at the contract and procurement level.

Upon completion of the development, installation, and testing efforts of the above two systems, they are to interface with each other by way of data transfer as well as being Y2K compliant. DOES Management must examine the aforementioned problems now being experienced at the contract and procurement level, and it should work with the Office of Contract and Procurement (OCP) to address the situation.

The Y2K Program continues to uncover existing older software program systems in DOES that were not previously identified, but still reside on the DOES mainframe computer. As situations of this nature occur and are identified, the CTO crisis management team will attempt to address each system for remediation.

CFO

At the CFO, the Y2K Program Office crisis management team has incurred about \$400,000 in expenditures for crisis management activities as of January 4, 1999. The cost consists of Technical Support, Management Consulting, and Technical Consulting Services.

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As requested by the CFO, the Y2K Program Office identified all account activities of the Payroll and Pensioner System (PAPS) belonging to the U.S. Treasury. Included are the project plans and the workflow of the System. The CFO is working with the OCTO to ensure that no further issues relating to previous problems will occur within the remaining Y2K remediation efforts for the CFO.

It should be noted the CFO made the fail date of December 18, 1998 for the PAPS as required by the U.S. Treasury Department. This date was significant because checks were processed for all people working for the District coming under these systems and averted a breakdown of the system.

D.C. General Hospital

D.C. General Hospital is now working closely with the Y2K Program Office to ensure that all IT systems are Y2K compliant or have a contingency plan in place. It will be added to the list of mission critical agencies.

According to the Y2K Program Office project plan, work on the remaining 13 mission critical agencies is progressing. Also contingency plans are being developed for these agencies in the event they do not meet the Y2K compliance date.

This Y2K update Management Alert letter is the first of a series that will be issued between now and the end of the year.

Should you have any questions about information contained in this management alert, please call me at the number above or John Balakos, Assistant Inspector General for Audits, at 727-9749.

See distribution list attached

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