# THE DEPARTMENT OF JUSTICE'S LITIGATION CASE MANAGEMENT SYSTEM

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# THE DEPARTMENT OF JUSTICE'S LITIGATION CASE MANAGEMENT SYSTEM

## Introduction

In 2004, the Department of Justice (Department) began the Litigation Case Management System (LCMS) project. The purpose of the LCMS project is to develop a solution for sharing case information among seven of the Department's litigating components – the Executive Office for United States Attorneys (EOUSA) and United States Attorneys Offices (USAO); Criminal Division (CRM); Civil Division (CIV); Tax Division (TAX); Civil Rights Division (CRT); Environment and Natural Resources Division (ENRD); and Antitrust Division (ATR).[1]

**FIGURE A: LCMS INTEGRATION**

**Source:** LCMS Project Management Office

Through the LCMS, the Department seeks to provide an enterprise infrastructure for sharing case-related information within and between the USAOs, Department components, partner agencies, and the public. This case management system is intended to effectively store information once, manage it centrally, and make it available to approximately 14,500 authorized users in the seven litigating divisions. When fully implemented the LCMS database is expected to hold more than 650 gigabytes of data.

Each of the Department's litigating divisions currently maintains its own case management system, which is not able to share information with other systems in the Department. As a result, these divisions cannot efficiently share information or produce comprehensive reports among the divisions. The

[1] In 2006, well after the LCMS project began in 2004, the Department established a new component, the National Security Division (NSD). According to the LCMS Project Manager, the NSD was not included in the Department's planning for the LCMS. The LCMS Project Manager told us that if the NSD wanted or had a need for the LCMS, future planning could accommodate this need. The LCMS Project Manager also said that he was unsure whether the LCMS could handle much of the NSD's case information because the LCMS is an unclassified system and much of the NSD's case information is classified.

separate systems also hamper the ability of the litigating divisions to collaborate and limit the timeliness and quality of case information available to Department leadership.

In 2004, the Department awarded a contract to Pragmatics to perform LCMS program management activities. These activities included tracking and managing the program schedule, monitoring and managing the program risks, and managing the prime contractor's performance incentive plan. The initial award to Pragmatics guaranteed a minimum of $50,000 for the period October 2004 through September 2005. The Department planned to incrementally fund additional task orders throughout development and implementation of the LCMS, but did not develop an estimate of the total expected cost of Pragmatics services over the life of the LCMS development.

In 2005, the Department awarded a contract to Excella Consulting to perform technical advising services related to the LCMS project. These services included: managing, directing, and providing independent oversight of other LCMS contractors; reviewing and providing expert analysis, feedback, and quality assurance on other LCMS contractors' deliverables; and tracking and managing project schedule and performance. The initial award to Excella totaled $67,000 for the period July through September 2005. As with the Pragmatics contract, the Department planned to incrementally fund additional task orders, but did not develop an estimate of the total expected cost.

In 2006, the Department awarded the prime contract to Computer Sciences Corporation to develop and implement the LCMS. The development activities included designing and testing the system. The implementation activities included deploying an operational system to the seven litigating divisions and providing training on use of the system. The estimated cost over the life of the contract was about $42 million. Initially, the system was to be fully implemented by December 2010.

## OIG Audit Approach

The objective of this audit was to assess whether the LCMS is meeting schedule, cost, functional, and performance requirements. To accomplish the objective, we interviewed various Department and Computer Sciences Corporation officials regarding the design and implementation of the LCMS, including the:

- Department's Chief Information Officer (CIO);
- Department's Deputy CIO, who also serves as the Director of the Justice Management Division's Enterprise Solutions Staff;
- LCMS Project Manager; and

- Computer Sciences Corporation Project Manager.

We also interviewed officials from each of the seven litigating divisions planned to receive the LCMS to determine their roles in the development of the LCMS and their views on the design and implementation of the system. In addition, we reviewed documents maintained by the LCMS Project Management Office regarding the status of system implementation, including cost, schedule, and functional and performance data.

## Results in Brief

Our audit found that the Department's LCMS project is significantly behind schedule, over budget, and at significant risk of not meeting the Department's long-term enterprise requirements for litigation case management.

The Department initially estimated the LCMS would be implemented in the EOUSA and USAOs by March 2008, with implementation in the six other litigating divisions to be completed by December 2010. The Department also initially estimated that the primary contract to develop and implement the system would cost about $42 million, of which about $35 million was for implementation in the EOUSA and USAOs. The Department now estimates that the LCMS will not be fully implemented in the EOUSA and USAOs until July 2010, more than 2 years after the initial estimated completion date for the EOUSA and USAOs, and only 5 months before the initial estimated completion date for all seven litigating divisions.

Because implementation of the LCMS in the EOUSA and USAOs is significantly behind schedule, the CIO has postponed any further work related to the other litigating divisions and does not have current schedule and cost estimates for completing the LCMS in the other divisions. However, as of January 8, 2009, the Department estimated that the total cost of the primary contract to implement the LCMS in the EOUSA and USAOs will be about $61 million, about 75 percent more than the initial estimate for the EOUSA and USAOs and more than $18 million over the initial estimated cost of implementation in all seven litigating divisions.

We concluded that the delays and budget overruns occurred because: (1) the requirements planning process was not effective, and requirements were modified and added after much work had been done; (2) system integration and user acceptance testing revealed severe defects, including data migration errors, access restrictions, and other errors that required an extensive amount of time to correct; and (3) the Department's oversight efforts identified the severe difficulties that the Computer Sciences Corporation was having in meeting the schedule and cost requirements, but the Department's actions did not minimize the schedule and cost overruns.

Because of the schedule problems and cost issues, the remaining six litigating divisions may not be committed to the LCMS and appear uncertain that it will meet their needs. These concerns, as well as background information about the LCMS, are discussed in more detail in the rest of the report.

**Background**

The Department's Justice Management Division (JMD) is coordinating the LCMS project. Within JMD, the Deputy Assistant Attorney General for Information Resource Management is also the Department's CIO. The CIO formulates Department-wide information technology policies and strategic plans. The CIO also provides guidance and oversight, and makes recommendations, concerning the information technology budget requests of the Department's component agencies. The CIO oversees the Enterprise Solutions Staff that is responsible for managing and overseeing critical information technology projects, such as the LCMS, in an effort to ensure that the projects meet cost, schedule, and performance goals.

The LCMS is intended to provide end users and managers with access to accurate, timely, and useful case management data. The CIO identified the "drivers" of the need for a unified system to be:

- The Department spends millions each year supporting seven different case management systems.

- The use of seven independent systems inhibits effective collaboration and information management.

- Distribution of information across seven different systems makes it difficult and costly to generate rational, Department-level reports that support decision-making.

Similarly, the CIO identified the "benefits" of system implementation as:

- The LCMS will be one central source for case tracking data.

- The LCMS will replace the existing litigation case management systems with a common system that supports the unique needs of the individual components as well as the Department.

- Through a solution that is common across litigating divisions, the LCMS enables greater and more effective collaboration and information management.

- The LCMS will make it easier for each litigating division to meet its requirements to manage and report on matters, cases, and related activities.

The LCMS is being designed and implemented through a "blended" effort of contractor and CIO staff. The LCMS Project Management Office within the Enterprise Solutions Staff has four full-time employees assigned to the LCMS project. The LCMS Project Manager reports directly to the director of the Enterprise Solutions Staff. However, most daily activities are handled by the three companies holding the LCMS contracts.

As shown in Table 1, the Department planned to implement the LCMS in three stages. The United States Attorneys were selected for the initial stage because of the size of operations and their urgent need for a new case management system. The USAOs have a nationwide field structure and substantially more users than the other six litigating divisions, which are primarily located in Washington, D.C.[2]

**TABLE 1: STAGES OF LCMS IMPLEMENTATION**

| Stage | Litigating Divisions Included in Stage |
|---|---|
| 1 | EOUSA and USAOs |
| 2 | CIV, ENRD, CRT |
| 3 | CRM, TAX, ATR |

**Source:** LCMS Project Manager

The LCMS was originally planned for full implementation in the EOUSA and all USAOs by March 2008, with implementation in the other litigating divisions to follow in 2009 and 2010. The original estimate to design and implement the LCMS in all seven litigating divisions was approximately $42 million.[3] These initial schedule and cost estimates have been greatly exceeded as discussed in the following sections.

## Schedule Delays

As shown in Graph A, the LCMS project is significantly behind schedule, and the Department is not providing estimates for the timing of full completion of the project.

