

EXHIBIT

**CONTROLS OVER
INFORMATION TECHNOLOGY EQUIPMENT
AT THE DISTRICT OF COLUMBIA
FIRE AND EMERGENCY
MEDICAL SERVICES DEPARTMENT**

The DCFEMS's response to our draft report is included on the following pages. Portions of the DCFEMS response were redacted to prevent identification of specific persons or vendors.

COPY

Finance and Accounting

Billing Number: 750-116-020
Invoice Number: INV-FY010019088
Description: DC Fire & EMS Dept. MIS Mgr.
1923 Vermont Avenue, NW, Room S207
Washington, DC 20001

Invoice Date: 07/10/2001

ACT #:

Invoice POC:
Submitted by ITSS Order #11MSB0008

Bill To:
GSA
FTS, NCR 299X
7th and D Streets, SW, #8109
Washington, DC 20407

Remit To:

Customer Number: GSA-002
Prime Contract Number: GS-35F-4357D
Subcontractor Number: 11MSB0008
Customer PO Number: K1100BJ2013
Project Number: 36000G.0.750.116
Project Name: SUPPORT DC FEMS DEPT
Project Period of Performance: 10/08/1999 to 09/30/2001
Terms: NET 30
Due Date: 08/09/2001

| | Contract Value | Funded Value |
|--------|----------------|--------------|
| Cost: | 1,257,097.71 | 1,257,097.71 |
| Fee: | 0.00 | 0.00 |
| Total: | 1,257,097.71 | 1,257,097.71 |

Cumulative Amount Billed: 933,209.13

Billing Period From: 06/01/2001
To: 06/30/2001

| | Current Hours | Rate | Current Amount | Cumulative Hours | Cumulative Amount |
|--------------------------------|---------------|----------|------------------|------------------|-------------------|
| 05 ADP HARDWARE SPEC | 0.00 | 46.0000 | 0.00 | 1,600.00 | 73,600.00 |
| 0105 ADP Hardware Spec | 0.00 | 48.5000 | 0.00 | 312.00 | 15,132.00 |
| 03 COMM ENGR | 0.00 | 62.0000 | 0.00 | 4,767.00 | 295,554.00 |
| 0103 Communications Engineer | 176.00 | 68.5000 | 12,056.00 | 928.00 | 63,568.00 |
| 01 PROJECT MGR/ TASK LEAD | 0.00 | 83.0000 | 0.00 | 892.00 | 74,036.00 |
| 0101 PROJECT MGR/ TASK LEAD | 0.00 | 89.0000 | 0.00 | 4.00 | 356.00 |
| 0001 Program Manager | 0.00 | 93.6000 | 0.00 | 11.50 | 1,076.40 |
| 0101 Project Manager/Task Lead | 22.00 | 89.0000 | 1,958.00 | 69.00 | 6,141.00 |
| 02 SR COMM ENGR | 0.00 | 73.0000 | 0.00 | 2,069.00 | 151,037.00 |
| 04 SYSTEMS ENGR | 0.00 | 52.0000 | 0.00 | 2,845.00 | 147,940.00 |
| 0102 Sr. Comm Engineer | 172.00 | 73.0000 | 12,556.00 | 744.00 | 54,312.00 |
| 0035 Tech Expert Level 1 | 0.00 | 250.0000 | 0.00 | 58.00 | 14,500.00 |
| 0032 Technical Writer | 0.00 | 32.4000 | 0.00 | 6.00 | 194.40 |
| TOTAL LABOR | 370.00 | | 26,570.00 | 14,305.50 | 897,446.80 |
| SUPPLIES | | | 0.00 | | 591.58 |
| TRAVEL | | | 0.00 | | 570.28 |
| TOTAL ODC'S | | | 0.00 | | 1,161.86 |
| MISC ODCs | | | 0.00 | | 32,860.17 |
| TOTAL ODCs | | | 0.00 | | 32,860.17 |
| G & A | | | 0.00 | | 1,740.30 |
| TOTAL INDIRECTS | | | 0.00 | | 1,740.30 |
| Invoice Total | | | 26,570.00 | | 933,209.13 |

ATTACHMENT D

Page: 1

| | | | | | |
|-----------------|-----------------|-----------------|----------------------|---------------|------------|
| Billing Number: | 750-116-020 | Project Number: | 36000G.0.750.116 | Invoice Date: | 07/10/2001 |
| Invoice Number: | INV-FY010019088 | Project Name: | SUPPORT DC FEMS DEPT | | |

Current Incurred Hours: 370.00
Cumulative Incurred Hours: 14,305.50

Pursuant to authority vested in me, I certify this invoice is correct and proper for payment.

