

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF THE DISTRICT OF COLUMBIA
CHILD SUPPORT ENFORCEMENT SYSTEM**



**CHARLES C. MADDOX, ESQ.
Inspector General**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



April 1, 2003

Arabella Teal
Interim Corporation Counsel
Office of the Corporation Counsel
441 4th Street, N.W., Suite 1060
Washington, D.C. 20001

Dear Ms. Teal:

Enclosed is our final report summarizing the results of the Office of the Inspector General's (OIG) Audit of the District of Columbia Child Support Enforcement System, (OIG No. 01-1-11CB(a)).

We addressed 18 recommendations to the Office of the Corporation Counsel (OCC) necessary to correct the deficiencies described in this report.

We received OCC's response to the draft of this report on January 31, 2003, in which OCC commented on each of the 6 findings contained in the report. Actions taken or planned by OCC were fully responsive to Recommendations 1, 3, 4, 5, 6, 7, 8, 10, 11, 13, 16, 17 and 18. Although planned actions taken in response to Recommendations 9 and 12 were responsive, we made 2 additional recommendations to ensure that the intent of those recommendations is fully met. We request that OCC respond to those recommendations in reply to this final report.

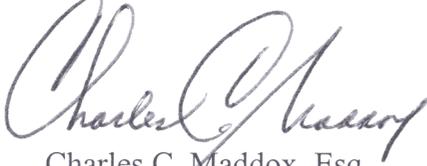
We consider recommendation 14 open, pending further clarifications from OCC regarding the removal of users no longer requiring access from the District of Columbia Child Enforcement System active user table. OCC did not respond to Recommendations 2 and 15, and therefore, we consider these recommendations open as well. We request that OCC respond to those recommendations in reply to this final report. The complete text of the OCC's response is included at Exhibit B.

All responses to this final report should be received by May 1, 2003. Generally, audit recommendations should be resolved within 6 months of the date of the final report. Accordingly, we will continue to work with OCC to reach final agreement on any unresolved recommendations.

Ms. Arabella Teal
OIG No. 01-1-11CB(a) – Final Report
April 1, 2003
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We appreciate the cooperation and courtesies extended to our staff during the audit. If you have questions, please contact me or William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles C. Maddox".

Charles C. Maddox, Esq.
Inspector General

CCM/gs

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**AUDIT OF THE DISTRICT OF COLUMBIA CHILD
SUPPORT ENFORCEMENT SYSTEM**

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EXECUTIVE DIGEST

OVERVIEW

This report is the first of two reports on the Office of the Inspector General's (OIG) audit of the District of Columbia Child Support Enforcement System (DCCSES). This first report summarizes the results of our review of management controls¹ and general controls² over contract oversight, long-and short-term strategic planning, employee training, security administration, and management of undistributed collections, as these areas relate to the operation of DCCSES. Our second report will address contracting issues that were discovered during our review but not included in our initial objectives.

CONCLUSION

The report includes six findings. We found that the Child Support Enforcement Division (CSED) did not: 1) develop long-and short-term strategic plans³ for the DCCSES; 2) implement adequate controls and processes over the distribution of approximately \$2.9 million in undistributed collections; 3) provide adequate contract administration or oversight for the DCCSES Information Technology (IT) services contract; 4) assure that CSED personnel received adequate training; 5) provide adequate security administration over the DCCSES; and 6) enter into an updated written cooperative agreement between the D.C. Office of the Corporation Counsel (OCC) and the District of Columbia Superior Court. Finding 3 addresses issues necessary to prevent the CSED from incurring a \$1.4 million penalty for not having a certified system.

The findings noted above place the District at risk of incurring the same system development and modification failures experienced with major applications such as the Comprehensive Automated Personnel and Payroll System (CAPPS), Financial Management System (FMS), and PRISM. These failures have cost the District millions of dollars and resulted in applications that have failed to meet District needs or have had to be replaced at additional cost.

¹ Management controls include the plan of organization, methods, and procedures adopted by management to ensure that its goals are met.

² General controls include the plan of organization and methods and procedures that apply to the overall computer operations within an agency. General controls, for example, include, but are not limited, to IT planning, system security, system contingency planning, and IT staff training.

³ Strategic plans are the primary plans prepared by top management of the organization that guide the short-and long-run development of the organization. The strategic plan provides the overall charter under which all units in the organization, including the information systems function, must operate.

EXECUTIVE DIGEST

SUMMARY OF RECOMMENDATIONS

We directed 18 recommendations to the OCC to correct certain deficiencies and other problems noted in the report. We made 2 recommendations to assist in the strategic planning process and 15 recommendations to improve the distribution of undistributed collections, contract oversight, employee training, and system security administration. We also directed one recommendation to OCC to update the cooperative agreement between CSED and the District of Columbia Superior Court. A summary of potential benefits resulting from this audit is included at Exhibit A.

MANAGEMENT RESPONSES AND OIG COMMENTS

We received a response from OCC on January 31, 2003, to the draft of this report. OCC commented on each of the 6 findings contained in the report. Actions taken or planned by OCC were fully responsive to Recommendations 1, 3, 4, 5, 6, 7, 8, 10, 11, 13, 16, 17 and 18. Although planned actions taken in response to Recommendations 9 and 12 were responsive, we made 2 additional recommendations to ensure that the intents of those recommendations are fully met. We request that OCC respond to those recommendations in reply to this final report.

We consider recommendation 14 open pending further clarifications from OCC regarding the removal of users no longer requiring access from the DCCSES active user table. OCC did not respond to Recommendations 2 and 15, and therefore, we consider these recommendations open. We request that OCC respond to those recommendations in reply to this final report. The complete text of the OCC's response is included at Exhibit B.

INTRODUCTION

BACKGROUND

In accordance with D.C. Code § 1-15-31 (2001), Reorganization for the Office of the Corporation Counsel and the Department of Human Services, Mayor's Order 98-57 § I, dated April 17, 1998, transferred the responsibility for the operation and administration of the child support enforcement program from the Department of Human Services (DHS) to the OCC. The CSED, a division within OCC, performs all legal and programmatic functions associated with the District government's child support program. The D.C. Superior Court, as provided by D.C. Code § 46-202.01 (2001), supports the CSED by collecting child support payments, making daily disbursements to clients, and enforcing child support orders.

System Background

From August 1991 to April 2000, CSED awarded four contracts totaling approximately \$48 million. These contracts were for IT services that included system design, modification, and facilities management.

- On August 2, 1991, CSED awarded a contract to transfer, modify, and implement the State of Connecticut's Child Support System to meet District requirements, and to provide facilities management⁴. The contract was modified 19 times and cost approximately \$11 million. The original contract expired on August 1, 1996.
- October 1, 1996, CSED awarded a \$4.8 million contract to the same contractor to complete the implementation of DCCSES. The original expiration date for this contract was September 30, 1997; however, the contract expiration date was extended 7 times until May 31, 2000.
- On May 21, 1999, CSED awarded a \$31 million, 5-year service contract to another contractor to operate, maintain, implement and develop enhancements for CSED's DCCSES. Provisions within this contract were intended to facilitate DCCSES certification in accordance with requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996⁵, Pub. L. No. 104-193, 110 Stat. 2105, 2235-37 (codified as amended at 42 U.S.C.S §§ 651-669 (Lexis through 2002 legislation)) (PRWORA). Additionally, the contractor was required to provide administration for CSED's local area network.

⁴ Facilities management includes obtaining and installing new equipment at a contractor's site, connecting equipment to existing District resources, and monthly operational support of the DCCSES.

⁵ Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, each State must operate a child support enforcement program that meets federal requirements in order to be eligible for grants.

INTRODUCTION

- On April 25, 2000, CSED awarded a multiyear contract, one base year with two one-year options, to a quality assurance (QA) contractor to monitor the DCCSES IT services contract. The base year and the first option year cost was approximately \$1.2 million.

Federal Guidelines and Oversight

The U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement (OCSE) oversees and provides nationwide oversight for state and local child support programs. The Social Security Disability Amendments Act of 1980, Pub. L. No. 96-265 (1980), provides for the establishment and implementation of a comprehensive, automated, statewide management information system to support child support enforcement programs. The Family Support Act of 1988, Pub. L. No. 100-485 mandates the automation of all program requirements under Title IV-D and provides for enhanced funding for automated systems.

The Family Support Act of 1988 (FSA 88), enacted October 13, 1988, was intended to provide local child support enforcement offices with guidelines for implementing automated systems in support of child support enforcement. The federal government reimbursed local offices up to 90 percent of the cost required to implement and modify their systems. Originally, local offices had until October 1, 1995, to implement the FSA 88 requirements. Pub. L. No. 104-35, amending part D of the title IV of the Social Security Act, extended the October 1, 1996, deadline to October 1, 1997. Pub.L. No. 104-35, 109 Stat. 294 (codified as amended at 42 U.S.C.S. § 654(24) (Lexis through 2002 legislation)(1995)).

PRWORA allowed federal funding at the 90-percent rate for state expenditures to meet the FSA 88 requirement for implementing an automated child support system, with limits, retroactive to October 1, 1995, through September 30, 1997. Federal funding for FYs 1996 – 2001 was allowed at an enhanced rate of 80 percent⁶.

Required Certifications

OCSE conducted an FSA 88 certification review of the DCCSES in September 1998 and concluded that the DCCSES was not compliant. OCSE conducted another FSA 88 certification review in October 1999 and December 1999 (the review required two visits). On April 21, 2000, OCSE granted DCCSES conditional FSA 88 certification because

⁶ Normally, data processing costs are reimbursable by the federal government at 66 percent of the data processing expenditures required to support child support enforcement. “Enhanced rate” refers to the 14 percent increase above the regular 66 percent rate of reimbursement. The federal government granted this rate to assist and encourage agencies to implement the new requirements as soon as possible.