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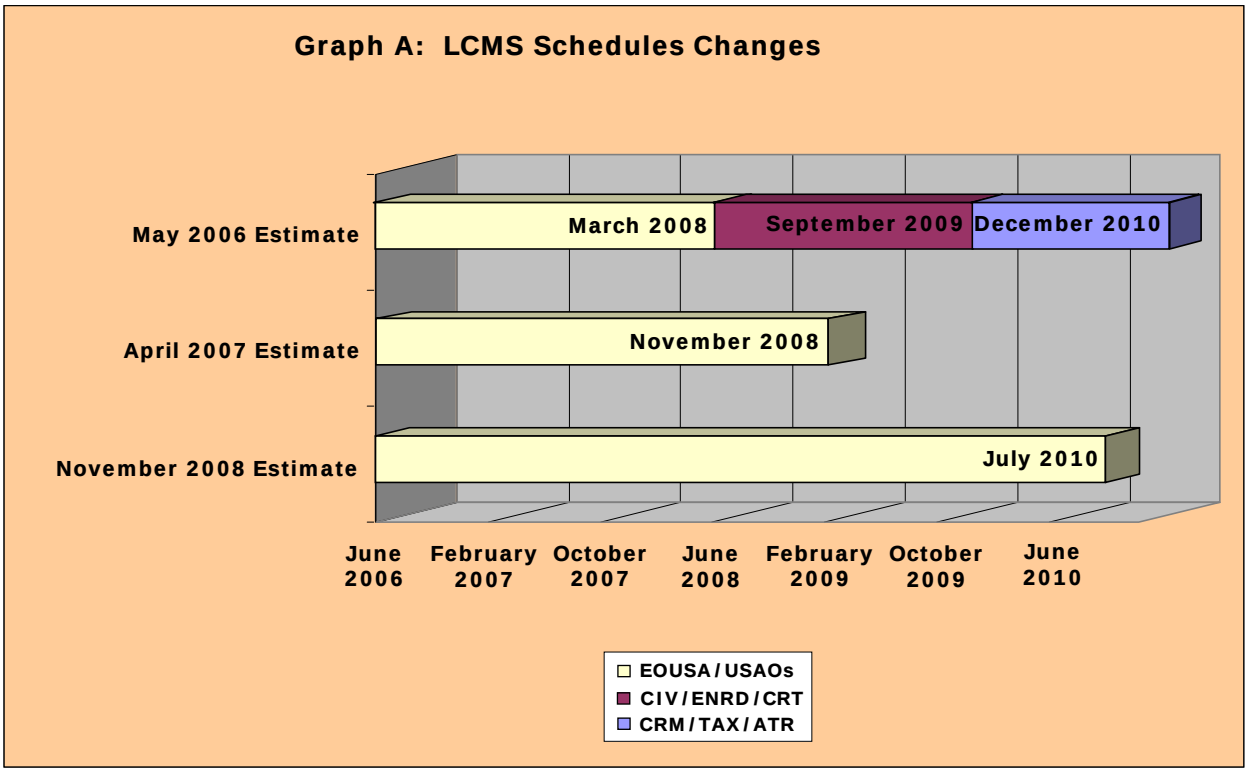
[2] The functions of each of the divisions are contained in Appendix II.

[3] The initial cost estimate of $42 million is for the cost of only the Computer Sciences Corporation contract to develop and implement the LCMS. The estimate does not include the projected costs of the Pragmatics and Excella contracts or the expected in-house government costs because the Department did not estimate these costs at the beginning of the project.




**Source:** LCMS Project Management Office Estimates

In May 2006, the Department initially estimated that the LCMS would be implemented in all seven litigating divisions by December 2010. The LCMS Project Management Office staff told us that this schedule was realistic and could have been met if the primary contractor had performed well. However, subsequent system development did not proceed as planned.

By December 2006, the Department realized that the May 2006 schedule was overly ambitious. The Department requested that the Computer Sciences Corporation revise the schedule to show a realistic timeline for completing the project. Based on the Computer Sciences Corporation's projections, in April 2007 the Department released a revised schedule for completing the project. While the schedule focused on the Computer Sciences Corporation's completion of work in Stage 1, LCMS Project Management Office staff told us that they and litigating division staff continued requirements planning for Stage 2. However, because the Computer Sciences Corporation was having difficulty completing the first stage of development and implementation within schedule and budget, the CIO decided to postpone any further Computer Sciences Corporation work related to the other litigating divisions and have the Computer Sciences Corporation focus on completing the development and implementation in only the EOUSA and USAOs. In the April 2007 estimate, the Department revised the completion date for implementation of the LCMS in the EOUSA and USAOs to November 2008, about 8 months later than initially planned.

Yet, as of November 2008, the system still had not been implemented in the EOUSA and USAOs. At that time, the Department again revised its implementation schedule to show implementation in the EOUSA and USAOs by July 2010. This was more than 2 years later than initially planned, and only 5 months before the initial estimated completion date for all seven litigating divisions.

As of December 2008, the system was still being developed, but had not been implemented in any divisions or tested at the USAO pilot sites.

*Causes for Schedule Delays*

We have identified several causes for the delays in implementing LCMS:

- **The requirements planning process.** This process did not result in: (1) a comprehensive understanding of the system requirements by the Computer Sciences Corporation, and (2) the identification of all user requirements. As a result, system requirements had to be modified and added, which extended the time needed to develop the system. We found considerable disagreement between the Department and the Computer Sciences Corporation over which is at fault for the modified and added requirements. The Department blames the Computer Sciences Corporation for not understanding the requirements, and the Computer Sciences Corporation blames the Department for changing the requirements and adding new requirements. As discussed in the Requirements Planning section below, we concluded that both the Department and the Computer Sciences Corporation share responsibility for the requirements problems.

- **System integration and user acceptance testing**. This testing revealed severe defects, including data migration errors, access restrictions, and other errors during use of the system. Fixing the defects, and fixing repeat defects after further testing, caused many of the delays. As discussed in the System Integration and User Acceptance Testing section below, we concluded that both the Department and the Computer Sciences Corporation share responsibility for the testing problems.

- **Oversight of the Contractors.** The Department's oversight of the Computer Sciences Corporation was not sufficient to ensure the contractor met the LCMS schedule and cost requirements. The Department used a "blended" workforce consisting of government and contractor staff to oversee the project. While Department officials said that this type of workforce approach has been and continues to be used effectively on other Department information technology projects, it did not work effectively to ensure the LCMS project remained on schedule

and within budget. The Department's oversight efforts identified the severe difficulties that the Computer Sciences Corporation was having in meeting the schedule and cost requirements, but the Department's actions did not minimize the schedule and cost overruns. Department officials told us that they placed too much emphasis on trying to help the Computer Sciences Corporation develop the system, rather than taking actions to terminate the contract once they realized the Computer Sciences Corporation could not effectively and efficiently complete the project.

In the following sections, we discuss each of these causes in more detail.

Requirements Planning

A key element in designing and implementing an effective information technology system is the identification of detailed and comprehensive requirements for the system. The requirements include the data fields, interfaces, rules, access restrictions, reports, and many other items that are required to enable the system to meet the operational needs of the organization.

For the LCMS, a system planned for implementation across seven distinct divisions, the requirements planning process was critical. However, the Department's requirements planning process did not result in: (1) a comprehensive understanding of the system requirements by the Computer Sciences Corporation, and (2) the identification of all user requirements.

Early in the LCMS project, the Department performed a requirements gathering process. The Department contracted with Pragmatics to perform the initial requirements gathering for the LCMS. In addition, the Computer Sciences Corporation performed additional requirements gathering that included performing a business process evaluation of the litigating divisions and the common aspects of the divisions. The LCMS Project Management Office also formed a cross-component working group that included all seven divisions. The group's purpose was to discuss the various needs of the divisions and to establish the common methodologies used to track cases.

Although the LCMS Project Management Office, Pragmatics, and the Computer Sciences Corporation conducted requirements gathering, the requirements later had to be adjusted and new requirements were added during development of the system.

The former LCMS Project Manager in JMD told us that the Computer Sciences Corporation did not fully understand the requirements for the system when the development and implementation schedule was established. The former LCMS Project Manager said that following establishment of the schedule, the Computer Sciences Corporation found that the requirements for the system

were far more extensive than originally identified. We asked LCMS Project Management Office officials for documentation to support that the Computer Sciences Corporation did not fully understand the requirements, but these officials were unable to provide such documentation. A LCMS Project Management Office official told us that the number of severe defects found during system integration and user acceptance testing indicate that the Computer Sciences Corporation did not fully understand the requirements.[4]

In contrast, a Computer Sciences Corporation official told us that the requirements were changed after the contract was signed. The Computer Sciences Corporation official also told us that many of the problems occurred because the Department added new requirements after the Computer Sciences Corporation's Business Solutions Plan was approved by the Department. According to the Computer Sciences Corporation official, the Department added data elements from the EOUSA's existing case management system, which created new rules and reports and increased the LCMS requirements from 507 to 580 (14 percent). He said that to incorporate the additional data elements into the LCMS, the Computer Sciences Corporation needed to perform additional work that contributed to the delays and cost overruns. LCMS Project Management Office staff told us that this increase in requirements is within the norm for a project such as the LCMS and, in their opinion, should not have materially increased the Computer Sciences Corporation's cost and schedule.