7/10/01

Date

Accounts Receivable Supervisor

GOVERNMENT OF THE DISTRICT OF COLUMBIA
FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT
WASHINGTON, D.C. 20001



August 2, 2001

Mr. Charles C. Maddox
Inspector General
717 14th Street NW
Washington, DC 20005

Dear Mr. Maddox:

This letter is in response to the draft copy (OIG-002-11FB) of your audit report on the "Controls Over Information Technology (IT) Equipment at the District of Columbia Fire and Emergency Medical Services (DCFEMS) Department." I would like to take this opportunity to address most of the issues and concerns that were raised in your report. After careful review, I am happy to report that since July 2000, we have either put into place or are in the process of putting into place all five of the corrective actions that you have recommended in your report.

After the Office of the Inspector General (OIG) began this audit, there have been several changes in management throughout this Department beginning with the hiring of Ronnie Few as the new Fire/EMS Chief in July 2000. Since that time, we have had a new Chief Financial Officer (CFO) and two new Chief Information Officers, [redacted] held the position from July 2000 through October 2000. I assumed the position in October 2000. As the current Chief Information Officer, a large part of my first year on the job has been to work closely with the CFO and the Procurement Office to help set up IT policy and procedures, especially with respect to procuring IT products and services and with the assistance of the Office of the Chief Technology Officer (OCTO), preparing a *real* Information Technology budget and goals, a first for this Department.

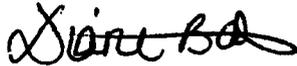
We also determined that the former MIS Director lacked supervisory oversight and that the internal IT procurement controls that [redacted] should have put into place never occurred. We do apologize that during the audit we were unable to provide your office with the files and documents needed to complete your audit in a more timely fashion. Unfortunately, the former MIS Director, when transferred, apparently removed IT files, records and historical data regarding the purchases [redacted] made and the projects on which [redacted] had been working. In fact, without the help and cooperation of your staff and the General Services Administration staff assigned to

Calvin C. Maddox, Inspector General
District of Columbia Office of the Inspector General
July 30, 2001
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our GSA FAST account, I would not have been able to complete my FY02 budget or be aware of the many recurring costs and contracts left by my predecessor. Since the arrival of Chief Few in July 2000, this Department has made every effort to examine all of its business rules and practices to ensure that all the rules and regulations of the District government are followed by every division, not just MIS.

Thank you for giving us the opportunity to respond to the issues and concerns that you have raised in this audit report and providing us with the necessary guidelines and advice on eliminating these past violations so that they do not occur again. Should you or anyone in your office need additional information regarding any of the information I have provided in this response, please feel free to contact me at (202) 673-3728.

Sincerely,



Diane Banks
Chief Information Officer
DC Fire/EMS

cc: Ronnie Few, Fire/EMS Chief
Ray Rawlins, CFO
John Koskinen, Deputy Mayor and City Administrator

***Response to OIG-002-11FB Audit Report on
Controls Over Information Technology Equipment at the
District of Columbia Fire and Emergency Medical Services Department***

Overview

This audit, which covers a period of FY98 through FY00, was the result a request made by the previous Fire/EMS Chief to look into the Information Technology procurement practices of the MIS Division and the actions of the former MIS Director. Since I took over the position of Chief Information Officer in October 2000, I, along with the Chief Financial Officer, have made every attempt to reconcile our GSA FAST account, reconcile previous invoices, locate missing hardware and software, and put Information Technology policies and procedures into place.

During the time of this audit, there were no files, records or historical data available to us other than what was provided by GSA and the copies of files that the Office of the Inspector General provided to us because the original files had been removed by the former MIS Director upon leaving. A lot of the software that was purchased by the former MIS Director was not part of the standard software installed or supported by the DCFEMS MIS Division. Most of the excess software purchased still cannot be used because it is not compatible with our current Windows NT workstation environment. The unused hardware discussed in your report, primarily servers workstations and drives, have been configured and distributed to our employees.

Since July 2000, a new management team was put into place with the hiring of Ronnie Few as Fire/EMS Chief. Both the former MIS Director and former Chief Financial Officer have been separated from this agency. DCFEMS has worked very aggressively to correct the problems and deficiencies outlined in your audit and will continue to do so until all these deficiencies can be eradicated.

Background

In 1997 and 1998, the Department had a handful of computers distributed amongst a few employees and many of those with 486 processor speed or less. The former MIS Director was tasked with bringing Information Technology services to the Department by upgrading and increasing the number of computers, standardizing software and creating a local area network and shared network for its employees.

