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United States Department of State  
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Office of Inspector General

# Memorandum Report

The Foreign Affairs Systems Integration  
Project Needs Redirection

Report Number IT-A-03-02, November 2002

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Federal organizations are increasingly turning to knowledge management—a collaborative and integrative approach to creating, capturing, organizing, accessing, using, and reusing intellectual assets—to get the right information to the right people at the right time to ensure effective decision-making and management actions. To meet the need for improved information technology (IT) and knowledge management to support the U.S. foreign affairs community overseas, the Department is leading federal agency efforts to acquire and test the Interagency Collaboration Zone (ICZ), which is a standard system featuring a web-based portal, applications, and tools for world-wide communications, information sharing, and knowledge management.

This report focuses on the results of the Office of Inspector General's (OIG) review of the Department's strategy for establishing the common knowledge management system under the auspices of the Foreign Affairs Systems Integration (FASI) program office within the Bureau of Information Resource Management (IRM). Specific objectives of the OIG review were to determine whether the Department has (1) adequately justified and identified requirements for providing the knowledge management system and collaboration tools, (2) ensured commitment and effective coordination with user organizations internal and external to the Department on the interagency systems approach, and (3) carried out pilot test plans effectively. The scope and methodology for the review are discussed in Appendix A.

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## RESULTS IN BRIEF

The FASI program office within IRM has been leading efforts to acquire and test an interagency collaboration system as the basis for determining whether to proceed to global system deployment. The initiative is currently at risk of not meeting the objectives of supporting effectively a decision on an approach to communications and knowledge management among the U.S. foreign affairs community overseas. Specifically, FASI's approach to planning and prototyping the system is not based on adequate analysis of the mission and business processes that the system is intended to support. Although FASI conducted surveys to compile system and user requirements to support its ICZ approach and prioritized the requirements during the prototype evaluation and vendor selection phase, the piloted ICZ system did not reflect the priorities to ensure that only the most essential needs were addressed. The requirements identified also were not based on sufficient input from the range of users and functions across participating organizations. Further, FASI did not consider adequately using existing systems as potentially less costly alternatives or coordinate with related projects to ensure that there was no duplication in its approach for ensuring connectivity and knowledge management at overseas missions.

The FASI program office has made an effort to get representatives from other foreign affairs agencies involved in the common system initiative. However, the office has not been effective in securing executive-level sponsorship from all agencies, documenting interagency agreements, or determining costs. Further, while the office has coordinated with selected agency representatives, Department bureaus, and overseas missions directly involved in the project, the office has not marketed ICZ with other entities whose commitment will also be critical to supporting global system deployment.

World-wide deployment of ICZ depends heavily on the results of the pilot test and evaluation. However, poor timing, lagging ICZ content management, IT resource constraints, and unresolved system and technical problems have hindered efforts to get pilot users trained, certified, and committed to using the system. Further, the compression of the pilot schedule because of unanticipated delays has also significantly reduced the pilot time frames and scope, leaving a diminished basis for a senior management decision regarding global ICZ deployment.

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Because of these problems, OIG believes that the FASI program needs to be redirected. To maximize the benefits of its IT investments, the Department recently decided to merge FASI with a related messaging system replacement initiative. In this context, FASI program redirection should include a reexamination of user requirements and alternative approaches to meeting those requirements. As the lead agency for the initiative, the Department must also take steps to establish executive sponsorship, well-defined cost models, and interagency agreements to ensure funding and commitment to global implementation of the system. Enhanced FASI program office coordination with wider audiences across foreign affairs organizations would also help in promoting awareness and overcoming cultural barriers to using the system for interagency sharing and collaboration.

## BACKGROUND

The bombings of the American embassies in Kenya and Tanzania in 1998 focused attention on the challenges that the U.S. government faces in the international arena. The previous Secretary of State responded to the bombings by creating an Overseas Presence Advisory Panel to consider U.S. overseas representation, appraise its condition, and develop practical recommendations on how best to organize and manage overseas embassies and consulates.

As a result of its study, the Overseas Presence Advisory Panel reported that the United States had not made adequate political, economic, and technological adjustments to manage changes in the global environment.<sup>1</sup> The panel suggested that presidential initiative, Department leadership, congressional support, and cooperation among foreign affairs departments and agencies were needed to effect reform. Along with recommendations for enhancements in such areas as security, financial management, and consular services, the panel recommended that the United States immediately upgrade its information and communications technology to improve conditions overseas. The panel reported that the current IT infrastructure did not provide diplomatic missions with the means either to acquire information from a full range of sources or to disseminate it to a full range of audiences. The panel also reported that embassies were equipped with antiquated, inefficient, and incompatible systems incapable of even the simplest electronic communications across department lines.

To address the need for IT reform, the Overseas Presence Advisory Panel recommended that the President direct foreign affairs agencies to provide their overseas staff with electronic mail (e-mail), Internet access, a centrally-hosted secure web site, shared applications, and tools to support unclassified interagency communications around the globe. The panel proposed that the agencies accomplish the reforms by establishing a standard IT platform at all embassies using basic off-the-shelf software and industry best practices. The panel also recommended that, in conjunction with the interagency network, agencies provide public access to the services of the foreign affairs community to support the functions of public diplomacy. The panel proposed that following implementation of the unclassified knowledge management system a classified system with the same capabilities also be acquired.

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<sup>1</sup> *America's Overseas Presence in the 21st Century*, Report of the Overseas Presence Advisory Panel (Nov. 1999).

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Using the Overseas Presence Advisory Panel report recommendations and related studies as a basis, the Department, through its FASI program office, has taken the lead in planning and managing a phased approach to prototyping (serving as proof of concept), testing, and implementing a sensitive but unclassified inter-agency system for enhanced overseas connectivity and collaboration. The inter-agency collaboration system, ICZ, features a common portal (e.g., a web site) and a search engine that provides secure access via the Internet to a range of services and information that overseas agency users may need to carry out their foreign affairs missions. For example, the portal is to provide ready access to host country information, news, and e-mail. The portal serves as a gateway to a collaboration zone and tools that support online chats, white boarding,<sup>2</sup> shared calendars, and desktop audio- and video-conferencing.

Congress provided the Department with approximately \$17 million to carry the program through pilot testing,<sup>3</sup> originally scheduled to be conducted from May 13 to September 30, 2002, at embassies and consulates in Mexico and India.<sup>4</sup> Senior foreign affairs management was to decide, based on the results of the pilot test and evaluation, whether to proceed with global deployment of the system, possibly in FY 2004.

