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September 24, 2004

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# Information Technology

Defense Hotline Allegations  
Concerning the Collaborative Force-  
Building, Analysis, Sustainment, and  
Transportation System  
(D-2004-117)

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Department of Defense  
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### **Acronyms**

ACAT	Acquisition Category
CDD	Capabilities Development Document
CFAST	Collaborative Force-Building, Analysis, Sustainment, and Transportation
CJCS	Commander Joint Chiefs of Staff
COE	Common Operating Environment
DFARS	Defense Federal Acquisition Regulation Supplement
DISA	Defense Information Systems Agency
GCCS-J	Global Command and Control System-Joint
ICD	Initial Capabilities Document
JOPES	Joint Operation Planning and Execution System
USJFCOM	U.S. Joint Forces Command



INSPECTOR GENERAL  
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September 24, 2004

MEMORANDUM FOR COMMANDER, U.S. JOINT FORCES COMMAND  
DIRECTOR, DEFENSE INFORMATION SYSTEMS  
AGENCY

SUBJECT: Report on Defense Hotline Allegations Concerning the Collaborative Force-  
Building, Analysis, Sustainment, and Transportation System (Report  
No. D-2004-117)

We are providing this report for information and use. We considered management comments on a draft of this report in preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the staff. For additional information on this report, please contact Ms. Evelyn R. Klemstine at (703) 604-9172 (DSN 664-9172) or Mr. Brett A. Mansfield at (703) 604-9646 (DSN 664-9646). See Appendix C for the report distribution. The team members are listed inside the back cover.

By direction of the Deputy Inspector General for Auditing:

Shelton R. Young  
Assistant Inspector General  
for Readiness and Logistics Support

## Office of the Inspector General of the Department of Defense

Report No. D-2004-117

September 24, 2004

(Project No. D2004LG-0079)

### Defense Hotline Allegations Concerning the Collaborative Force-Building, Analysis, Sustainment, and Transportation System

#### Executive Summary

**Who Should Read This Report and Why?** Acquisition professionals and program managers responsible for the development of joint information systems and planners who use those systems should read this report. It explains how management control documentation provides program managers with the information they need to make informed program decisions on systems in the acquisition process.

**Background.** The Collaborative Force-Building, Analysis, Sustainment, and Transportation (CFAST) system was initially developed by the U.S. Pacific Command and was later overseen by the Joint Staff. The Joint Staff adopted CFAST as a system that would provide the ability to rapidly determine transportation requirements; aid in the analyses of courses of action; and project the delivery of troops and equipment by air, land, and sea. The Joint Staff promoted CFAST to the planning community as a system that could be used to meet planning requirements set forth by the Secretary of Defense in the Defense Planning Guidance for FYs 2004 through 2009.

This audit was conducted in response to six allegations made to the Defense Hotline regarding the development of the CFAST system. The complainant alleged that the system was being developed without approved requirements; was not in compliance with common operating environment requirements; was not interoperable with the Global Command and Control System-Joint; did not have an executive agent; was diverting funds from the Global Command and Control System-Joint; and was a proprietary application.

**Results.** We reviewed CFAST to determine whether management controls were in place to ensure the appropriate development of CFAST. The Joint Staff did not take appropriate actions to document CFAST development. Specifically, the Joint Staff did not comply with Chairman of the Joint Chiefs of Staff guidance while developing the CFAST system because the Joint Staff had not prepared the required Joint Capabilities Integration and Development System documentation. As a result, the Joint Staff did not have the necessary management control documentation to justify the initiation of CFAST, to compare budgeted and actual costs, to measure performance requirements, to track scheduled and actual timelines, or to ensure other systems' capabilities were taken into consideration. On June 23, 2004, the Vice Chairman of the Joint Chiefs of Staff issued a memorandum assigning the U.S. Joint Forces Command as the functional proponent of CFAST and the Defense Information Systems Agency as the lead Component. The memorandum states that the Defense Information Systems Agency will assign CFAST a program manager and provide future funding for CFAST development. The memorandum also requested that the U.S. Joint Forces Command and the Defense

Information Systems Agency provide a plan of action for the future development of CFAST. When the U.S. Joint Forces Command develops the required documentation, the management control weakness we identified for CFAST will be corrected. (See the Finding section of the report for the detailed recommendation.)