INTRODUCTION

findings identified during the OCSE review did not impede the overall functionality of the DCCSES, and identified anomalies that could be easily corrected prior to re-certification. OCSE performed a PRWORA certification review of the DCCSES in May 2001 and, based on that review, granted CSED full FSA 88 certification on September 18, 2001. However, the PRWORA review identified five problems that CSED had to correct in order to become PRWORA certified. As of August 27, 2002, OCSE had not scheduled the follow-up review. A representative of OCSE told us that they tentatively planned to conduct the PRWORA certification follow-up review around late April or May of 2002, but canceled the scheduled review because CSED had not completed all the requirements for PRWORA certification.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to review management and general controls over contract oversight, long-and short-term strategic planning, employee training, security administration, and management of undistributed collections as these areas relate to the operation of DCCSES.

After a review of the DCCSES IT services contract, we added another objective to determine if CSED could bring the DCCSES in-house and further reduce the cost to administer and operate the system. However, we determined that this objective would not be included in this report but would be covered in a separate report.

To accomplish our objectives, we examined the DCCSES IT services contract, the QA provider contract, financial reports, invoices, billing documents, reports on undistributed collections, operational policies and procedures, and other relevant documentation pertaining to the DCCSES and CSED for the period 1988 to 2002. We conducted interviews with CSED, DCCSES IT services contractor and QA contractor management, and staff personnel.

Our audit was conducted in accordance with generally accepted auditing standards and included such tests as we considered necessary under the circumstances.

FINDINGS AND RECOMMENDATIONS

<h3>FINDING 1: PROJECT PLANNING</h3>

SYNOPSIS

CSED did not develop long-and short-term strategic plans with respect to the DCCSES that include: (1) an operational and technological feasibility assessment of DCCSES⁷; (2) a risk assessment; (3) an assessment of alternative solutions⁸ to the present IT service contract and DCCSES; and (4) a cost benefit analysis of the alternative solutions versus the present DCCSES IT services contract. Additionally, CSED did not institute a steering committee with representation from management, user groups, and IT staff to oversee and assist in the overall planning for the current and future direction of the DCCSES. These conditions were caused, in part, by a lack of consistent leadership at CSED during the more than 11-year DCCSES system development period and the absence of long-and short-term strategic plans and a DCCSES steering committee.

As a result, the District could experience negative operational and/or financial impacts, which include: (1) continued dependence on the current-costly-contractor to operationally support DCCSES; (2) continued use of antiquated and operationally costly programming language; (3) weakened in-house expertise needed to adequately support DCCSES; and (4) additional cost resulting from unplanned investment in major systems development.

DISCUSSION

We determined that CSED did not develop long-and short-term strategic plans or establish a steering committee to oversee the DCCSES. This absence of planning and oversight resulted from a lack of continuity in leadership at CSED during the DCCSES system development project and ongoing operations. During the past 11 years, CSED has had 10 new or acting Directors and, therefore, has not had the opportunity to develop and implement a coherent and far-reaching strategic plan for DCCSES.

⁷ An operational and technological feasibility assessment is a study undertaken to determine if the present system adequately supports the organization's business functions. The assessment also considers the feasibility of current technological improvements and systems that may be a better alternative to the present system.

⁸ Alternative solutions are feasible options to the present DCCSES and service contract. For example, CSED could consider the feasibility of bringing the DCCSES and supporting personnel in-house, replacing the current system with a more current system, bringing the current system in-house and out-sourcing the IT support function, or other options that may be available. Generally, these alternatives would be identified in planning and evaluated to ensure the recipient receives the best value and function for the money.

FINDINGS AND RECOMMENDATIONS

A Strategic Plan/Technological Assessment - During the audit, the CSED Interim Director informed us that CSED management was aware of the present situation and had held discussions on the present DCCSES IT services contract. However, these discussions did not result in the development of a formal strategic plan for the DCCSES because the Interim Director did not want to initiate any DCCSES planning until a new CSED Director was appointed. A new CSED Director was hired in March 2002. The new Director stated that he was in the process of identifying funds to conduct a technological assessment of the DCCSES, which will serve as a basis for IT planning. However, even if a technological assessment is conducted, there may not be sufficient cycle time to complete the implementation of the child support system before the end of the DCCSES contract.

To develop a sense of cycle time for implementing a child support system, we obtained information from other jurisdictions to determine how long it took them to implement their child support systems. Based on the responses from 11 jurisdictions, the cycle time between the planning stage and full system implementation was 2-4 years in five jurisdictions, 4-6 years in two jurisdictions, and greater than 6 years in four jurisdictions.

These results suggest that even if CSED starts a technological assessment of the current system, there will not be adequate time before the May 21, 2004, DCCSES IT services contract expiration date for CSED to: (1) make decisions and develop the corresponding plans concerning the DCCSES; (2) incorporate the plans into the Advanced Planning Documents (APDs)⁹; (3) receive federal approval of the APDs; (4) solicit and select vendors to maintain the DCCSES; or (5) implement a new system within the time remaining on the present IT service contract, if CSED decides to install a new one. Irrespective of the DCCSES system development horizon, CSED must initiate planning immediately to provide for the future direction of CSED's management information system.

The lack of an effective plan for the eventual replacement or modification of the DCCSES places the District at risk of incurring the same system development and modification failures experienced with major applications such as the Comprehensive Automated Personnel and Payroll System (CAPPS), Financial Management System (FMS), and PRISM. These failures have cost the District millions of dollars and resulted in applications that have failed to meet District needs or have had to be replaced at additional cost.

⁹ To receive reimbursement for any modifications or changes to a system, the federal government requires child support offices to submit APDs to describe any planned modifications or changes. An APD must be approved prior to the start of any maintenance, modification, or implementation projects.

FINDINGS AND RECOMMENDATIONS

Governance, Control and Audit for Information and Related Technology (COBIT)¹⁰, Planning and Organization (PO) Process 1.0, Define a Strategic Information Technology Plan, Control Objective 1.3, provides:

IT management and business process owners should establish and apply a structured approach regarding the long-range planning process. This should result in a high-quality plan which covers the basic questions of what, who, how, when and why. The IT planning process should take into account risk assessment results, including business, environmental, technology and human resources risks. Aspects which need to be taken into account and adequately addressed during the planning process include the organizational model and changes to it, geographical distribution, technological evolution, costs, legal and regulatory requirements, requirements of third parties or the market, planning horizon, business process re-engineering, staffing, in- or out-sourcing, data, application systems and technology architectures. Benefits of the choices made should be clearly identified. The IT long- and short-range plans should incorporate performance indicators and targets. The plan itself should also refer to other plans such as the organization quality plan and the information risk management plan.

Steering Committee - The CSED DCCSES IT services contract project manager stated that CSED has not established a steering committee to oversee the DCCSES. However, a steering committee's function is required to adequately plan and make decisions concerning the DCCSES. COBIT, Process 4.0, Define the Information Technology Organization and Relationships, Control Objective 4.1 provides: "The organization's senior management should appoint a planning or steering committee to oversee the IT function and its activities. Committee membership should include representatives from senior management, user management and the IT function. The committee should meet regularly and report to senior management."

In response to a previous OIG audit, the Office of the Chief Technology Officer (OCTO) indicated that it has instituted a Management Services Division, Program Review for IT, and a Project Initiation Form to assist agencies in managing their IT projects. OCTO stated that these initiatives are necessary to ensure that agencies are using a sound project management methodology to control the IT project from its inception and prior to the expenditure of funds. OCTO also stated it has instituted a Centralized Project Management Office to advance project management efforts for the District's IT project portfolio. We recommend that CSED request assistance from OCTO in preparing DCCSES strategic plans.

¹⁰ COBIT is a group of generally applicable and accepted standards for good practice for Information Technology controls.

FINDINGS AND RECOMMENDATIONS

CONCLUSION

CSED management acknowledges the need for DCCSES strategic planning and discusses this issue occasionally at meetings with IT staff and contractors. However, decisions resulting from these meetings have not evolved into formal plans. To mitigate the District's risk of having to select applications and technology reactively and, as a matter of necessity, rather than by an organization-wide strategy, CSED needs to make decisions on whether to acquire a new system or to retain the present one and develop and institute the necessary plans and processes required. To assist CSED in developing plans for the continued operation of the DCCSES, we recommend CSED utilize OCTO for assistance.

RECOMMENDATION 1

We recommended that the Office of the Corporation Counsel, in consultation with the Office of the Chief Technology Officer, develop long- and short-term strategic plans with respect to the future operation of the DCCSES. At a minimum, these plans should address the: (1) feasibility of replacing or retaining the present system; (2) identification, feasibility, and cost of alternative solutions to the present service contract and DCCSES; and (3) time required to implement OCC's and CSED's planned actions, considering the impending expiration of the present contract.

CSED Response

CSED indicated that they have completed a technological feasibility study that will serve as CSED's initial basis for DCCSES future planning. Further, CSED indicated that they intend to produce a workplan that will include the tasks required for CSED to develop an advance planning document (APD), which is required to obtain federal dollars, for the upgrade or replacement of the DCCSES.

OIG Response

We consider actions taken and actions planned by CSED to be responsive to recommendation 1 and request that CSED provide us with an estimated date for the completion of the workplan and APD development.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION 2

We recommended that the Office of the Corporation Counsel, in consultation with the Office of the Chief Technology Officer, create a steering committee to provide planning and oversight for DCCSES.

CSED Response

CSED did not provide a response to recommendation 2.

OIG Response

OCC did not respond to recommendation 2; therefore, we consider recommendation 2 open. We request that CSED provide comments to recommendation 2. At a minimum, these comments should state whether CSED concurs or non-concurs with recommendation 2, actions taken or planned, date of completion, or target date for planned actions.

FINDINGS AND RECOMMENDATIONS

FINDING 2: UNDISTRIBUTED COLLECTIONS

SYNOPSIS

CSED has not implemented adequate controls and processes to ensure timely distribution of approximately \$2,974,688 in undistributed collections (UDCs) to child support recipients. This failure occurred because CSED has not developed effective operational policies and procedures for reducing or resolving the various issues that cause UDCs and has not assigned dedicated staff to reducing UDCs.

As a result, custodial parents and children are not receiving child support payments collected on their behalf. Further, undistributed collections could result in economic and emotional hardship to the custodial parent and child, as well as public criticism and loss of confidence in the child support program's ability to operate.