In early 2002, concerned about pilot test planning and management, the Under Secretary for Management formed an independent FASI Review Group to study ICZ pilot progress. The FASI Review Group concluded that the ICZ system was at high risk because it inadequately addressed user needs and had limited marketing and uncertain user buy-in. The Review Group also identified problems with underrepresentation of core business users in the ICZ pilot, inadequate training plans to meet the needs of overseas missions, unfocused communities of practice,<sup>5</sup> constrained resources, and contractor independence in the pilot evaluation. Further, pursuant to a broader assessment of the overall approach to knowledge management within the Department, officials within the Office of the Under Secretary for Management expressed concern about IRM leadership and the technology focus of the interagency collaboration initiative. The Review Group issued

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<sup>2</sup> White boarding involves the use of on-screen bulletin boards to share ideas electronically among the staff.

<sup>3</sup> H.R. Conf. Rep. No. 106-1005, at 294 (2000) states, in part, that \$17 million would be for a pilot project to establish a common technology platform at overseas missions pursuant to recommendations of the Overseas Presence Advisory Panel.

<sup>4</sup> Due to increased tensions between India and Pakistan, FASI dropped India from the ICZ pilot.

<sup>5</sup> A “community of practice” is a group of individuals sharing a common working practice over a period of time, though not a part of a formally constituted work team. Communities of practice generally cut across traditional organizational boundaries and enable people to acquire new knowledge faster and more efficiently.

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a series of recommendations to IRM and the Office of the Under Secretary for Management for addressing these concerns. In an April 2002 memorandum, the CIO generally agreed with the Review Group's findings and recommendations and outlined steps to address the deficiencies identified. OIG followed up on these and other issues as part of its review of the FASI program and ICZ pilot test implementation.

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## REVIEW FINDINGS

### FASI COLLABORATION APPROACH NOT WELL SUPPORTED

The FASI program office has not conducted adequate analyses on which to base its approach for supporting overseas interagency collaboration. Specifically, the FASI office did not consider adequately existing systems as alternatives to the ICZ that the office designed. FASI also has not evaluated thoroughly business workflow requirements as a basis for ICZ. Although FASI surveyed foreign affairs agency representatives to determine and prioritize user requirements, it did not reflect these priorities in its pilot ICZ system to ensure that only the most essential needs were addressed. FASI also did not receive sufficient input from the range of users and functions across the participating agencies. Such analyses, along with coordinating the interagency initiative with several key IT enhancements in the Department, are critical to supporting a decision on the best strategy for global system deployment to meet overseas connectivity requirements.

#### Alternative Approaches Not Adequately Considered

Office of Management and Budget (OMB) Circular A-130 requires that decisions to improve existing information systems or develop new systems be initiated only when no alternative private sector or governmental source can meet the need efficiently. By utilizing the lessons learned from existing IT systems, an organization could save time and money.

FASI program officials told OIG that they met with representatives from a range of federal and industry organizations to identify potential alternatives and discuss their approaches to implementing knowledge management systems. Through these meetings, FASI officials said that they gained advice and expertise that helped with their approach to developing ICZ. Despite the insights obtained from these discussions, FASI program officials did not consider adequately existing knowledge management systems of other federal organizations as potential alternatives to ICZ. FASI consulted with officials responsible for several web-based

collaboration systems, both new developments and commercially available products, that they might have leveraged. However, FASI did not leverage the systems as alternatives, asserting that none of the products had all of the functions needed for sensitive but unclassified interagency communications and collaboration. Instead, FASI contracted with three vendors to develop prototypes and after extensive evaluation selected one of the vendors to integrate a suite of collaboration software to meet its needs for the pilot.

One system that FASI decided not to leverage was the classified Intelink-S; this decision is not well supported. Intelink-S is a collection of web-based information, tools, and search engines hosted on the Department of Defense's Secret Internet Protocol Router Network. It is the principal network used within the U.S. intelligence community for secure, information processing up to the secret level; the Department already has a presence on it. Intelink-S, like the projected ICZ, supports government-wide communications, collaboration, and knowledge sharing on a global scale. It integrates a range of user-specific tools and applications, including a language translator, bulletin boards, and chat capability. Its enterprise portal puts all of the tools and applications together and authenticates user access to specific information.

Numerous officials internal and external to the Department told OIG that Intelink-S could meet the need for overseas interagency collaboration and knowledge sharing at a fraction of the cost of ICZ. Several officials even said that such a classified system might be more suited to their needs than the projected sensitive but unclassified ICZ. FASI officials countered that the applications and tools currently available on Intelink-S were not adequate for their needs. FASI officials also said that they were specifically prohibited from developing a classified system, although they could have adapted Intelink-S technologies for their purposes.

The Open Source Information System (OSIS) is another option that FASI officials decided not to pursue. Developed and managed by the intelligence community since 1994, OSIS is a virtual private network for the exchange of unclassified U.S. government and open source information among the existing networks of about 40 federal agencies, military commands, and other selected organizations with similar information requirements. The Office of Intelligence Resources and Planning within the Bureau of Resource Management (RM) manages the Department's gateway to the OSIS network. OSIS provides protected and monitored access to the Internet to allow users a single point of access to unclassified intelligence information. OSIS also provides e-mail capability, a global directory, and a few specific tools such as instant messaging. RM officials suggested that the OSIS network would meet the need for overseas connectivity without requiring the

establishment of an additional infrastructure specifically to support the projected ICZ. They offered OSIS as a virtually cost-free alternative to the FASI approach, using the existing infrastructure, which would preclude the need for additional public key infrastructure technology<sup>6</sup> and overhead. They said that connecting diplomatic missions to the OSIS network would require only the additional bandwidth needed to support integrated systems communications.

IRM officials provided numerous reasons to RM for not leveraging OSIS. For example, IRM cited information security as a factor, but RM countered that OSIS is a strong, secure network with firewalls and virus protection, a network provided by the same community that manages top-secret information processing. IRM officials also stated that OSIS ceased to be an option after it appeared that the network would discontinue operations at the end of FY 2002. This never happened, however, and IRM did not revisit the idea of using OSIS as a viable alternative to its ICZ approach. Finally, in October 2002, the Department agreed to expand use of OSIS, via OpenNet Plus, to provide a protected network for sharing unclassified, sensitive but unclassified, and law enforcement materials within the intelligence community.

Even though officials responsible for these alternative systems said that tool sets could be enhanced for FASI purposes, they questioned the need for a full array of collaboration tools from the outset to support overseas knowledge sharing, as did a number of other headquarters representatives and overseas pilot testers OIG interviewed. They said that another alternative to the FASI approach might be simply to provide basic connectivity, e-mail, and a global directory service first and add more comprehensive data-sharing capabilities and collaboration tools later as the initiative progresses. These officials said that there are several commercial off-the-shelf products available to provide these basic capabilities. Using an alternative such as OSIS might initially offer less utility, but would also be far less expensive. Deploying the tools incrementally instead of all at once would also be less risky and burdensome on system users.