Except for the diversion of funds, the allegations made to the Defense Hotline were substantiated. However, management actions initiated or planned either have or will address the substantiated allegations. (See Appendix B for a summary of the specific allegations.)

**Management Comments and Audit Response.** The Chief of Staff, U.S. Joint Forces Command concurred with the audit findings and partially concurred with the recommendation. He concurred with the recommendation to develop management control documentation but did not agree that the development of an initial capabilities document should be required. He stated that the command is conducting a “Quick Look and Final Capability Needs Analysis,” which will determine whether an initial capabilities document is required. The analysis is expected to be completed by January 30, 2005.

Management comments are responsive, and no additional comments are required. As a result of management comments, we revised the recommendation to delete the specific requirement for the creation of an initial capabilities document. See the Finding section of the report for a discussion of management comments and the Management Comments section of the report for the complete text of the comments.

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## Background

We performed this audit in response to allegations made to the Defense Hotline concerning the development of the Collaborative Force-Building, Analysis, Sustainment, and Transportation (CFAST) system. The complainant alleged that the system was being developed without approved requirements; was not in compliance with common operating environment requirements; was not interoperable with the Global Command and Control System-Joint (GCCS-J); did not have an executive agent; was diverting funds from the GCCS-J; and was a proprietary application.

Except for the diversion of funds, the allegations made to the Defense Hotline were substantiated. However, management actions initiated or planned either have or will address the substantiated allegations. (See Appendix B for a summary of the specific allegations.)

**Defense Planning Guidance.** The Secretary of Defense's Defense Planning Guidance for FYs 2004 through 2009, May 2002, states that "the Chairman of the Joint Chiefs of Staff will demonstrate a new collaborative, adaptive planning tool that will greatly expedite development of alternative Courses of Action Time Phased Force Deployment Data in support of war plans."

**CFAST System.** The CFAST system was adopted by the Joint Staff to meet the Defense Planning Guidance requirement to provide a collaborative tool that would shorten the war planning process. The development of CFAST began as a local U.S. Pacific Command initiative that was part of the Dynamic Time-Phased Force Deployment Data<sup>1</sup> development effort, which was an effort designed to support the production of war plans in a more timely and effective manner. U.S. Pacific Command personnel stated that they contracted with DPRAs Incorporated to use the CFAST system for deliberate planning.<sup>2</sup> The personnel also stated that they presented the initiative to the Joint Staff for further development and worldwide use because of the application's potential long-term ability to meet DoD needs.

The Joint Staff adopted CFAST as a system that would provide the ability to rapidly determine transportation requirements; aid in the analyses of courses of action; and project the delivery of troops and equipment by air, land, and sea. The Joint Staff promoted CFAST to the planning community as a system that could be used to meet planning requirements set forth by the Secretary of Defense in the Defense Planning Guidance. In FY 2002, the Joint Staff began to fund the contract for CFAST with DPRAs Incorporated. In FY 2004, the Secretary of Defense requested that CFAST development be accelerated and that CFAST

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<sup>1</sup> Dynamic Time-Phased Force Deployment Data is a collaboratively sourced, prioritized, validated, and scheduled movement of troops and supplies in real-time. The data is capable of being manipulated in response to changing priorities or scenarios.

<sup>2</sup> Deliberate planning is defined by the Joint Staff as "planning for a possible contingency, based upon the best available information."

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include crisis-planning<sup>3</sup> capabilities by FY 2005. The projected cost of CFAST from FY 2002 through FY 2009 is approximately \$87.4 million. As of May 2004, DoD had obligated approximately \$19.8 million for the development of CFAST. Of the \$19.8 million, approximately \$18.5 million was funded by the Joint Staff with Research, Development, Test, and Evaluation, Budget Activity 7 funds, which are funds for systems in the development phase that are considered to be functional and near full production. The Joint Staff and the U.S. Pacific Command funded the remaining \$1.3 million with Operation and Maintenance funds.

