Audit Report

OFFICE OF THE INSPECTOR GENERAL

REQUIREMENTS VALIDATION FOR TELECOMMUNICATIONS SERVICES-GUAM

Report No. 95-309

September 25, 1995

Department of Defense

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Acronyms

CCSD	Command Communications Service Designator
CISA	Communications Information Services Activity
DCS	Defense Communications System
DISA	Defense Information Systems Agency
DISA-PAC	Defense Information Systems Agency-Pacific
DITCO	Defense Information Technology Contracting Office
DITCO-PAC	Defense Information Technology Contracting Office-Pacific

INSPECTOR GENERAL
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September 25, 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: Audit Report on Requirements Validation for Telecommunications Services-Guam (Report No. 95-309)

We are providing this final report for review and comments. We conducted the audit in response to a special request by the Defense Information Systems Agency. Management comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all unresolved issues be resolved promptly. We request that the Navy and the Air Force provide comments on Recommendations 3 and 4 respectively by November 24, 1995.

We appreciate the courtesies extended to the audit staff. If you have questions on this audit, please contact Mr. Robert M. Murrell, Audit Program Director, at (703) 604-9507 (DSN 664-9507) or Ms. Annie L. Sellers, Audit Project Manager, at (703) 604-9534 (DSN 664-9534). The distribution of this report is in Appendix J. The audit team members are listed inside the back cover.

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Office of the Inspector General, DoD

Report No.95-309
(Project No. 4RD-5047)

September 25, 1995

Requirements Validation for Telecommunications Services-Guam

Executive Summary

Introduction. This audit was performed in response to a special request by the Defense Information Systems Agency. We evaluated single and multichannel special-purpose circuits at six DoD installations in Guam. The 314 Defense Communications System circuits we evaluated cost about $5.8 million annually.

Audit Objectives. The primary audit objective was to evaluate the effectiveness of the revalidation of requirements for existing leased long-haul telecommunications services in Guam. We also evaluated the adequacy of the management control program used to identify leased telecommunications equipment and services that are no longer required and to ensure that those equipment and services are discontinued when the requirements cease.

Audit Results. A review of the requirements for 314 Defense Communications System long-haul telecommunication circuits in Guam showed that 6 DoD installations were paying for 51 leased and Government-owned circuits that were no longer required and 8 Communications Service Authorizations that were no longer necessary. Neither the requirements for the 196 circuits were adequately revalidated nor were DoD policies concerning review and revalidation programs effectively implemented. As a result, the DoD installations continue to pay for circuits and lease payments, and capacity on Government-owned circuits may be occupied unnecessarily. The DoD Components took action to terminate 40 circuits. If the DoD Components would terminate the remaining 11 circuits and the 8 lease payments, a total of about $11 million could be put to better use during the execution of the FYs 1995 through 2000 Future Years Defense Program. Appendix H summarizes the potential benefits of the audit. The management control program could be improved, correcting the material weaknesses applicable to the primary audit objective (Appendix A). Audit results relevant to the National Security Agency were provided under separate cover.

Summary of Recommendations. We recommend that the Navy, the Air Force, and the Defense Information Systems Agency require users to initiate Requests for Service to disconnect telecommunications circuits identified for termination. We also recommend that the Navy update the Chief of Naval Operations Instruction 2800.4, conduct a review and revalidation of all Navy-leased and Government-owned long-haul telecommunication services that have not been reviewed in the last 2 years, and update and maintain a current inventory in Guam. Finally, we recommend that the Air Force and the Defense Information Systems Agency conduct reviews and revalidations of leased and Government-owned long-haul circuits.

Management Comments. We received comments on a draft of this report from the Navy, the Air Force, and the Defense Information Systems Agency. The Navy concurred with the finding and recommendations but partially concurred with the potential monetary benefits, stating three circuits had been disconnected. The Navy

requested that the report show that the circuits were terminated during the audit. The Air Force partially concurred with the findings, recommendations and the potential monetary benefits, stating that of the 10 circuits identified, 2 are still valid requirements. The Defense Information Systems Agency concurred with the findings, recommendations, and monetary benefits. Managements comments are discussed in Part I, and the complete texts of the comments are in Part III.

Audit Response. Regarding the Navy comments, we determined that one of the three circuits was disconnected before the audit cutoff date, and we adjusted the monetary benefits accordingly. Of the remaining two circuits, one circuit was disconnected during the audit field work and the other circuit was disconnected after the end of the audit field work. We agree with the Air Force that valid requirements exist for the services provided by two circuits; however, we maintain that the requirements for those two circuits could be satisfied by common user means, thus eliminating the need for leased lines. We request that the Air Force reevaluate those two circuits and consider termination of the leases and using Government-owned, common-user networks such as Pacific Consolidated Telecommunications Network and Defense Switched Network, respectively. We request that the Navy and the Air Force provide additional comments by November 24, 1995.

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Part I - Audit Results

Audit Background

Defense Communications System. The Defense Communications System (DCS) is a worldwide composite of DoD-owned and leased telecommunications subsystems and networks composed of facilities, personnel, services, and equipment under the management and operational direction of the Defense Information Systems Agency (DISA). The DCS provides long-haul, common-user or backbone (general-purpose), and dedicated or point-to-point (special-purpose) telecommunications services for the DoD and other Government organizations. The leased services consist of general-purpose networks,* such as, the Defense Information Systems Network (to be initially composed of the Defense Switched Network, the Defense Data Network, and Military Department subnetworks); the Federal Telephone System 2000; and special-purpose circuits, trunks, and networks. The DCS does not include mobile or transportable communications facilities and assets organic to military forces; tactical communications; base communications (communications within the confines of a post, camp, base, and station, including local interconnect trunks to the first commercial central office providing service in the local area); or on-site facilities associated with or integral to weapon systems, unless specifically designated as components of the DCS.

Organizations Involved in the Procurement Process. Organizations such as the headquarters of the Military Departments and Defense agencies, major commands, communications management offices, and installation-level organizations determine requirements for telecommunications services. The DISA operates the Communications Information Services Activity (CISA) to procure authorized commercial communications services, facilities, and equipment for the DoD and other Government agencies. This procurement function is carried out by either the Defense Information Technology Contracting Office (DITCO), which is the operating arm of the CISA, or by its subordinate organization, the Defense Information Technology Contracting Office-Pacific (DITCO-PAC). DITCO or DITCO-PAC issues Communications Service Authorizations, as part of the procurement process, to obtain telecommunications services.

Procurement Process. Communications Service Authorizations are orders for service contracts normally placed against basic ordering agreements, established by the DITCO or DITCO-PAC, with various communications vendors. Communications Service Authorizations are authorized by the Telecommunications Management and Services Office or by the Defense Information Systems Agency-Pacific (DISA-PAC), through Telecommunications Service Orders. A Telecommunications Service Order is based on a Telecommunications Service Request that is submitted by the DISA operated Defense Certification Office on behalf of a DoD Component. Each Telecommunications Service Request is based on a Request for Service that a communications manager or user official (such as a local commander, a major command's communications manager, or a network's communications manager)

*A glossary in Appendix C defines communications terms used in this report.

submits to the responsible Telecommunications Certification Office. To connect new service or to reconfigure, reroute, or disconnect existing service, a communications manager or an official from the user organization must prepare a Request for Service.

Certification Process. Within the Pacific, the certification functions for the Army, the Navy, and the Air Force are performed by the DISA Defense Certification Office. Defense agencies and the Military Departments are authorized to have their own internal certification function. The Assistant Secretary of Defense (Command, Control, Communications and Intelligence) authorized the transfer of certification functions to DISA on October 13, 1994. The certification officials review each Request for Service, prepare the subsequent Telecommunications Service Request, and certify that each Request for Service is valid, approved, and funded.

Defense Information Services Database System. The Telecommunications Management and Services Office is the primary DISA organization that maintains the Worldwide On-Line System, a DCS data base composed of an inventory of existing circuits and trunks. The Telecommunications Management and Services Office assigns a Command Communications Service Designator (CCSD) to each circuit and trunk in the Worldwide On-Line System. The CCSDs identify circuits and trunks leased and owned by the DoD. DITCO maintains a data base that is used to record communications vendors' billings and the resulting payments and, in turn, the charges to DoD customers for communications services and resulting payments. The Worldwide On-Line System and DITCO data bases, along with other information, were combined by DISA to form the Defense Information Services Database System. The Defense Information Services Database System is a centralized data base of communications services and provides access to the central inventory data bases for use in implementing a review and revalidation program, reconciling telecommunications accounts, and managing telecommunications services.

Audit Objectives

The primary audit objective was to evaluate the effectiveness of the revalidation of requirements for existing leased long-haul telecommunications services in Guam. We also evaluated the adequacy of the management control program used to identify leased telecommunications equipment and services that are no longer required and to ensure that those equipment and services are discontinued when requirements cease. See Appendix A for a discussion of the scope, methodology, and management control program and Appendix B for a summary of prior audit coverage related to the audit objectives.