While both the Department and the Computer Sciences Corporation officials agree that the requirements were modified and resulted in additional time to develop the system, the officials do not agree on whether the modified requirements resulted from the Department's actions or the Computer Sciences Corporation's actions. It appears to us that both the Department and the Computer Sciences Corporation share in the responsibility for the modified requirements. The Department did identify additional requirements for the Computer Sciences Corporation to perform as system development continued and the Department identified at least 89 enhancements to the system during system testing. The enhancements included items such as changing the default sort-order on reports, providing a group calendar, and synchronizing the LCMS calendar with Outlook.

We believe that these additional requirements and enhancements contributed to the additional time needed and costs incurred by the Computer Sciences Corporation to address the issues. In July 2008, the Computer Sciences Corporation submitted a change proposal to the Department. The proposal stated that both the company and the Department had contributed to the schedule delays. A company official also told us that some of the LCMS developmental problems were the Computer Sciences Corporation's

[4] The defects found during testing are discussed in the System Integration and User Acceptance Testing section below.

responsibility, although the official did not provide specific details of how the company delayed the schedule. Office of the CIO officials told us that they believed the Computer Sciences Corporation staff did not fully understand the LCMS requirements. While the schedule delays attributable to the Computer Sciences Corporation could be the result of various failures, including inadequate technical staff, inadequate supervision of work, and lack of understanding the requirements, we believe the most plausible explanation is a failure by the company to fully understand the requirements.

System Integration and User Acceptance Testing

System integration testing is a process that determines whether a software system works with other systems as intended. Following integration testing, a system undergoes user acceptance testing, which is a process to obtain confirmation by subject matter experts, preferably the owners or clients of the system, that the system meets mutually agreed-upon requirements. User acceptance testing is usually one of the final stages of a project and often occurs before a client or customer accepts the new system.

System integration and user acceptance testing for the LCMS, conducted from January through October 2008, identified severe defects, including data migration errors, access restrictions, and other errors during use of the system. The number and severity of the defects found are shown in Table 2. Severe defects are the critical and major defects, as defined below, and they must be corrected before the project can continue. Table 2 also shows the percentage of each defect type found during testing of the LCMS.

**TABLE 2: DEFECTS FOUND DURING SYSTEM INTEGRATION AND USER ACCEPTANCE TESTING OF THE LCMS**

| Defect Severity | Total | Percentage | Description |
|---|---|---|---|
| Critical | 46 | 3.6% | A previously functioning baseline has failed in such a manner as to prevent the accomplishment of critical mission functions. |
| Major | 261 | 20.6% | Adversely affects the accomplishment of an operational or mission essential capability and no user-acceptable work-around solution is known. |
| Average | 516 | 40.7% | Adversely affects the accomplishment of an operational or mission essential capability but a user-acceptable work-around solution is known. |
| Minor | 271 | 21.4% | Results in user/operator inconvenience but does not affect a required operational or mission essential capability. |
| Enhancement | 173 | 13.7% | System improvement or enhancement that is subject to consideration by the LCMS Change Control Board. |
| | 1,267 | 100% | |

Examples of the severe defects found during testing are shown in Table 3.

**TABLE 3: EXAMPLES OF SEVERE DEFECTS FOUND DURING TESTING OF LCMS**

| Examples of Severe Defects |
|---|
| **Critical Defects** |
| System errors when a record is selected for expunging. |
| System errors when saving a record that has certain blank field values. |
| Attorney caseload reports show data for entire district instead of for selected attorney. |
| **Major Defects** |
| System cannot change records from matter to case in court history. |
| System cannot create appeal records. |
| System allows charged and dispositioned participants to be deleted from the case. |

We believe these severe and repeat defects reflect on the quality of the Computer Sciences Corporation's work, and that fixing these defects and further testing caused many of the delays to the LCMS project. When defects were detected during the testing, the schedule had to be revised to accommodate the time necessary for fixing the errors. According to an October 2006 detailed estimated schedule prepared to support the May 2006 summary schedule, system integration testing was planned to begin in February 2007 and last about 6 weeks. However, system integration testing did not begin until January 2008. The October 2006 estimate also showed that user acceptance testing would begin in April 2007 and take just over 3 months. Yet, user acceptance testing did not begin until July 2008. Each of these tests identified significant defects and required significant fixes and retesting.

As of December 2008, the program was still undergoing both system integration testing and user acceptance testing. This testing, fixing, and retesting were expected to continue until October 2009.

In the Computer Sciences Corporation's July 2008 change proposal, it attributed 25 percent of the system integration testing delays to the Department because the testing management tool provided by the Department could not be accessed by company staff for the first 2 weeks of testing. However, the change proposal stated that the company was the cause of the remaining 75 percent of system integration testing delays, although it did not elaborate on the reasons for the delays.

In our opinion, problems found during system integration and user acceptance testing occurred because the Computer Sciences Corporation did not fully understand the system requirements and did not perform work of sufficient quality, and because the Department added new requirements and system enhancements during the process.

*Department Oversight*

According to Office of Management and Budget (OMB) Circular A-130, Management of Federal Information Resources, federal agencies must provide sufficient oversight to ensure that major information systems proceed in a timely fashion towards agreed-upon milestones in an information system life cycle. However, in 2006, at the initiation of the Computer Sciences Corporation contract for the design, development, and implementation of the LCMS, the Department committed only two full-time government employees to the project – a LCMS Project Manager and Deputy LCMS Project Manager. Because the Department did not have the in-house resources to fully oversee the contract, the Department awarded a program management contract and a technical advisory contract for much of the oversight of the Computer Sciences Corporation. Department officials told us that its approach to use both government and contractors to oversee information technology projects has been and continues to be used effectively on other Department projects. However, this approach has not worked effectively to keep the LCMS project on schedule and within budget as required by OMB Circular A-130.

After the project began to experience significant delays and cost overruns in 2006 and 2007, the Department did not commit additional full-time JMD employees to the project until February 2008, when it added an Application Lead to the project team to oversee the technical development of LCMS. Later in 2008, the Department added two JMD employees to the team – a Project Management Lead to oversee the project management of LCMS and a Chief Architect to coordinate data center related issues and perform risk and configuration management. However, in August 2008, the Deputy Project Manager left the LCMS Project Management Office. As of December 15, 2008, the Deputy position was not filled, leaving the LCMS Project Management Office staffed by only four full-time government employees.

The Department's oversight of Computer Sciences Corporation was based partly on the performance incentive plan submitted by the Computer Sciences Corporation and approved by the Department. The Computer Sciences Corporation contract for the development and implementation of the LCMS was a time and materials, labor hour-contract with a performance incentive plan and fee structure. For a time and materials, labor hour-contract, the contractor bills for the specific time, materials, and labor used to produce the products or services. Under the terms of the contract, the Computer Sciences Corporation billed for 75 percent of its labor costs and the remaining 25 percent was allocated to an incentive pool. At the end of certain contract milestones, the Department evaluated the performance of the Computer Sciences Corporation based on pre-established criteria, usually related to schedule compliance and quality of deliverables, and the Computer Sciences Corporation receives a percentage of the incentive pool based on the performance evaluations.

The Department's use of the performance incentive plan process was not effective to ensure that the Computer Sciences Corporation met the schedule and budget requirement for the LCMS. From award of the contract in May 2006 through December 2008, the Department completed only two performance evaluations under the performance incentive plan of the Computer Sciences Corporation. No evaluation had been completed in the last 15 months of the period.

The Computer Sciences Corporation's December 2006 performance incentive plan established 11 milestones for evaluation of its performance, as noted in Table 4.