**Program Management.** DoD had not appointed a program manager for the CFAST project from its initiation through June 2004. The Joint Staff performed the duties of the program manager from early 2002. On June 23, 2004, the Vice Chairman of the Joint Chiefs of Staff issued a memorandum, “Collaborative Force Analysis, Sustainment, and Transportation System (CFAST) Future Development,” which assigns the U.S. Joint Forces Command (USJFCOM) as the functional proponent of CFAST and the Defense Information Systems Agency (DISA) as the lead Component and “Materiel Solution Provider.”

**GCCS-J System.** GCCS-J is the DoD joint command and control system used to provide accurate, complete, and timely information for the operational chain of command. GCCS-J consists of the hardware, software, common procedures, standards, and interfaces that make up an “operational architecture” and provides worldwide connectivity with all levels of command. GCCS-J incorporates systems that provide situational awareness, support for intelligence, force planning, readiness assessment, and deployment applications that battlefield commanders require to effectively plan and execute joint military operations.

## Objectives

Our audit objective was to determine the validity of the allegations concerning the development of the CFAST system. Specifically, we determined whether DoD and the Joint Staff took appropriate actions to develop the system. We also reviewed the management control program as it applied to the objective. See Appendix A for a discussion of the scope and methodology, our review of the management control program, and prior audit coverage related to Defense planning systems. See Appendix B for a summary of the allegations.

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<sup>3</sup> Crisis planning is defined by the Joint Staff as “planning based on current events and conducted in time-sensitive situations and emergencies using assigned, attached, and allocated forces and resources.”

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# Management of the Collaborative Force-Building, Analysis, Sustainment, and Transportation System

The Joint Staff did not take appropriate actions to document CFAST development. Specifically, the Joint Staff did not comply with Chairman of the Joint Chiefs of Staff (CJCS) guidance while developing the CFAST system because the Joint Staff had not prepared the required Joint Capabilities Integration and Development System documentation. As of June 2004, the Joint Staff had not prepared a functional area analysis, a functional needs analysis, a functional solutions analysis, or an initial capabilities document (ICD). As a result, the Joint Staff did not have the necessary management control documentation to justify the initiation of CFAST, to compare budgeted and actual costs, to measure performance requirements, to track scheduled and actual timelines, or to ensure other systems' capabilities were taken into consideration.

## Criteria

**Management Controls.** Management controls are the organization, policies, and procedures used to ensure that programs achieve their intended results; that resources used are consistent with an organization's mission; that programs and resources are protected from fraud, waste, and mismanagement; that laws and regulations are followed; and that reliable data are obtained, maintained, reported, and used for program decision making. Numerous statutes and executive documents either explicitly or implicitly address the importance of management controls.

**DoD Acquisition Policy.** DoD Directive 5000.1, "The Defense Acquisition System," May 12, 2003, requires program managers to establish program goals for cost, schedule, and performance parameters that describe the program over its life cycle. DoD Directive 5000.1 also states that approved program baseline parameters will serve as control objectives and that the program manager is required to identify deviations from approved program baseline parameters and exit criteria. Further, the "Interim Defense Acquisition Guidebook," October 30, 2002,<sup>4</sup> states that the program manager should identify deviations from the approved program baseline parameters and exit criteria as material control weaknesses.

DoD Instruction 5000.2, "Operation of the Defense Acquisition System," May 12, 2003, defines acquisition category (ACAT) II programs as major systems that have an estimated total expenditure of less than \$365 million but more than \$140 million for research, development, test, and evaluation or less than \$2.19 billion but more than \$660 million for procurement. DoD

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<sup>4</sup> Formerly DoD Regulation 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs," April 5, 2002.

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Instruction 5000.2 defines an ACAT III program as any program that does not meet the minimum requirements for an ACAT II program. ACAT III programs follow Component-level instructions for the development of required management control documentation. ACAT III programs, to include CFAST, are required to have documented management control information that justifies program initiation and that can be used to compare budgeted and actual costs, to measure performance, to track scheduled and actual timelines, and to evaluate alternative solutions.