Termination of Special-Purpose Circuits

Six DoD installations in Guam were paying for 51 leased and Government-owned circuits that were no longer required and 8 Communications Service Authorizations with commercial lease payments (lease payments) that were no longer necessary. The Departments of the Navy and the Air Force and the DISA neither adequately revalidated requirements for 196 telecommunications circuits leased or owned by DoD organizations in Guam nor effectively implemented DoD policy concerning review and revalidation programs. The DoD organizations took action to terminate 40 circuits. If the DoD Components would terminate the remaining 11 circuits and the 8 lease payments, a total of about $11 million could be put to better use during the execution of the FYs 1995 through 2000 Future Years Defense Program.

Guidance on the Management of Communications

DoD Directive 4640.13, "Management of Base and Long-Haul Telecommunications Equipment and Services," December 5, 1991, requires the DoD Components, using as a baseline the DISA central inventory data base, to review and revalidate all long-haul telecommunications requirements. The Directive further provides that DoD Components shall ensure that Government-owned telecommunications equipment, systems, and facilities are effectively, economically, and efficiently maintained; accurately accounted for on existing inventory systems; biennially reviewed and revalidated; and reallocated to other uses when found to be no longer needed in their current configurations. The Directive also states that the DoD Components "shall discontinue telecommunications equipment or services for which a bona fide need no longer exists."

DoD Instruction 4640.14, "Base and Long-Haul Telecommunications Equipment and Services," December 6, 1991, requires DoD Components to establish a review and revalidation program for all base and long-haul telecommunications equipment and services that effectively implements the policy articulated in the Instruction and ensures that only telecommunications equipment and services with a bona fide need are procured and that systems are maintained in a cost-effective configuration.

Circuits and Payments No Longer Required

The Government leased and owned 51 circuits costing $1.3 million annually that were no longer required and made 8 commercial lease payments costing $401,196 annually that were no longer necessary. The 51 circuits and 8 lease

payments (see Appendixes D and E) represent 17.5 percent of the circuits reviewed and were managed by the Navy (35 circuits and 2 commercial lease payments), the Air Force (8 circuits and 6 commercial lease payments), and the DISA-PAC (8 circuits). The 51 circuits consisted of 25 leased circuits at a cost of $1.3 million annually and 26 Government-owned circuits with no commercial lease charges. A synopsis of conditions, by organization, follows.

Navy. The Navy paid $79,657 a month, or $955,884 annually, for 14 leased circuits and retained in service 21 Government-owned circuits that were no longer required. Management promptly terminated 26 of the 35 leased and Government-owned circuits. Although we believe the requirements for the remaining nine circuits were not justified, management had not yet reached a conclusion, as of July 26, 1995, on the disposition of eight of the nine of those circuits. Further, DITCO continued to make payments of $149,700 annually for two Navy leased circuits even though the leases had been discontinued and the service transferred to Government-owned circuits.

Air Force. The Air Force paid $9,716 a month, or $116,592 annually, for seven leased circuits and retained in service one Government-owned circuit that was no longer required. Management promptly disconnected six of the circuits during the audit and the remaining two circuits after the audit field work ended. The Air Force continues to make payments of $251,496 for six commercial leases even though the services could be acquired through Government-owned facilities. The two circuits (A182 and KE74) associated with the commercial leases have been removed from Appendix D and added to Appendix E. The Air Force should consider placing those two circuits that represent the six commercial leases onto common user Government-owned facilities.

Defense Information Systems Agency-Pacific. The Defense Information Systems Agency paid $17,325 a month, or $207,900 annually, for three leased circuits and retained in service five Government-owned circuits that were no longer required. Management promptly terminated all eight circuits during the audit.

Circuit Terminations

The prompt actions taken by communications managers to terminate 40 unneeded circuits are commendable. Requests for Service should be promptly issued through designated channels to terminate the remaining 11 circuits and 8 lease payments that are no longer required. Termination of the 51 leased circuits and 8 lease payments will reduce expenditures by about $11 million during the execution of the FYs 1995 through 2000 Future Years Defense Program (see Appendix F). Appendix H summarizes the potential benefits of the audit.

Review and Revalidation Programs

The Departments of the Navy and the Air Force and the DISA neither adequately revalidated requirements for 196 circuits (see Appendix G) leased or owned by DoD organizations in Guam nor effectively implemented DoD policy concerning review and revalidation programs. The 196 circuits represent 62.4 percent of the circuits reviewed. We did not review the detailed procedures DoD Components in Guam used to review and validate circuits. However, we examined regulatory requirements, procedures, and documents issued to implement existing programs. We obtained copies, when available, of revalidation documents from earlier management reviews for the sample circuits in the audit. Also, we interviewed communications managers to understand how the review and revalidation process functioned. A synopsis of the review of the circuits, by organization, follows.

Army. The Army review consisted of only two circuits; therefore, we did not obtain significant information concerning its review and revalidation program. One circuit had been revalidated and the other had not been in service long enough to require a review and revalidation.

Navy. The Navy review consisted of 170 circuits. Of the 170 circuits, 35 were valid and had been in service for less than 2 years and, therefore, were not candidates for the review and revalidation process. Of the remaining 135 candidates for review and revalidation, 133 had not been examined after the required 2-year period. Of the 135 circuits, 99 had valid requirements, but the other 36 did not. The Navy review and revalidation program was not effectively implemented. Although the Navy has a review and revalidation program, many communications managers and users interviewed were not aware of the program or the review and revalidation process. Further, the Chief of Naval Operations Instruction has not been updated to comply with DoD Directive 4640.13 or DoD Instruction 4640.14. The Chief of Naval Operations Instruction does not require a review and revalidation of Government-owned telecommunications services. As a result, unused circuits have remained idle unnecessarily, occupied capacity on Government-owned trunks, or been unnecessarily leased.

An additional problem at the Navy installations visited was the lack of an established inventory of all long-haul telecommunications equipment and services. The Naval Computer and Telecommunications Area Master Station, the primary Navy installation visited, was able to provide neither a completed inventory of all long-haul circuits nor an established data base of those circuits. If those tools were properly maintained, the 36 circuits not in use may have been identified for termination.

Air Force. The Air Force review consisted of 67 circuits. Of the 67 circuits, 1 was valid and had been in service for less than 2 years and, therefore, was not a candidate for the review and revalidation process. Of the remaining 66 candidates for review and revalidation, 59 had been reviewed and revalidated. Four of the fifty-nine did not have valid requirements. Of the seven remaining circuits, although not reviewed, two had valid requirements

and five did not. The Air Force review and revalidation program was not effectively implemented. Further, copies of the revalidation were not maintained at all levels. That problem was brought to the attention of Headquarters, Pacific Air Force, and it took prompt action to correct the problem.

Defense Information Systems Agency. The DISA review consisted of 73 circuits. The review of the 73 circuits showed that 16 circuits were valid and had been in service for less than 2 years and, therefore, were not candidates for the review and revalidation process. Of the remaining 57 candidates for review and revalidation, 56 had not been reviewed and revalidated. Of the 57 circuits, 49 had valid requirements but the other 8 did not. The DISA did not establish the required review and revalidation program or policy. As a result, 8 circuits without valid requirements unnecessarily remained active.

Summary. All DoD Components in Guam, with the exception of DISA, had established a review and revalidation program. However, implementation of the programs varied in extent of compliance with DoD Directive 4640.13 and DoD Instruction 4640.14. The Navy review and revalidation program did not include procedures for a review and revalidation of Government-owned telecommunication services. Therefore, the Navy did not perform a review and revalidation of Government-owned telecommunication services. The Air Force did not effectively review and revalidate its circuits, and DISA had not established policy or a review and revalidation program for telecommunication services.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Director, Space and Electronic Warfare, Department of the Navy, require user organizations to initiate Requests for Service to disconnect the remaining 9 circuits (KE01, KE26, KE04, KE11, KQ97, KQ98, KQ99, KS27, and KE70) listed under Navy in Appendix D.

Department of the Navy Comments. The Navy concurred and tasked user organizations to review, justify, and submit for disconnection circuits no longer required. The Navy stated that circuit BWXBKE11 was disconnected in December 1994.

2. We recommend that the Commander, Naval Computer and Telecommunications Command:

a. Update Chief of Naval Operations Instruction 2800.4, "Review and Revalidation of Telecommunications Services," December 6, 1989, to include Government-owned telecommunications services, facilities, and equipment, to comply with DoD Directive 4640.13, "Management of Base and Long-Haul Telecommunications Equipment and Services,"

December 5, 1991, and DoD Instruction 4640.14, "Base and Long-Haul Telecommunications Equipment and Services," December 6, 1991.

b. Review and revalidate all Navy leased and Government-owned long-haul telecommunications equipment and services located in Guam that had not been reviewed and revalidated within the last 2 years and review and revalidate all leased and Government-owned equipment and services every 2 years.

Department of the Navy Comments. The Navy concurred, agreeing to update Chief of Naval Operations Instruction 2800.4 and to the review and revalidate all Navy leased and Government-owned long-haul telecommunications equipment and services in Guam beginning in FY 1996.

3. We recommend that the Commander, Naval Computer and Telecommunications Area Master Station Western Pacific, establish and accurately maintain inventories of both leased and Government-owned telecommunications circuits.