DISCUSSION

CSED classifies UDCs into 2 categories: collections that have resulted from application errors and collections resulting from CSED's inability to locate or distribute funds to the custodial parent or child.

Our review of two reports, the June 25, 2002, *Application Problem Report After All Batches Summary Report*¹¹, (Application Problems Report) and the *Non-disbursed Funds After Checks Detailed Report*¹² (Detailed Report) showed that the total UDCs were \$ 2,974,688, as shown in Table 1.

TABLE 1 – TOTAL UDCs

CATEGORY	DATE	AMOUNT
UDCs resulting from Application Problems	6/25/2002	\$2,275,524.11
UDCs resulting from CSED having incorrect addresses	5/16/2002	\$ 699,164.81
Totals		\$2,974,688.92

¹¹ This report summarizes the UDCs resulting from application errors and collections such as: tax intercept, application errors, and payment date discrepancies.

¹² This report summarizes the UDCs resulting from CSED not being able to locate the custodial or non-custodial parent.

FINDINGS AND RECOMMENDATIONS

Title 42 U.S.C. § 654b(c), requires state disbursement units to distribute all amounts payable within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided. 42 U.S.C.S. § 654(c)(1) (Lexis through 2002 legislation).

Application Problems - Using the Instructions For Resolving Application Problems (Application Problem Instructions) and based on discussions with the Distribution Manager, we classified the application errors by the entity responsible for resolving each error. We determined that of the \$2,275,524 resulting from application errors, the District is responsible for resolving \$1,585,175¹³; “no one needs to resolve¹⁴” \$518,971 (because DCCSES will automatically release the funds when the amount charged equals the obligation); the DCCSES IT services contractor is responsible for resolving \$125,072; and responsibility for the remaining \$46,304 is unassigned. The CSED is also responsible for resolving \$699,164 resulting from CSED having incorrect addresses. Since CSED is responsible for the administration and operation of the child support enforcement program, we believe that CSED has the ultimate responsibility for implementing guidelines, policies and procedures, and performance measures that provide for resolving issues that prevent the timely disbursement of the entire \$2,974,688.

The Application Problem Instructions provide an explanation of the application errors that appear on the Application Problem Report and indicate the entities responsible for reducing each category of UDCs. However, some of the UDC errors or classifications reported on the Application Problem Report were not covered in the Application Problem Instructions. Furthermore, the instructions do not contain time lines or performance measures for resolving UDCs, guidelines for returning undistributed funds to child support payers, or guidelines for writing-off UDCs as unclaimed property.

Based on the Application Problems Report, there were 12,138 UDC records with unresolved application problems. We aged the 12,138 UDC records as of June 25, 2002¹⁵. The aging of the records showed that more than 50 percent of the UDCs remained unresolved for 3 months or longer and that approximately 18 percent remained unresolved for periods greater than 1 year. The aging is shown in Table 2.

¹³ The total is derived from classifying and summarizing the errors listed on the application error report by the entity responsible for resolving the errors and adding the totals from the May 16, 2002, Non-Disbursed Funds after Checks Report.

¹⁴ “No one needs to resolve” classification on occasion requires CSED distribution staff to manually apply funds to allow distribution to child support recipients.

¹⁵ Aging refers to the length of time, usually stated in a period of months; 30 days, 60 days, 90 days, etc., used to report the status or classification of items or events that are open, unresolved, or otherwise not completed.

FINDINGS AND RECOMMENDATIONS

TABLE 2 – UDC AGING

ELAPSED DAYS ¹⁶	NUMBER OF UDC RECORDS	COUNT PERCENTAGE	UNDISTRIBUTED AMOUNT	PAY PERCENTAGE
2 - > 29	2949	24.30%	\$ 673,257.71	29.59%
30 - > 59	1352	11.14%	\$ 284,671.91	12.51%
60 - > 89	1419	11.69%	\$ 301,621.93	13.26%
90 - > 119	1395	11.49%	\$ 272,530.81	11.98%
120 - > 179	1356	11.17%	\$ 217,826.19	9.57%
180 - > 360	1527	12.58%	\$ 199,848.00	8.78%
> 360	2140	17.63%	\$ 325,767.56	14.32%
TOTALS	12138	100.00%	\$2,275,524.11	100.00%

The Application Problems Report listed and summarized 33 bases for classifying child support collections as UDCs. One basis is that federal guidelines require CSED to hold the tax-intercept funds a minimum of 6 months to allow the injured spouse time to file a tax return as an injured spouse¹⁷. As of June 25, 2002, the Joint Internal Revenue Service (IRS) tax intercepts totaled \$256,031, or approximately 11.25 percent of the total \$2,275,524 of the UDCs resulting from applications errors. Excluding Joint IRS tax receipts, which have statutory guidelines preventing immediate distribution, CSED should seek to expeditiously distribute all other UDCs.

Incorrect Addresses - From August 9-15, 2001, in an effort to locate non-custodial and custodial parents for whom CSED had incorrect addresses, the division placed a listing of 539 non-custodial and custodial parents in the *Washington Informer*. The total UDCs for the 539 non-custodial and custodial parents equaled \$361,779. As of May 16, 2002, the UDCs total for non-custodial and custodial parents for whom CSED had incorrect addresses increased to \$699,164. We were unable to determine the number of non-custodial and custodial parents or electronically age the cases to determine the length of time these funds were held by CSED because the Detailed Report was too voluminous and CSED did not provide us with an electronic copy of the report. Our review of the Detailed Report revealed that some incorrect addresses date back to 1998.

Distribution Staff - The Distribution Unit manager stated that a large number of the UDC cases require the distribution staff to investigate the cases and manually apply funds or resolve incorrect administrative or data issues. However, he has been unable to assign

¹⁶ Elapsed days refer to the number of days that have elapsed between May 6, 1998, and June 25, 2002.

¹⁷ You are an injured spouse if you file a joint return and all or part of your share of the overpayment was, or is expected to be, applied against your spouse's past-due child or spousal support. Injured spouses are allowed to file a tax return Form 8379 to prevent the IRS from intercepting their share of the overpayment or to recover their share of the overpayment.

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adequate staff to reduce the UDCs because staff members have been assigned to tasks required for the DCCSES PRWORA certification and the re-development of the test deck¹⁸. Previously, the Locate Division devoted 1 of its approximately 18 staff members to locating absentee custodial parents. The CSED Director stated that the Locate Division's responsibility is not to locate custodial parents but to locate absentee parents for the purpose of establishing support orders. The CSED Director also stated that he has delegated the responsibility for developing a UDCs reduction plan to the CSED Distribution Unit manager. Additionally, the Distribution Unit manager stated that inaccurate case data resulting from inadequate edits and controls within DCCSES has also contributed to growing UDCs.

The Distribution Unit manager provided us with recommendations that he had provided to previous CSED Directors proposing solutions for reducing UDCs; one of which was granting overtime hours to several experienced distribution employees to resolve UDC cases. However, the Distribution Unit manager stated that former CSED Directors did not provide him with a response. CSED's inattention to recommendations proposed by the Distribution Unit manager contributed to the prolonged inaction in resolving UDCs. CSED should develop and implement guidelines that provide for the timely resolution of problems that contribute to UDCs.

UDC Deposits - The CSED financial manager stated that the Superior Court was responsible for maintaining the UDCs bank account. The Superior Court financial manager stated that the UDCs are deposited along with all the child support receipts and are not segregated. Furthermore, the Superior Court financial manager stated that the Superior Court and the bank have an agreement that the bank will not pay the District interest on any funds deposited in the account in lieu of charging the District banking fees.

Title 42, U.S.C. § 654b(c) requires states to make regular child support disbursement payments within 48 hours. We did not find any guidelines preventing the District from earning interest on UDCs. If all payments in the account were made within 48 hours, the interest consideration would be of lesser consequence. However, \$2,275,524 in UDCs have accumulated in the bank, as listed in Table 3, without the District earning any interest on the funds.

Based on our aging of UDCs at an interest rate of 2 percent annually (refer to Table 3), it appears that the District could have earned approximately \$11,571 on UDCs that have accumulated for a year or less and additional interest on the UDCs that have accumulated for longer than a year.

¹⁸ CSED is required to submit test deck data to OCSE prior to OCSE auditor's review. The OCSE has required the CSED to resubmit its test deck because of inadequacies.

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TABLE 3 – INTEREST CALCULATION

PAY DATE	PAY AMOUNT	LOST INTEREST CALCULATED AT 2%
0 - > 29	\$673,257.71	\$1,122.32
30 - > 59	\$284,671.91	\$948.81
60 - > 89	\$301,621.93	\$1,508.11
90 - > 119	\$272,530.81	\$1,816.96
120 - > 179	\$217,826.19	\$2,178.26
180 - > 360	\$199,848.00	\$3,996.96
> 360	\$325,767.56	not calculated
TOTALS	\$2,275,524.11	\$11,571.43

Because of time constraints, we did not analyze the offsetting cost of potential interest earnings and associated bank services fees. We recommend that the Superior Court and CSED analyze the account activity and determine if it would be more beneficial for the District to earn interest on balances remaining in the account for periods in excess of a specified period of time.

RECOMMENDATION 3

We recommended that the Office of the Corporation Counsel develop and implement operational policies and procedures to address, at a minimum: (1) DCCSES system changes required to prevent UDCs; (2) data integrity issues causing UDCs; and (3) UDC case and administrative maintenance.

CSED Response

CSED stated that they have obtained a federal grant to perform a demonstration project to design and implement a UDCs reduction and prevention process. The demonstration project plan objectives provide for the identification of system issues and an analysis of CSED policies and procedures that may contribute to the accumulation of UDCs.

OIG Response

We consider actions taken and actions planned by CSED to be responsive to recommendation 3.

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RECOMMENDATION 4

We recommended that the Office of the Corporation Counsel dedicate staff solely to resolving UDCs and keeping UDC formation to a minimum.

CSED Response

CSED indicated that they have obtained a grant to initiate a UDCs evaluation and reduction project. This project requires CSED to provide five people (three District personnel and two private consultants) to the UDCs reduction demonstration project. Further, after completion of the project, CSED indicated that they would allocate staff to maintaining and reducing the UDCs.