**CJCS Requirements.** CJCS Instruction 3170.01D, “Joint Capabilities Integration and Development System,” March 12, 2004,<sup>5</sup> establishes policies and procedures to identify, assess, and prioritize joint military capability needs. The Joint Capabilities Integration and Development System is designed to take advantage of new, revolutionary capabilities in technologies that previously had not been used in joint concepts. The CJCS Instruction requires that the sponsor<sup>6</sup> develop a functional area analysis, a functional needs analysis, and a functional solutions analysis before creating an ICD for the development of ACAT III programs.

- The functional area analysis identifies the operational tasks, conditions, and standards needed to achieve a desired capability.
- The functional needs analysis assesses the ability of current programs and systems to accomplish the tasks identified in the functional area analysis. Tasks that are beyond the ability of current programs and systems are identified as capability gaps.
- The functional solutions analysis is an assessment of potential approaches to solving or mitigating one or more of the capability gaps identified in the functional needs analysis.
- The ICD defines the capability gaps and includes a summary of the functional solutions analysis, an analysis of approaches, and a recommendation for the best approach. Capability gap definitions state the needed task and include measures of effectiveness, such as time, distance, effect, and obstacles to overcome, and are general enough to not bias decisions in favor of a particular means of implementation. The functional solutions analysis summary includes the best approaches to provide the capability. The approaches considered should include systems that could potentially provide the needed capability, and each approach is assessed for how well it addresses the capability gap. The recommendation should describe the best approach based on cost, efficiency, performance, technological maturity, delivery timeframes, and risk.

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<sup>5</sup> CJCS Instruction 3170.01D canceled CJCS Instruction 3170.01C, “Joint Capabilities Integration and Development System,” June 24, 2003, and made no significant changes to the requirements addressed in this report.

<sup>6</sup> The sponsor is the DoD Component responsible for all funding actions required to support the development and acquisition process for a specific capability.

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## Program Documentation

The Joint Staff did not take appropriate actions to document CFAST development. The Joint Staff was not in compliance with CJCS Instruction 3170.01D because it had not prepared the required Joint Capabilities Integration and Development System documentation. Specifically, as of June 2004, the Joint Staff had not prepared a functional area analysis, a functional needs analysis, a functional solutions analysis, or an ICD. Joint Staff personnel stated that they did not complete the required documentation because of time constraints and because individuals working with CFAST were operational planners, not acquisition professionals, and were not fully aware of acquisition documentation requirements. However, in order to properly manage the acquisition of any automated information system, documentation is necessary to ensure a logical progression through a series of phases designed to reduce risk, ensure cost-effectiveness, and provide adequate information for decision making.

**CFAST Functional Area Analysis.** The Joint Staff did not document identified operational tasks, conditions, timeframes, and standards that needed to be achieved during the planning process. The operational tasks addressed in the functional area analysis are the baseline for the functional needs analysis.

**CFAST Functional Needs Analysis.** The Joint Staff did not document identified capability gaps between current planning systems and needed planning capabilities. The functional needs analysis justifies the initiation of a program and establishes documented management control information.

**CFAST Functional Solutions Analysis.** The Joint Staff did not document its consideration of possible alternative solutions to capability gaps. The assessment documented by a functional solutions analysis identifies alternative solutions and avoids the duplication of efforts.

The Joint Staff had no documentation to show that it had considered alternatives to the development of CFAST before funding its development. DISA is the program manager for the GCCS-J. GCCS-J incorporates force planning and readiness assessment applications required by battlefield commanders to effectively plan and execute military operations. The Joint Operation Planning and Execution System (JOPES) is one of the GCCS-J planning and readiness assessment applications. Of 21 tasks identified in the CFAST statement of work, DISA determined that JOPES is able to entirely perform 10 and partially perform another 7 of the CFAST tasks. For example, both CFAST and the JOPES are able to determine the feasibility of time-phased force and deployment data, source time-phased force and deployment data, and update information in real time. Without the functional solutions analysis, there was no documented assurance that upgrades to the JOPES and the development of CFAST were not duplicating one another.