Department of the Navy Comments. The Navy concurred, stating that an inventory of leased and Government-owned telecommunications circuits will be established and maintained by the designated commander. However, the Navy stated that monetary benefits should be reduced in relation to circuits BMHDKCDA and BUBBKE80, which were disconnected before the end of the audit and circuit BWXBKE11 which was disconnected after the audit field work.

Audit Response. The Navy comments on the monetary benefits are partially responsive. Circuit BMHDKCDA was disconnected in September 1994 not in February as the Navy stated. The Navy issued a Request for Service to disconnect the circuit in April 1994; however, the Request for Service was never received by DISA, and the Navy did not perform follow-up action. The circuit was disconnected as a result of the audit. We, therefore, maintain our position on circuit BMHDKCDA. Circuit BUBBKE80 was disconnected before the end of the audit and should not have been in the report. We adjusted monetary benefits accordingly. Circuit BWXBKE11 was terminated after the fieldwork ended in October 1994. Therefore, we maintain that the monetary benefits related to circuits KCDA and KE11 are accurate, and we ask that the Navy comment on the revised monetary benefits in response to the final report.

4. We recommend that the Deputy Chief of Staff, Command, Control, Communications and Computers, Department of the Air Force, require the user organization to initiate Requests for Service to disconnect the remaining four circuits (A182, KE74, 6K50, and A222) listed under the Air Force in Appendix D.

Department of the Air Force Comments. The Air Force partially concurred, stating that circuits JTXX6K50 and JQSMA222 should be disconnected. The Air Force nonconcurred with disconnecting circuits JHVRA182 and JZABKE74 and the associated monetary benefits, stating that the circuits have valid requirements.

Audit Response. The Air Force comments are partially responsive to the recommendation. The Air Force evaluation of circuits JHVRA182 and JZABKE74 did not consider all technical solutions available for achieving cost-effective configurations. We agree with the Air Force that circuits JHVRA182 and JZABKE74 should not be disconnected. We have, therefore, removed those circuits from Appendix D and added them to Appendix E because we believe that those circuits could have been reconfigured to Government-owned common user systems, such as the Pacific Consolidated Telecommunications Network and Defense Switchboard Network, respectively, and the commercial leases terminated.

5. We recommend that the Commander, Pacific Air Force, review and revalidate all Air Force leased and Government-owned long-haul telecommunications equipment and services in Guam that have not been reviewed and revalidated within the last 2 years, and review and revalidate all leased and Government-owned equipment and services every 2 years.

Department of the Air Force Comments. The Air Force concurred, stating that the Air Force would work with the DISA Defense Certification Office to review and revalidate long-haul telecommunications and equipment in Guam with expected completion by September 30, 1995.

6. We recommend that the Director, Defense Information Systems Agency, review and revalidate all Defense Information Systems Agency leased and Government-owned long-haul telecommunications equipment and services in Guam that have not been reviewed and revalidated within the last 2 years and review and revalidate all leased and Government-owned equipment and services every 2 years.

Defense Information Systems Agency Comments. The DISA concurred and proposed a plan to review and revalidate all DISA-leased and Government-owned long-haul telecommunications equipment and services in Guam. The effort began August 1, 1995, and is scheduled for completion by January 1996.

7. We recommend that the Commander, Defense Information Technology Contracting Office, terminate lease payments for services (K2ED and K2EE) listed in Appendix E.

Defense Information Systems Agency Comments. The DISA concurred, stating that the DITCO disconnected circuits K2ED and K2EE on May 30, 1995, and June 1, 1995, respectively, and that payments for the circuits stopped effective those dates.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope and Methodology

Audit Scope. This audit was performed in response to a special request made by DISA. We evaluated single and multichannel special-purpose circuits at six DoD installations in Guam. Our universe at those 6 installations was composed of 314 long-haul telecommunications circuits in the Defense Information Services Database System for DCS special-purpose circuits as of June 30, 1994, the cutoff date of the audit universe. We excluded Defense Switched Network access circuits and general-purpose circuits from the review. For leased circuits, we also excluded overhead, rate stabilization, and general-purpose subscriber charges. The special-purpose circuits cost the Government $5.8 million annually.

Audit Methodology. We performed a 100-percent review of the 314 telecommunications circuits to include an evaluation of the utilization of and the requirement for each circuit in the universe to determine whether the requirement was valid. We reviewed Telecommunications Service Requests, Telecommunications Service Orders, and other documentation dated from October 1983 through October 1994. Further, to determine whether the requirement for a circuit was valid, we interviewed telecommunications management officials and contacted organizations within the Navy, the Air Force, and the DISA identified as having knowledge about the usage of or requirement for a circuit.

Criteria to Evaluate Circuit Requirements. We did not assess the reliability of computer-processed data, obtained from the Defense Information Services Database System, that we used in performing the audit. Although the system was not audited, limited testing showed that the data were sufficiently reliable to satisfy the audit objectives. Any inaccuracies in those data will not affect the audit conclusions. We calculated the monetary benefits without the use of statistical projection techniques.

To accomplish our audit objective, we took extensive steps to verify the communications requirements and to determine whether a review and revalidation had been performed for the circuits. We reviewed current and historical records on the established requirements justifications, and we examined the physical location of each circuit. We contacted all organizations within the Military Departments, Defense agencies, and DISA identified to us as having knowledge about the usage of or requirement for a circuit. The contacts helped us to determine whether the requirement for the circuit was valid. We applied the following two criteria in determining whether the telecommunications services were justified.

o A need to communicate must have existed on June 30, 1994, the cutoff date of our audit universe.

o The user must have been able to locate the actual circuit.

If a circuit failed to meet either criterion, we concluded that a valid requirement no longer existed for the circuit.

Criteria to Evaluate Review and Revalidation. In addition, we applied the following two criteria in determining whether an adequate review and revalidation had been performed for each circuit evaluated.

o A review and revalidation form was completed within the last 2 years and made available for our review.

o The information documenting the requirement on the review and revalidation form must have been consistent with information gathered during the audit evaluation.

If a circuit failed to meet either criterion, we concluded that an adequate review and revalidation had not been performed.

Auditing Period and Standards. This economy and efficiency audit was made from August through December 1994. The audit was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. We included tests of management controls considered necessary. A list of organizations visited or contacted is in Appendix I.

Management Control Program

DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of Review of Management Control Program. The audit evaluated the adequacy of management controls used by the Navy, the Air Force, and the DISA in Guam to identify telecommunications equipment and services that are no longer required and to ensure that those equipment and services are discontinued when the requirement ceases. Further, we evaluated policy and guidance concerning implementation of management controls for the accumulation of information to support the requirements for long-haul telecommunications equipment and services. We did not evaluate management's self-evaluation of applicable management controls.

Adequacy of Management Controls. The audit identified material management control weaknesses as defined by DoD Directive 5010.38. Navy,

Air Force, and DISA management controls were not effective to identify telecommunications equipment and services that were no longer required or to ensure that those equipment and services were discontinued when the requirement ceased as required by DoD directives. Further, the Navy did not maintain an accurate inventory of its circuits on Guam. The recommendations, if implemented, will correct the material management control weaknesses identified. The audit identified potential monetary benefits of $11 million (see Appendix H). See Part I for further details. A copy of the report will be provided to the senior officials responsible for management controls in the Navy, the Air Force, DISA, and the Pacific Air Force Command.

Appendix B. Summary of Prior Audits and Other Reviews

Eleven prior Inspector General, DoD, audit reports discuss problems regarding telecommunications services and equipment that were no longer required.

Office of the Inspector General, DoD, Report No. 95-074, "Requirements Validation for the Defense Logistics Agency Command and Control Voice Communication System," January 11, 1995. The Defense Logistics Agency did not adequately revalidate the requirements for the Command and Control Voice Communication System. The report shows that the Command and Control Voice Communication System, composed of 27 leased long-haul circuits and a private branch exchange, was no longer required and that $2.6 million could be put to better use during the execution of the FYs 1995 through 2000 Future Years Defense Program. The report recommends that the Director, Defense Logistics Agency, issue a Request for Service to terminate the leases for the Command and Control Voice Communication System circuits and private branch exchange. Management concurred with the recommendation to terminate the Command and Control Voice Communication System.

Office of the Inspector General, DoD, Report No. 95-071, "Requirements Validation for Telecommunications Services-Philadelphia Area," January 6, 1995. DoD installations did not adequately revalidate requirements. The report shows that 16.5 percent (54) of the 328 Command Communications Service Designators (CCSDs) reviewed at 6 DoD installations in the Philadelphia area were no longer required. If circuits are terminated in the Philadelphia area, about $4 million could be put to better use during the execution of the FYs 1995 through 2000 Future Years Defense Program. Final management comments are being evaluated.

Office of the Inspector General, DoD, Report No. 94-173, "Selected Special-Purpose Telecommunications Circuits," August 8, 1994. DoD installations did not adequately revalidate requirements. The report shows that 5.6 percent (9) of the 160 CCSDs reviewed at 6 DoD installations were no longer required. The report recommends that the circuits be terminated, resulting in $386,000 that could be put to better use for a 72-month period ending in FY 2000. Management concurred in all recommended actions.