**TABLE 4: LCMS MILESTONES CONTAINED IN DECEMBER 2006 PERFORMANCE INCENTIVE PLAN**

| | Milestone | Department's Planned Acceptance Date |
|---|---|---|
| A | Contractor's delivery and the Department's acceptance of an Enterprise Functional Requirements Document, a Preliminary Design Document, and a Technical Architecture Document. | 12/06/2006 |
| B | Completion of development and configuration of an LCMS system ready for pilot testing in the EOUSA and USAOs. | 03/30/2007 |
| C | Completion of LCMS pilot testing in the EOUSA and USAOs. | 07/15/2007 |
| D | Attainment of Initial Operating Capability within the EOUSA and USAOs that results when the first site goes online. | 09/21/2007 |
| E | Completion of LCMS fielding in the EOUSA and USAOs. | 03/05/2008 |
| F | Completion of LCMS pilot testing in the Civil, Civil Rights, and Environment and Natural Resources Divisions. | 09/04/2008 |
| G | Attainment of Initial Operating Capability within the Civil, Civil Rights, and Environment and Natural Resources Divisions. | 01/31/2009 |
| H | Completion of LCMS fielding in the Civil, Civil Rights, and Environment and Natural Resources Divisions. | 09/14/2009 |
| I | Completion of LCMS pilot testing in the Criminal, Tax, and Antitrust Divisions. | 01/15/2010 |
| J | Attainment of Initial Operating Capability within the Criminal, Tax, and Antitrust Divisions. | 05/05/2010 |
| K | Completion of LCMS fielding in the Criminal, Tax, and Antitrust Divisions. | 12/13/2010 |

The Department completed its first performance evaluation in December 2006. According to the Department's December 2006 incentive fee determination for Milestone A, the Computer Sciences Corporation met the delivery schedule for this milestone and therefore received 100 percent of the incentive fee of $254,449 set aside for schedule performance. LCMS Project Management Office staff told us that the Computer Sciences Corporation's quality of deliverables under Milestone A was acceptable after multiple reviews and

corrections. Therefore, the Computer Sciences Corporation received about 89 percent of the incentive fee of $381,674 set aside for quality of deliverables.

In July 2007, the Department agreed to the Computer Sciences Corporation's revised performance incentive plan schedule, which extended completion of Milestones B through E. However, Milestones F through K, which related to testing and completing the LCMS in the remaining six litigating divisions, did not change. In our opinion, it is unreasonable to expect that the Computer Sciences Corporation could delay completing the system in EOUSA and the USAOs by 8 months and still complete the system in the remaining 6 divisions by December 2010 as previously planned.

Table 5 shows the revision of Milestones B through E.

**TABLE 5: REVISED LCMS MILESTONES CONTAINED IN JULY 2007 PERFORMANCE INCENTIVE PLAN**

| | Milestone | Department's Planned Acceptance Date |
|---|---|---|
| A | Contractor's delivery and the Department's acceptance of an Enterprise Functional Requirements Document, a Preliminary Design Document, and a Technical Architecture Document. | 12/06/2006 |
| B | Contractor's delivery and the Department's acceptance of a draft and final Technical Deployment Plan, draft and final Initial Deployment Plan, draft and final Business Solutions Process, and Technical Configuration Specifications. | 07/16/2007 |
| C | Completion of development and configuration of an LCMS system ready for pilot testing in the EOUSA and USAOs. | 04/04/2008 |
| D | Completion of LCMS pilot testing in the EOUSA and USAOs. | 08/15/2008 |
| E | Completion of LCMS fielding in the EOUSA and USAOs. | 11/07/2008 |
| F | Completion of LCMS pilot testing in the Civil, Civil Rights, and Environment and Natural Resources Divisions. | 09/04/2008 |
| G | Attainment of Initial Operating Capability within the Civil, Civil Rights, and Environment and Natural Resources Divisions. | 01/31/2009 |
| H | Completion of LCMS fielding in the Civil, Civil Rights, and Environment and Natural Resources Divisions. | 09/14/2009 |
| I | Completion of LCMS pilot testing in the Criminal, Tax, and Antitrust Divisions. | 01/15/2010 |
| J | Attainment of Initial Operating Capability within the Criminal, Tax, and Antitrust Divisions. | 05/05/2010 |
| K | Completion of LCMS fielding in the Criminal, Tax, and Antitrust Divisions. | 12/13/2010 |

The Department performed its second performance evaluation in September 2007. According to the Department's September 2007 incentive fee determination for Milestone B, the Computer Sciences Corporation completed the milestone on August 30, 2007, 33 business days after the planned milestone date

of July 16, 2007. Therefore, the Computer Sciences Corporation received a 33 percent reduction in the incentive fee of $897,812 set aside for schedule performance under Milestone B. LCMS Project Management Office staff told us that the Computer Sciences Corporation's quality of deliverables under Milestone B was lower than under Milestone A based on the Department's evaluation of draft deliverables. Therefore, the Computer Sciences Corporation received about 84 percent of the incentive fee of $1,346,719 set aside for quality of deliverables.

As of December 15, 2008, the Computer Sciences Corporation had not completed Milestone C, which had been scheduled for completion in April 2008. A LCMS Project Management Office official told us that because of the extensive delays and problems with the quality of the deliverables during Milestone C, the Computer Sciences Corporation would receive a significantly reduced portion of the $1,389,924 incentive pool for Milestone C. A performance evaluation for Milestone C had been prepared in draft during December 2008 but, as of February 3, 2009, had not been presented to the Computer Sciences Corporation because Milestone C was not yet complete. Moreover, the Computer Sciences Corporation had not begun Milestone D, which was scheduled for completion by August 15, 2008, or Milestone E, which was scheduled for completion by November 7, 2008. The LCMS Project Management Office official told us that because the Computer Sciences Corporation had not yet completed Milestone C, the Department has not finalized any additional performance evaluations since September 2007 when Milestone B was completed.

We concluded that the completion of only two performance incentive evaluations during 31 months is not sufficient oversight to minimize delays and keep a major information technology project such as the LCMS on schedule and within budget. However, Department officials told us that the Computer Sciences Corporation would not permit more frequent oversight and denied them access to its interim performance data. The Computer Sciences Corporation took the position that, under a performance-based contract, completion of each milestone is the responsibility of the contractor and the government should not be involved in evaluating performance until the milestone has been completed. We asked Department officials if the Computer Sciences Corporation's denials of performance data were documented and the officials said the denials were based on verbal conversations.

The Office of the CIO also performs several other routine oversight activities on the LCMS project. Monthly contract program reviews are held by the LCMS Project Manager and Computer Sciences Corporation Project Manager to review cost and schedule status. Monthly executive program reviews are held by the CIO to review the overall program status and management issues. Weekly project status meetings are held by the LCMS Project Manager and the Computer Sciences Corporation Project Manager to review the schedule status in detail. In addition, LCMS Project Management Office staff told us that they perform other

oversight activities including review of the Computer Sciences Corporation's outlines, rough drafts, and final deliverables.

The LCMS Project Management Office staff also stated that the office's oversight was complicated by the turnover in Computer Sciences Corporation staff assigned to the LCMS project. The LCMS Project Management Office staff said that the 50 LCMS-related project positions had been filled by 168 Computer Sciences Corporation contractor staff members through February 3, 2009.

Notwithstanding the weekly and monthly review activities by the LCMS Project Management Office and in light of the turnover in Computer Sciences Corporation staff, we do not believe it is prudent for the Department to evaluate the Computer Sciences Corporation's or any other contractor's incentive performance only upon completion of major milestones. This is especially true when milestones are regularly extended, which in turn extends the time between performance evaluations. Extended periods between performance evaluations, such as those for the LCMS, allow critical performance deficiencies to continue for significant periods of time before corrective actions are taken, thus putting the project at risk for schedule and budget overruns.

On July 18, 2008, the Computer Sciences Corporation sent the Department a contract change proposal in which the Computer Sciences Corporation claimed that much of the delays in performance were attributable to Department actions, including the following.

- User Acceptance Testing was extended from 27 days to 5 months because of understaffing in the EOUSA during the requirements and design phases. The extended user acceptance testing caused delays throughout the rest of the project.

- The Department added data elements from the EOUSA's existing case management system that created new rules and reports and increased the LCMS requirements from 507 to 580 (14 percent).

- The Department delayed systems integration testing because problems with Quality Center configuration resulted in extra labor for manual documentation of testing and reduced the primary contractor's efficiency in the testing.

- The Department did not establish standards that defined the necessary quality of various documents required as deliverables.

- The Department lacked a change management process to evaluate changes and provide approval.

- The Department experienced staffing shortages and turnover in both the LCMS Project Management Office and the EOUSA that required the primary contractor to devote significant time to working with new people.

- The Rockville data center experienced problems including bad files and overwritten data that caused delays.