The Management Reform funds were to be used to create the DCFEMS network infrastructure and purchase equipment to set up identified personnel with access to the Comprehensive Automated Personnel Payroll System (CAPPS) and the Financial Management System (FMS) applications. The replacement of the Computer-Aided Dispatch (CAD) system, which was over ten years old and non-Y2K compliant, was also discussed as part of the Management Reform funding. In 1998, DCFEMS began contracting out to improve its Information Technology infrastructure to provide network connectivity to allow for access to the CAPPS and FMS applications.

Today, the DCFEMS Local Area Network (LAN) connects to the DC Wide Area Network (WAN) and to approximately 42 locations that include 34 Engine Companies, the Fire Prevention Bureau, Warehouse, Training Academy, Fleet Maintenance, Communications, EMS Bureau, Police/Fire Clinic and the Reeves Center from our main computer operations center at Fire Headquarters (Grimke School). As of June 21, 2001, the responsibility for the operation and maintenance of the new CAD-911 system in the new Joint Communications Center (JCC) with the Metropolitan Police Department, was transferred from the Communications Division to the MIS Division. DCFEMS began using the new CAD-911 system on June 28, 2001.

Finding #1:**Procuring Goods and Services Through the GSA FAST Program**

“DCFEMS did not maintain proper accountability over funds transferred to GSA for IT goods and services procured through the GSA FAST Program. As a result, DCFEMS was unable to adequately support \$1.97 million transferred or supposedly transferred to GSA. Factors causing these conditions include insufficient management oversight and poor record-keeping”

Response:

Based on your audit, DCFEMS sent approximately 3.5 million to the General Services Administration Federal Acquisition Services for Technology (GSA FAST) program between January 1998 to September 2000. The internal controls and overall accountability for these funds were non-existent and it was key that DCFEMS address this issue first.

We found that the former MIS Director retained an almost “autocratic” control of all aspects of Information Technology procurement, especially with respect to the GSA FAST account. After the former Chief Financial Officer transferred the funds to GSA, the former MIS Director was the only one allowed access to information on that account. No one else was required to review or sign-off on what had approved. was given complete authority to use those funds as saw fit and there was no supervisory oversight to ensure those funds were used properly. There were no checks and balances put into place to review actions.

We have been unable to locate any of the files or records on the GSA FAST account under the management of the former MIS Director. DCFEMS was unable to provide your office with any documents because the former MIS Director, when transferred, apparently removed some IT-related files and records. What information we do have on file regarding purchases made, came from GSA files, and do not include any shipping and receiving documents. At our request, GSA staff xeroxed all of the documents they had on file for us and delivered it to DCFEMS Headquarters located at Grimke School - 1923 Vermont Avenue NW.

Corrective Action(s) Taken:

One of first acts of the new Chief Information Officer and Chief Financial Officer was to get a handle on the GSA FAST program account and determine the amount of funds in the account and what expenditures had been made against it. We also needed to identify all products and services procured and the location of those products. Meetings were set up between GSA management and program staff, the Chief Information Officer and the Chief Financial Officer to discuss the program rules and regulations, past management of our account and the internal controls now put into place by DCFEMS. Login ID's were established at GSA for the Chief Information Officer so that all invoices could be reviewed and approved online before being paid. Copies of invoices are printed and filed for the Budget Office and MIS. Authorization for purchases or modifications to existing contracts must be submitted to GSA in writing on official letterhead.

Since September 2000, no funds have been sent to GSA. The CIO and CFO have agreed that no additional funds will be sent to the GSA FAST account until we could identify past expenditures and locate the missing funding totaling \$1,171,250.00. Recently, the Budget Office did locate the missing \$1,171,250.00 check erroneously made payable to "General Services Administration Payroll" and a copy of that check was sent to GSA officials. GSA is now in the process of tracing that check to see where it was actually posted (see attachment A). As of July 20, 2001, the total amount of DCFEMS funds available at the General Services Administration is approximately \$893,236.74.

The only expenditures made against that account over the last nine months were to pay for the equipment leases, the contract for our Information Technology and network support services, and the contract for the installation of our new telephone system. Contract management and administrative duties have been put into place for these three existing contracts.

All IT purchases made since September 2000 have been made via credit card or by purchase requisitions through the Procurement Office and signed off by the Chief Financial Officer, Procurement Office or the Assistant Fire/EMS Chief for Services. When packages are received, they are checked against the invoices, shipping and receiving documents, stamped received and entered into the Inventory Tracking spreadsheets.

For all future Information Technology products or services procured through the GSA FAST program, we will establish a Memorandum of Understanding (MOU) as well as a Statement of Work, Request For Proposals, Request For Quotation, project development plan, life cycle development plan and any other supporting documents signed off by the proper officials prior to any funding being sent to GSA.