Office of the Inspector General, DoD, Report No. 94-120, "Telecommunications Circuit Allocation Programs-Jacksonville Area," June 6, 1994. DoD organizations did not effectively identify reconfiguration opportunities or adequately revalidate requirements. The report shows that 63.3 percent of the 166 sampled CCSDs at DoD organizations in the Jacksonville, Florida, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 74 (44.6 percent) circuits as candidates for potential reconfiguration. Leases for 31 (18.7 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or

terminated in the Jacksonville area, about $9.6 million could be put to better use during the execution of the FYs 1994 through 1999 Future Years Defense Program. Finally, for that same period, about $1.5 million could be put to better use if 28 circuits that were not part of the audit universe or sample are reconfigured or terminated. The report recommends that the circuits be reconfigured or terminated. Management concurred with the finding and recommended actions.

Office of the Inspector General, DoD, Report No. 94-072, "Telecommunications Circuit Allocation Programs-Kansas City Area," March 31, 1994. DoD organizations did not effectively identify reconfiguration opportunities or adequately revalidate requirements. The report shows that 63.1 percent of the 292 sampled CCSDs at DoD organizations in the Kansas City, Missouri, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 33 (35.9 percent) circuits as candidates for potential reconfiguration. Leases for 25 (27.2 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the Kansas City area, $7.9 million could be put to better use during the execution of the FYs 1994 through 1997 Future Years Defense Program. Finally, for that same period, about $1.3 million could be put to better use if 21 circuits that were not part of the audit universe or sample are terminated. The report recommends that the circuits be reconfigured or terminated. Management has taken all necessary corrective actions.

Office of the Inspector General, DoD, Report No. 94-051, "Telecommunications Circuit Allocation Programs-San Antonio Area," March 11, 1994. DoD organizations did not effectively identify reconfiguration opportunities or adequately revalidate requirements. The report shows that 47.6 percent of the 193 sampled CCSDs at DoD organizations in the San Antonio, Texas, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 84 (43.5 percent) circuits as candidates for potential reconfiguration. Leases for eight (4.1 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the San Antonio area, $8.9 million could be put to better use during the execution of the FYs 1994 through 1996 Future Years Defense Program. Finally, for that same period, about $.015 million could be put to better use if one circuit that was not part of the audit universe or sample is terminated. The report recommends that the circuits be reconfigured or terminated. Management concurred with the finding and recommendations.

Office of the Inspector General, DoD, Report No. 93-144, "Management of Leased Modulators/Demodulators by the Air Mobility Command," June 30, 1993. The Air Mobility Command did not prepare required documentation to discontinue payments for modulators/demodulators (modems) no longer in service, purchase rather than lease modems, and disconnect circuits that were no longer required. As a result, about $826,000 was spent for equipment no longer in service; about $1.3 million was spent for leased equipment that should have been purchased; and about $70,000 was spent for leased circuits that were no longer required. At seven military installations, 53.6 percent of

telecommunications equipment could not be accounted for and the Air Mobility Command could not validate its telecommunications equipment inventories. Corrective actions would reduce costs by about $5.3 million (of which $784,000 was previously reported in Audit Report No. 93-021, "Management of Leased Modulators/Demodulators at Dover Air Force Base, Delaware," November 9, 1992) during the FYs 1993 through 1998 Future Years Defense Program. The report recommends that the Commander, Air Mobility Command, terminate payments for equipment no longer in service, purchase leased modems, disconnect circuits no longer needed, and conduct and maintain inventories of all leased and owned telecommunications equipment and services. The Air Force concurred with the finding and implemented recommended measures.

Office of the Inspector General, DoD, Report No. 93-021, "Management of Leased Modulators/Demodulators at Dover Air Force Base, Delaware," November 9, 1992. The Air Mobility Command continued to make payments for telecommunications equipment that was no longer in service and continued to lease equipment that should have been purchased. As a result, more than $287,000 had been spent unnecessarily from February 1990 through June 1992. Action to terminate leases and purchase modems would reduce costs by about $784,000 during the FYs 1993 through 1998 Future Years Defense Program. The report recommends that the Commander, Air Mobility Command, terminate leases for six long-haul modems and purchase replacement modems from the Bulk Modem Contract maintained by the Defense Commercial Communications Office (now the Defense Information Technology Contracting Office). The Air Force concurred with the finding and implemented recommended measures.

Office of the Inspector General, DoD, Report No. 93-019, "Disposition of Telecommunications Services and Equipment at Eaker Air Force Base," November 6, 1992. The Air Force did not discontinue telecommunications services when service requirements no longer existed. The report shows that 5 (10.6 percent) of 47 long-haul telecommunications circuits reviewed at Eaker Air Force Base, Blytheville, Arkansas, were no longer required. DoD could have avoided communications costs estimated at $19,000 if action had been taken to discontinue the services. When this matter was brought to management's attention, it took immediate action to discontinue the circuits and avoided additional costs of about $9,000 through December 1992, the planned base closure date. The Air Force concurred with the finding and monetary benefits and implemented recommended actions to prevent similar conditions.

Office of the Inspector General, DoD, Report No. 93-018, "Disposition of Telecommunications Services and Equipment at Pease Air National Guard Base," November 6, 1992. The Air National Guard did not discontinue services when communication requirements no longer existed. The report states that 7 (47 percent) of 15 long-haul telecommunications circuits reviewed at Pease Air National Guard Base, Portsmouth, New Hampshire, were no longer required. DoD could have avoided communications costs estimated at $151,000 if action had been taken to discontinue the services. When this matter was brought to management's attention, it took immediate action to discontinue the

services and avoided additional costs of about $272,000 during the execution of the FYs 1993 through 1998 Future Years Defense Program. The Defense Information Systems Agency fully concurred in the report.

Office of the Inspector General, DoD, Report No. 90-005, "Requirements Validation for Telecommunications Services," October 16, 1989. Of the 1,323 sampled circuits reviewed at 21 DoD installations, 21 percent (277) continued in service although no longer required, were not cost-effective as configured, or could not be identified. For the sampled circuits, the report identifies 135 circuits (10.2 percent) that were no longer required, 130 circuits (9.8 percent) that were considered not cost-effective in their configurations, and 12 circuits (1.0 percent) that could not be located. Leased circuits that were no longer required or not cost-effective could cost as much as $21 million during FY 1989 and $117 million during the execution of the FYs 1989 through 1993 Five-Year Defense Plan. The report contains several recommendations to the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) and to the Comptroller of the Department of Defense (now the Under Secretary of Defense [Comptroller]), one of which was to establish a definitive policy requiring DoD Components to review and revalidate telecommunications circuits leased and owned by the Defense Communications System. Management concurred in all recommendations in the report.

Appendix C. Glossary

Command Communications Service Designator. A unique identifier for each single service; that is, single-channel circuits, multichannel trunk circuits, and interswitch trunk circuits.

Channel. A single unidirectional or bidirectional path for transmitting or receiving (or both) electronic signals, usually in a path that is distinct from other parallel paths.

Circuit. A communication capability between two or more users, between a user terminal and a switching terminal, or between two switches.

Defense Information Services Database System. An automated tool for management of long-haul telecommunications services provided through the DISA. The Defense Information Services Database System contains contractual, financial, operational, and inventory information. It also contains a special software module to facilitate the biennial review and revalidation of telecommunications requirements.

Four-Wire Circuit. A path in which four wires are presented to the terminal equipment (analog or digital), thus allowing for simultaneous transmission and reception. Two wires are used for transmission in one direction and two in the other direction.

General-Purpose Network. A system of circuits or trunks between network switching centers or nodes allocated to provide communications service on a common basis to all connected subscribers. Sometimes described as a common-user network.

Multiplexer. A multiplexer is used to combine two or more independent circuits (for example, voice, data, or video) into a composite signal. The signal is then sent via the transmission medium to similar multiplexing equipment at the receiving end, where the process is reversed, restoring the circuits to their original state.

Request for Service. The document submitted by the requester (DoD and other Government agencies authorized by specific DoD agreement) to the designated Telecommunications Certification Office to connect new service or to reconfigure, reroute, or disconnect existing service.

Telecommunications Certification Office. An organization designated by a Federal Department or Agency to certify to the DISA that a specified telecommunications service or facility is a bona fide requirement and that the Department or Agency is prepared to pay mutually acceptable costs to fulfill the requirement.

Trunk. A dedicated circuit connecting two switching centers, central offices, or data concentration devices. This term is often used within the communications community to describe any multichannel circuit.

Telecommunications Service Order. The authorization from Headquarters, DISA, a DISA area, or DISA Telecommunications Management and Services Office to start, change, or discontinue circuits or trunks and to effect administrative changes.

Telecommunications Service Request. A valid, approved, and funded telecommunications requirement document prepared and submitted by the specifically authorized Telecommunications Certification Office to the DISA, the DISA area, or the DISA Telecommunications Management and Services Office, as applicable, for implementation.

Two-Wire Circuit. A transmission circuit composed of two wires (signal and ground) used to both send or receive information. The transmission may be made only in a single direction, rather than simultaneous transmission and reception provided by a four-wire circuit.