OIG Comments

We consider actions taken and actions planned by CSED to be responsive to recommendation 4.

RECOMMENDATION 5

We recommended that the Office of the Corporation Counsel establish performance objectives and measures for reporting and reducing UDCs.

CSED Response

CSED indicated that they have set a goal to reduce the UDCs by 50 percent over the next year and will be implementing management tools and strategies to enable CSED to monitor UDCs and prevent UDCs accumulation in the future.

OIG Comments

We consider actions taken and actions planned by CSED to be responsive to recommendation 5.

RECOMMENDATION 6

We recommended that the Office of the Corporation Counsel develop operational policies and procedures in accordance with the District's unclaimed property laws to write-off UDCs that can not be distributed back to the payer and that remain undistributed for extended time periods.

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CSED Response

CSED indicated that they have produced processes and procedures to release UDCs as abandoned property to the Office of Tax and Revenue (OTR). CSED stated that in January 2003, \$52,000 was reported and sent to OTR. Additionally, CSED reported that they will review UDCs yearly to determine which collections should be classified as abandoned property and turned over to OTR.

OIG Comments

We consider actions taken and actions planned by CSED to be responsive to recommendation 6.

RECOMMENDATION 7

We recommended that the Office of the Corporation Counsel coordinate with the Superior Court to determine the feasibility and cost effectiveness of the District earning interest on UDCs as opposed to the present banking arrangement.

CSED Response

CSED indicated that they would investigate the feasibility and cost effectiveness of the District earning interest on UDC deposited funds.

OIG Comments

We consider actions taken and actions planned by CSED to be responsive to recommendation 7.

FINDINGS AND RECOMMENDATIONS

<h3>FINDING 3: CONTRACT OVERSIGHT</h3>
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SYNOPSIS

We identified three critical deliverables that have not been provided by the IT services contractor as required by the DCCSES IT services contract. We determined that CSED did not adequately administer or oversee the DCCSES IT services contract to ensure that PRWORA software changes, training plans and schedules, and system documentation deliverables were provided by the contractor in accordance with the DCCSES IT services contract. CSED did not enforce contract compliance for deliverables or ensure timely resolution of deliverable acceptance problems between CSED and the DCCSES IT services contractor. These deliverables are necessary for the successful implementation and continued operation of the DCCSES. As a result, the District runs the risk of not meeting PRWORA certification requirements, which could result in penalties of approximately \$1,426,119. Furthermore, CSED can not provide or plan DCCSES user and technical training for CSED staff or provide adequate oversight and administration of the DCCSES.

DISCUSSION

Our review revealed that CSED did not provide adequate contract oversight or enforcement to ensure that PRWORA software changes, training plans and schedules, and system documentation deliverables were completed as required by the contract.

PRWORA Deliverable - The DCCSES IT services contract, Article 1 § 1.3.4, provides that, “[t]he task under Part 3 must be prioritized such that the software changes (DCCSES, PRWORA, Balanced Budget Act and H.R. 3130) shall be completed no later than April 30, 2001 based upon a definitized contract award date of July 30, 1999.” The required PRWORA software changes and developments deliverable date of April 30, 2001, was included in the contract to allow the District adequate time to implement, test, and correct any deficiencies in preparation for the federal PRWORA certification review. The total cost for implementing the PRWORA software deliverables is \$ 2,297,698.¹⁹

The CSED provided us with a status listing of all the PRWORA related deliverables provided in the DCCSES IT services contract. We reviewed the status of the PRWORA deliverables and found that the contractor had not completed the deliverables as specified in the contract.

¹⁹ PRWORA cost includes the cost for the DCCSES IT services contractor to provide PRWORA user training and system documentation. The DCCSES IT services contract does not provide an itemization of PRWORA software training or system documentation.

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In a letter dated February 16, 1999, the DCCSES IT services contractor informed CSED that the PRWORA deliverables cited in the contract are based on a definitized contract award date of April 1, 1999. Subsequently, the District entered into a letter contract with the DCCSES IT services contractor on May 12, 1999, to allow the contractor to begin work. The DCCSES IT services contractor indicated in its best and final offer that it planned to prioritize the PRWORA software deliverables to make the October 1, 2000, federal PRWORA deadline. Federal criteria requires that State and local child support offices meet all the Title IV-D requirements enacted under PRWORA by October 1, 2000. The CSED and DCCSES IT services contractor were aware of the impending PRWORA deliverables implementation timeframes; however, neither CSED nor the DCCSES IT services contractor ensured the deliverables were delivered as provided by the contract or federal guidelines.

Article 1 § 1.3.3 of the DCCSES IT services contract, provides that “[u]pon receipt of a timely notice of any deficiencies in a change or deliverable, the contractor shall respond with a corrective action plan or written plan identifying how and when the deficiency will be corrected.” Neither, the DCCSES project manager nor the contractor was able to provide us with corrective action plans in regard to delays incurred in meeting DCCSES or PRWORA changes. Adherence to this procedure is critical and necessary to ensure the CSED can properly control the software modification project and implement deliverables on schedule.

Regarding approvals and/or disapprovals of contract deliverables, DCCSES IT services contract, Attachment B § C.5.1 provides:

[i]f possible, the District Project Manager will issue a written “Notice of Acceptance” within ten (10) working days after the Contractor’s submission of the complete deliverable. If, however, the District requires additional time beyond the ten (10) work day period, the Contractor will be notified accordingly. If the District requests additional time to review and approve a deliverable, the original completion date may be adjusted at no cost to either the District or the Contractor.

The OCSE conducted a PRWORA certification review in May 2001, which identified 5 specific areas CSED needed to resolve in the subsequent year to meet PRWORA certification and avoid penalties. CSED representatives informed us that the OCSE was scheduled to perform its follow-up review in the last quarter of 2001. As of August 27, 2002, CSED had not completed the requirements for PRWORA certification.

DCCSES IT services contract, Article 6 § 6.4, provides that the District may withhold 10% of each amount invoiced until the U.S. Department of Health and Human Services certifies that the DCCSES is PRWORA certified. The contract provides that if the DCCSES does not meet PRWORA certification, the DCCSES IT services contractor shall bring the system into compliance at no additional cost to the District. We could find no evidence of the District withholding 10% of each invoiced amount. Further, the contract provides that the District

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can assess a \$1,000 per day penalty if the contractor fails to meet deliverable deadlines. However, for failing to provide deliverables according to the contract, the District did not enforce this provision on the DCCSES IT services contractor.

The DCCSES IT services contract project manager stated that the former CSED Director issued a letter excusing them from meeting the April 30, 2001, PRWORA deliverable contract deadline. We requested a copy of the letter; however, the DCCSES IT services contract project manager denied our request because the contractor’s executive management requested that CSED provide us with the letter instead. We were unable to verify the letter’s existence because the CSED Interim Director and the CSED DCCSES project manager stated that they did not have any knowledge of the letter and were unable to locate it.

Regardless of the letter, 27 DCMR § 3600.1 states “[o]nly a contracting officer acting within the scope of the contracting officer’s delegated contract authority is authorized to execute a contract modification on behalf of the District.” Our review of the DCCSES IT services contract did not reveal any modifications by the contracting officer granting the DCCSES IT services contractor an extension on the PRWORA deliverable contract deadline.

PRWORA is federally mandated. Failure to implement the prescribed PRWORA requirements places CSED at risk of incurring penalties for non-compliance. An OCSE representative informed us that the penalty assessed to CSED would be calculated as a percentage of CSED’s request for reimbursement as reported on form 396-A. (4% for FY 2000 and 8% for FY 2001) (refer to Table 4).

TABLE 4: ESTIMATED PENALTY FOR FAILURE TO MEET PRWORA REQUIREMENTS

Year 1 Penalty (FY 2000)	\$ 420,701
Year 2 Penalty (FY 2001)	\$1,005,418
Total	\$1,426,119

Training Deliverable - Our review of the DCCSES IT services contract deliverable schedule and interviews with the DCCSES project manager and QA contractor revealed that the DCCSES IT services contractor had not submitted an acceptable training plan or schedules as required by the contract. These failures resulted in CSED’s inability to develop and train DCCSES users and in-house ADP staff and necessitated the hiring of contractors to handle the day-to-day operations and support of the DCCSES and CSED LAN. Further, CSED had to hire the QA contractor to oversee the DCCSES IT services contract.

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The DCCSES IT services contract, Attachment B § C.8.1.20.7(a) provides that the contractor will submit a IT training plan²⁰ 8 weeks after the award of the contract. Based on a definitized contract award date of August 10, 1999, the DCCSES IT service contractor should have provided the IT training plan deliverable on October 10, 1999. We were unable to evaluate the plan because neither CSED nor the DCCSES IT services contractor could locate it.

To determine what training had been provided to CSED staff, we also requested that CSED provide us with a listing of all end-user training and IT staff training provided by the DCCSES IT services contractor. However, we were unable to determine the full extent to which the contractor provided training to CSED staff because CSED was unable to provide us with the end-user training listing.

On November 17, 2000, the DCCSES IT services contractor submitted its initial training plan for providing PRWORA and DCCSES software change training. CSED rejected the training plan on December 11, 2000, and informed the contractor that the training plan was inadequate. The contractor submitted a revised training plan on February 7, 2001, which CSED rejected as inadequate on April 20, 2001. As previously stated, the DCCSES IT services contract states that upon receiving notice of any deficiency in a deliverable, the contractor is required to submit a corrective action plan or a written plan identifying how and when the deficiency will be corrected. *See* DCCSES IT services contract at Art. 1 § 1.3.3. As of June 2002, the contractor had not submitted an acceptable training plan. Further, CSED could not provide any documentation of attempts, other than their initial rejections, to resolve the problems with the training plan deliverable.

As a result of inadequate delivery of training plans and training, CSED can not provide or plan DCCSES user and technical training for CSED staff or provide adequate oversight and administration of the DCCSES. These failures have also contributed to CSED's total dependency on contractors for the day-to-day operations of the DCCSES and CSED LAN and for QA services with respect to the DCCSES IT services contract.