**CFAST ICD.** The Joint Staff did not document the capabilities needed or address potential solutions in the functional needs analysis and the functional solutions analysis. According to CJCS Instruction 3170.01D, the ICD should identify the need for an approach to a specific capability gap derived from an

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initial analysis of approaches executed by the operational user and, as required, an independent analysis of alternatives.

## **Conclusion**

As a result of not having prepared the required documents, the Joint Staff did not have the necessary management control documentation to justify the initiation of CFAST, to compare budgeted and actual costs, to measure performance requirements, to track scheduled and actual timelines, or to ensure other systems' capabilities were taken into consideration.

Without the required management control documentation, program managers cannot provide assurance that cost, schedule, and performance thresholds are being achieved and that the program is cost-effective. Without that documentation for CFAST, the program manager will not have the information necessary to make informed program decisions on the readiness of CFAST as it continues in the acquisition process.

## **Management Action Taken**

On June 23, 2004, the Vice Chairman of the Joint Chiefs of Staff issued a memorandum, "Collaborative Force Analysis, Sustainment, and Transportation System (CFAST) Future Development," that assigned USJFCOM as the functional proponent of CFAST and DISA as the lead Component and "Materiel Solution Provider." The June 2004 memorandum states that USJFCOM is responsible for the management control documentation of CFAST and that DISA will assign a CFAST program manager and provide future funding for the development of CFAST. The memorandum also requested that USJFCOM and DISA provide a plan of action for the future development of CFAST.

Specifically, the memorandum states that USJFCOM, as the functional proponent, is assigned the following responsibilities:

- a. Perform capabilities analysis and map the CFAST Requirements Utilization Document to the Global Command and Control System – Joint (GCCS-J) Requirements Identification Documents (RID) and Joint Command and Control (JC2) Capabilities Development Document (CDD).
- b. Provide a Quick Look capabilities needs analysis no later than July 2004, and final capabilities needs analysis by October 2004.
- c. Interface with Combatant Commands, Services, and Joint Staff for overall requirements, update the JC2 CDD as necessary, and coordinate with the Joint Staff J-3 to update the GCCS-J RID, if applicable, no later than June 2005.

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As the lead Component, DISA will assign CFAST a program manager, provide future funding for CFAST, and field the CFAST 3.0 operational prototype. In addition, the memorandum states that DISA will:

- d. Conduct CFAST technical assessment no later than October 2004. Assessment will include testing, evaluation, and certification compliance, and CFAST ability to meet requirements to connect to Service unit move data.

## **Recommendation, Management Comments, and Audit Response**

**Revised Recommendation.** As a result of management comments, we revised the draft recommendation to produce a CFAST ICD.

**We recommend that the Commander, U.S. Joint Forces Command develop management control information for the Collaborative Force-Building, Analysis, Sustainment, and Transportation system (as required by Chairman of the Joint Chiefs of Staff Instruction 3170.01D, “Joint Capabilities Integration and Development System,” March 12, 2004).**

**Management Comments.** The Chief of Staff, USJFCOM partially concurred with the recommendation. He concurred with the development of management control documentation and nonconcurred that an ICD should be required. He stated that USJFCOM is conducting a “Quick Look and Final Capability Needs Analysis,” which will determine whether an ICD is required. The analysis is expected to be completed by January 30, 2005.

**Audit Response.** Although the Chief of Staff only partially concurred, we consider the comments responsive. As a result of his comments, we revised the recommendation to delete the specific requirement for the creation of an ICD. The actions proposed by the Chief of Staff, USJFCOM satisfy the intent of the recommendation. Additional comments are not required.