## Lack of Business Process Analyses

OMB Circular A-130 states that, as part of the IT acquisition process, agencies must identify and document work performed to support their missions, vision, and performance goals. To accomplish this, agencies must analyze the information utilized in their business processes, identifying where the information is needed,

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<sup>6</sup> Public key infrastructure is a technology designed to protect Internet electronic transactions through digital certificates and encryption keys. Digital certificates are used to verify and authenticate the validity of each party involved in an Internet transaction, and encryption keys are used to secure the data.

how it is used, and how it is shared to support mission functions. At a high level, agencies must describe and document the relationships among data and IT. The application of up-to-date IT presents opportunities to promote fundamental changes in agency structures and work processes.

FASI did not conduct adequate business process analyses as a basis for its ICZ approach. The business case document for the ICZ pilot identifies streamlined agency business processes as one of the anticipated benefits of the operational system. Specifically, the document outlines the expectation that ICZ will help reduce staff time by allowing people on low-value business processes to devote more time to higher value activities. However, the business case goes on to state that business process or workflow analyses have not been performed for three major foreign affairs business areas: crisis management, policy formulation, and administrative support, and data on these business areas is currently unavailable. FASI officials conceded that such analyses had not been completed, stating that they had not had enough time to focus on workflow analyses during the course of the program. The business case document indicates that workflow data will be needed to finalize and support global deployment of the interagency system.

### Input to ICZ Requirements Could Have Been Improved

FASI surveyed foreign affairs agency representatives to identify user requirements and expected capabilities of ICZ. FASI used the Managing State Projects methodology as a framework for defining, documenting, and prioritizing the requirements. The methodology specifies three types of users—executive management, system administrators, and system users—for gathering requirements. The various types of users are meant to establish checks and balances for ensuring that all user needs are addressed. Despite this methodical survey approach, however, FASI did not include in the ICZ system only those requirements that were essential for overseas connectivity. FASI also did not ensure adequate user representation from across the various components and functions of participating agencies to ensure that all needs were identified.

### Requirements Prioritization Not Reflected in Pilot ICZ System

From its surveys, the FASI program office initially identified a total of 90 wide-ranging requirements. Some requirements were similar, and the office combined them, reducing the total to about 70. User needs were examined to determine

which ones were feasible for the pilot and which ones were outside the scope of the project. The resulting requirements were categorized as either user or system requirements. User requirements included interagency e-mail, access to information of interest at overseas missions, support for crisis coordination and policy formulation, and access to online administrative services. System requirements involved network infrastructures, security, and collaborative processing tools.

FASI program officials told OIG that the requirements compiled served to validate the projected capabilities of the system that had been identified under earlier project management. Program officials provided documentation on how they mapped system requirements to user requirements, including a tally of how often the requirements were suggested by user representatives. FASI prioritized these requirements in the prototype evaluation and vendor selection phase. However, FASI did not reflect these priorities in the pilot ICZ system by preserving only those requirements that were most critical to meeting the need for user connectivity and eliminating those that were superfluous. For example, although FASI officials did not identify capabilities such as white boarding or desktop audio- and video-conferencing as mandatory requirements, they included the capabilities in the pilot ICZ system. FASI generally used the 70 requirements as a basis for designing the ICZ prototype. The resulting ICZ system includes a range of collaboration tools and technologies, some of which may not be needed by users.

Since pilot deployment, users have not been entirely pleased with the system. Users throughout the foreign affairs community told OIG that many of the capabilities of the system, such as calendars, chat, or instant messaging, were already available through other means. Further, a number of users said that they had no need for capabilities such as white boarding and online conferences and meetings, which were not a viable substitute for face-to-face communication. In general, the majority of the pilot users that OIG interviewed said that the essential capabilities that they required overseas were interagency e-mail and access to a global foreign affairs directory.

#### Incomplete User Representation in Survey Approach

FASI did not ensure comprehensive user input from across the various components and functions of all participating organizations in identifying user requirements. The FASI program office interviewed 85 people from eight different agencies, including the Department, with varying levels of responsibility concerning their interagency information and collaboration requirements. They included senior executives, mid-level managers, country desk officers, and public diplomacy offic-

ers at headquarters, as well as special agents and general services, regional security, and administrative officers overseas.

Within the Department, however, FASI focused its surveys on Mexico and India, the planned ICZ pilot locations, and the corresponding Bureaus of Western Hemisphere Affairs and South Asian Affairs. They generally left other overseas missions and regional bureaus out of the process, leaving some doubt that FASI had gathered a complete list of user requirements. For example, officials with whom OIG met from regional bureaus, such as the Bureau of African Affairs, did not believe that the FASI pilot locations were representative of overseas mission needs or conditions world-wide. They believed that the pilot locations selected might not take into account the systems requirements of very small or understaffed missions or those that were prone to harsh weather, poor infrastructures, and high crime.

### Need for Coordination with Related IT Projects

The Clinger-Cohen Act<sup>7</sup> requires that agencies identify IT investments that could result in shared benefits or costs across organizations. OMB Circular A-130 also requires that federal organizations ensure that planned IT developments or improvements do not duplicate unnecessarily the IT initiatives within the same agency. FASI program officials told OIG that they coordinated the ICZ initiative with several related IT projects of other Department bureaus and offices, including the OpenNet Plus program and A Logical Modernization Approach. However, ongoing coordination with other major programs is key to ensuring system interoperability, where feasible, and that IT resources and efforts are expended effectively to meet shared or overlapping IT objectives.

For example, FASI will require ongoing coordination with the efforts of the Bureau of Administration, Office of Logistics Management, (A/LM), to develop and pilot an Integrated Logistics Management System. These efforts involve the development of a unified supply chain and logistics management system that incorporates commercial off-the-shelf technologies and industry best practices to replace over 25 existing logistics management systems. The scope of the system encompasses acquisitions, transportation management, diplomatic pouch and mail, property management, and customer support. The system includes a web portal that will enable overseas missions to track orders throughout the procurement process, access data at the desktop, improve reporting, shop online via electronic catalogs, and save time by eliminating the need for repeated data entry, among

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<sup>7</sup> The Information Technology Management Reform Act (P.L. 104-106, Div. E, 110 Stat. 642 (1996)).

other functions. Although A/LM officials told OIG that there was no duplication between its program and the FASI initiative, OIG found that the mid-level user and system requirements that FASI developed for ICZ included procurement and property management functions that were similar to capabilities of the logistics system.

An A/LM official said that the two offices have coordinated in a Collaborative Application Technology Solutions forum sponsored by IRM's Systems and Integration Office. The forum was designed to improve collaboration among the sponsors and managers of the Department's technology initiatives. The forum brought together various bureau representatives that provided presentations about current IT projects within their bureaus, including the logistics management system and the FASI initiative. The A/LM official said that the two offices intended to continue to coordinate to maximize the benefit of potentially complementary functions within their systems. Frequent and consistent coordination will be key to ensuring that no duplication occurs among related functions.