Finding #2:**Reducing The Risk of Error and Fraud**

“DCFEMS was unable to fully account for IT assets that we estimated to be valued in the millions. This condition was caused by insufficient separation of duties, lack of documented management controls, poor management decisions, and inadequate record-keeping. Consequently, DCFEMS mismanaged its resources and was vulnerable to fraud, waste, and abuse. Because of these deficiencies, we were unable to determine the value and quantities of IT assets that should be on hand (see Finding 3).”

Response:

During our own review of the GSA FAST records and invoices that could be found in Budget Office files, we also surmised that not all of the IT purchases for hardware and software made by the former MIS Director could be fully determined. Due to the lack of oversight of the former MIS Director, all IT hardware and software procured prior to July 2000 could not be verified. However, all equipment and software that we could identify during Inventory collection was entered into the Inventory Tracking spreadsheet(s) that we have created and maintained since July 2000. Along with tracking serial numbers for equipment, we also track property assignment and/or location. DCFEMS could find no inventory records or data prior to July 2000.

The three computers that were described in your audit report as being removed from the Property Warehouse have all been located, returned to MIS and properly entered in the Inventory Tracking spreadsheet. They were re-configured and setup for the network and distributed to DCFEMS staff. However, the three personal computers purchased on the former MIS Director's credit card (serial numbers H1ZF3, H1ZDZ, and H1ZDV) have never been located by MIS and are not part of the DCFEMS IT equipment inventory.

Corrective Action(s) Taken:

All hardware and software that could be located and accounted for has been entered into the Inventory Tracking spreadsheet(s). Light Duty personnel were used to collect Inventory at all of our locations and this data has been entered into our Inventory spreadsheet(s).

DCFEMS Form 1's (see attachment B) are currently being used mainly to track equipment that is moved around the Department. When equipment arrives at the Property Warehouse, it is inventoried there and entered into their own tracking spreadsheet. MIS is notified of its arrival and copies of invoices and receiving documents are sent to the MIS Division. When MIS calls the Warehouse to have the equipment delivered to us or to another location, a Form 1 is signed by the receiving official and copies left with or sent to MIS. At that time it is entered into our Inventory Tracking spreadsheet(s). We have made every attempt to ensure that the Form 1 is filled out completely and includes a description of the property, location, model numbers and serial numbers and that it is signed by the receiving official.

The Equipment Release Form (see attachment C), primarily used for laptops and equipment valued at \$1000 or more, is signed by the receiving official and filed in the MIS Division. When the equipment changes hands, a new release form is signed and filed. A periodic review of signed Equipment Release Forms is done quarterly.

Proper internal controls, once non-existent, have now been put into place to ensure that there is a separation of duties and functions. The requisitioning of IT goods and services, the receipt of those goods and services, and the request for payment of invoices are no longer handled by one individual. DCFEMS no longer has one official charged with controlling or performing all of the duties described above.

Finding #3:**Controlling Assets**

“DCFEMS had not implemented minimum safeguards over IT software and hardware. As a result, we could not determine the location of all the software and hardware purchased since 1997; nor could we determine with certainty that DCFEMS could account for all software and hardware purchased prior to 1997. Additionally, for the items we did locate, we determined that DCFEMS had never used some of the software and hardware, which is valued at \$202,000. These conditions existed because of insufficient management controls and the lack of an inventory control system. Without controls in place to ensure the proper safeguarding of assets, items could have been easily stolen, under utilized, or used for unauthorized purposes.”

Response:

DCFEMS was also unable to accurately identify all of the hardware and software that may have been procured by the former MIS Director due to reasons discussed in Findings 1 and 2. A lot of the software products purchased by the former MIS Director has never been used because they are not compatible with our operating system environment. Our workstation operating system is Windows NT and most of the software in question runs in Windows 95 or 98 environment.

As discussed in Finding #2, prior to July 2000, DCFEMS did not maintain any inventory records or track the hardware and software coming in or out of the Department. We now track all hardware and software in the Department, whether it is installed or not.

Of the 11 servers listed in your audit as unused, only one is not currently set up and that will change in the next three months as we will most likely need a separate server set up for EMS AED Defibrillator Data Collection project. Four servers (3-6300 & 1-2300) are setup at Communications and are being used for the new CAD-911 System. At DCFEMS Headquarters, we have our main OFC server, EMS server, Admin (for Admin files, software, OS software, etc.), WebMail server, GIS applications server for EMS (setting up now), and two test servers used to duplicate our network operating system environment and test new software releases, patches and upgrades.

With respect to the software listed in your report, the copies of _____ have been installed and are used with the new scanners we were able to purchase for the Department in FY00. We also use the _____ software for our connectivity to OCFO applications. Instead of purchasing a site license for this product, the former MIS Director purchased individual software licenses.