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## Appendix A. Scope and Methodology

We examined the six allegations made to the Defense Hotline concerning the development of the CFAST system. We reviewed DoD guidance spanning from 1996 through 2004 that governs the acquisition, interoperability, and supportability of systems. Specifically, we reviewed DoD guidance to determine the required documentation and process for developing CFAST and compared required against actual documents generated by the Joint Staff. We analyzed DoD directives, DoD and CJCS instructions, DoD regulations, memorandums, and planning guidance. We interviewed personnel from the following offices:

- Under Secretary of Defense (Comptroller)/Chief Financial Officer;
- Assistant Secretary of Defense (Networks and Information Integration);
- Deputy Assistant Secretary of Defense (Resources and Plans);
- Joint Staff,
  - Manpower and Personnel Directorate (J-1),
  - Intelligence Directorate (J-2),
  - Operations Directorate (J-3),
  - Logistics Directorate (J-4),
  - Strategic Plans and Policy Directorate (J-5),
  - Command, Control, Communications, and Computers Systems Directorate (J-6),
  - Operational Plans and Joint Force Development Directorate (J-7),
  - Force Structure, Resources, and Assessment Directorate (J-8);
- USJFCOM;
- U.S. Pacific Command;
- U.S. Transportation Command;
- DISA;
- Department of Energy, Oak Ridge National Laboratory; and
- DPRA Incorporated.

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At each location we discussed the development of CFAST and the related Defense Hotline allegations. We performed this audit from January through July 2004 in accordance with generally accepted government auditing standards.

**Use of Computer-Processed Data.** We did not use computer-processed data to perform this audit, and we did not review the functionality of CFAST or any other computer system named in this report.

**Use of Technical Assistance.** We received technical assistance from the Office of General Counsel and the Information Technology Branch, Technical Assessment Division, Office of the Inspector General of the Department of Defense as well as from DISA. The Office of General Counsel assisted with the review of the CFAST contract, and the Information Technology Branch assisted with the review of developmental software documentation as well as aiding in the determination of whether CFAST duplicated other DoD programs. DISA created a matrix that outlined the duplication of efforts that occurred between CFAST and the JOPEs.

**General Accounting Office High-Risk Area.** The General Accounting Office has identified several high-risk areas in DoD. This report provides coverage of the Defense Systems Modernization high-risk area.

## Management Control Program Review

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, and DoD Instruction 5010.40, "Management Control (MC) Program Procedures," August 28, 1996, require 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 the Review of the Management Control Program.** We reviewed the adequacy of Joint Staff management controls over the CFAST system. Specifically, we reviewed the Joint Staff management control program pertaining to the maintenance of documentation to support CFAST as required by CJCS Instruction 3170.01D. We also reviewed the adequacy of management's self-evaluation of those controls.

**Adequacy of Management Controls.** We identified a material management control weakness for the Joint Staff, as defined by DoD Instruction 5010.40. Joint Staff management controls were not adequate to ensure that documentation for CFAST was prepared as required by CJCS Instruction 3170.01D. We did not request comments on the material management control weakness from the Director, Joint Staff because the June 23, 2004, Vice Chairman of the Joint Chiefs of Staff memorandum transferred responsibility for developing management control documentation to USJFCOM. A copy of the report will be provided to the senior official responsible for management controls at the Joint Staff and USJFCOM.

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**Adequacy of Management’s Self-Evaluation.** Joint Staff officials identified CFAST as part of an assessable unit. However, in their evaluation, Joint Staff officials did not identify the specific material management control weakness identified by this audit in their annual statement of assurance because they did not consider the weakness important enough to report to higher management.

## **Prior Coverage**

During the last 5 years, the Inspector General of the Department of Defense (IG DoD) issued three reports related to management controls over Defense planning systems. Unrestricted IG DoD reports can be accessed over the Internet at <http://www.dodig.osd.mil/audit/reports>.

IG DoD Report No. D-2004-068, “Global Command and Control System-Korea (U),” April 6, 2004 (SECRET/NOFORN)

IG DoD Report No. D-2003-078, “Global Command and Control System Joint Operation Planning and Execution System,” April 15, 2003

IG DoD Report No. D-2002-133, “Global Command and Control System Readiness Assessment System Output Tool,” July 24, 2002

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## Appendix B. Summary of Allegations

Except for the diversion of funds, the allegations made to the Defense Hotline were substantiated. However, management actions initiated or planned either have or will address the substantiated allegations.