Another initiative that may provide capabilities similar to ICZ is the Department's planned upgrade to its messaging capabilities. In early 2002, the Office of the Under Secretary for Management began planning for the development of a new messaging and information exchange system to replace its antiquated telegram system. The office formed working groups to evaluate existing and proposed system characteristics and to determine by October 2002 the best way to proceed with system design and implementation. Officials within the Office of the Under Secretary for Management timed this messaging system decision to be concurrent with ICZ pilot completion, anticipating a joint decision on whether to proceed with implementation of the two projects and, if so, whether they should be integrated. Although ICZ is an interagency initiative to benefit the entire foreign affairs community, and messaging is primarily intended for the Department, the two projects have very similar objectives. Specifically, both systems are to include collaboration and knowledge management tools, instant messaging, remote access, and a customizable portal.

On September 11, 2002, the Under Secretary for Management decided to merge the FASI program with the messaging system replacement initiative to maximize the Department's IT investment and interagency collaboration. This is a good first step toward eliminating redundant effort and acquiring collaboration technology in the context of the more overarching project where it logically belongs. However, the challenge remains to extend the messaging initiative beyond the realm of the Department to the wider foreign affairs community and ensure that Overseas Presence Advisory Panel recommendations on interagency connectivity are ad-

dressed. Lessons learned from the FASI initiative to date can also assist the Department in its approach to working with other agencies to meet these objectives effectively.

## INADEQUATE INTERAGENCY COMMITMENT

The FASI program office has made a number of efforts to get other foreign affairs agencies involved in the ICZ project. The office was successful in obtaining assistance in specific areas, such as preparing the statement of work for the prototype and selecting the contractor to conduct the pilot. However, the FASI office lacks the necessary commitment from several key agencies, in part because it did not involve effectively other agency IT executives and did not develop a memorandum of understanding to document agency roles and responsibilities for the program. Further, the FASI program office has only recently developed cost estimates for globally deploying the system and agencies have not yet agreed to help with project funding.

### Mixed Success in Ensuring Agency Participation

OMB Circular A-130 directs that an agency reduce risk to an IT system by ensuring the involvement and support of its users. Toward that end, the Department attempted to involve representatives from the nine major foreign affairs agencies in developing and testing ICZ. The Department's Chief Information Officer (CIO) chaired the Interagency Technology Subcommittee, which was established to address recommendations in the Overseas Presence Advisory Panel report on upgrading IT capabilities at overseas missions. FASI program officials also worked to engage other foreign affairs agency representatives in the project in the context of its various working groups. Further, the Department's CIO and deputy CIO attended administrative conferences and gave numerous briefings to explain ICZ to federal agency representatives and bureaus and offices within the Department.

Despite these efforts, the FASI program office has had mixed success in ensuring agency involvement and support for the collaboration project. On the positive side, a core group of five or six representatives from several federal agencies, particularly from the Departments of Agriculture and Justice, Defense Intelligence Agency, and U.S. Agency for International Development (USAID), have been involved in the interagency collaboration effort since its beginning. These officials say that their agencies are very supportive of the project. For example, a representative from USAID identified key opportunities via ICZ to share economic data-

bases to benefit Foreign Service officers. A representative from the Drug Enforcement Agency stated that the former Attorney General mandated participation in the program. The Department of the Treasury (Treasury) detailed an employee to the FASI program office to work on this project. Such representatives have attended project subcommittee meetings regularly and played key roles in supporting specific areas of program management, including selecting a vendor to conduct the ICZ pilot. This vendor selection process involved foreign affairs agency representatives from various agencies.

Apart from this core group of representatives, however, there is limited involvement in the project from within each participating agency. Officials told OIG that awareness of the initiative was not widespread in their agencies. For example, a Department of Defense (Defense) organization representative said that except for a limited number of employees, no one in their organization knew about the FASI project. A representative from another agency said that FASI included a small interagency presence, but more involvement was needed from Washington.

Additionally, one person may be representing many groups with different missions and needs within a single agency. By way of illustration, a Treasury official is responsible for representing the Internal Revenue Service, Customs Service, Secret Service, and Alcohol, Tobacco, and Firearms Bureau, whose respective missions are very different. Further, Defense, with its range of military services and component organizations, also has not had much representation in this project, with the exception of two agencies, the Defense Intelligence Agency and Defense Security Cooperation Agency. Together, these agencies are a very small part of the entire department, and there is little assurance that their mission-specific needs reflect those of Defense as a whole. A Defense representative said that he tried to get more Defense officials involved but was unsuccessful, owing in part to the fact that several Defense agencies already had their own knowledge management systems. For example, the Army has an interactive portal, "Army Knowledge Online," including collaboration tools that personnel world-wide use for e-mail, instant messaging, online transactions, and distance learning.

The FASI program office has also been unable to obtain the full commitment of law enforcement agencies. Although actively involved in project planning, representatives of these agencies said that they did not intend to share sensitive or mission-critical information using ICZ because of information security concerns. ICZ is a sensitive but unclassified system, and law enforcement was concerned that different agencies had varying definitions of what was "sensitive" and what was not. They feared that other agencies might not safeguard their information in the manner they deem appropriate. Law enforcement representatives from one agency

said that although they would not share their information they intended to use stand-alone terminals to communicate and access the information that other agencies provided on the sensitive but unclassified network for strictly administrative purposes.

## Obstacles to Ensuring Agency Buy-in

Such uneven agency involvement and commitment in the ICZ project may be attributed to a number of factors. Specifically, the FASI program office has not ensured ongoing involvement and sponsorship from other federal CIOs to help ensure priority and support within their agencies for achieving common project objectives. The FASI program office also has not documented agreements or defined ICZ costs in a timely manner to help secure interagency buy-in. Addressing security concerns will also be key to project success.

### Lack of Interagency Executive-Level Direction and Sponsorship

As with any major project, senior-level sponsorship is critical to ensuring success. The FASI program office has not ensured active participation by the CIOs of the nine major foreign affairs agencies in the Interagency Technology Subcommittee. Their participation is key to obtaining the support of other agency managers and users for IT initiatives and is especially important on a high-profile and potentially high-impact IT project such as ICZ. Although the Technology Subcommittee is responsible for defining operational requirements, selecting specific enabling strategies, and identifying needed funding for the overseas technology improvements, the CIOs have not had ongoing involvement. According to officials OIG interviewed, the CIOs are not all fully committed to the project. Their attendance at the subcommittee meetings has been inconsistent and has shown a marked decline since the project's inception.

For most agencies OIG interviewed in Mexico City, little information or guidance on FASI had been provided from headquarters. Consequently, a number of senior officials overseas made the decision as to whether the agency would participate actively in the program. For example, lacking direction from Treasury headquarters in Washington, Customs representatives were involved superficially in the pilot test, although they were aware of the program's importance to the embassy and expected to provide more support after global deployment. Other agencies decided not to participate at all. For example, Alcohol, Tobacco, and Firearms representatives said that they were not involved in the pilot because it required too

much of their time. They said that they already had many of the capabilities included in ICZ. An Internal Revenue Service representative said that the agency did not plan to use the system because they had no need for it.