Corrective Action(s) Taken:

DCFEMS is in the process of developing an Inventory Tracking database using MS-Access that will utilize bar-coding and Palm devices to collect data. This will be an interim solution until a City-wide system is chosen. DCFEMS is the lead agency working with OCTO on the City-wide Inventory Management and Tracking System project that is slated to begin in FY02. In the meantime, all inventory is tracked in the Inventory Tracking spreadsheet(s).

All hardware, software and licensing information is kept locked in the MIS Division offices to prevent theft and safeguard equipment. MIS offices are locked when personnel is in the field. Software is also tracked on one of the Inventory Tracking spreadsheets and all hardware and software purchases have been tracked since July 2000. All of this data will be imported into the new database once it is complete.

All of the computers that previously sat unused in the Property Warehouse have been set-up and distributed to DCFEMS staff and there is currently a need for approximately 60 to 75 new computers. The CD-ROM drives and computers listed in your audit report have all been installed. The routers listed are being used as hot spares. We have used two of the routers to replace ones gone bad at the Engine Companies. The additional routers saved us tremendously since there was not, until recently, any maintenance agreements on any of our routers.

Finding #4:**Paying For Questionable Use of Telecommunication Lines**

“DCFEMS did not establish effective management controls to ensure authorized and appropriate use of telecommunications lines. As a result, we question the cost of \$30,000 paid by DCFEMS for the installation and use of telecommunication lines at the residence of a former employee. Factors that contributed to this condition were the lack of adherence to existing guidance and inadequate supervisory oversight.”

Response:

DCFEMS could not find any written justification from any former Fire/EMS Chief authorizing the installation and continued use of data communications lines at the residence of the former MIS Director. There was no real supervisory oversight over the former MIS Director or actions.

Corrective Action(s) Taken:

DCFEMS requested months ago to have the T1 and ISDN connections as well as a DCFEMS telephone line at the residence of the former MIS Director terminated. We will bring the matter of pursuing the reimbursement of approximately \$30,000 in DCFEMS funds to the attention of the Fire/EMS Chief and General Counsel.

Finding #5:**Lessening Communication Costs**

“Since 1998, DCFEMS, has leased three types of data communications circuits (T1, T3 and ISDN) at an annual cost of approximately \$275,000. The communications circuits support the DCFEMS LAN located at DCFEMS Grimke, which is connected to 42 other locations throughout the District. Since ISDN architecture is available and sufficient to satisfy DCFEMS needs, annual savings of approximately \$138,000 could be realized by eliminating the T1 circuits.”

Response:

Prior to and during the time of this audit, ISDN architecture may have been sufficient to satisfy DCFEMS data communication needs, since the main applications running through the DCFEMS network were CAPPs, FMS applications, and software, but that statement is no longer accurate. The old CAD-911 system has been totally replaced and access to the new CAD-911 system from all of our locations, primarily the Engine Companies, is now running through the DCFEMS and FireCAD network. The addition of this new application makes our network a true mission-critical, 24/7 shop for the first time. Due to this fact alone, data load and throughput has increased dramatically.

Beginning in Fiscal Year 2002, we will also be adding GIS and Wireless Technology across the network, installing Mobile Data Terminals and Mobile Data Computers in our vehicles and apparatus. As part of a joint effort with OCTO and other departments and agencies in the District government, we are also planning to implement new Fleet Management and Inventory Tracking and Management systems to the existing network. Over the next one to five years, we have several on-going projects for new technology and applications to be installed in the Department.

The former MIS Director may have been premature in design and implementation of the current network structure but I believe realized the future growth and expansion of IT services and applications within the Department. At this point in time, I would probably be faced with the need to upgrade the ISDN architecture to the one we have now, only now we would not have the resources to make that happen.

The reason that you were unable to find a cost associated with the T3 lines is because the two T3 lines that we have are split into 28 channels or T1 lines for a total of 56 T1's. There is no separate charge for the T3's, only for the 56 T1 lines. When we had to set up the two additional T1 lines for the new CAD-911 system, we allocated or assigned two of our existing channels for that purpose, that way the additional lines are still a part of the DCFEMS network. The ISDN lines that were also set up by the former MIS Director were to be used as backup lines to the T1's in case of failure. If there was a problem with the T1 connection, we could switch the Engine Company over to ISDN with no interruption in service. Those ISDN connections were never properly set up by the former MIS Director and were terminated by either the previous CIO, or by OCTO last year. However, because of the importance of the new CAD-911 system, they will need to be reactivated and set up as our only means of backup.