**Allegation 1.** CFAST was not based on vetted requirements, nor does it have a documented joint planning and execution community requirement.

**Results.** The allegation was substantiated. CFAST was not based on vetted requirements, nor did it have proper Joint Capabilities Integration and Development System documentation. However, the Defense Planning Guidance for FYs 2004 through 2009 states that “the Chairman of the Joint Chiefs of Staff will demonstrate a new collaborative, adaptive planning tool that will greatly expedite development of alternative Courses of Action Time Phased Force Deployment Data in support of war plans.”

CJCS Instruction 3170.01D requires that the Joint Staff develop an ICD in the course of developing systems. Joint Staff personnel stated on June 21, 2004, that an ICD had not been completed. On June 23, 2004, the Vice Chairman of the Joint Chiefs of Staff issued a memorandum assigning USJFCOM as the functional proponent of CFAST and DISA as the lead Component. The memorandum also requested that USJFCOM and DISA provide a plan of action for the future development of CFAST. That plan of action will ultimately determine the need for an ICD.

**Allegations 2 and 3.** CFAST is not compliant with the common operating environment (COE), and the Joint Staff is not following DoD guidance (memorandums, instructions, and manuals) on system development to ensure that CFAST is interoperable with GCCS-J.

**Results.** The allegation was substantiated. The Joint Staff did not follow DoD regulations requiring COE compliance and interoperability. Because CFAST is not COE compliant, DISA has not allowed CFAST to interface with GCCS-J. Officials from the Joint Staff stated that the inability of the CFAST system to be interoperable with GCCS-J would adversely affect CFAST capabilities.

DoD Directive 4630.5, “Interoperability and Supportability of Information Technology (IT) and National Security Systems (NSS),” January 11, 2002, which was in effect until May 2004, states that each DoD Component is required to implement procedures to ensure the use of COE and COE-compliant technology. In addition, the Deputy Secretary of Defense memorandum, “Global Information Grid Enterprise Services: Core Enterprise Services Implementation,” November 10, 2003, states that all fielded support systems for joint forces and combatant commands must continue to use and implement the COE requirements. DoD Directive 4630.5 requires interoperability of all DoD information technology systems, including those in acquisition programs and pre-acquisition demonstrations.

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Officials from the Joint Staff stated that CFAST was intentionally developed without ensuring COE compliance. According to personnel involved with the development of CFAST, COE compliance was viewed as a hindrance to the rapid development of CFAST. They stated that COE compliance was outdated. In addition, they stated that building CFAST to meet COE-compliance requirements would adversely affect the technological benefits of CFAST. DISA personnel stated that all systems that access GCCS-J data must be COE compliant. Because CFAST is not COE compliant, there is no assurance that the systems will be interoperable.

DoD Directive 4630.5 was reissued on May 5, 2004, and canceled DoD Directive 4630.5, January 11, 2002, which was in place during the development of CFAST. The new directive does not require COE compliance; it emphasizes the DoD Global Information Grid and the need for data exchange. DISA officials stated that once DISA is the lead Component for CFAST, they will evaluate the significance of CFAST not being COE compliant and will determine whether CFAST should be COE compliant. Although the allegation was substantiated, the ongoing development of CFAST is not in violation of the 2004 DoD Directive 4630.5.

**Allegation 4.** CFAST does not have an executive agent.

**Results.** The allegation was substantiated. As of June 2004, DoD had not appointed an executive agent for CFAST, which had not had an executive agent since its inception. The Joint Staff performed the duties of a program manager from early 2002. The Vice Chairman of the Joint Chiefs of Staff issued a memorandum on June 23, 2004, that assigns DISA as the lead Component and USJFCOM as the functional proponent of CFAST.

**Allegation 5.** CFAST will cost \$100 million by 2009 and is diverting funds from GCCS-J that could go to the deployment of GCCS-J version 4.