#### Interagency Memorandum of Understanding Needed

One strategy that the Department might use to encourage executive-level sponsorship for the interagency collaboration effort is the development of a memorandum of understanding, documenting the roles and responsibilities of the various agency participants. The FASI office drafted a memorandum of understanding between the Department and other foreign affairs agencies regarding just the pilot phase of the ICZ project. However, because of time constraints, the Department never obtained signatures to finalize the memorandum. The Department nonetheless posted a security agreement to the ICZ portal, requiring user acceptance of its restrictions before gaining access to the web site.

Although a November 2001 General Accounting Office (GAO) report<sup>8</sup> recommended that the Department define agency roles and responsibilities before global deployment of the ICZ system, the Department has not yet taken steps to do so. FASI program officials said that because of their aggressive project schedule and late start, they did not have time to focus on establishing an interagency agreement. These officials also said that, on the advice of their interagency partners, they elected to defer formal interagency agreements until a decision was reached regarding deployment. Similarly, a foreign affairs representative said that while the project was in the pilot phase with funding by the Department alone, no memorandum was needed. Nonetheless, documenting interagency agreement on shared responsibilities for project management, security, and funding remains an important step for the Department to complete before proceeding with global ICZ implementation.

#### Cost Estimates Not Timely

Another strategy for ensuring project commitment is to provide timely cost estimates along with information on the expected benefits of the program. For a long time, however, the FASI program office provided no concrete cost information on the project, creating uncertainties that hindered the securing of agency support. Specifically, in July 2001, the Department established an Interagency Finance Working Group to discuss project costs and proposals for how ICZ might be

<sup>8</sup> *State Department Led Overseas Modernization Program Faces Management Challenges* (GAO-02-41, Nov. 2001).

funded. FASI officials told OIG that the working group met a few times in those initial months. However, after a meeting in September 2001, the working group did not meet again until about nine months later, and it still had not developed definitive information on the costs for global deployment.

Lacking cost information during this formative stage of the program, participating foreign affairs agencies did not have a good basis to determine whether to commit to ICZ implementation. For example, some agency representatives said that they needed cost estimates to determine whether the project would add value to their mission capabilities given the incurred costs. A number of agency representatives expressed concerns about whether they could afford the interagency collaboration system at all. Small agencies were particularly concerned about absorbing the cost of the tools selected for ICZ, which they believed to be very expensive. In addition, a representative from a fee-for-service agency concluded that if ICZ costs were too high, the agency would have reduced ability to remain competitive.

Once the project was accepted by their respective agencies, foreign affairs representatives would need ICZ cost information to determine how much to include in their agency budgets. In the absence of this information, no agency had allocated money for the program for FYs 2003 and 2004, which raised questions about whether the foreign affairs community would be able to begin global implementation as originally planned. Some officials believed that if ICZ was not implemented until 2004 or beyond some agencies might lose interest in the project.

In June 2002, FASI reconvened a meeting of the Finance Working Group to address the issues of costs and funding for global ICZ deployment. During the meeting, FASI officials estimated costs for global deployment at between \$200 million and \$235 million, depending upon the approach taken. FASI officials said that they would not know how good the estimates were until they reached global deployment. The working group also discussed the possibility of requesting a central appropriation from OMB, although such plans have not yet been finalized.

#### Concerns About Security of Shared Information

Agency reluctance to transfer information in a sensitive but unclassified environment also poses a hindrance to ICZ success. As discussed above, law enforcement agencies do not intend to share information on ICZ because of information security concerns. Representatives from these agencies explained that they perform most of their tasks on systems with higher levels of security. Their reasons for higher security levels include protection for information sources, assurance that

information is not used for unauthorized purposes, concerns about lawsuits if information is mishandled, and compliance with laws that prohibit the disclosure of certain information. Moreover, law enforcement officials said that they typically had difficulty sharing information not only across agencies but also within them. One law enforcement official said that when his agency did share information, they were likely to extract it from another source, sanitize it, and send it out on a diskette rather than online. While these law enforcement representatives recognized that currently there is pressure from the Congress to share information among their agencies, they said that they would prefer a classified system for collaboration.

Representatives from Treasury and several bureaus within the Department that were not involved in law enforcement also expressed interest in a classified system rather than the sensitive but unclassified ICZ for information sharing. They said that a classified system might be more appropriate for the type of work in which they were involved. Further, as an alternative to using a single interagency collaboration system with a low level of classification, some representatives agreed that there is an increasing need to share electronically information horizontally and vertically across various security levels. One official cautioned, however, that it would take time for the federal community to collaborate in general, not to mention sharing information across several security levels as a normal way of doing business.

In contrast, there are federal agencies that would prefer that the public have greater access to ICZ because their missions require them to work closely with representatives of foreign governments, academia, regulatory authorities, and U.S. companies and private citizens. Representatives from these agencies are concerned that the level of security required to use the system may preclude them from collaborating with people and businesses that are important to their respective missions. Striking a balance that considers and satisfies the diverse missions of every foreign affairs agency is a difficult task that must be resolved to ensure support for the ICZ initiative.

## PILOT TEST PROBLEMS NEED TO BE RESOLVED

The decision whether to implement ICZ globally depends heavily on the results of the pilot test and evaluation; therefore, it is imperative that the test and evaluation be comprehensive and conclusive. Based on OIG's assessment of pilot operations in Mexico City in late August 2002, however, the program experienced a number of problems, including poor timing, inadequate communications and coordination,

ineffective content management, and system and technical difficulties. Given the resource and schedule constraints and corresponding reductions in the scope of the pilot, there is increased risk that the test and evaluation will not provide an adequate basis on which to make the decision concerning global deployment. Department officials agreed with OIG's assessments of the pilot test and evaluation and have taken steps to ensure that the efforts are productive.

### Poor Timing of the Pilot Test

The timing of the pilot during late summer 2002 posed a serious challenge for Mexico City in terms of getting staff trained and focused on using the system. Though originally scheduled for May-September 2002, the test schedule was compressed into the August-September 2002 time frame, owing to delays and remedial work that had to be done to make the system ready. Much turnover occurred during this time. For most employees, Mexico City is a two-year assignment, and employees typically rotate out during the summer cycle, creating an annual loss of about one-third of the staff.