System Documentation Deliverable - CSED employees have to rely on outdated and unreliable system documentation because the contractor did not provide updated system documentation as required by the DCCSES IT services contract.

When we requested DCCSES system documentation, CSED personnel informed us that the DCCSES IT services contractor stated that all system documentation would be provided at the conclusion of all software modifications. The terms of the DCCSES IT services contract require the contractor to submit a draft of all required manuals and change documentation after implementation of the changes. (Attachment B §§ C.8.3.1.1 and C.8.3.2.1) The terms

²⁰ The training plan describes the methodology and training materials the contractor intends to use to deliver the training required by the contract.

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also require the contractor to update all documentation related to the general and detailed design of the DCCSES and user documentation during the contract period. (Attachment B § C.8.3.4) We could find no documented evidence that CSED personnel had taken or are taking any actions to assure adherence to contract provisions for the delivery of system documentation.

CSED has known about the inadequacies of DCCSES system documentation since February 8, 1999, when OCSE reported in its Independent Verification and Validation Assessment Report that the CSED had not obtained updated detailed design documentation. OCSE reported that the lack of documentation resulted from a substantial number of unresolved technical and managerial disputes and misunderstandings between the District and the DCCSES IT services contractor. We determined that the same conditions exist today as reported by OCSE in 1999. As a result, the District is at risk of not having the necessary system documentation that would allow in-house or contract personnel to maintain and/or modify the DCCSES. CSED would have to expend additional funds to have a third party document the system if the present contractor abruptly departs.

RECOMMENDATION 8

We recommended that the Office of the Corporation Counsel obtain the PRWORA, training, and system documentation deliverables in accordance with contract provisions or initiate a monetary adjustment to the contract for the value of undelivered items.

CSED Response

On April 17, 2002, the CSED entered into a contract modification that requires the DCCSES IT services contractor to provide updated system documentation.

OIG Comments

We consider actions taken by CSED to be responsive to recommendation 8.

FINDINGS AND RECOMMENDATIONS

<h3>FINDING 4: EMPLOYEE TRAINING</h3>

SYNOPSIS

CSED did not ensure that its Automated Data Processing (ADP) staff received adequate initial technical training, refresher training, or practical hands-on experience sufficient to provide adequate oversight of the DCCSES IT services contract or provide comprehensive management, administration, and maintenance of the DCCSES and the CSED local area network (LAN).

CSED's failed to: (1) establish formal training plans for the CSED ADP staff; (2) take proactive measures to schedule on-going training courses outside of the contractor; (3) budget for CSED ADP staff training; and (4) in the absence of in-house expertise, hire District employees with the requisite skills and experience to support the DCCSES. Further, CSED did not seek to modify the DCCSES IT services contract, as provided in the contract, to allow the contractor to provide required job-related training to the CSED ADP staff. As a result, CSED is solely dependent upon contractors for the day-to-day operations, maintenance, and support of the DCCSES and CSED LAN; and for contractual oversight of the DCCSES IT services contract. The direct and indirect personnel cost for facilities management, communication, and equipment maintenance support approximate \$8.4 million and \$615,864 for QA services on the remaining terms of these contracts. These costs could have been mitigated had CSED ensured that its existing ADP unit received adequate training to perform the same services.

DISCUSSION

CSED personnel have not received adequate training to provide them with the knowledge and skills required to maintain and support the DCCSES and CSED LAN, and provide adequate oversight of the DCCSES IT services contract. As a result, CSED is totally dependent on contractors for the day-to-day operations, maintenance, and support of the DCCSES and CSED LAN; and for contractual oversight of the DCCSES IT services contract.

Self Assessment - Our audit revealed that the lack of employee training dates back to February 1999. On February 8, 1999, the former CSED director transmitted an assessment of the child support enforcement program to the Corporation Council, which subsequently transmitted the assessment to the Mayor. The report provided that, "District staff should be knowledgeable and available to approve system design changes, perform system testing, produce reports, and operate the system. Sufficient knowledgeable staff members are not available." The report recommended an action plan to hire additional District computer staff, reassign CSED staff to computer projects, and provide additional "skills specific" training to staff.

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Based on our audit results, we found that the same conditions existed during our audit as cited in the February 8, 1999, CSED self assessment. CSED personnel informed us that they have not been provided adequate formal technical training that would enable them to operate and maintain the DCCSES. The current CSED director informed us that he is highly concerned that CSED does not have the staff sufficiently trained to operate the DCCSES.

The DCCSES IT services contract project manager informed us that technical training was provided to the CSED ADP staff immediately after the implementation of the DCCSES. We interviewed CSED APD staff who indicated that approximately 4 years ago, the contractor provided training on new equipment to only 1 member of the present ADP staff and no additional training has been provided since that time. Our review of a November 4, 1999, initial training acceptance document and the DCCSES IT services contract revealed that CSED paid a contractor \$24,652 for training on “new equipment” to the DCCSES IT services contractor, former facilities management subcontractor, and one CSED employee.

DCCSES IT services contract, Attachment B § C.8.1.20.7(a) provides:

[t]raining in any new procedures or in any new aspects of the new equipment and Facility and Management operation will be made to the appropriate District ADP staff . . . The Offeror shall be responsible for submitting an outline of its Training Plan with its proposal identifying what technical training is required for District staff in working with the new Facility Manager and equipment. The Training must be tailored to meet the requirements of the technical staff to enable them to support the DCCSES and Facility Management operations. The District will monitor and evaluate the effectiveness of the training and will define areas that require modification on the part of the Contractor.

Further, the user training acceptance document provided that training on PRWORA and DCCSES modifications would be provided when each modification was implemented. We requested that CSED provide us with documentation on any upgrades to CSED LAN, DCCSES operating system, and database to determine if they had been upgraded, however, CSED was unable to provide us with this information. The contract did not require the contractor to provide on-going or refresher training to the CSED ADP staff on the DCCSES application programming language and database, or CSED LAN operating system environments. Attachment B § C.8.1.20(a) of the contract obligates the District to monitor and evaluate the effectiveness of the training and identify areas that require modification on the part of the contractor. CSED should have evaluated and documented the shortcomings in the training provided to the CSED ADP staff, and modified the training deliverable to include on-going and refresher training to the CSED staff throughout the term of the contract. In addition, we believe that any modification or upgrades to the CSED LAN operating system, DCCSES operating system, or the DCCSES database constitutes new procedures and new aspects. Therefore, the contractor should have provided training corresponding to any modifications or upgrades as well.

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We were unable to evaluate the training plan for CSED ADP staff because neither CSED nor the DCCSES IT services contractor was able to provide us with the plan. For the \$24,652 that the CSED paid to a contractor to train the DCCSES IT services contractor, a subcontractor, and only one CSED staff employee, CSED could have sent the entire ADP staff to this training at no additional cost, thereby developing the in-house expertise necessary to maintain the DCCSES and provide oversight of the DCCSES contract, and eliminating CSED's dependency on contractors for these services. According to the contractor, all obligations to provide technical training to the CSED ADP staff have been met.

COBIT, PO Domain, Process 7.0, Manage Human Resources, Control Objective 7.4 provides that:

[m]anagement should ensure that employees are provided with orientation upon hiring and with on-going training to maintain their knowledge, skills, abilities and security awareness to the level required to perform effectively. Education and training programmes conducted to effectively raise the technical and management skill levels of personnel should be reviewed regularly.

Furthermore, in the absence of contractor-delivered training, CSED had not taken any proactive measures to ensure CSED ADP staff received any other training. The CSED financial manager informed us that CSED does not plan or budget for the CSED ADP staff training. CSED's failure to ensure that the contractor provided the ADP staff with adequate initial, refresher, and ongoing training, and its failure to devise a training plan or obtain an acceptable training plan from the DCCSES IT services contractor, prevented CSED from providing an effective training structure and curriculum to the CSED ADP staff. DCCSES training structure and curriculum are necessary to adequately prepare CSED ADP staff members for the support and oversight of the DCCSES, CSED local area network (LAN), and DCCSES IT services contract. Finally, knowing that there were no provisions to secure and pay for ADP staff training, CSED, also failed to hire any District employees with the requisite skills, knowledge, and experience to support the DCCSES or CSED LAN.

DCCSES IT Services Contract - The DCCSES IT services contractor provides CSED with administration and maintenance support for the DCCSES and CSED LAN. These support services include facilities, communication, and equipment management and maintenance. The direct and indirect personnel cost for these support services approximate \$8.4 million for the remaining 2 years of the contract (refer to Table 5). The communications costs are net of recurring communication line and equipment cost. Equipment maintenance cost includes personal computer, printer, and network maintenance cost.

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**TABLE 5 – INDIRECT AND DIRECT COST FOR
CONTRACTED SUPPORT SERVICES**

	Facilities Management Personnel	Communications	Equipment Maintenance	Totals
Year 4	\$2,399,626	\$462,647	\$1,263,840	\$4,126,113
Year 5	\$2,478,183	\$441,175	\$1,317,914	\$4,237,272
Totals	\$4,877,809	\$903,822	\$2,581,754	\$8,362,624

QA Services Contract - In April 2000, CSED awarded a multiyear contract, one base year with two 1 year options, to a contractor for QA services in connection with the DCCSES IT services contract. The base year and the first option year cost approximately \$1.2 million. CSED exercised the second option year at a cost of \$615,864. CSED contracted with the QA contractor because CSED did not have staff personnel with the technical and program skills necessary to provide adequate oversight of the DCCSES IT services contract. CSED’s dependency on the DCCSES IT services contractor and the QA contractor for administration and maintenance support of the DCCSES and CSED LAN and for oversight of the DCCSES IT services contract could have possibly been mitigated had CSED insured that CSED ADP staff received adequate training.

RECOMMENDATION 9

We recommended that the Office of the Corporation Counsel assess CSED ADP staff training requirements and develop a training plan and schedules sufficient to ensure CSED ADP staff is provided with refresher and ongoing technical training on all aspects of the DCCSES and CSED LAN environment.