Corrective Action(s) Taken:

DCFEMS respectfully disagrees with your suggestion to switch over our existing network to ISDN architecture for the reasons discussed above. We will continue to work with the Office of the Chief Technology Officer to assess the data communications needs of this Department as well as to identify any unused telecommunications lines and circuits for termination.

Finding #6:**Improving Contract Monitoring**

“DCFEMS program personnel did not adequately monitor consulting services contracts. As a result, management does not know whether services were delivered in accordance with contract terms. Accordingly, we question the cost of \$925,000 associated with these contracts. This condition was caused by management’s failure to implement an effective oversight program to ensure contractor compliance with key contract provisions as provided by the District of Columbia Municipal Regulations (DCMR).”

Response:

The contracts that were obtained through the GSA FAST program were all originally started by the former MIS Director and since they were obtained through GSA, no one else in the Department had access to these contract records until July 2000. Because these services were procured through the GSA FAST program, the Budget and Procurement offices were probably not aware that some of them existed, therefore no checks or balances could be fully achieved.

In your audit report, you identify three Purchase Orders that were dated between June 1998 and October 1999. I will address what is known about each one separately:

- ❖ P.O. dated June 22, 1998, for \$24,900 for consulting services to aid DCFEMS’ decision to build a network and establish a MIS Department.

DCFEMS has determined that this contract was issued to the _____ for electronic access to their Web sites to retrieve studies, research material, white papers, teleconferences and publications. A login ID and password must be established in order to access this material. To our knowledge, these services must have been used almost exclusively by the former MIS Director. We could not locate any project files or records relating to the _____ account.

- ❖ P.O. dated October 28, 1999, for approximately \$874,521 for network support services through September 2002.

This contract is with the _____ to provide network improvement and support services for DCFEMS. The original contract was to have five technicians on-site to provide Network management and Help Desk/End-User support. The first Statement of Work was very loosely written in an effort to accommodate the many needs of the Department without having to submit additional paperwork for each item of work. All paperwork and monthly reports were given to the former MIS Director as well as the responsibility for monitoring the performance of this contract.

The _____ contract is vital to the on-going ability of the MIS Division to provide the level of the Information Technology services and support that we require in a Department this size. Until the addition of the new CAD-911 system to the MIS Division in June 2001, there were only two MIS staff members, myself included, to support approximately 1900 employees and the DCFEMS network. The addition of the CAD-911 system added three additional personnel to the MIS

Division, but three employees are not currently sufficient to provide complete support to CAD-911 operations and its network management.

During the preparation of the FY02 MIS budget, it was recommended by OCTO that we needed an additional eleven Information Technology positions to properly run a MIS Division for a Department this size. We requested eight additional Information Technology positions and received none. Without the support contract, we would be unable to guarantee or maintain the 24/7 uptime currently required to handle the addition of the CAD-911 system.

- ❖ P.O. dated October 27, 1999, for \$25,000 for consulting assistance in designing and implementing a move of the CAD Communications Control room to a new location.

The only notation or information that DCFEMS could find for IT purchases on that date was to a vendor called [redacted]. However, no other information or files could be located. We do not know what type of IT services that were requested or performed. Prior to June 2001, any procurement requests, request for service or management of the CAD-911 project were at that time the responsibility of the Communications Director and the Communications Division.

Corrective Action(s) Taken:

Since October 2000, we have closely monitored the monthly bills and invoices for the [redacted] and [redacted] contracts. There have been regular meetings with GSA and the contracting companies' senior management staff to discuss contract performance and the Department's needs. A new Statement of Work was submitted to GSA for modifications to the contract for our network and user support services. In an effort to save money, the contract was cut back from the original five support staff down to three, the absolute minimum number needed to support and manage a Department this size.

The DCFEMS and OCTO Procurement Offices have been very instrumental in providing me with guidance and training with respect to the District of Columbia's laws and regulations regarding contracts and procurement requirements in the city and providing advice and requirements on the management of existing contracts.

All IT contracts are now monitored closely and managed to ensure that we are receiving all services outlined in the contract and Statement of Work. There is no longer one person controlling all aspects of these contracts. Both the Budget and Procurement offices have been made aware of all outstanding IT contracts through GSA. Any future contracts will be initiated and managed by MIS, Budget and Procurement staff and performed within the rules and regulations set forth by the D.C. Office of Contracting and Procurement.

Finding #7:**Implementing Project Planning Methodology**

“Inadequate project planning for the development and implementation of DCFEMS’ LAN/Communications network has resulted in IT leases exceeding DCFEMS needs. As a result, we estimate that funds totaling \$471,797 have been expended for equipment not used. This situation has occurred because of insufficient management oversight and the absence of detailed organizational and system requirements.”