Employees who were to rotate generally were not concerned about taking the training, and those who did take it often departed before the pilot began. Conversely, many new arrivals in Mexico City knew nothing about the system and required training. In addition, and due to the scheduled activities at the embassy, many new arrivals did not have time for training. They had to focus on embassy operations and therefore had less potential to provide meaningful input to the pilot test and results. A number of employees were vacationing during the summer months and were not available for training. Still others were busy preparing for high-level visits or international conferences, put off the training as a low priority, or would take the time only for abbreviated instruction. Employees were often consumed by supporting other ongoing IT efforts to provide classified connectivity, desktop access to the Internet as part of OpenNet Plus, automated telegram distribution via CableXpress, and replacement of legacy accounting systems with the Regional Financial Management System. For these employees, the FASI pilot test was perceived as another burden in addition to their regularly assigned duties.

### Ineffective Content Management

Content management of the ICZ web page has lagged. The objective of the FASI program was to encourage use of the pilot system; therefore keeping the information contained in the ICZ useful and up-to-date was essential. FASI's initial plan was for officials in Washington to manage the content. This proved to be a cum-

bersome and time-consuming process; each time there was a need to change information on the web portal, officials in Mexico City had to contact Washington account executives to make the change. Consequently, information posted to the system became stagnant and out-of-date. Users in Mexico complained that there was little relevant data and few useful links on the “splash page” to help them in their work. Users eventually resorted to other news sources and web pages to get information. FASI officials ultimately recognized the need for local managers to keep the web page current and in August 2002 assigned content management responsibility to the embassy’s information systems officer.

The information systems officer agreed that local content management was the best approach to keeping information on the system current. However, this official also thought that FASI should have provided content management training to local officials much earlier. This official suggested establishing a new office on-site with two or three content managers and technical staff to support each community of practice. The new office would be locally responsible for web development, design, and portal page updates.

### System and Technical Problems Unresolved

System and technical problems experienced during the pilot in Mexico City frustrated users and caused them to lose interest in using ICZ. As a result, they resorted to other available tools and technologies to perform their daily activities. The system problems also interrupted training activities and forced the cancellation and rescheduling of classes. Embassy IT staff who worked to address the problems feared that the system had been deployed for pilot implementation before being adequately tested and perfected. The problems experienced included:

- **Screen Degradation.** After smart card readers were installed on their desktop computers, pilot users in Mexico City experienced brown or faded screens when they attempted to log on to ICZ. IT staff in the embassy became overwhelmed with user requests for assistance; so, they decided not to issue any more smart cards or install readers until the situation was resolved. This decision later worked to their disadvantage; after they corrected the problem, they had to rush to eliminate the backlogs in smart card distribution and card reader installation.
- **Incorrect Software Version.** There was confusion regarding the software that FASI sent to the pilot locations for installation. The initial version was incorrect, requiring the FASI office to follow up by supplying a new version. Some of the previous versions had already been installed, however. Embassy

officials told us that when technical personnel tried to correct the problem by installing the new version on top of the old, the software did not work.

- **Connectivity Issues.** The problems with ICZ system connectivity heightened frustrations with using the system. Pilot users in Mexico City told OIG that they were often unable to connect to ICZ during initial logon and were frequently disconnected while working with several of its tools at one time. For example, one agency representative attempted to log on to ICZ several hours before an online meeting to ensure a successful connection. It took the representative almost eight hours to link to the system after the initial attempt. IRM deployed a team of technical specialists to address this issue.
- **Firewall Incompatibility Problems.** Because of firewall incompatibility problems, other federal agencies were unable to link to ICZ using their systems and Internet connections. Embassy IT officials sometimes worked around this problem by providing an interagency user with a second terminal and OpenNet Plus access to allow the user to connect to the collaboration zone at the desktop level. The user had a single monitor and a switch to change back and forth between the two systems.
- **System Slowness.** According to Mexico City IT management staff, accessing the collaboration zone was an extremely slow process. Users had to wait repeatedly as they progressed from one ICZ window to the next. This was especially troublesome when accessing certain features such as chat capability, which required 14 mouse clicks. Technical staff found no pattern to the slowness, however, and believed that it might be a circuit capacity issue. For example, they said that use of ICZ tools such as white boards and transmission of large graphic files place an undue burden on the circuit. FASI program officials were uncertain as to whether a circuit upgrade would improve the situation.
- **Insufficient Equipment.** Many prospective ICZ users in Mexico City did not have adequate hardware to access the ICZ. Several still had 64-megabyte desktop computers, although faster equipment with 128 megabytes, the minimum standard configuration, is needed. A system trainer said that users also needed larger monitors to view adequately all of the icons displayed on ICZ.

In an attempt to correct these problems, FASI sent contractors to Mexico City to pinpoint the causes for system slowness and disconnections. To assist them in compiling accurate data on use of the system, embassy managers directed users to participate in two exercises each week in their respective communities of practice. According to Department senior management, these system and technical issues must be resolved before any consideration of world-wide ICZ deployment.

## Constrained Resources and Schedule for Pilot Operations

The FASI program office underestimated both the amount of time and personnel needed to prepare effectively for the pilot. The ICZ pilot was originally scheduled to take place from May 13 to September 30, 2002, with users at headquarters and at embassies and consulates in Mexico and India.<sup>9</sup> To accommodate the time needed to address corrective actions directed by the Office of the Under Secretary for Management, however, IRM agreed to continue with plans to start the pilot on May 13 but divide it into three phases: (1) ramp up from May 13 to July 15, (2) full deployment beginning on July 15, and (3) evaluation from July 15 to September 30. Subsequently, in June 2002, the Under Secretary for Management agreed to change the formal evaluation start date to the beginning of August to allow additional time to identify and train users.

During its visit to Mexico City in August 2002, OIG found that activity was still under way to prepare for the pilot. Communities of practice were still being formed, and user preparation training in Mexico was still under way. FASI staff were working under tight schedules to get the users up and running and to meet the deadline. Engineering staff were challenged with doing integration activity, coordinating with the systems staff from other foreign affairs agencies, testing, and going through control gates at the same time they were deploying the pilot. Engineering officials advised that technical staff were overwhelmed and not well matched with the target number of users. They also said that ICZ was too new and they were encountering too many issues to making the pilot sites operational. As a result, they were having to cut corners.

The compressed schedule was also causing a strain on technical staff in Mexico City and at the consulates. For example, IT officials in Mexico City, in addition to their normal responsibilities, were helping to deploy the pilot, which involved implementing security features and providing support for the consulates. Many of the consulates did not have information management officers and had to rely on the administrative officers to act as local registration authorities for the issuance of public key infrastructure certificates for security and authentication. However, because of the administrative officers' limited knowledge of IT, Mexico City had to send staff to the consulates to help out with public key infrastructure security and authentication procedures. Mexico City also had to borrow staff responsible for classified systems to assist with the FASI project. A Department representative at the embassy said that owing to the complexity and cost of the project, the FASI program office should have sent a site manager to coordinate with Washington.

<sup>9</sup> Due to increased tensions between India and Pakistan, FASI dropped India from the ICZ pilot.