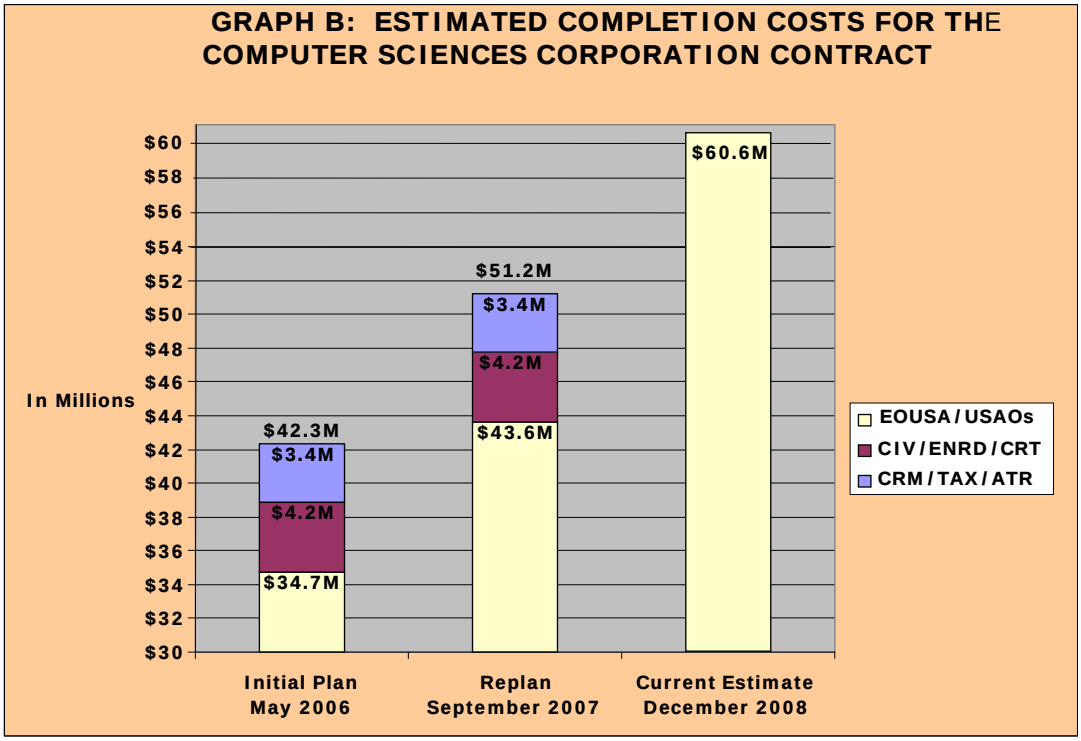
In December 2008 we discussed the Computer Sciences Corporation's concerns with the CIO and his staff members. They told us that the Computer Sciences Corporation was attempting to shift blame for its poor performance to the government. The CIO told us that the Computer Sciences Corporation's team managing the LCMS project lacked management expertise to effectively implement the project and that the Computer Sciences Corporation's performance on the LCMS project was substantially deficient. In addition, the CIO told us that his office urged two changes in the Computer Sciences Corporation Project Manager position as a result of significant concerns about the Computer Sciences Corporation's progress on the LCMS.

While it is clear to us that the Computer Sciences Corporation has had significant difficulty implementing the LCMS, we also believe the lack of more frequent government oversight and corrective actions also contributed to the delays in implementing the system.[5]

**Cost Overruns**

As the timeframe for project completion stretched out, estimated completion costs also escalated. Graph B depicts changes in estimated completion costs.

[5] We plan to perform a follow-up audit of the three LCMS contracts and during this audit we will evaluate the validity of the Computer Sciences Corporation's claims contained in its July 2008 change proposal.




**Source:** LCMS Project Management Office Estimates

As demonstrated in Graph B, the December 2008 estimate of costs for the Computer Sciences Corporation to complete implementation of LCMS in the EOUSA and USAOs is about $61 million.[6] This exceeds the original estimate for completion of EOUSA and USAO implementation by about $26 million, about a 75-percent increase. Additionally, the December 2008 estimate to implement LCMS in the EOUSA and USAOs exceeds the original estimate for all seven litigating divisions by more than $18 million. Moreover, these costs are associated only with the Computer Sciences Corporation contract, and do not include other expenses such as the project management and technical advising contracts, government salaries, and expenses for the data center to maintain the database. The expenses incurred through December 2008 for these other expenses totaled about $11 million. As of January 13, 2009, the LCMS Project Management Office was working to estimate how much of these additional expenses will be needed to complete implementation in the EOUSA and USAOs. This will result in a total cost for implementing LCMS in the first litigating division of more than $72 million. According to the LCMS Project Manager, the currently approved funding may be enough to implement the LCMS only within the EOUSA and the USAOs, and the prospect of congressional approval of funding to continue development of the system for implementation in the other six litigating divisions is uncertain.

[6] As of January 8, 2009, this was the most recent estimate of the costs to complete LCMS.

Because of the problems with the Computer Sciences Corporation, the LCMS Project Manager told us he no longer has an estimated cost for implementing LCMS in the remaining six litigating divisions.

**Litigating Division Concerns**

As noted previously, because of development difficulties, work related to the six other litigating divisions was stopped. At the time of the work stoppage for the six divisions, the effort related to these divisions was primarily limited to the initial requirements gathering. Because of the significant delays in implementing the LCMS and the uncertainty of future funding for the LCMS, we believe the system is now at high risk of not meeting the needs of the other six litigating divisions as initially designed.

The Computer Sciences Corporation contract for development of the LCMS was awarded in May 2006. During the first year of the contract, the Computer Sciences Corporation was required to conduct a business process assessment. As part of this assessment, the Computer Sciences Corporation performed a cross-component review to determine the operating environment for each litigating division and how it would affect the LCMS. A cross-component working group made up of representatives from all the litigating divisions and the Computer Sciences Corporation was established to conduct this review and to ensure the requirements of all the divisions were considered when developing the system. The review was completed in February 2007.

However, because of the schedule delays and cost overruns, the cross-component working group ceased operating in 2007, and all Computer Sciences Corporation-related LCMS work focused solely on the EOUSA and USAOs. A second cross-component working group effort consisting of LCMS Project Management Office staff and litigating division staff continued work on requirements planning for the litigating divisions through February 2008, at which time the effort ended. By ceasing all work on the cross-component issues, the resulting system will only meet the needs of the USAO. The LCMS Project Management Office staff told us that in order to meet the needs of the Stage 2 and 3 litigating divisions (see TABLE 1), a detailed requirements planning process will be required with each of the divisions. That process would include: (1) developing a full understanding of the business process for each division; (2) determining how each division uses its existing case management system to conduct business; and (3) identifying each division's rules and requirements governing data entry, system access, and report development.

In November 2008 we interviewed officials from each of the six litigating divisions in Stages 2 and 3. We found that after the cross-component working group was disbanded, the LCMS Project Management Office did not keep the divisions informed of the progress of the system.

The Stage 2 division officials (Civil, Civil Rights, ENRD) told us that their divisions were operating on outdated systems that were no longer supported by the vendor. As a result, all three divisions are in need of a new case management system. However, due to a lack of updates from the LCMS Project Management Office, officials in these divisions told us they did not know when to expect a new case management system. Officials from all three divisions also told us they were concerned about the ability to maintain their existing systems long enough to wait for LCMS. Additionally, these officials were concerned that the LCMS would not meet all of their operational needs when implemented in their divisions. The concerns raised by the Stage 2 division officials included:

- adequacy of system access restrictions,
- thoroughness of integration between various system modules, and
- adequacy of the time-tracking module.

The Stage 3 division officials (CRM, TAX, ATR) told us that they were also unsure about the timeline for implementing the LCMS within their divisions. In contrast to the Stage 2 divisions, all of which need some type of new case management system, the Stage 3 division officials told us that they are content with their current systems. The officials said that they would be better off with their current system and do not want to convert to a system that they believe will not meet their operational needs. The concerns raised by the Stage 3 division officials included:

- the level of division control over system and ability to update the system in a timely manner for operational needs,
- lack of flexibility within the system to perform the needed tasks, and
- inability of the system to effectively eliminate duplication of records.

After we interviewed officials from the six Stage 2 and 3 divisions in November 2008, LCMS Project Management Office officials provided the divisions with an update of the project status in December 2008. The goal of these meetings was to provide the divisions a high-level update of the project's status. According to officials from the six litigating divisions, the update was brief and did not provide any certainty as to when the requirements planning for their divisions would begin or how long it would be before the divisions would have a working LCMS system. Accordingly, the views that the division officials provided us in November 2008 did not change as a result of the December 2008 update briefing by the LCMS Project Management Office.

Because the main purpose of the LCMS is to develop an enterprise system for sharing case information among the Department's seven litigating divisions,

we believe that it is important for the Department to ensure that the seven litigating divisions are fully committed to and support the LCMS. We believe that without such commitment, and redefinition of the requirements for the remaining six litigating divisions, the project is at a much higher risk of failure.