CSED Response

On April 17, 2002, the CSED entered into a contract modification requiring the DCCSES IT services contractor provide DCCSES user training and technical support training to CSED ADP staff. Additionally, CSED stated that they will be conducting a skills assessment of the current ADP staff to determine the current and future training needs of the ADP staff.

OIG Comments

We consider actions taken by CSED responsive to providing DCCSES user training and DCCSES operational and technical training to CSED ADP. However, the modifications do

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not address providing training to the CSED ADP staff to enable them to operate and maintain the CSED LAN. CSED must also consider the training requirements necessary for CSED to provide support of the CSED LAN. We recommend that CSED, in addition to requiring training on the DCCSES, require the DCCSES IT services contractor provide training on the CSED LAN or hire District government personnel that possess the requisite skills and experience to support the LAN.

RECOMMENDATION 10

We recommended that the Office of the Corporation Counsel establish a training budget for ADP staff to allow for IT training.

CSED Response

CSED indicated that it does provide a training budget for ADP staff that is included within CSED's overall training budget.

OIG Response

We consider CSED's comments responsive to recommendation 10 if, in fact, adequate training funds are allocated, to allow CSED ADP staff to receive sufficient technical training to operate and maintain the DCCSES.

RECOMMENDATION 11

We recommended that the Office of the Corporation Counsel modify the DCCSES IT services contract to require the DCCSES IT services contractor provide sufficient training to CSED ADP staff members to qualify them to operate and maintain the DCCSES and CSED LAN.

CSED Response

On April 17, 2002, the CSED entered into two contract modifications; one of the modifications requires the DCCSES IT services contractor to provide technical training or "knowledge transfer" from them to the CSED ADP staff on various operational and technical aspects of the DCCSES.

OIG Response

We consider actions taken by CSED responsive to providing DCCSES operational and technical training to CSED ADP.

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RECOMMENDATION 12

We recommended that the Office of the Corporation Counsel develop plans to replace contractor personnel with District government personnel that possess the requisite skills and experience to support the DCCSES and CSED LAN.

CSED Response

On April 17, 2002, the CSED entered into a contract modification, requiring the DCCSES IT services contractor provide technical training or “knowledge transfer” from them to the CSED ADP staff on various operational and technical aspects of the DCCSES.

OIG Response

We consider actions taken by CSED responsive to providing DCCSES operational and technical training to CSED ADP. However, the modifications do not address providing training to the CSED ADP staff to enable them to operate and maintain the CSED LAN. CSED must also consider the training required for CSED ADP staff to provide support of the CSED LAN. We recommend that CSED, in addition to requiring training on the DCCSES, require the DCCSES IT services contractor provide training on the CSED LAN or hire District government personnel that possess the requisite skills and experience to support the LAN.

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FINDING 5: SECURITY ADMINISTRATION

SYNOPSIS

CSED did not adequately void the access of CSED employees, Superior Court personnel, and contractor personnel after their access was no longer required to the DCCSES and CSED's LAN. Further, CSED did not adequately review and confirm access rights, limit system administrator access to DCCSES and CSED's LAN, or limit remote access to UNIX. These conditions existed because CSED did not implement adequate operational policies and procedures over the security administration function and did not ensure that the security administrator (SA) had the requisite skills to perform the security administration function. We subsequently determined that even if CSED had attempted to void access for those no longer requiring access to the DCCSES, DCCSES configuration limitations would prevent CSED from effecting the change. As a result, CSED risks unauthorized access and malicious or inadvertent destruction of DCCSES and CSED LAN data.

DISCUSSION

We found that the security of DCCSES data is at risk of unauthorized access and malicious or inadvertent destruction because of inadequate security administration by CSED with respect to: (1) user account management; (2) user account monitoring; (3) system administrator access; and (4) remote access.

Inadequate User Account Management - CSED did not remove CSED employees, Superior Court employees, or contractors after system access was no longer required. This is the result of DCCSES system configuration limitations, CSED not having security policies and procedures that require the periodic review and reconfirmation of access rights to DCCSES or CSED LAN, and CSED's failure to ensure that the SA was provided with adequate training to perform the security administration function.

We reconciled a DCCSES user listing with a CSED and Superior Court current employee listing and current listing of contractors and held discussions with CSED's Human Resource Specialist to determine if employees of CSED and contractors had been removed from the DCCSES and CSED's LAN after separation.

We determined that:

- 160 of 390 users on the DCCSES user list were not on CSED's or the Superior Court's current employee or contractor list; (the CSED Human Resource Specialist was only able to account for 3 individuals out of the 160 outstanding DCCSES users)
- 47 of 272 users on the Windows NT user list were not on CSED's or the Superior Court's current employee or contractor listing; and
- 5 users on the DCCSES list had multiple user IDs.

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The SA stated that he was aware the DCCSES contained former CSED employees and contractors. However, the SA explained that the system is configured to permanently associate each user to a particular child support case(s) and the deletion of a user's account deletes all child support case history associated with the user. This configuration requires the CSED to indefinitely maintain all previous DCCSES users who have processed cases on the system, and also places DCCSES data at risk of unauthorized disclosure, modification or destruction by former employees and/or contractors who may obtain access. The CSED's LAN operating system (Windows NT) does not have the same configuration limitations for removing terminated employees and contractors as the DCCSES. As such, the SA or DCCSES IT services contractor should have deleted employees who no longer required access to minimize the risk of unauthorized access.

We requested a listing of all transactions allowed on the DCCSES and the specific transactions allowed under each security group to determine if DCCSES users had commensurate access rights corresponding with their job descriptions. The SA provided us with a DCCSES access group list. However, we were unable to determine appropriate access because the CSED was unable to provide us with a listing of all the transactions performed under DCCSES or each group.

We also reviewed access request forms to determine if CSED maintained system access request and authorization forms for all DCCSES users. Our review revealed that 276 users on the DCCSES did not have the initial access request forms²¹. However, we determined that CSED required CSED employees to sign the Security Policy form and to yearly recertify the Security Policy form²².

COBIT, Delivery and Support (DS) Domain, Process 5.0, Ensure Systems Security, Control Objective 5.4 provides that “[m]anagement should establish procedures to ensure timely action relating to requesting, establishing, issuing, suspending and closing of user accounts. Control Objective 5.5 provides that “[m]anagement should also have a control process in place to review and confirm access rights periodically. Periodic comparison of resources with recorded accountability should be made to help reduce the risk of errors, fraud, misuse, or unauthorized alteration.” The SA stated that he is responsible for CSED's security policies and procedures and for adding, deleting, and modifying users on the CSED LAN. However, during our audit, we determined that CSED had not developed any policies and procedures regarding these processes. The SA also stated that he may delegate his responsibility for adding, deleting, and modifying users on the CSED LAN to the DCCSES IT services contractor if he has “other assignments.”

Although the SA has primary responsibility for adding, deleting, modifying, and monitoring user profiles, and knows that this is required by his position, the SA stated that CSED had not

²¹ Access request forms are the forms CSED uses to identify and authorize DCCSES and CSED LAN users.

²² The Security Policy form contains the instructions for appropriate use of computer resources and corresponding sanctions for inappropriate use.

FINDINGS AND RECOMMENDATIONS

provided him with any security administration training. Accordingly, CSED should ensure that the SA is provided with adequate training to perform the security administration function.

Inadequate User Account Monitoring - CSED did not adequately monitor user account activity to identify DCCSES and CSED LAN users that no longer required access. This situation occurred because of the SA's failure to routinely generate UNIX, DCCSES, and Windows NT user reports and CSED's total dependency on the DCCSES IT services contractor to obtain reports necessary to monitor user activity.

Our review of a UNIX activity listing revealed that 45 of 390 DCCSES user IDs had been inactive for at least six months, and 25 users never logged-on to UNIX. The SA had to continuously consult with the DCCSES IT services contractor to obtain reports and logs necessary to monitor user activity on UNIX, the DCCSES, and CSED's LAN. The SA stated that he had forgotten the necessary program commands to generate the logon activity report and must continuously consult with and rely on the DCCSES IT services contractor to obtain reports and logs necessary to monitor user activity on UNIX, the DCCSES, and CSED's LAN.

COBIT, DS Domain, Control Objective 5.6 provides that "[u]sers should systematically control the activity of their proper account(s). Also information mechanisms should be in place to allow them to oversee normal activity as well as to be alerted to unusual activity in a timely manner."

As a result of inadequate monitoring, users who may no longer require access, or users who CSED may have failed to remove from the UNIX and CSED LAN remain on UNIX and CSED LAN user databases after separation. Failure to disable accounts for users who no longer require access to UNIX or the CSED LAN increases the risk of unauthorized access to the DCCSES and CSED LAN.

System Access - CSED has not adequately limited system-administrator access to UNIX and CSED's LAN. This situation occurred because CSED has not developed adequate policies and procedures to ensure administrative access is authorized and documented for employees and contractors who require administrative access for the performance of their respective duties.

CSED provided us with a listing of all CSED and Superior Court employees and contractors with administrative access to UNIX and CSED's LAN. We determined that four CSED employees and six contractors had root authority to UNIX, while five CSED and Superior Court employees and two contractors had administrative rights to CSED's LAN²³. As a result, CSED employees who are not responsible for the day-to-day operation or maintenance

²³ Root authority allows a user complete command of the system without accountability, to include adding, deleting, and modifying users and DCCSES system and application files.

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of the UNIX or CSED LAN have full control over the UNIX and CSED LAN. Failure to restrict system access by employees and contractors who are not responsible for the day-to-day operation or maintenance of the DCCSES or CSED LAN increases the risk that these individuals may maliciously or inadvertently alter child support data or disable the DCCSES or CSED LAN. COBIT, DS Domain, Control Objective 5.4 provides:

[m]anagement should establish procedures to ensure timely action relating to requesting, establishing, issuing, suspending and closing of user accounts. A formal approval procedure outlining the data or system owner granting the access privileges should be included. The security of third-party access should be defined contractually and address administration and non-disclosure requirements. Outsourcing arrangements should address the risks, security controls and procedures for information systems and networks in the contract between the parties.