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IRM officials agreed that the pilot schedule was extremely compressed and hampered by its timing during the peak summer rotation and vacation months. However, they explained that funding uncertainties, as well as a desire to meet program commitments, compelled them to push on. IRM officials briefed the Under Secretary for Management on the pilot status in September 2002. Ultimately, in coordination with IRM, the Under Secretary extended the pilot evaluation through October 31, 2002.

## RECOMMENDATIONS

OIG recommends that, upon completion of the pilot and within the context of the overarching messaging initiative, the Under Secretary for Management direct the Chief Information Officer, Bureau of Information Resource Management, and the corresponding FASI program office to:

1. reevaluate and prioritize user requirements, and scale them back, if necessary, to meet minimum essential user requirements;
2. assess alternative approaches to meeting these essential requirements, including such options as Open Source Information System, and Intelink-S;
3. develop cost estimates, funding strategies, and a cost-benefit analysis before requesting commitment to the collaborative initiative; and
4. document interagency executive-level commitment to fulfill program objectives between the Department and other federal agencies through a memorandum of understanding.

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## DEPARTMENT COMMENTS AND OUR EVALUATION

The Office of the Under Secretary for Management provided informal oral comments on the draft report, noting that the draft did not recognize the Office's preliminary review of the program and the concerns that it had raised. The Office also requested that OIG address the report recommendations to the Under Secretary for Management instead of to the Chief Information Officer, Bureau of Information Resource Management. OIG revised the draft to address these concerns. OIG also obtained written comments on a draft of this report from the Bureau of Information Resource Management. We have included a copy of IRM's comments at Appendix B.

In its comments, IRM concurred with the recommendations included in the draft report. IRM provided additional documentation and suggested language that it believed would be useful to OIG in revising and finalizing the report. OIG reviewed the materials that IRM provided and incorporated changes throughout the report where appropriate. In the bullets below, OIG addresses several specific comments that IRM raised:

- **Program Objectives:** IRM stated that the report does not recognize that the prototype and pilot were intended to serve as the study and decision phases for world-wide deployment. OIG disagrees. OIG met with a range of IRM, Department, and other Federal officials and conducted a thorough examination of the supporting documentation provided regarding the program. OIG recognizes the time and funding limitations under which the program was carried out and understands that the overarching goal of the pilot test was to provide a basis for a decision on global system implementation. Further, OIG discusses these specific program constraints and objectives on the first two pages of the report. OIG's primary concern was that, given the resource constraints, repeated compression of the pilot schedule, and the ICZ user and technical difficulties encountered, the FASI program would fall short in meeting these program objectives.
- **Planning:** IRM asserted that planning and analysis of the mission/business processes was consistent with the Managing State Projects methodology for the study phase. OIG agrees that IRM used the Managing State Projects methodology for the study phase of the program and takes no issue with this

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approach. OIG summarizes FASI's use of the methodology in the report; however, OIG remains concerned that despite use of the methodology, the FASI program office could not provide evidence of any business process analysis conducted.

- **Requirements:** IRM stated that requirements were gathered and prioritized with interagency participation and are reflected in the statement of work as mandatory versus optional. OIG recognizes this approach and has revised the report discussion to more accurately depict the requirements prioritization efforts. However, OIG is concerned that despite these efforts, included in the pilot ICZ system were many requirements identified by FASI as non-essential. System users that OIG interviewed consistently stated that the pilot system included many capabilities that they neither wanted nor needed. As noted in the report, a number of users had no need for capabilities such as white boarding and online conferences and meetings. The majority of users that OIG interviewed said that the essential ICZ capabilities were inter-agency e-mail and access to a global foreign affairs directory. OIG has not conducted an assessment of the new messaging system and therefore cannot address whether or not the requirements for the full range of collaboration tools included in the ICZ replicate those needed for messaging.
- **Alternatives:** IRM asserted that since FASI was directed to develop the ICZ at the sensitive but unclassified level, OIG's recommendations and comments regarding use of the classified Intelink-S as an alternative and classified collaboration in general are not applicable. OIG disagrees. According to the Overseas Presence Advisory Panel Report, FASI was to develop "a secure, unclassified Internet website and shared applications for unclassified communications among all agencies and around the globe." Such direction should not have precluded the FASI program from examining the full range of networks already in place to determine how they might be adapted wholly or in part to meet the stated need.

IRM officials and other information security representatives both internal and external to the Department have agreed that, as a protected, interagency network, Intelink-S or its technologies could have been considered as an alternative to the ICZ approach. Although classified at a higher level than the sensitive but unclassified network that FASI sought to acquire, Intelink-S is currently and actively used by intelligence and foreign affairs agencies for secure, unclassified information sharing. Using this same logic, in October 2002, the Department agreed to expand use of OSIS, via OpenNet Plus, providing a protected network for sharing unclassified, sensitive but unclassified, and law enforcement materials within the intelligence community.

Examination of the various networks, classified and unclassified, would serve to help the foreign affairs community in addressing Overseas Presence Advisory Panel recommendations for initiating planning for a common platform for secure classified information sharing, subsequent to the secure, unclassified system initiative.

- **Executive-level Sponsorship:** IRM stated that the activities of the FASI program were hampered by a lack of guidance and sponsorship by the parent, Under Secretary-level, Overseas Presence Right-Sizing Committee which ceased operation in early 2000, and that consistent with resource, schedule, and interagency involvement constraints, executive-level sponsorship was solicited and obtained. IRM stated that it was on the advice of its interagency partners that development of formal interagency agreements was deferred until a decision was reached regarding world-wide system deployment. OIG discusses in the report the constraints under which the FASI program was carried out and acknowledges the difficulties that may have been encountered in ensuring executive-level sponsorship. Although the interagency partners may have agreed to postpone formal interagency agreement until production system deployment, this decision had an adverse impact of leaving FASI without the leverage or vehicle for ensuring interagency commitment and ongoing executive-level involvement to support the program through to fruition. Securing interagency agreement early on is a lesson learned for any future directions that the program may take.
- **World-wide Deployment Costs:** IRM stated that projected costs for world-wide deployment could not be determined reliably until a pilot vendor was selected and that such costs were prepared and presented shortly afterwards. As discussed in the report, however, vendor selection occurred in February 2002, while cost estimates were not released until July 2002. As with any IT investment, cost and budgetary issues were crucial to ensuring ICZ buy-in. However, the Finance Working Group that could have guided continuing efforts to address this cost issue remained in hiatus for 9 months before reconvening in June 2002. As OIG recommends in the report, and as IRM agrees, establishing interagency agreement, cost estimates, funding strategies, and a cost-benefit analysis will be critical to ensure commitment to implementing the collaborative system.
- **Marketing the ICZ:** IRM stated that marketing the ICZ was accomplished consistent with the availability of resources and pilot activities in Mexico and India. As OIG discusses in the report, however, FASI's limited marketing approach hindered the ability to ensure the commitment of all foreign affairs partners to the ICZ approach. Broader marketing and enhanced representa-

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tive involvement from across the organizations is another lesson learned for ensuring support for ultimate global system deployment.