**Computer Sciences Corporation Response**

The draft audit report was provided to Computer Sciences Corporation officials and we met with them in March 2009 to obtain their comments on the report. The officials told us that they did not disagree with the factual content of the report. The officials stated that the Department properly identified the workflow requirements for the LCMS, but did not effectively identify other requirements, particularly requirements related to the reporting aspects of the LCMS. The officials said that the Computer Sciences Corporation had to perform considerable reverse engineering to identify the business rules and requirements necessary to produce the LCMS reports requested by the Department. The officials also said that during the past 3 months the Department's Project Management Office staff had improved management oversight of the project.

**Recommendation**

1. We recommend that the CIO reevaluate the viability of continuing towards implementation in the other seven litigating divisions. At a minimum, the reevaluation should consider whether:

    - adequate funding will be made available to continue system development,
    - the LCMS should be implemented in the National Security Division,
    - the other six litigating divisions remain committed to implementation of the LCMS within their divisions,
    - the system requirements for the remaining litigating divisions are appropriately identified and understood before further development,
    - the defects identified from additional system integration and user testing are minimized, and
    - controls are established to ensure that adequate government and contractor oversight will be performed on future development activities to minimize future schedule and cost overruns.

# ACRONYMS

| | |
|---|---|
| **ATR** | Antitrust Division |
| **CIV** | Civil Rights Division |
| **CIO** | Chief Information Officer |
| **CRM** | Criminal Division |
| **CRT** | Civil Rights Division |
| **Department** | Department of Justice |
| **ENRD** | Environment and Natural Resources Division |
| **EOUSA** | Executive Office for United States Attorneys |
| **FOIA** | Freedom of Information Act |
| **JMD** | Justice Management Division |
| **IRS** | Internal Revenue Service |
| **LCMS** | Litigation Case Management System |
| **LECC** | Law Enforcement Coordinating Committee |
| **NSD** | National Security Division |
| **OMB** | Office of Management and Budget |
| **PA** | Privacy Act |
| **PMO** | Project Management Office |
| **TAX** | Tax Division |
| **USAO** | United States Attorneys Office |

## STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

As required by the *Government Auditing Standards* we tested, as appropriate given our audit scope and objective, records, procedures, and practices, to obtain reasonable assurance that the Department's management complied with federal laws and regulations, for which noncompliance, in our judgment, could have a material effect on the results of our audit. The Department's management is responsible for ensuring compliance with federal laws and regulations applicable to the Department. In planning our audit, we identified that Office of Management and Budget Circular Number A-130, Management of Federal Information Resources, concerned the Department's implementation of the LCMS project and was significant within the context of the audit objective.

Our audit included examining, on a test basis, the Department's compliance with the aforementioned circular that could have a material effect on the Department's operations, through interviewing auditee personnel, analyzing data, assessing internal control procedures, and examining procedural practices. As noted on page 12 this report, we found that the Department did not comply with Office of Management and Budget Circular A-130 because it did not provide effective oversight of the LCMS project to ensure the project's completion on schedule and within budget.

## STATEMENT ON INTERNAL CONTROLS

As required by the *Government Auditing Standards* we tested as appropriate, internal controls significant within the context of our audit objective. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations. Our evaluation of the Department's internal controls was *not* made for the purpose of providing assurance on its internal control structure as a whole. The Department's management is responsible for the establishment and maintenance of internal controls.

As noted in this report, we identified deficiencies in the Department's internal controls that are significant within the context of the audit objective and based upon the audit work performed that we believe adversely affect the Department's ability to complete the LCMS project in an timely and cost effective manner.

Because we are not expressing an opinion on the Department's internal control structure as a whole, this statement is intended solely for the information and use of the auditee. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## APPENDIX I

# AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY

We completed an audit of the Department of Justice's Litigation Case Management System. The objective of the audit was to determine whether the LCMS is meeting schedule, cost, functional, and performance requirements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Our audit generally covered from the initial planning of the LCMS project in 2004 through December 2008.

To accomplish the objective, we interviewed various Department and Computer Sciences Corporation officials regarding the design and implementation of the LCMS, including the:

- Department's Chief Information Officer (CIO);
- Department's Deputy CIO, who also serves as the Director of the Justice Management Division's Enterprise Solutions Staff;
- LCMS Project Manager; and
- Computer Sciences Corporation Project Manager.

We also interviewed officials from seven of the Department's litigating divisions to determine their roles in the development of the LCMS and their views on the design and implementation of the system.[7] In addition, we reviewed documents maintained by the LCMS Project Management Office regarding the status of system implementation, including cost, schedule, and functional and performance data.

[7] In 2006, well after the LCMS project began in 2004, the Department established a new component, the National Security Division (NSD). According to the LCMS Project Manager, the NSD was not included in the Department's planning for the LCMS. The LCMS Project Manager told us that if the NSD wanted or had a need for the LCMS, future planning could accommodate this need. The LCMS Project Manager also said that he was unsure whether the LCMS could handle much of the NSD's case information because the LCMS is an unclassified system and much of the NSD's case information is classified. We did not include the NSD in our evaluation of the LCMS.

We provided the Computer Sciences Corporation with a copy of the draft audit report and met with officials from the company in March 2009 to obtain their comments on the report. We considered the Computer Sciences Corporation's comments when finalizing the report.

## LITIGATING DIVISION FUNCTIONS

**Source:** Department of Justice Organization, Mission and Functions Manual

| Division | Functions |
|---|---|
| Antitrust Division | The major functions of the Antitrust Division are to:<br><br>• Seek to prevent or terminate private anti-competitive conduct, which is subject to criminal and civil action under the Sherman and Clayton Acts and related statutes.<br><br>• Review proposed mergers and acquisitions to assess their competitive effect and challenge those that threaten to harm competition.<br><br>• Investigate and prosecute violations of criminal law that affect the integrity of the investigatory process, and enforce various criminal statutes related to Sherman Act violations.<br><br>• Investigate possible violations of the federal antitrust laws, conduct grand jury proceedings, issue and enforce civil investigative demands, and handle all litigation that arises out of these criminal and civil investigations.<br><br>• Develop and present legislative proposals of the Department relating to the antitrust laws and competition generally, and respond to requests for advice and comments on such matters from the Congress and from other agencies.<br><br>• Through participation in the executive branch regulatory and legislative processes, seek to ensure that government action is pro-competitive or not unnecessarily anti-competitive.<br><br>• Assemble information and prepare reports required or requested by the Congress or the Attorney General as to the effect upon the maintenance and preservation of competition under the free enterprise system of various federal laws or programs. |

| Division | Functions |
|---|---|
| | • Advise the President and the departments and agencies of the executive branch on the competitive implications of governmental action. |
| Civil Division | The major functions of the Civil Division are to:<br><br>• Defend or assert the laws, programs, and policies of the United States, including defending new laws implementing the President's domestic and foreign agenda against constitutional challenges.<br><br>• Recover monies owed to the United States and victims as the result of fraud, loan default, bankruptcy, injury, damage to federal property, violation of consumer laws, or unsatisfied judgments.<br><br>• Defend the interests of the United States Treasury, prevailing against unwarranted monetary claims, while resolving fairly those claims with merit.<br><br>• Fight terrorism through litigation to detain and remove alien terrorists; defend immigration laws and policies, including determinations to expel criminal aliens.<br><br>• Enforce consumer protection laws and defend agency policies affecting public health and safety.<br><br>• Defend the government and its officers and employees in lawsuits seeking damages from the United States Treasury or from individuals personally.<br><br>• Implement compensation programs, such as the Childhood Vaccine and Radiation Exposure programs, and support viable alternatives to litigation when appropriate.<br><br>• Represent the United States in foreign courts through foreign counsel supervised and instructed by attorney staff in Washington and London.<br><br>• Represent the interests of the United States in civil and criminal litigation in foreign courts. |

| Division | Functions |
| --- | --- |
| Civil Rights Division | The major functions of the Civil Rights Division are to:<br><br>• Investigate and, when warranted by the findings, initiate legal proceedings seeking injunctive and other relief in cases involving discrimination in the areas of education, credit, employment, housing, public accommodations and facilities, federally funded programs, voting, and the rights of prisoners, mentally and physically disabled persons, and senior citizens.<br><br>• Prosecute violations of criminal statutes that prohibit specified acts of interference with federally protected rights and activities, such as conspiracies to interfere with or deny a certain individual or group of individuals the exercise of these rights.<br><br>• Prosecute violations of anti-trafficking statutes, including the Trafficking Victims Protection Act of 2000, and play a strong role in identifying, protecting, and assisting victims of human trafficking.<br><br>• Rule on voting changes and recommend observer and examiner activities authorized by the special provisions of the Voting Rights Act of 1965, as amended.<br><br>• Implement Executive Order 12250 by studying, reviewing and approving regulatory changes proposed by all federal executive branch agencies as they pertain to civil rights, including Titles VI and IX and Section 5 of the Rehabilitation Act of 1973, as amended.<br><br>• Under the Americans with Disabilities Act, coordinate the technical assistance activities of other federal agencies and provide technical assistance to places of public accommodation and state and local governments. |