Appendix D. Termination of Circuits

Category 1. Circuits terminated during the audit[1]

3 CCSD		Description	From	To	4 CSA	2 Costs: Monthly Recurring Costs	2 Costs: Annual Cost To DoD
Navy							
BABB	KE84	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 068	$4,504	$ 54,048
BBDK	KQ2Q	VOICE CIRCUIT	FINEGAYN[6]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BBDM	KBGY	VOICE CIRCUIT	FINEGAYN[6]	HRLDHLT[8]	GOVERNMENT OWNED	0	0
BBDM	SMUL	VOICE CIRCUIT	FINEGAYN[6]	BARIGDA[9]	GOVERNMENT OWNED	0	0
BBEA	XH1F	DATA CIRCUIT	FINEGAYN[5]	APRAHRBR[10]	GOVERNMENT OWNED	0	0
BC3B	K1KH	VOICE CIRCUIT	AFLOAT[7]	FINEGAYN[5]	GOVERNMENT OWNED	0	0
BCFA	KT8V	DATA CIRCUIT	FINEGAYN[5]	TANGO[11]	GOVERNMENT OWNED	0	0
BCFM	S3HG	DATA CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BJPB	KE96	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 084	0	0
BKAD	KCAR	DATA CIRCUIT	FINEGAYN[5]	FINEGAYN[12]	GOVERNMENT OWNED	0	0
BMHD	KCDA	DATA CIRCUIT	APRAHRBR[13]	ANDERSEN[14]	GTA D 21016 31	292	3,504
BTXX	6Z95	VOICE CIRCUIT	FINEGAYN[5]	APRAHRBR[10]	GOVERNMENT OWNED	0	0
BYAB	KE10	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 004	4,504	54,048
BYAB	KE78	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 032	9,103	109,236
BYAM	K2UC	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UD	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UE	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UF	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UG	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UH	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UJ	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UK	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BYAM	K2UL	VOICE CIRCUIT	FINEGAYN[5]	AFLOAT[7]	GOVERNMENT OWNED	0	0
BZGB	KE91	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 038	4,504	54,048
BZRA	KXK5	DATA CIRCUIT	KADENAAB[15]	FINEGAYN[5]	GOVERNMENT OWNED	0	0
BZRV	XH0D	VOICE CIRCUIT	AGANA[16]	AFLOAT[7]	GOVERNMENT OWNED	0	0
Annual Funds Put to Better Use Resulting from Termination Actions							$274,884

See footnotes on page 24.

Category 1. Circuits terminated during the audit[1] (cont'd)

3 CCSD	Description	From	To	4 CSA	2 Costs: Monthly Recurring Costs	2 Costs: Annual Cost To DoD
Air Force						
JOOV SZ45	VOICE CIRCUIT	NWFIELD[17]	FINEGAYN[5]	PWCG D 44512	0	0
JQGD K4EF	DATA CIRCUIT	ANDERSEN[18]	ANDERSEN[19]	GOVERNMENT OWNED	0	0
JRFI KRHV	VOICE CIRCUIT	HICKAM[20]	ANDERSEN[18]	HADZ D F2124 00	$ 204	$ 2,448
				BEC OC 10004 054	132	1,584
JRFS KRHU	VIDEO CIRCUIT	HICKAM[21]	ANDERSON[22]	HADZ D F2123 90	204	2,448
				BEC OC 10004 053	132	1,584
JT4M A332	DATA CIRCUIT	FALCON[23]	NWFIELD[24]	WUII W 00519	8,559	102,708
JZNS KRHW	DATA CIRCUIT	HICKAM[20]	ANDERSEN[18]	HADZ D F2123 00	485	5,820
				BEC OC 10004 055	0	0
Annual Funds Put to Better Use Resulting from Termination Actions						$116,592
Defense Information Systems Agency						
DOLV A284	VOICE CIRCUIT	SUNNYVAL[25]	FINEGAYN[26]	GOVERNMENT OWNED	0	0
DORA KBRT	DATA CIRCUIT	FINEGAYN[5]	FINEGAYN[6]	GOVERNMENT OWNED	0	0
DORA SAKG	DATA CIRCUIT	FINEGAYN[5]	APRAHRBR[10]	GOVERNMENT OWNED	0	0
DOXV S3JH	VOICE CIRCUIT	ANDERSEN[18]	FINEGAYN[5]	GOVERNMENT OWNED	0	0
DTNX 6M50	DATA CIRCUIT	YOKOTA[27]	WHEELER[28]	ITTW D P8780	$8,317	$ 99,804
DTNX 6L44	DATA CIRCUIT	FINEGAYN[5]	RITDNPT[29]	GOVERNMENT OWNED	0	0
DULB KE75	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	DECOOC 11301 060	4,504	54,048
DULB KE81	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	DECOOC 11301 061	4,504	54,048
Annual Funds Put to Better Use Resulting from Termination Actions						$207,900

See footnotes on page 24.

Catagory 2. Circuits recommended for termination[30]

3 CCSD	Description	From	To	4 CSA	2 Costs: Monthly Recurring Costs	2 Costs: Annual Cost To DoD
Navy						
BUBB KE01	VOICE CIRCUIT	FINEGAYN[5]	NIMITZ[31]	NAVYOC 11301 001	$6,827	$ 81,924
BUBB KE26	VOICE CIRCUIT	FINEGAYN[5]	NIMITZ[31]	NAVYOC 11302 073	6,827	81,924
BUBB KE04	VOICE CIRCUIT	FINEGAYN[5]	AGANA[16]	NAVYOC 11301 070	4,504	54,048
BWXB KE11	VOICE CIRCUIT	FINEGAYN[32]	NIMITZ[31]	NAVYOC 11301 072	4,504	54,048
BYAB KQ97	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 107	6,827	81,924
BYAB KQ98	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 108	6,827	81,924
BYAB KQ99	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 109	6,827	81,924
BYAB KS27	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 110	9,103	109,236
BYAN KE70	VOICE CIRCUIT	FINEGAYN[5]	FINEGAYN[5]	NAVYOC 11301 004	4,504	54,048
Annual Funds Put to Better Use Resulting from Termination Actions						$681,000
Air Force						
JTXX 6K50	VOICE CIRCUIT	ANDERSEN[18]	FINEGAYN[5]	PWCG D 42428	0	0
JQSM A222	VOICE CIRCUIT	SCOTTAFB[33]	ANDERSEN[18]	UNKNOWN	0	0
Annual Funds Put to Better Use Resulting from Termination Actions						$ 0
Total Annual Funds Put to Better Use Resulting from Termination Actions						$1,280,376

See footnotes on page 24.

[1]Request for Service and/or Telecommunications Service Request to terminate the circuit has been issued.
[2]The costs of leased telecommunications services are paid by the Defense Information Technology Contracting Office (DITCO) to communications vendors. The costs shown for leased services are the net costs to the Government. Communication Information Services Activity/Subscriber costs are billed to DoD Components by DITCO. The DoD Components, in turn, pay the billed amount to DITCO. CISA/Subscriber costs represent indirect charges to DoD Components and are made to recover network operation costs, rate stabilization fees, and DITCO overhead costs. CISA/Subscriber costs are charged in addition to the commercial leased costs for a circuit or in addition to the costs to operate a Government-owned circuit.
[3]Command Communications Service Designator.
[4]Communications Service Authorization - identifies a specific contract with vendor for each service.
[5]Tech Control Facility, Naval Computer and Telecommunications Area Master Station, Finegayn, Guam.
[6]Building 150, Naval Computer and Telecommunications Area Master Station, Finegayn, Guam.
[7]Afloat are various ships in the fleet.
[8]Navy Tech Control Facility, Harold E. Holt, Australia.
[9]Naval Radio Transmitter Facility, Barrigada, Guam.
[10]Ship Communications Facility, Apra Harbor, Guam.
[11]Tactical Operations Center, Tango, Korea.
[12]Primary Critical Communications Relay Station, Security Group, Naval Computer and Telecommunications Area Master Station, Finegayn, Guam.
[13]Transportation Unit, Apra Harbor, Guam.
[14]Transportation Unit, Andersen Air Force Base, Guam.
[15]Naval Air Facility, Kadena Air Base, Kadena, Japan.
[16]Tech Control Facility, Agana, Guam.
[17]Tech Control Facility, Northwest Field, Guam.
[18]Tech Control Facility, Andersen Air Force Base, Guam.
[19]Base Weather Station, Andersen Air Force Base, Guam.
[20]Tech Control Facility, Hickam Air Force Base, Hawaii.
[21]Command/Combat Operations Center, Hickam Air Force Base, Hawaii.
[22]Command/Combat Operations Center, Andersen Air Force Base, Guam.
[23]Patch and Test Facility, Falcom Air Force Base, Colorado.
[24]Satellite Tracking Station, Northwest Field, Guam.
[25]Tech Control Facility, Onizuka Air Force Base, Sunnyvale, California.
[26]Satellite Terminal, Naval Computer and Telecommunications Area Master Station, Finegayn, Guam.
[27]Defense Information Systems Agency Regional Operations Center, Yokota, Japan.
[28]Defense Information Systems Agency Area Operations Center, Wheeler Army Airfield, Hawaii.
[29]Patch and Test Facility, Ritidian Point, Guam.
[30]Indicates circuits for which Requests for Service should be issued.
[31]Nimitz Hill, Guam.
[32]Naval Oceanography Command Center, Finegayn, Guam.
[33]Scott Air Force Base, Illinois.