The SA stated that no guidelines have been established governing CSED employees' or contractors' administrative access to UNIX or the CSED LAN. Without such guidelines, CSED did not document the justification and authorization of CSED employees and contractors who had administrative access.

The lack of system access guidelines increases the risk to data integrity and privacy because security controls could be compromised and unauthorized access and changes could go undetected.

Remote Access - CSED did not limit remote access to the DCCSES and justification for such access was not documented. CSED ADP staff representatives stated that any CSED, Superior Court, or contract employee with a logon ID and password could remotely logon to the system, assuming they know or have been provided the remote access telephone number. However, most CSED employees do not need remote access to the DCCSES because neither CSED nor Superior Court employees process child support cases after normal business hours. The SA stated that he has not established any guidelines concerning remote access or documented justification for employees or contractors with remote access.

COBIT, DS Domain, Control Objective 5.3 provides: “[i]n an online IT environment, IT management should implement procedures in line with the security policy that provides access security control based on the individual’s demonstrated need to view, add, change or delete data.

The risk associated with remote access to sensitive data contained within the DCCSES should be controlled through dial-in procedures, which provide for: dial-back, frequent changes of dial-up numbers, software and hardware firewalls that restrict access, password change frequency, and former employee password deactivation. Additionally, the remote

FINDINGS AND RECOMMENDATIONS

access feature of DCCSES should be restricted to employees/contractors that require remote access to perform their duties.

RECOMMENDATION 13

We recommended that the Office of the Corporation Counsel develop policies and procedures to establish adequate user account management, and provide for periodic review of access authority to ensure prompt removal of unneeded user IDs and access authority privileges.

CSED Response

CSED acknowledges that they have not established policies and procedures for periodic review and confirmation. However, CSED indicated that they are in the process of detailing these and other policies and procedures, to include periodic review of authorized users for both DCCSES and CSED LAN.

OIG Response

We consider actions taken and actions planned by CSED to be responsive to recommendation 13.

RECOMMENDATION 14

We recommended that the Office of the Corporation Counsel change configuration on DCCSES to permit deletion of users who no longer are authorized to have access to DCCSES.

CSED Response

CSED stated that it is not necessary to change the DCCSES configuration in order to meet the security goal made in recommendation 14. CSED stated that DCCSES has a delete function that “deactivates” user accounts when users no longer require access to the DCCSES.

OIG Response

We consider recommendation 14 open pending further clarifications from OCC regarding the removal of users no longer requiring access from the DCCSES active user table. The DCCSES IT services project manager, DCCSES UNIX consultant, CSED security administrator informed us that DCCSES configurations prevented them from deleting former

FINDINGS AND RECOMMENDATIONS

DCCSES users from the DCCSES. Further, our review of a DCCSES user listing revealed that CSED users who no longer require access to the DCCSES remained on a DCCSES user listing. Accounts of DCCSES users that no longer require access should be deleted from the active user table and not simply deactivated. CSED must delete user accounts of those who no longer require access from active user tables and transfer those user log-on names and initials to the reference table. Allowing deactivated user accounts to remain on the active user table increases the risk that a user can use an established account to gain access to critical DCCSES information and resources.

RECOMMENDATION 15

We recommended that the Office of the Corporation Counsel train the security administrator to perform essential security administration responsibilities, to include user account management and monitoring.

CSED Response

CSED did not respond directly to recommendation 15.

OIG Response

OCC did not respond to recommendation 15; therefore, we consider recommendation 15 open. We request that CSED provide comments to recommendation 15. At a minimum, these comments should state whether CSED concurs or non-concurs with recommendation 15, actions taken or planned, date of completion, or target date for planned actions.

RECOMMENDATION 16

We recommended that the Office of the Corporation Counsel limit systems-administrator access on the DCCSES and CSED LAN to CSED personnel and contractors who require such access to perform their respective duties.

CSED Response

CSED stated that contractors and OCC staff who presently possess administrative access to UNIX and CSED LAN require such access to perform their respective duties. Additionally, CSED stated they would review the need for named staff to have administrative access.

FINDINGS AND RECOMMENDATIONS

OIG Response

We consider actions taken and actions planned by CSED to be responsive to recommendation 16.

RECOMMENDATION 17

We recommended that the Office of the Corporation Counsel limit remote access to the DCCSES to CSED personnel and contractors who require such access to perform their respective duties.

CSED Response

CSED stated that they have granted remote access to the DCCSES to contractors and federal auditors whose position requires they have remote access. CSED further stated that only contractors and federal auditors possess the required combination of access keys and logon credentials.

OIG Response

We consider actions taken and actions planned by CSED to be responsive to recommendation 17.

FINDINGS AND RECOMMENDATIONS

FINDING 6: COOPERATIVE AGREEMENT

SYNOPSIS

In 1997, the District of Columbia Superior Court entered into a written cooperative agreement with the District's DHS to operate the District of Columbia child support enforcement program. Subsequent to this agreement, as provided by D.C. Code § 1-15-31 (2001), the operation and administration of the child support enforcement program was transferred by statute from DHS to the OCC.

The Superior Court and the OCC have continued to perform in accordance with the previous cooperative agreement between the Superior Court and DHS without modifying the former agreement or creating a new written agreement to reflect the current parties involved. CSED representatives informed us that CSED and the Superior Court have been operating under the agreement since its inception and since the agreement automatically renewed yearly, neither party was required to develop a new agreement.

DISCUSSION

D.C. Code § 1-15-31 (2001) states that OCC "shall coordinate and enter into such agreements as necessary with other District government agencies engaged in child support enforcement activities, including, but not limited to . . . the Superior Court of the District of Columbia" *Id.* § 1-15-31(b)(3). However, this statute does not require that such agreements be in writing.

Notwithstanding that OCC and the Superior Court have continued to perform in accordance with the terms of the 1997 cooperative agreement, we note that the District's procurement laws state, *inter alia*, that all contracts between the District government and other parties must be in writing to promote understanding and avoid the pitfalls associated with oral agreements. *See* D.C. Code §-301.05 (d)(2) (2001) ("After April 12, 1997, no District employee shall enter into an oral agreement with a vendor to provide goods or services to the District government without a valid written contract."). Because D.C. Code § 1-15-31 (2001) requires OCC to enter into agreement with other agencies to administer the child support enforcement program, we believe OCC should enter a new, *written* cooperative agreement with the Superior Court in order to identify the current parties, clarify their roles and responsibilities, and avoid any misunderstanding or future disputes concerning their respective obligation or compliance with District statutes.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION 18

We recommended that the Office of the Corporation Counsel implement a written cooperative agreement with Superior Court that defines the conditions and terms agreed upon by the new parties subject to the agreement.

CSED Response

CSED stated that the new Memorandum of Understanding with Superior Court was secured on January 9, 2003.

OIG Response

We consider actions taken by CSED to be responsive to recommendation 17.

EXHIBIT A

SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

Recommendation	Description of Benefit	Amount and/or Type of Monetary Benefit
1 & 2	Compliance and Internal Control. Manageable and foreseeable life cycle for IT resources.	Nonmonetary
3	Compliance and Internal Control. Uniform policies and procedures for processing and reducing UDCs.	Nonmonetary
4	Program Results and Economy and Efficiency. Staff assigned solely to reduce UDCs.	Reduction of approximately \$2.9 million in UDCs and prevention of large UDCs in the future.
5	Program Results. Reportable and observable performance goals to monitor CSED's efforts in reducing UDCs.	Nonmonetary
6	Compliance and Internal Control. Prevent accumulation of UDCs for extended length of time.	Undeterminable
7	Economy and Efficiency. UDCs remaining in accounts over extended periods will earn interest.	Based on our calculations, UDCs remaining in the bank less than a year at 2% interest annually earned approximately \$11,571. We did not calculate interest for UDCs remaining deposited greater than a year.
8	Compliance and Internal Control and Economy and Efficiency. Compliance with federal PRWORA guidelines and contract provisions. Will avoid penalties.	Funds put to better use. Cost avoidance of \$1,426,119 in penalties.
9	Program Results. Assessment of CSED ADP staff training and plans that will address CSED ADP staff training deficiencies.	Nonmonetary

Recommendation	Description of Benefit	Amount and/or Type of Monetary Benefit
10, 11 & 12	Program Results. Lesser reliance on contractors to support the DCCSES and CSED LAN. Transfer of knowledge from contractor to District employees. Development of in-house expertise to support the DCCSES and CSED LAN.	Funds put to better use. Cost avoidance of \$8.4 million in direct and indirect contracted salaries over the remaining term of the contract for the support of the DCCSES and CSED LAN. Additionally, potential cost saving for QA services that are valued at \$615,864 for remaining term of contract.
13	Compliance and Internal Control. Uniform policies and procedures for user account management and review.	Nonmonetary
14	Compliance and Internal Control. Decreased risk of unauthorized access to sensitive child support data contained in DCCSES.	Nonmonetary
15	Program Results. Lesser reliance on contractor for security administration and more efficient and effective security management.	Nonmonetary
16 & 17	Compliance and Internal Control. Control of systems limited to those CSED employees and contractors whose jobs require such access. Decreased risk of unauthorized, malicious or inadvertent destruction of child support data.	Nonmonetary
18	Program Results. Definitive written agreement between new parties subject to the agreement.	Nonmonetary

EXHIBIT B

2003 JAN 31 AM 10:37
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Corporation Counsel

Child Support Enforcement Division



ENTERED # 1321

January 31, 2003

TO: Charles C. Maddox, Inspector General
Office of the Inspector General

FROM: Joseph G. Perry, Director
Child Support Enforcement Division
Office of the Corporation Counsel

THRU: Arabella Teal, Interim Corporation Counsel
Office of the Corporation Counsel

SUBJECT: Office of Inspector General's Draft Report on the District of Columbia's
Child Support Enforcement System (DCCSES)

The Office of the Corporation Counsel (OCC), Child Support Enforcement Division (CSED), is in receipt of the subject Report from the Office of Inspector General (OIG) and appreciates having the opportunity to respond to the draft report.

The CSED requests the OIG indicate the dates that the OIG began and ended its data gathering for this report, as well as entrance and exit meeting dates, in its final report on the subject.