| Division | Functions |
|---|---|
| | • Serve as the principal advisor to the Attorney General on all matters pertaining to civil rights.<br><br>• Provide Department representation to, and maintain close liaison and cooperation with, officials and representatives of other divisions, federal agencies, state and municipal governments and private organizations on civil rights issues. |
| Criminal Division | The major functions of the Criminal Division are to:<br><br>• Develop, enforce, and supervise the application of all federal criminal laws, except those specifically assigned to other divisions.<br><br>• Litigate and coordinate a wide range of prosecutions and criminal investigations, including those targeting: individuals and organizations that commit or attempt to commit terrorist acts at home or against United States persons or interests abroad or assist in the financing of or providing support to those acts; international and national drug trafficking and money laundering systems or organizations; and organized crime groups.<br><br>• Formulate and implement criminal enforcement policy and provide advice and assistance to all levels of the law enforcement community.<br><br>• Approve or monitor sensitive areas of law enforcement such as participation in the Witness Security Program and the use of electronic surveillance.<br><br>• Advise the Attorney General, the Congress, the Office of Management and Budget, and the White House on matters of criminal law.<br><br>• Provide legal advice, assistance, and training to federal, state, and local prosecutors and investigative agencies. |

| Division | Functions |
|---|---|
| | • Provide leadership for coordinating international and national law enforcement matters.<br><br>• Provide training and development assistance to foreign criminal justice systems. |
| Executive Office for United States Attorneys | The major functions of the EOUSA are to:<br><br>• Facilitate coordination between the USAOs and other organizational units of the Department.<br><br>• Evaluate the performance of the USAOs, making appropriate reports and inspections and taking corrective action and providing management assistance where indicated.<br><br>• Publish and maintain a United States Attorneys' Manual and a United States Attorneys' Bulletin for the internal guidance of the USAOs and those other organizational units of the Department concerned with litigation.<br><br>• Supervise the operation of the Office of Legal Education, which develops, conducts, and assists in the training of all Department legal personnel and other federal legal personnel.<br><br>• Provide the Attorney General's Advisory Committee of United States Attorneys and its subcommittees with such staff assistance and funds as are reasonably necessary to carry out the Committee's responsibilities. Provide support to the Deputy Attorney General regarding United States Attorney appointments.<br><br>• Plan and execute United States Attorneys' conferences and other conferences in the direct support of the United States Attorneys' management of their offices. |

| Division | Functions |
| --- | --- |
| | • Provide general direction and supervision of the management and policy activities of the United States Attorneys' programs, including debt collection, health care fraud, affirmative civil enforcement, asset forfeiture, bank fraud, bankruptcy litigation, and money laundering.<br><br>• Provide litigating and technical support, training, coordination, and implementation of legislative initiatives. This includes the tracking and analysis of areas designated by the Attorney General as national priorities.<br><br>• Establish, coordinate, and interpret policy, guidelines, and procedures on criminal fine collection issues.<br><br>• Provide advice and representation to United States Attorneys and other managers in the USAOs on discipline, grievances, labor relations and equal employment opportunity, ethics, standards of conduct, recusals, outside activities, and an array of administrative, civil, and criminal legal issues.<br><br>• Provide general support to the United States Attorneys in matters involving Assistant United States Attorney and Special Assistant United States Attorney appointments.<br><br>• Promote, facilitate, and monitor programs with the USAOs designated by the Attorney General as priorities of the Department. |

| Division | Functions |
| --- | --- |
| | • Provide overall administrative management oversight, technical, and direct support to the United States Attorneys in the program areas of facilities management (to include acquisition of real property/space, construction, renovation, repair, and relocation); and support service programs (to include personal property management, simplified acquisition, motor vehicle support, records disposition, forms management, audio visual, graphics, printing, metered mailing, and telephone systems).<br><br>• Provide management oversight, technical, and direct support to the United States Attorneys in the planning, development, implementation, and administration of comprehensive security programs encompassing all aspects of physical, communication, information, personnel, and computer security.<br><br>• Analyze, design, and provide automated services and systems in support of the litigation mission and of selected administrative functions of the USAOs, including development, implementation, and monitoring of policies and programs for automated systems, information security, and application maintenance.<br><br>• Arrange for the acquisition and installation of integrated information technology systems and software applications in the USAOs.<br><br>• Analyze user requirements, design, develop, deploy, and support the operations of the automated systems for caseload and collections systems and administrative/litigative applications in the districts and in the EOUSA; provide technical assistance and user training; produce the annual Statistical Report; and monitor the quality of the data from the USAOs. |

| Division | Functions |
| --- | --- |
| | • Formulate, implement, and administer bureau-level human resource management policies and programs for the 94 USAOs located nationwide. Programs affect Assistant United States Attorneys appointed under Title 28 and compensated under a separate pay system as well as support staff appointed under Title 5, United States Code. Provide technical oversight of the USAOs delegated personnel authorities, and provide operating personnel and pre-employment security services to the other USAOs.<br><br>• Support the USAOs in the conduct of their Law Enforcement Coordination Programs as directed by the Attorney General–provide training and guidance; assist in providing speakers, materials, and any other technical assistance for the Law Enforcement Coordinating Committee (LECC)-related functions; act as liaison with the LECC-Victim Witness Subcommittee of the Attorney General's Advisory Committee; and assist in the promotion of the LECC Program throughout the federal government and to local governments.<br><br>• Serve as liaison on Victim-Witness assistance activities within the USAOs, supporting the United States Attorneys in their efforts to ensure compliance with the Attorney General's Guidelines in relation to victim and witness assistance.<br><br>• Manage the United States Attorneys' appropriation, including direct and indirect budget authority and personnel resources. Provide budget and fiscal assistance and guidance to the 94 USAOs. |

| Division | Functions |
| --- | --- |
| | • Analyze and provide data related to the work and resources of the USAOs to assist in litigative, management, and budget priorities. Assist Department and USAO managers in all aspects of data, trends and management analysis, also serving as a resource and repository for data. Ensure quality control in the use of data and its interpretation.<br><br>• Respond to requests under the Freedom of Information Act (FOIA) and Privacy Act (PA) on behalf of the USAOs; coordinate and respond to litigation arising from these matters and provide advice and training to the United States Attorneys' staffs relating to FOIA/PA.<br><br>• Provide centralized leadership, coordination and evaluation of all equal employment efforts throughout the USAOs – administering both the Affirmative Action and Complaints Processing Programs.<br><br>• Respond to inquiries from members of Congress and private citizens and review and comment on legislative and regulatory proposals relating to the activities of the USAOs.<br><br>• Provide technical, administrative, design, and maintenance support in the areas of voice, data, and video telecommunications to provide efficient communications and to enhance cooperative efforts among the USAOs and the litigating divisions of the Department.<br><br>• Provide information and guidance to USAOs on pending legislation pertinent to the work of the USAOs; prepare testimony and background for congressional oversight and appropriations hearings. |

| Division | Functions |
| --- | --- |
| Environment and Natural Resources Division | The major functions of the ENRD are to:<br><br>• Conduct litigation under federal statutes enacted to protect the environment; require the cleanup of hazardous waste or recover the costs of cleanup; regulate air and water pollution; control dredging and filling in navigable waters; and control the use of pesticides.<br><br>• Conduct litigation related to the control and abatement of pollution to the nation's air and water resources, and the regulation and control of toxic substances, pesticides, and solid wastes.<br><br>• Prosecute criminal cases for violations of the criminal provisions of applicable federal statutes.<br><br>• Conduct litigation concerning the management of the fisheries and other living resources of the coastal and marine environments, and the management of the coastal zone.<br><br>• Conduct litigation under numerous federal statutes and laws involving public land matters on behalf of the Departments of the Interior, Agriculture, Defense, and others.<br><br>• Conduct litigation under the National Environmental Policy Act, the Surface Mining Control and Reclamation Act, and the Tucker Act (principally in the United States Court of Federal Claims).<br><br>• Prosecute eminent domain (condemnation) proceedings by which lands necessary for congressionally authorized public purposes are acquired on behalf of the United States, its agencies, and its departments. |