Appendix E. Communications Service Authorizations Recommended for Termination

CCSD[2]	Description	From	To	CSA[3]	Leased Costs[1] Monthly Recurring Costs	Leased Costs[1] Annual Cost To DoD
Navy						
BYAD K2ED[4]	VOICE CIRCUIT	FINEGAYN[5]	YOKOSUKA[6]	LII P 00004	$7,135	$ 85,620
BYAD K2EE[4]	VOICE CIRCUIT	FINEGAYN[5]	YOKOSUKA[6]	CMSA P 30136	5,340	64,080
Annual Funds Put to Better Use Resulting from Termination of Payments						$149,700
Air Force						
JHVR A182[7]	VOICE CIRCUIT	SUNNYVAL[8]	NWFIELD[9]	ABI 76 D 06250 PT	$ 57	$ 684
				PT 76 D 06250	56	672
				WUII DP SF885	8,769	105,228
				DISN D 00A182	0	0
JZAB KE74[7]	VOICE CIRCUIT	FINEGAYN[5]	WOOMERA[10]	MCII P 00408	2,040	24,480
				WUII OCY 40000	933	11,196
				WUII DP 00408	0	0
				MCII P 00408	9,103	109,236
Annual Funds Put to Better Use Resulting from Termination of Payments						$251,496
Total Annual Funds Put to Better Use Resulting from Termination of Payments						$401,196

[1]The costs of leased telecommunications services are paid by the Defense Information Technology Contracting Office (DITCO) to communications vendors. The costs shown on this schedule are the net costs to the Government.

[2]Command Communications Service Designator.

[3]Communications Service Authorization - identifies a specific contract with vendor for each service.

[4]Request for Service and/or Telecommunications Service Request to terminate the Communications Service Authorization has been issued. These circuits have a valid requirement, but have been routed onto the Pacific Consolidated Telecommunications Network and should have had their commercial leases discontinued.

[5]Tech Control Facility, Naval Computer and Telecommunications Area Master Station, Finegayn, Guam.

[6]Tech Control Facility, Yokosuka, Japan.

[7]These circuits have valid requirements, but should be routed onto a common-user system such as the Pacific Consolidated Telecommunications Network and should have their commercial leases discontinued.

[8]Tech Control Facility, Onizuka Air Force Base, Sunnyvale, California.

[9]Tech Control Facility, Northwest Field, Guam.

[10]Woomera, Australia.

Appendix F. Effects of Termination Opportunities on Future Years Defense Program

Program: Intelligence and Communications

Element Title/ Element Number	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	6-Year* Total
Long-Haul Communications							
03031260N (Navy)	$1,105,584	$1,131,012	$1,157,025	$1,184,215	$1,212,636	$1,241,739	$7,032,211
03031260F (Air Force)	368,088	376,554	385,215	394,268	403,730	413,420	2,341,275
03031260K (DISA)	207,900	212,682	217,574	222,687	228,031	233,504	1,322,378
Total Recurring Funds Put to Better Use	**$1,681,572**	**$1,720,248**	**$1,759,814**	**$1,801,170**	**$1,844,397**	**$1,888,663**	**$10,695,864**

*This table summarizes the recurring funds put to better use (Appropriation - Operation and Maintenance) based on the audit results identified in Appendix D and Appendix E. Using the FY 1995 annual recurring funds put to better use ($1,681,572) for the base year, we applied the established DoD inflation factors (2.3 percent for FY 1996, 2.3 percent for FY 1997, 2.35 percent for FY 1998, 2.4 percent for FY 1999, and 2.4 percent for FY 2000) for the next 5 fiscal years and calculated the total recurring funds put to better use for the Future Years Defense Program to be about $11 million.

Appendix G. Circuits Not Reviewed and Revalidated

Navy

BABB	KE84	BKLA	SHAB	BTMX	6L10	BWXJ	KFBV
BBDA	XH4V	BKLA	SHAC	BTMX	6L96	BWXV	K2RO
BBDA	XJL6	BKLA	SHAD	BTMX	6M24	BWXV	KBFF
BBDD	KCKQ	BKLA	SHAE	BTMX	6M25	BYAB	KE10
BBDK	KQ2Q	BKLA	SHAF	BTMX	6M49	BYAB	KE78
BBDM	KBGY	BKLA	SHAG	BTMX	6V8B	BYAB	KQ97
BBDM	SMUL	BKLA	SHAH	BTMX	6V8C	BYAB	KQ98
BBDM	SS1X	BKLA	SS7X	BTMX	6X04	BYAB	KQ99
BBDV	F073	BKLV	KCJQ	BTMX	6X05	BYAB	KS27
BBDV	F074	BKLV	KCJR	BTNX	6V17	BYAD	K2ED
BBEA	KCZA	BKLV	KCJS	BTNX	6V2S	BYAD	K2EE
BBEA	XAL6	BKLV	KCJT	BTNX	6W9C	BYAM	K2UC
BBEA	XAL8	BMHD	KCDA	BTXX	6Z95	BYAM	K2UD
BBEA	XH1F	BOCA	0M17	BUBB	KE01	BYAM	K2UE
BBED	KCSB	BOCA	SQOG	BUBB	KE04	BYAM	K2UF
BBED	KCSC	BOCA	X052	BUBB	KE26	BYAM	K2UG
BBED	KCUV	BOOA	KKJ6	BUBB	KE80	BYAM	K2UH
BBED	KRAN	BOOA	SPN7	BUDI	SSAA	BYAM	K2UJ
BC3A	KBVL	BOOA	XH0Q	BUE9	XD4E	BYAM	K2UK
BC3B	K1KH	BT2M	6M6A	BUE9	XDKH	BYAM	K2UL
BCFA	KT8V	BT4M	KCWZ	BUE9	XDMD	BYAN	KE70
BCFA	SKCS	BTJM	1R63	BUE9	XDS7	BYAV	KCNE
BCFM	S3HG	BTJM	1R85	BUE9	XDWE	BZBV	K2R2
BCLD	KCKK	BTJM	1R86	BUED	A790	BZBV	K2R5
BCLD	KCKL	BTMX	6K0F	BUED	SITL	BZGB	KE91
BDFD	K2V0	BTMX	6K0L	BWAA	XFHK	BZGV	K2QQ
BDFD	K2V9	BTMX	6K1P	BWAD	OF60	BZMV	K2R1
BJPB	KE96	BTMX	6K1Q	BWPD	27DI	BZMV	K2R3
BKAD	KCAR	BTMX	6K1R	BWXA	SEA9	BZMV	K2R4
BKLA	SGXC	BTMX	6K1S	BWXB	KE11	BZRA	KXK5
BKLA	SGXE	BTMX	6K7K	BWXD	KBQK	BZRV	XHOD
BKLA	SGXF	BTMX	6K7L	BWXD	KBQL		
BKLA	SGXG	BTMX	6K7M	BWXD	KBYR		
BKLA	SHAA	BTMX	6K8M	BWXJ	K3SN		

Air Force
JAKD KDAV
JOOV SZ45
JQGA K198
JRFI KRHV
JRFS KRHU
JTXX 6K50
JZAB KE74

DISA	
DDDA PW42	DTNX 6L44
DDDA PY05	DTNX 6M1F
DDDD PW43	DTNX 6M1M
DOLV A284	DTNX 6M50
DONA KBNY	DTNX 6M6CS
DORA K044	DTNX 6M6D
DORA KBFJ	DTNX 6M6G
DORA KBRT	DTNX 6M6H
DORA KDE1	DTNX 6M6J
DORA S8BJ	DTNX 6M6K
DORA SAKG	DTNX 6M6N
DOXV S3JH	DTNX 6M6P
DTIX 6L47	DTNX 6M6S
DTMX 6K10	DTNX 6VOL
DTMX 6K1C	DTNX 6VOQ
DTMX 6K51	DTNX 6V28
DTMX 6M84	DTNX 6V29
DTMX 6V48	DTNX 6V38
DTMX 6W3Z	DTNX 6V39
DTMX 6YOW	DTNX 6X00
DTMX 6YOX	DTNX 6X0R
DTMX 6Y73	DTNX 6XOT
DTMX 6Y7W	DTNX 6XOU
DTMX 6Y7V	DTOX 6V10
DTNX 6J6V	DTOX 6V12
DTNX 6K29	DTOX 6V13
DTNX 6K5T	DULB KE75
DTNX 6K5V	DULB KE81

Appendix H. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
1., 4., and 7.	Economy and Efficiency. Terminates circuits that are no longer required and terminates payments that are no longer necessary.	$10,695,864 can be put to better use during FYs 1995 through 2000. Appropriation-Operation and Maintenance.
2.	Compliance and Management Control. Achieves compliance with DoD guidance on review and revalidation of telecommunications equipment and services. Requires implementation of review and revalidation for Government-owned circuits.	Nonmonetary.
3.	Compliance and Management Control. Maintains an inventory of circuits in accordance with applicable guidance to ensure that telecommunications circuits are managed in the most cost-effective manner.	Nonmonetary.
5.	Compliance and Management Control. Achieves compliance with DoD guidance on review and revalidation of telecommunications equipment and services.	Nonmonetary.
6.	Compliance and Management Control. Achieves compliance with DoD guidance on review and revalidation of telecommunications equipment and services.	Nonmonetary.