- **Timing of the Pilot:** IRM agreed that the ICZ pilot schedule was compressed and occurred during the peak summer rotation and vacation months. OIG revised the report to discuss IRM's push to accomplish the pilot in the compressed time frame to meet its initial program commitments. OIG also updated the report to reflect the Under Secretary for Management's decision to extend the pilot evaluation through October 31, 2002.

## SCOPE AND METHODOLOGY

To meet its review objectives, OIG first researched U.S. laws, federal guidance, and a Department project management methodology to identify relevant criteria for acquiring IT systems. OIG then reviewed documentation obtained from the Internet on background information about knowledge management and other collaboration system initiatives comparable to the ICZ effort. OIG reviewed reports and met with officials from the General Accounting Office to learn about their reviews of Department efforts to lead the foreign affairs agency collaboration system effort. OIG also reviewed documents provided on the FASI Intranet site to gather background data on the project, including working group charters, meeting minutes, and project mission statements, descriptions, and milestones.

OIG met with officials in the FASI program office to learn about their ICZ approach and to discuss analyses conducted to support that approach. Specifically, OIG interviewed the FASI program manager to discuss coordination with other federal agencies and to discuss a range of issues regarding program management. OIG met with officials from FASI's Standards, Planning, Policies and Architectures Group to discuss development of the strategic plan, user requirements, and an enterprise architecture<sup>10</sup> to support the program. Officials in FASI's Knowledge Management group told OIG about the statement of work and vendor selection for the ICZ pilot, as well as marketing and advocacy. The head of FASI's Technology group discussed information security, technical aspects of the project, and building the infrastructure in preparation for the pilot. Further, technical staff in the program office discussed efforts to meet the pilot schedule. Officials from the various groups within FASI provided a range of documentation to support their comments, including the prototype analysis, the technical requirements survey, the pilot tactical plan, migration plan, and user and system requirements. OIG attended Interagency Architecture and Knowledge Management/IT working groups headed by FASI. OIG also viewed demonstrations and participated in training provided by FASI and contractor staff on the capabilities and use of the ICZ system.

Also within the Department, OIG met with representatives from several regional bureaus— Western Hemisphere Affairs, African Affairs, and Near Eastern

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<sup>10</sup> Enterprise architecture refers to a strategic information asset base that is defined based on the requirements of the Department's primary purpose, i.e., the formulation of foreign policy and conduct of foreign relations and diplomacy.

and South Asian Affairs—to determine their awareness of the project and their level of participation and commitment. Officials from the International Cooperative Administrative Support Services Office told OIG about making administrative information available to users during the ICZ pilot. IRM officials told OIG about their responsibilities for monitoring and controlling the IT infrastructure to support the program. OIG also interviewed officials from the Bureau of Diplomatic Security to obtain their views of the proposed security plan for the pilot and discuss other security issues related to the project. Further, a representative from A/LM discussed with OIG its efforts to contract an evaluator for the pilot. Senior officials within the Office of the Under Secretary for Management discussed oversight of the ICZ effort and the recommendations they made for improving program direction.

Representatives of other federal agencies also told OIG about their participation and commitment to the interagency knowledge management initiative. Specifically, within Defense, OIG met with representatives from the Defense Security Cooperation Agency to discuss coordination with the FASI program office and with officials from the Defense Intelligence Agency to obtain information about their collaboration and knowledge management system. OIG met with several representatives from Justice, including its Management Division and Drug Enforcement Agency, to discuss information sharing among agencies and concerns they had about the security and cost of the ICZ system. OIG also met with representatives from Agriculture, Commerce, Transportation, Treasury, and the USAID to discuss their contributions to user requirements, involvement in vendor selection for conducting the pilot, and any concerns they might have about information security during systems testing and implementation. OIG also asked these officials about the level and quality of FASI program office communication and coordination with them throughout the ICZ project.

Representatives from these and other foreign affairs agencies at Embassy Mexico City told OIG about their participation in FASI pilot operations. They addressed a variety of subjects, including input to system requirements, training, ICZ capabilities and user-friendliness, and agency commitment to the program. OIG also interviewed senior managers and other officials overseas assigned to the Department's political, economic, consular, public diplomacy, and administrative sections to obtain their views about pilot test management and the potential utility of the tools available on ICZ. In addition, OIG met with embassy IT staff to discuss the technical difficulties encountered and the support received from the FASI office to address them.

Finally, OIG met with representatives from various organizations to discuss

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their experiences in establishing and managing knowledge management and collaboration systems. Representatives from the Army's Knowledge Management Office provided a demonstration of their knowledge management system and discussed their experience in establishing the program within Army. A representative from the Defense Finance and Accounting Service shared knowledge management practices based on experiences in designing a prototype of a collaboration system for testing and implementation throughout the agency. OIG also met with representatives from a consulting organization to learn about advice to the FASI program and lessons learned from implementation of a knowledge management system within their organization.

OIG conducted its review from March 2002 to September 2002 at the Department in Washington, DC, and at Embassy Mexico City. OIG performed its work in accordance with generally accepted government auditing standards. OIG obtained formal written comments on a draft of this report from the Bureau of Information Resource Management. OIG also obtained informal oral comments on the draft report from the Office of the Under Secretary for Management. Major contributors to the report were Frank Deffer, Sondra McCauley, Barbara Ferris, Vandana Patel, and Pamela Young. Comments or questions about the report can be directed to Mr. Deffer, Assistant Inspector General, IT Evaluations and Operations, at [defferf@state.gov](mailto:defferf@state.gov) or (703) 284-2715.

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DEPARTMENT COMMENTS



United States Department of State  
Washington, D.C. 20520

OCT 31 2002

INFORMATION MEMORANDUM

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TO: OIG - Clark Kent Ervin

FROM: IRM - Fernando Burbano *FB*

SUBJECT: IRM Comments on the draft FASI OIG Audit, OIG Memorandum Report Number IT-A-03-02

IRM welcomes the opportunity to reiterate that we concur with the recommendations contained in the draft OIG report titled, The Foreign Affairs Systems Integration Project Needs Redirection, OIG Memorandum Report Number IT-A-03-02. As we previously stated, we reached similar conclusions based on our own re-evaluation of FASI, independent of the OIG report. In fact, we have already begun the convergence of FASI with the Department's messaging project, SMART. We believe that this initiative is in the best interest of the Department and our other agency partners.

We anticipate that the more detailed informal comments we provided to the OIG electronically on October 9, and via hard copy on October 10 will be reflected in the final version of the report. Additionally, we believe it would be useful for you and me to meet to discuss the report. I have asked my staff to contact your office to schedule a meeting at your convenience.

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