The following represents CSED's response to the draft report and recommendations contained therein.

As to findings and recommendations on Project Planning, the CSED comments are as follows:

As a first step toward systems planning, the CSED had a Technology Assessment of the DCCSES performed. Our Quality Assurance vendor completed this assessment in September of 2002. A copy of this report is included as Attachment 1 of this Response. The report provides the Division with the bases to develop an Advance Planning Document (APD) for improvements to, or replacement of, the current DCCSES.

During the second quarter of FY 03, the CSED intends to develop a workplan for planning purposes that will include tasks to produce an APD required to attain approval of expenditures of federal dollars for systems. It is highly likely that the CSED will procure for a consulting company specializing in analysis and production of child support

system APDs, as well as for the production of a subsequent Request for Proposals for child support enforcement system enhancements/replacement that result from recommendations from such APD. Any new system enhancements/replacement work provided by a vendor shall clearly include technical training of CSED Automated Data Processing (ADP) Unit staff so that staff can provide ongoing daily operations and software maintenance after the vendor delivers new software.

It is also likely that the system improvements/replacement will not be in effect by the end of the current vendor's operations contract (June of 2004). If the CSED ADP Unit personnel are not 100% ready to take over operations at that time, the CSED will require extension of a portion of the current vendor's daily operations work until we have readied ourselves to be completely competent in providing our own daily operational and software maintenance services.

As to findings and recommendations 3, 4, 5, 6, and 7 regarding Undistributed Collections (UDC), the CSED comments are as follows:

In August of 2002, CSED sought grant support from the federal Office of Child Support Enforcement (OCSE) to perform a demonstration project to design and implement an UDC reduction and prevention process. A copy of the project scope of work and plan is included in Attachment 2 of this Response. The OCSE awarded CSED this grant in mid-September of 2002. CSED secured a consultant to assist in the project and began the project in December 2002. The results of this 12-month endeavor will be a significant reduction of the UDC and processes and procedures that will be put into daily operation to prevent more than usual UDCs from occurring.

After much due diligence, CSED produced processes and procedures to comply with release of "undistributable" collections as abandoned property to the Office of Tax and Revenue. These procedures are included as Attachment 3 of this Response. Using these procedures, the CSED reported and sent to the Office of Tax and Revenue (OTR) as "abandoned property" the amount of \$52K in January of 2003. The process of identifying collections as abandoned property will be an annual event, coordinated between the CSED, the Superior Court, and the OTR.

As to the feasibility and cost effectiveness of earning interest on UDCs, the CSED will investigate the efficacy of doing so; however, all such interest earned must be reported as CSE program income and all such income must be subtracted from the quarterly reported federal financial participation (FFP) amounts to the CSED. CSED believes that this mandatory reduction of FFP combined with the cost in effort to track and report such interest payments largely negates the earnings such interest may bring.

As to findings and recommendation 8 regarding Contract Oversight, the CSED comments are as follows:

On April 17, 2002, the CSED entered into two modifications of the DCCSES system vendor's contract. Copy of these contract modifications are included as Attachment 4 of this Response. These modifications were entered into with the advice, counsel, and approval of the Office of Contracts and Procurement.¹ The subject modifications addressed PRWORA deliverables, system documentation, training, as well as other desired tasks and deliverables.

The DCCSES underwent a federal OCSE system certification review in August of 2002. In the exit interview proceeding this review, the federal reviewers indicated that the District's system was "certifiable" and needed only to pass the federal "test deck" of federal PRWORA distribution formulas before certification approval would be made official. The DCCSES Test Deck underwent review by the federal auditors during the first quarter of FY 2003. The federal OCSE reviewers have verbally indicated to the CSED that it passed the "test deck" of PRWORA distribution requirements. We expect to receive notice of certification during the 2nd Quarter of FY 2003. No federal certification penalties are expected at this time.²

The April 2002 contract modifications included a Change Order regarding system documentation. The system documentation has been provided as required by the Change Order.

Lastly, the modifications also included a Change Order regarding Transfer of Knowledge. The knowledge transfer under this Change Order began in June of 2002 and is on going. A copy of the knowledge transfer training work plan is included as Attachment 5 of this Response.

As to findings and recommendations 9, 10, 11, and 12 regarding Employee Training, the CSED comments are as follows:

Please refer to our response to Recommendation #8 above for current information on ADP training. Additionally, the CSED does provide a budget for overall training of its personnel. While not specifically earmarked, training for ADP staff is included in this overall training budget. We will be assessing the skill level of our current ADP staff to our future system needs and determine what training would be most productive for the Division. It is not a widely regarded option to train current ADP staff on antiquated programming formats (such as the language that the DCCSES system is written) when

¹ Mr. William Clemmons led the Office of Contracts and Procurements' participation in this contract modification.

² The CSED has held 10% of all vendor invoices related to PRWORA deliverables since the inception of vendor invoicing of such work. The total current holdback amount is \$590,062. Ten-percent holdbacks on deliverable payments are also included in the modifications to the contract of April/2002.

there is a high probability that the CSED will acquire a more up-to-date system within the next 24 months.³

Additionally, in August of 2002 the CSED performed a survey of its staff to determine their skill levels on use of various Microsoft (MS) products used by the Division. Based on this survey we began an in-house training program to train all CSED staff on certain MS Office products—those that they need to successfully deliver work for the Division. This training will continue through June of 2003. We have included a copy of the MS Training Schedule as Attachment 6 to this Response.

Finally, please consider that the employment of a Quality Assurance (QA) contractor for the DCCSES was done so at the direction of the federal OCSE. The requirement for a systems QA contractor was imposed not only on the District of Columbia, but on all States building and implementing child support enforcement systems for certification.

As to findings and recommendations 13, 14, 15, 16, and 17 regarding Security Administration, the CSED comments are as follows:

As to adequate user account management, the report appears to reflect a misperception that users separated from the agency remain on the system as users and potentially can re-enter the system after separation. The report states in explanation that user accounts cannot be deleted without deleting all case histories associated with the respective users. In fact, case history retention is not dependent on maintaining user accounts. There is a “delete” function for user accounts in DCCSES. This deactivates the designated account, and the former user cannot re-enter the system without being authorized to do so as a new user and obtaining new log-on initials and a password. The initials and names of the former users are retained permanently to serve as reference for future case history reviews. The table of former users, however, has no function in the system other than as a passive reference list of former users, and does not provide a means of illicit re-entry into the system. After deletion, operator entry of the former user’s initials results in an error message, “not found.”

Deletion of the user account takes place at the time of separation of a user. Accordingly, CSED takes timely action relating to “suspension and closing of user accounts.” CSED does not, however, have in place procedures for periodic review and confirmation to ensure that accounts remain properly active or disabled. The ADP unit is in the process of detailing these and other policies and procedures, to include periodic review of authorized users for both DCCSES and CSED LAN.

In addition, DCCSES now produces automatically a daily batch report on user activity, which can highlight both unauthorized uses as well as use by authorized users during odd hours. The security administrator can produce the report manually if needed.

³ Refer to our response to Recommendations 1 and 2 regarding planning for new technology and for information on a new CSE system.

On the subject of deletion of users, as explained above, it is not necessary to change the configuration of DCCSES in order to meet the security goals discussed. The table of former users is not actively functional in DCCSES and does not provide a means of illicit re-entry into the system.

As noted in the prior paragraphs responding to this section of recommendations, DCCSES now produces automatically a daily batch report on user activity, which can highlight both unauthorized uses as well as use by authorized users during odd hours. The security administrator, who reviews the report, can produce the report manually if needed.

The audit findings address access to UNIX and CSED LAN, while the recommendation addresses DCCSES (which runs on UNIX) and CSED LAN. We understand the recommendation to refer to UNIX and CSED LAN. CSED does limit system administrator access to personnel who require such access. These include, for UNIX, the contractor's UNIX manager and the operators of the main system at 650 Pennsylvania Avenue (day and overnight operations), who enter UNIX commands, as well as designated CSED automatic data processing (ADP) staff. Administrative access to CSED LAN has been granted to the contractor's network administration staff, three ADP staff, and one person at the Superior Court who is in charge of maintaining ADP resources on the Court's side. The characteristics of the contract, under which the contractor does all programming, manages the operations system, and manages the Help Desk, led to CSED's determination concerning system administrator access, consistent with the recommendation to limit "administrator access on the DCCSES and CSED LAN to CSED personnel and contractors who require such access to perform their respective duties." CSED will review the need for named staff to have administrative access.

As to limiting remote access to the DCCSES, we believe that the recommendation is based on incomplete findings, as is explained following. According to the audit findings, CSED staff stated that any employee or contractor with a log-on ID and password could log on to the system remotely, assuming that they knew the remote-access telephone number. In fact, there is an additional level of control for this specialized access. Remote access is obtained through a virtual private network (VPN) created by the contractor, Tier, which requires having a Tier password. The only users likely to have the required combination of access keys are Tier employees who also have a CSES log-on ID and password, and federal auditors who are specifically granted access. Tier employees require remote access because programming staff members are based in Indianapolis, and sometimes may be called upon to access the system from other cities when traveling for work on other company contracts.

There is no separate remote access to the CSED LAN. Connections to the LAN are made through the DC WAN, which is controlled and defended by the Office of the Chief Technology Officer (OCTO). Users can remotely access email sent to them and stored at the WAN level through a web function called DC Mail. Users cannot, however, remotely access the LAN.

As to findings and recommendation 18 regarding Cooperative Agreement, the CSED comments are as follows:

The CSED formulated and issued a draft of a new Memorandum of Understanding (MOU) with the Superior Court for its review and acceptance in late May of 2002. The Court did not begin responding effectively to the draft MOU until October of 2002. After a series of meeting with the Chief Judge and his managers, a new MOU was secured on January 9, 2003. A copy of this MOU has been included as Attachment 7 of this Response.

I hope this response brings the OIG up to date on information regarding the subjects of this review and request that, wherever appropriate, the response be applied to the OIG's final report on the subject.

CC: John A. Koskinen, City Administrator
Arabella Teal, Interim Corporation Counsel