Appendix I. Organizations Visited or Contacted

Department of the Army

U.S. Army Information Systems Command, Fort Huachuca, AZ
National Guard Bureau, Washington, DC
  Army National Guard, Fort Juan Muna, Guam

Department of the Navy

Commander in Chief, U.S. Pacific Fleet, Pearl Harbor, HI
  Naval Surface Forces Pacific, San Diego, CA
    U.S. Naval Magazine, Guam
    U.S. Naval Station, Apra Harbor, Guam
  Naval Air Forces Pacific, San Diego, CA
    Naval Air Station, Agana, Guam
  U.S. Naval Forces Marianas
    U.S. Naval Hospital, Guam, Marianas Islands
  U.S. Navy Personnel Support Activity Far East, Yokosuka, Japan
    U.S. Navy Personnel Support Activity Detachment, U.S. Naval Station, Guam, Marianas Islands
  Navy Telecommunications Certification Office, Pearl Harbor, HI
  Naval Computer and Telecommunications Command, Washington, DC
    Naval Computer and Telecommunications Area Master Station Western Pacific, Finegayan, Guam
    Naval Radio and Transmitter Facility, Barrigada, Guam
    Naval Telecommunications Center, Nimitz Hill, Guam
    Naval Computer and Telecommunications Area Master Station Eastern Pacific, HI
    Naval Computer and Telecommunications Station, Yokosuka, Japan
    Naval Communications Detachment, Misawa, Japan
    Tactical Support Center, Kamiseya, Japan
Chief of Naval Operations, Washington, DC
  Naval Pacific Meteorology and Oceanography Center, Pearl Harbor, HI
    Naval Pacific Meteorology and Oceanography Center, Nimitz Hill, Guam
    Naval Pacific Meteorology and Oceanography Center Detachment, Naval Air Station, Guam
Bureau of Medicine and Surgery, Washington, DC
  U.S. Naval Medical Information Management Center, Bethesda, MD
  U.S. Naval Medical Information Management Center Detachment, San Diego, CA
Naval Supply Systems Command, Arlington, VA
  Fleet Industrial Supply Center, Apra Harbor, Guam

Department of the Air Force

Headquarters, Pacific Air Force, Hickam Air Force Base, HI
- Andersen Air Force Base, Guam
- Diego Garcia, British Indian Ocean Territory
- Joint Typhoon Warning Center, Nimitz Hill, Guam

Space Command, Petersen Air Force Base, CO
- Falcon Air Force Base, CO
- Onizuka Air Force Base, CA
- North West Field Tracking Station, Guam

Air Mobility Command, Scott Air Force Base, IL
- Travis Air Force Base, CA

Communications System Command, Tinker Air Force Base, OK
- Yokota Air Base, Tokyo, Japan
- 374th Communications Squadron, Camp Zama, Japan

National Guard Bureau, Washington, DC
- Air National Guard Reserve Center, Andrews Air Force Base, MD
- Air National Guard Reserve Center, Andersen Air Force Base, Guam

Defense Agencies

Defense Information Systems Agency, Washington, DC
- Defense Information Systems Agency-Pacific, Wheeler Army Air Field, HI
- Defense Information Systems Agency-Pacific, Finegayan, Guam
- Defense Information Technology Contracting Office, Scott Air Force Base, IL
- Defense Information Technology Contracting Office-Pacific, Aiea, HI

Non-DoD Organizations

Department of Transportation, Washington, DC
- U.S. Coast Guard, Washington, DC
  - 14th Coast Guard Unit, Honolulu, HI
  - U.S. Coast Guard, District 14, Marianas Section, Guam

Appendix J. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
  Deputy Chief Financial Officer
  Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Command, Control, Communications and Intelligence)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy
Director, Space and Electronic Warfare

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force
Commander, Pacific Air Force
Deputy Chief of Staff, Command, Control, Communications and Computers

Unified Command

Commander in Chief, U.S. Pacific Command

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Information Systems Agency
Director, Defense Logistics Agency
Director, National Security Agency
  Inspector General, National Security Agency

Non-Defense Federal Organizations

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division, General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security

Part III - Management Comments

Department of the Navy Comments

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(Research, Development and Acquisition)
WASHINGTON, D.C. 20350-1000

26 July 1995

MEMORANDUM FOR DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR GENERAL FOR AUDITING

Subj: AUDIT REPORT ON REQUIREMENTS VALIDATION FOR TELECOMMUNICATIONS SERVICES - GUAM (PROJECT NO. 4RD-5047) - ACTION MEMORANDUM

Ref: (a) DODIG Memo of 26 May 95

Encl: (1) DON Response to Draft Audit Report

I am responding to the draft audit report forwarded by reference (a) concerning the evaluation of Navy single and multichannel special-purpose circuits in Guam.

The Department of the Navy response is provided at enclosure (1). We generally agree with the draft report findings and recommendations. As outlined in the enclosed comments, the Department has taken, or is planning to take specific actions to ensure adequate management controls for all Navy leased and Government-owned long-haul telecommunications equipment and services.

J. G. HEKMAN
Principal Assistant for
Information Resources Management

Copy to:
NAVINSGEN
Office of Financial Operations (FMO-13)
NISMC
CNO (N6)
COMNAVCOMTELCOM

Department of the Navy Response

to

DODIG Draft Report of May 26, 1995

on

Audit Report on Requirements Validation for Telecommunications Services - Guam
(Project No. 4RD-5047)

Finding:

Six DoD installations in Guam were unnecessarily paying for 54 leased and Government-owned circuits that were no longer required and 2 Communications Service Authorizations with commercial leased payments (lease payments) that were no longer necessary. The Departments of the Navy and Air Force and the DISA neither adequately revalidated requirements for 196 telecommunications circuits leased or owned by DoD organizations in Guam nor effectively implemented DoD policy concerning review and revalidation programs. The DoD organizations took action to terminate 41 of the circuits. If the DoD components would terminate the remaining 13 circuits and the 2 lease payments, a total of about $11 million could be put to better use during the execution of the FY1995 through FY 2000 Future Years Defense Program.

Recommendation 1:

We recommend that the Director, Space and Electronic Warfare, Department of the Navy, require user organizations to initiate Requests for Service to disconnect the remaining 9 circuits listed under Navy in Appendix D (KE01, KE26, KE04, KE11, KQ97, KQ98, KQ99, KS27 and KE70).

DON Position:

Concur. User organizations have been tasked to review, justify and submit discontinue RFS's if circuits are no longer required. Circuit KE11 was disconnected in December 1994.

Recommendation 2:

We recommend that the Commander, Naval Computer and Telecommunications Command:

a. Update OPNAV Instruction 2800.4, "Review and Revalidation of Telecommunications Services," December 6, 1989, to include Government-owned telecommunications services, facilities, and equipment, to comply with DoD Directive 4640.13, "Management of Base and Long-Haul Telecommunications Equipment and Services," December 5, 1991, and DoD Instruction 4640.14, "Base and Long-Haul telecommunications Equipment and Services," December 6, 1991.

Enclosure (1)

DON Position:

Concur. OPNAV Instruction 2800.4 will be updated to comply with DoD Directive 4640.13 and DoD Instruction 4640.14. Estimated completion date is January 1996.

b. Conduct a review and revalidation for all Navy leased and Government-owned long-haul telecommunications equipment and services located in Guam that had not been reviewed and revalidated within the past 2 years and review and revalidate all leased and Government-owned equipment and services every 2 years.

DON Position:

Concur. As part of DMRD 918, the Review and Revalidation Program was transferred from Navy, Army and Air Force to DISA. A consolidated review and revalidation is being developed and will comply with DoD Directive 4640.13 and DoD Instruction 4640.14. All Navy leased and Government-owned long-haul telecommunications equipment and services in Guam, and throughout the Navy, will be reviewed and revalidated starting early FY 1996. Attachment 1 is a copy of the message sent to all Major Claimants informing them of the review and revalidation effort and soliciting their support.

Recommendation 3:

We recommend that the Commander, Naval Computer and Telecommunications Area Master Station Western Pacific, establish and accurately maintain inventories of both leased and Government-owned telecommunications circuits.

DON Position:

Concur. The Commanding Officer, Naval Computer and Telecommunications Area Master Station, Western Pacific (This command title should be used in Recommendation 3.) has been tasked to establish and maintain an inventory of leased and Government-owned telecommunications circuits. In addition, Commander, Naval Computer and Telecommunications Command has been requested to ensure all his station comply with the appropriate DoD Directive/Instruction. Attachment 2 refers.

Potential Monetary Benefits: Concur. However, the following changes have occurred to circuits listed in Appendix D:

Circuit BWXB KE11 was disconnected in December 1994. Accordingly, recommend removing this circuit, and the Monthly Recurring Costs ($4,504) and Annual Cost to DoD ($54,048), from Catagory 2 (Circuits recommended for termination) and place it in Catagory 1 (Circuits terminated during the audit).

2 Enclosure (1)

Circuits BMHD KCDA and BUBB KE80, in Catagory 1, were terminated in February 1994 and June 1994 respectively.