Response:

During the tenure of the former MIS Director, there was no formal written Information Technology Strategic Plan for DCFEMS. We are currently working on a five year Information Technology Plan as part of our FY03 Budget and Goals. Starting with the FY02 Budget, OCTO worked very closely with us to prepare our Information Technology budget and properly forecast future trends and needs. Most of our future system development and new applications development will be done with OCTO as part of the new city-wide project implementation plans. This will allow OCTO to provide the guidance, leadership and overall project management to all of the departments and agencies in the District government.

For whatever reason, the former MIS Director did not allow MIS staff to setup all the additional computers and servers that had procured. In January 2000, the Interim Fire/EMS Chief removed the MIS staff from under the former MIS Director and instructed them to start installing the computers stored in the Warehouse to DCFEMS staff in desperate need of them. Currently, there are no hardware resources that are being wasted. Every piece of equipment that could be installed or utilized in the Department has been.

With respect to your comments regarding our leased computers not being shipped with software, it is an inaccurate statement. The computers come to us with the proper operating system software and drivers. Once we receive the computers, an image with all of the software that we support is copied onto that machine. Software is being pushed down to computers that are managed through our network using The workstations are locked down to prevent end-users from installing software that may conflict with existing programs, thereby causing MIS staff additional work to correct these problems. This is one of the main reasons why only four people can successfully support and manage a Department and network this size. This may limit the use of the computer in your opinion, however it works very well in a managed network environment.

Since the former MIS Director ordered most of the computers without drives, we have gone back and installed CD-ROM drives on those computers where users need access to them.

Corrective Action(s) Taken:

Any major upcoming projects for system development and/or applications development will have a full life cycle development plan put in place along with a Project Manager assigned to each project. All of this is in accordance with OCTO's requirements for new city-wide system implementations.

All equipment that was not being used or installed at the start of this audit is now being used. All computers sitting in the Property Warehouse have been configured and distributed to DCFEMS staff. We currently have approximately 350 computers installed within the Department and a need to add approximately 60 to 75 more. All of our servers have been set up with the exception of two and they will be set up and used starting in FY02 (see Finding #3).

Finding #8:**Assuring Continuity of Services**

“DCFEMS could face serious service disruptions because it has not managed its computer leases, which are due to expire in calendar year 2001 and 2002. These leased personal computers are connected to the DCFEMS LAN and many of them are an integral part of the DCFEMS, and MPD infrastructure. We verbally notified DCFEMS of this condition so that corrective action could be initiated during the audit.”

Response:

When appointed Chief Information Officer in October 2000, one of the first issues I was confronted with was preparing the FY02 MIS budget and uncovering the conditions of the seven equipment lease agreements we had with [redacted]. We received a lot of help and information from your staff regarding these leases and were made aware of them sooner rather than later due to their efforts.

Because OCTO had oversight over Departmental Information Technology budgets beginning in FY02, I received a lot of help and guidance regarding the city's recommendation on the procurement of IT equipment and its eventual replacement. It was their recommendation to purchase computer equipment outright whenever possible and then put a Seat Management or Equipment Replacement Plan into place as part of our overall Strategic Information Technology Plan.

Corrective Action(s) Taken:

All of the equipment procured by the former MIS Director was procured through a series of seven leases with [redacted]. We have been working very closely with GSA and [redacted] to do a cost/benefit analysis and develop a plan to purchase the equipment outright. We have no plans to pay for the return all of the equipment to [redacted] or to continue with the current lease agreements which we feel are exorbitant. The leases are extremely overpriced and require us to buy out the lease once the three year contract payments end. I believe the former MIS Director intended to upgrade this equipment during the term of the leases, however none of these options were ever exercised. These leases were certainly not set up to our advantage.

To date, the first four lease agreements have been bought out and those lease contracts have ended. Due to the amounts of lease contracts 5 through 7, we will continue the annual lease payments which run through to 2002 and buy them out in at the end. The eventual replacement of this equipment will become part of our overall Strategic Information Technology Plan, which will include an Equipment Replacement schedule.

[redacted] also provided us with a spreadsheet listing all of the equipment under our lease agreements with them. This spreadsheet became the basis or beginning of our current Inventory Tracking spreadsheet(s) used for IT Inventory.

Finding #9:**Accounting For Management Reform Funds**

“Of the 3.5 million transferred to GSA FAST program, approximately \$1,900,000 was Management Reform funding. We found that DCFEMS did not employ a systematic accounting process for the expenditure of Management Reform funds. This has resulted in DCFEMS management not being able to determine whether the \$1.9 million of Management Reform funds was spent as intended or whether a return on the investment was realized”

Response:

On several occasions, Chief Few and I have asked that the MIS Division be separated from the Administration Division and that its budget and funding be shown and classified correctly (Personnel versus Non-Personnel services, etc.). Currently, all monies for MIS/Information Technology are put under object class 70 - Equipment. This is very misleading as well as making it extremely difficult to accurately forecast, budget and track IT projects, services, training or any other future application development. This solution may have served the Department prior to the addition of computers and creation of the DCFEMS network. However, in order to track the expenditures of upcoming Information Technology projects and the implementation of more applications in this Department, this solution is no longer feasible. It is my understanding that the MIS Division will be broken out by Budget for the start of FY02.