| Division | Functions |
| --- | --- |
| | • Conduct civil litigation affecting the rights of Indians under treaties, acts of Congress, and executive orders in which the United States is acting as trustee on behalf of the Indians.<br><br>• Defend the United States against monetary claims of tribes, bands, or other identifiable groups of American Indians, primarily before the United States Court of Federal Claims.<br><br>• Conduct the Division's appellate litigation in federal circuit courts of appeals and state appellate tribunals and assist the Office of the Solicitor General with litigation of our cases or cases of concern in the Supreme Court.<br><br>• Provide policy direction and legislative guidance for all programs in the Division.<br><br>• Provide for management, direction, budget formulation and execution, ensure compliance with the Freedom of Information and Privacy Acts, and provide advice on applicable ethical responsibilities. |
| Tax Division | The major functions of the Tax Division are to:<br><br>• Prosecute and defend in all trial courts except the United States Tax Court civil suits arising under the internal revenue laws. These matters include tax refund suits brought against the United States, bankruptcy cases involving federal tax claims, judicial actions to enforce administrative summonses, affirmative judicial actions to effect tax collection, and tort and damages actions against the United States and/or Internal Revenue Service (IRS) and Department officials. |

| Division | Functions |
| --- | --- |
| | • Enforce federal criminal tax law and related criminal laws by reviewing referrals from the IRS, authorizing investigation and/or prosecution where appropriate, and either conducting or supervising authorized prosecutions. Division attorneys investigate and prosecute individuals and corporations who attempt to evade taxes, willfully fail to file tax returns, submit false tax forms, and otherwise try to defraud the federal Treasury, often focusing on violations involving international activity, such as the use of offshore trusts and foreign bank accounts to evade taxes. They also investigate and prosecute tax violations that occur in the course of other criminal conduct – such as crime linked to international terrorism, illegal drug trafficking, securities fraud, bankruptcy fraud, health-care fraud, organized crime, and public corruption.<br><br>• Represent the United States in the courts of appeals in nearly all federal civil tax cases, including those appealed from the United States Tax Court, and in all federal criminal tax cases prosecuted by Tax Division attorneys. Division attorneys also supervise appeals in criminal tax cases tried by the USAOs around the country.<br><br>• Advise the IRS and the Department of the Treasury concerning proposed legislation, regulations, guidance, procedures, and policy relating to taxes and tax enforcement. Division attorneys also participate in the negotiation of international tax assistance treaties and agreements. |

## APPENDIX III

# DEPARTMENT'S RESPONSE TO THE DRAFT AUDIT REPORT

**U.S. Department of Justice**

Washington, D.C. 20530

FEB 2 7 2009

MEMORANDUM FOR GLENN A. FINE
Inspector General

FROM: Vance E. Hitch
Chief Information Officer

SUBJECT: Draft Audit Report – The Department of Justice's Litigation Case Management System

The Justice Management Division has received your Draft Audit Report as captioned above and we appreciate your efforts, and those of your staff, in assessing the progress of the Litigation Case Management System (LCMS). We look forward to your observations and final recommendation.

We have completed our review of the report and have enclosed our response to your preliminary findings and recommendation.

Please contact me at 202-514-0507or Mr. John Murray at 202-305-5936 if you have any questions.

**The Justice Management Division (JMD) Response to the Department of Justice (DOJ) Office of the Inspector General (OIG) Draft Audit Report: Litigation Case Management System**

**Response to the Recommendation:**

The CIO believes that it has followed very acceptable practices in selecting, applying and providing oversight of the LCMS performance based contract for IT integration services. The contract wherein the contractor was risking 25% of its fees and the contractual milestones for performance evaluation were deemed appropriate based on the functional risk (upgrade of existing litigation case management system), IT technical risk (COTS – Siebel Government Sector Software) and the experience of the contractors that were evaluated during the procurement process. Also, a part of the risk inherent in basing systems development on a software product was mitigated by contracting to only pay for the software licenses as the system was deployed to users.

Further, the CIO believes the PMO was staffed with appropriate expertise given the risk of the project and staffing was increased as risks materialized. In addition to the PMO, an equally important government role on the project is performed by personnel from EOUSA who were and are integrally involved in developing and approving requirements, process work flows, training and user acceptance testing.

Concerning oversight activities, the CIO believes many oversight activities were performed on the program (design review by Oracle-Siebel, regular CSC quality assurance reviews by independent evaluators, EVM surveillance reviews by independent EVM experts, as well as current re-evaluations of the program by a CSC Tiger Team of independent IT experts, by the CTO working with MITRE, and an independent Oracle-Siebel expert working with the PMO. At a pivotal point in the project as soon as the government became aware of quality and completeness issues, it inserted additional testing rigor on the contractor. Also, because of this program's importance and issues the CIO and Deputy CIO have spent considerable time with contractor executives to focus attention on problem areas.

Also, the OIG report indicates that the CIO has not continued systems development work with the contractor for the other litigating divisions. This action was taken because of the issues that had materialized with the current work and our belief that it was in the government's best interest to have the contractor focus attention and resources on resolution of these issues. The CIO plans to and firmly endorses the recommendation of OIG that the CIO reevaluate the viability of continuing towards the implementation of the system in the other litigating divisions.

**The Recommendation #1: We recommend that the CIO reevaluate the viability of continuing towards implementation in the other seven litigating divisions. At a minimum, the reevaluation should consider whether:**

- adequate funding will be made available to continue system development,
- the LCMS should be implemented in the National Security Division,
- the other six litigating divisions remain committed to implementation of the LCMS within their divisions,
- the system requirements for the remaining litigating divisions are appropriately identified and understood before further development,
- the defects identified from additional system integration and user testing are minimized, and
- controls are established to ensure that adequate government and contractor oversight will be performed on future development activities to minimize future schedule and cost overruns.

**JMD Response** – Agree. The Department's Chief Information Officer will reevaluate the viability of continuing towards implementation in the other seven litigating divisions. This reevaluation will address, at a minimum, the six bulleted items identified above.

In addition, the OIG's recommendation is consistent with the planning approach that has been developed and discussed with the litigating divisions. This planning approach is centered on the analysis of the business and technical solution architectures. Development of the Business Solutions Architecture will include analyzing the business needs of the litigating divisions and assessing them relative to the business capabilities supported by LCMS. Development of the Technical Solutions Architecture will include analyzing the existing LCMS software assets and recommending the optimal technical approach for meeting the business requirements. The results from these analyses will drive the implementation approach across the seven litigating divisions.

**APPENDIX IV**

# OFFICE OF THE INSPECTOR GENERAL, AUDIT DIVISION ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

In its response to the draft audit report, the Justice Management Division provided general comments regarding the Department's oversight of the LCMS contact, as well as specific comments on our recommendation. In its general comments, the Justice Management Division stated that the CIO believed that:

- his staff followed acceptable practices in selecting, applying, and providing oversight of the LCMS contract,
- Project Management Office (PMO) staff had appropriate expertise and PMO staffing was increased as risks materialized, and
- the government performed many oversight activities of the LCMS contractor.

These and other comments in the Justice Management Division's response suggest that the government's oversight of the LCMS contractor was adequate. We disagree. As the audit found, the contractor is more than 2 years behind schedule in implementing the LCMS in the EOUSA and USAOs, and the estimated cost to complete the work in the EOUSA and USAOs has increased by $26 million, or almost 75 percent. The substantial schedule and cost overruns clearly indicate that the government's oversight was not adequate and did not sufficiently deter the cost and time overruns. Further, contrary to the Department's response, we found that project staffing was not increased as risks materialized. Our audit also found that when the project began to experience significant delays and cost overruns in 2006 and 2007, the Department did not commit additional full-time employees until February 2008.

Our analysis of the Justice Management Division's specific responses to the audit recommendation is addressed below.

**Recommendation**

1. **Resolved.** We recommended that the CIO reevaluate the viability of continuing towards implementation of the LCMS in the other seven litigating divisions, and that at a minimum, the reevaluation should consider whether:

    - adequate funding will be made available to continue system development,

- the LCMS should be implemented in the National Security Division,

- the other six litigating divisions remain committed to implementation of the LCMS within their divisions,

- the system requirements for the remaining litigating divisions are appropriately identified and understood before further development,

- the defects identified from additional system integration and user testing are minimized, and

- controls are established to ensure that adequate government and contractor oversight will be performed on future development activities to minimize future schedule and cost overruns.

The Justice Management Division agreed with the recommendation and stated that its reevaluation will address each of the six items above. We can close this recommendation when we review documentation showing the results of the Department's reevaluation of the viability of continuing the LCMS in the other seven litigating divisions.