As a result of the above changes, recommend changing the "Annual Funds Put to Better Use Resulting from Termination Actions" in Catagories 1 and 2 for Navy as follows:

	From	To
Catagory 1	$328,932	$325,428
Catagory 2	$681,000	$626,952

DEPARTMENT OF THE NAVY
CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, DC 20350-2000

IN REPLY REFER TO
5040
Ser N61/5U559251
07 JUL 1995

From: Chief of Naval Operations
To: Commander, Naval Computer and Telecommunications Command

Subj: REQUIREMENTS VALIDATION FOR TELECOMMUNICATIONS SERVICES

Ref: (a) Office of the Inspector General, Department of Defense, Proposed Audit Report titled "Requirements Validation for Telecommunications Services - Guam" of 26 May 95
(b) Department of Defense Directive 4640.13 of 5 Dec 91
(c) Department of Defense Instruction 4640.14 of 6 Dec 91

1. Reference (a) addressed, among others, that "management controls were not effective to identify telecommunications equipment and services that are no longer required or to ensure that those equipment and services are discontinued when the requirement ceases as required by DoD directives." It further stated that "An additional problem at the Navy installations visited was the lack of an established inventory of all long-haul telecommunications equipment and services. The Naval Computer and Telecommunications Area Master Station, which was the primary Navy installation visited, neither was able to provide a completed inventory of all long-haul circuits nor an established data base of those circuits."

2. The DoD Inspector General identified several circuits that were no longer required and were costing Navy approximately $1.160 million per year. NAVCOMPT, as a result of this report, has the responsibility to determine if leased line funding (NCTC) should be decremented by this amount, and may do so to make up other O&M,N shortfalls.

3. In an effort to identify leased lines that are no longer required, DISA, within the next few months, will be conducting a Review and Revalidation of long-haul telecommunications services. To preclude further issues with management control procedures please ensure your stations are in compliance with references (a) and (b).

P. S. Anselmo
By direction

Attachment 2

Department of the Air Force Comments

Final Report Reference

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE

6 JUL 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: HQ USAF/SCM
1250 Air Force Pentagon
Washington, DC 20330-1250

SUBJECT: DoDIG Draft Audit Report on Requirements Validation for Telecommunications Services - Guam (Project No. 4RD-5047)

This is in reply to your memorandum requesting the Assistant Secretary of the Air Force (Financial Management and Comptroller) to provide Air Force comments on subject report.

We have reviewed the subject audit and are providing the following comments:

a. Page 3, para 1, second sentence - Change to read: "Telecommunications Service Order is based on a Telecommunications Service Request that is submitted by the DISA-operated Defense Certification Office (DCO) on behalf of a DOD Component." Rationale: MILDEP/Agency TCO's were capitalized by DISA, and the DCO now performs this function. Page 2, para 3

b. Page 3, para 2, first sentence - Change to read: "Within the Pacific, the certification functions for the Departments of the Army, Navy, and the Air Force are performed by the DCO." Rationale: MILDEP theater requirements are processed by the DCO per OSD-directed TCO capitalizations (13 Oct 94). Page 5, para 2

c. Page 3, para 2, second sentence - Change to read: "Military Services and Defense agencies are authorized to have their own internal financial certification function." Rationale: The financial certification portion was retained by Services and Agencies during the TCO capitalizations.

d. Page 3, para 2, third sentence - Change to read: "The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) authorized the transfer of certification functions to DISA on 13 Oct 94." Rationale: Transfer of certification functions has already been completed.

e. Page 6, para 3:

Final Report Reference

(1) First sentence - Change to read: "The Air Force paid $9,716 a month or $116,592 annually, for seven leased circuits and retained in service one Government-owned circuit that was no longer required." Rationale: Of the ten circuits identified, Air Force Space Command (AFSPC) states two of the circuits listed (JHVRA182 and JZABKE74) are still valid requirements. Therefore, cost savings must be appropriately adjusted.

(2) Third sentence - Change to read: "It has been determined that two of the remaining circuits (JHVRA182 and JZABKE74) are still required by the Air Force while the other two circuits should be discontinued." Rationale: This provides results from the management review of the four remaining circuits identified for possible termination.

Page 8

f. Page 9, Recommendation 4 - Partially concur with this recommendation. As discussed previously, we nonconcur with discontinuation of circuits JHVRA182 and JZABKE74. These are valid AFSPC requirements supporting missile launch and tracking systems vital to national security interests. Concur that circuits JTXX6K50 and JQSMA222 should be administratively discontinued. They have not been in existence for some time and no billing is involved. The Air Force will coordinate with DISA and the user to ensure termination of these entries. Estimated Completion Date: 30 Sep 95.

g. Page 9, Recommendation 5 - Concur with this recommendation to review and revalidate all Air Force long haul telecommunications and equipment in Guam not reviewed in the past two years. DCO initiates the review and revalidation process for the Air Force. The Air Force will work with DISA to complete this review. Estimated Completion Date: 30 Sep 95.

h. Page 14, Appendix A, Adequacy of Management Control - Concur with this paragraph as written and will address this issue during the implementation of Recommendation 5.

Pages 23 and 27

i. Pages 23 and 28, Appendices D and G, Air Force Circuit Savings - Nonconcur with the totals based on the continuing requirement for the two AFSPC circuits.
Total cost savings for Air Force Category 2 circuits on page 23 should be $0, which in turn lowers Air Force projected cost savings on page 28. Total Air Force cost savings beginning in FY95 would be $116,592.

HQ USAF/SCMI point of contact is Mr David Shelly, (703) 697-2732.

JOHN W. MEINCKE, Col, USAF
Director of Mission Systems
DCS/Command, Control,
Communications, and Computers

cc:
SAF/FMPF
AF/SCXX
AFC4A/SYX

Defense Information Systems Agency Comments

DEFENSE INFORMATION SYSTEMS AGENCY
701 S. COURT HOUSE ROAD
ARLINGTON, VIRGINIA 22204-2199

IN REPLY REFER TO: Inspector General

10 AUG 1995

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL
ATTN: DIRECTOR, READINESS AND OPERATIONAL SUPPORT DIRECTORATE

SUBJECT: Agency Comments on Draft Audit Report on Requirements Validation for Telecommunications Services - Guam (Project No. 4RD-5047)

Reference: DODIG Audit Report, subject as above, 26 May 1995

1. We reviewed the subject draft report and concur with the recommendations addressed to DISA. Our management comments are enclosed which discuss corrective actions to be taken on the recommendations. Where corrective action has already been taken, we identified the actions taken and provided the date of completion.

2. The point of contact is Ms. Sandra J. Leicht, Audit Liaison. If you have questions on our response, Ms. Leicht can be reached on (703) 607-6316.

FOR THE DIRECTOR:

1 Enclosure a/s

RICHARD T. RACE
Inspector General

Quality Information for a Strong Defense

MANAGEMENT COMMENTS ON THE DRAFT AUDIT REPORT ON REQUIREMENTS VALIDATION FOR TELECOMMUNICATIONS SERVICES - GUAM (Project No. 4RD-5047)

1. Finding. The DODIG found eight circuits without valid requirements unnecessarily remained active.

Response. Of the eight circuits identified as being terminated in Appendix C, one circuit, DTNX 6L44, remains active in the WWOLS database for the current DISN transition. The circuit is government-owned and there are no dollars against the circuit. Based on the results of the Review and Revalidation (R&R) milestones given under Recommendation 6, the R&R will ascertain whether this final circuit will be taken down. Estimated completion date is 28 January 1996. Concur with potential monetary savings of $207,900.

2. Recommendation 6. The DODIG recommended that the Director, Defense Information Systems Agency, conduct a review and revalidation for all DISA leased and Government owned long-haul telecommunications equipment and services located in Guam that have not been reviewed and revalidated within the past 2 years and review and revalidate all leased and Government owned equipment and services every 2 years.

Response. Concur. With regard to the DODIG finding that DISA conduct an R&R for DISA leased and Government owned long-haul telecommunications equipment and services located in Guam, the following R&R milestones have been established:

DATE	EVENT(S)
1 August 1995	Develop R&R Guidance Develop & Test Application Software Tool Complete Users Manual Train Action Officers Estimated completion date is 29 September 1995.
29 September 1995	Ship software/users manual/guidance to all DISA internal and external customers. Estimated completion date is 6 October 1995.
6 October 1995	MILDEPS perform their R&R to include submission of disconnect or change RFS's. DISA performs its R&R to include submission of disconnect or change RFS's. Estimated completion date is 5 January 1996.
5 January 1996	DISA DCO consolidates MILDEPS/DISA R&R replies in preparation for publishing findings. Estimated completion date is 28 January 1996.

3. Recommendation 7. The DODIG recommended that the Commander, Defense Information Technology Contracting Office, terminate lease payments for services listed in Appendix E (K2ED and K2EE).

Response: Concur. TSRs were written to move circuits (CCSD's, K2ED and K2EE) onto the DCS system of PCTN and off of the commercial lease. The TSOs were retransmitted and received by DITCO
27 Apr 95. DITCO/DTS took the necessary action on 28 Apr 95 to disconnect these services. Disconnect dates were 30 May 95 and 1 Jun 95. Payments stopped effective those dates.

Audit Team Members

This report was prepared by the Readiness and Operational Support Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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