With regards to the part of the Management Reform plan to “implement an agency-wide LAN, connected to the District’s WAN and allowing divisions to share resources, communicate efficiently and effectively, and improve overall productivity” that has been realized. Unfortunately, the proper accounting management records and documentation were not kept to support this fact.

Corrective Action(s) Taken:

We are working with the Budget Office to make sure that MIS is broken out from the Administrative Division to enable us to have a true classification of Information Technology expenditures for all future projects and services.

The discovery by the Budget Office of the second \$1,171,250 check, previously missing, and made payable to “General Services Administration Payroll” has been presented to GSA so that they can trace where it was erroneously posted. Per GSA records, our balance as of July 20, 2001 is approximately \$893,236.74.

Attachments

- A. Copy of the missing \$1,171,250,000 check sent to GSA showing that it had been received.
- B. Copy of a DCFEMS Form 1
- C. Copy of the new DCFEMS Equipment Release Form
- D. Sample of the monthly Corporation invoice for IT Support Services

Amount : \$1,171,250.00
Sequence # : 7413108320
R/T # : 0025407001

Check # : 0000/18875
Date Paid : 2/17/00
Volume ID : 20000222105501

THE FACE OF THIS DOCUMENT HAS A MULTI-COLORED BACKGROUND AND MULTIPLE SECURITY FEATURES

GOVERNMENT OF THE DISTRICT OF COLUMBIA **0718875** 15-7001
2840

50 FB1 100 000718875 11/02/1999
*ONE*MILLION*ONE*HUNDRED*SEVENTY-ONE*****
*THOUSAND*250*DOLLARS*NO*CENTS*****
70 1440553234 000

| | |
|-------------|------|
| DOLLARS | CTS. |
| **1,171,250 | 00 |

VOID 180 DAYS FROM DATE

 (14)

PAY TO THE ORDER OF GSA NATIONAL PAYROLL CENTER
1500 E. BANNISTER ROAD 6BCP-C
KANSAS CITY MO 64131
USA

R*STARS DAILY
Val.../00

FIRST UNION NATIONAL BANK
WASHINGTON, DC 20000

111000250
CREDIT UNION ACCT
BANK OF AMERICA (TEXAS)

CD-1586
12500000

62/16/00

FUNG-VA 62172000
RICHMOND, VA
51001414
7413108320

111000250 62/16/00

REQUIRE POSITIVE IDENTIFICATION
PLEASE HOLD IN AN UNLINED AREA

DISTRICT OF COLUMBIA
FIRE DEPARTMENT
RECEIPT FOR PROPERTY

No. 075073

DATE

Received from:

Procurement Order No.:

| Quantity | Unit | Description | Unit Price | Total Value |
|----------|------|-------------------------|------------|-------------|
| | | Description of Property | | |
| | | model | | |
| | | serial # | | |
| | | Location / Assignment | | |

I hereby certify that I have received the above articles.

NAME: Entered on Property Cards

NAME:

DATE: , 19

TITLE:

UNIT:



**D.C. FIRE and EMERGENCY MEDICAL SERVICES
MIS DIVISION**

EQUIPMENT RELEASE FORM

You are receiving and signing for property of the D.C. Fire and EMS Department. The approximate value of this property is: _____. It will be the responsibility of you and your division or company to guard against the theft, damage and unauthorized use or abuse of this equipment. In the event of loss, the replacement of this equipment will be the responsibility of the assigned individual and/or division. You may be asked to return the property to MIS periodically for inventory inspection, maintenance and driver updates as needed. If there are multiple users for this piece of equipment, it is the divisions' or companies responsibility to monitor its use. If this equipment is assigned to an individual, it is your responsibility to return this equipment to the MIS Division should you leave the employment of the D.C. Fire and EMS Department.

The information listed below will be used to track this equipment and will be entered into the Computer Inventory database. Changes in assignment of this equipment should be reported to MIS as soon as possible so that we can update our records.

EQUIPMENT: _____
MODEL: _____
SERIAL NO: _____
ASSIGNED TO: _____
DIVISION: _____
DATE: _____

I understand my responsibilities and I accept the agreement as stated above for as long as the departmental equipment is in use.

Signature

Title

Printed Name

Date