**Results.** The allegation was not substantiated. Funds were not diverted from GCCS-J; they were reprogrammed. The cost projected for CFAST from FY 2002 through FY 2009 in the statement of work is approximately \$87.4 million. As of May 2004, the Joint Staff and the U.S. Pacific Command had obligated approximately \$19.8 million for the development of CFAST and its components. Additionally, funding was reprogrammed from GCCS-J to CFAST. However, the reprogramming action followed DoD and Under Secretary of Defense (Comptroller)/Chief Financial Officer guidance.

DoD Regulation 7000.14-R, "Department of Defense Financial Management Regulation," volume 2A, chapter 1, June 2002, states that DoD Components can reprogram funds if the funds are below a certain threshold, which is called below-threshold reprogramming. For FY 2004, the Under Secretary of Defense (Comptroller)/Chief Financial Officer established the below-threshold level at \$10 million or 20 percent of the line item from which the funding is reprogrammed, whichever is less.

In FY 2004, CFAST was to receive an additional \$9.9 million from one system managed by DISA as part of the effort to accelerate CFAST. However, that

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action would have violated the established below-threshold level. Instead, the Under Secretary of Defense (Comptroller)/Chief Financial Officer and DISA decided to reprogram funds from six programs. One of those programs was GCCS-J, from which \$1 million was reprogrammed. Before the reprogramming action, GCCS-J had a budget of approximately \$51.6 million. The \$1 million, 1.94 percent of the GCCS-J budget, was within the established below-threshold level.

**Allegation 6.** CFAST is a proprietary system.

**Results.** The allegation was substantiated. DPRA Incorporated, the contractor developing CFAST, owns the CFAST source code. However, it is not contrary to DoD regulations for contractors to maintain proprietary rights to source code.

The Office of General Counsel, Office of the Inspector General of the Department of Defense reviewed the contract between DoD and DPRA Incorporated and stated that “the Technical Data clause stated that the government has unlimited rights in Form, Fit, and Functions data. In the definition above, however, source code is specifically excluded.”

According to the “Defense Federal Acquisition Regulation Supplement” (DFARS), August 17, 1998, DoD contracts do not have to be written in a manner to obtain source code for software and information systems acquired. DFARS Subpart 227.7203-1(a) states that DoD policy is to acquire only the computer software and the rights to such software as necessary to satisfy the needs of DoD. In addition, DFARS Subpart 227.7203-4(a) states that the contractor retains all rights in the software not granted to DoD. The contractor may also restrict the rights of DoD to share with any outside entity the data developed partially at private expense. Although the allegation was substantiated, the issuance of the contract was not in violation of DoD regulations.

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## **Appendix C. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense (Comptroller)/Chief Financial Officer  
Deputy Chief Financial Officer  
Deputy Comptroller (Program/Budget)  
Assistant Secretary of Defense (Networks and Information Integration)  
Director, Program Analysis and Evaluation  
Director, Defense Procurement and Acquisition Policy

### **Joint Staff**

Director, Joint Staff

### **Department of the Navy**

Naval Inspector General  
Auditor General, Department of the Navy

### **Department of the Air Force**

Auditor General, Department of the Air Force

### **Combatant Command**

Commander, U.S. Northern Command  
Commander, U.S. Southern Command  
Commander, U.S. Joint Forces Command  
Inspector General, U.S. Joint Forces Command  
Commander, U.S. Pacific Command  
Commander, U.S. European Command  
Commander, U.S. Central Command  
Commander, U.S. Transportation Command  
Commander, U.S. Special Operations Command  
Commander, U.S. Strategic Command

### **Other Defense Organizations**

Director, Defense Information Systems Agency

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## **Non-Defense Federal Organization**

Office of Management and Budget

## **Congressional Committees and Subcommittees, Chairman and Ranking Minority Member**

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 Defense, Committee on Appropriations

House Committee on Armed Services

House Committee on Government Reform

House Subcommittee on Government Efficiency and Financial Management, Committee on Government Reform

House Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform

House Subcommittee on Technology, Information Policy, Intergovernmental Relations, and the Census, Committee on Government Reform



# U.S. Joint Forces Command Comments

Final Report  
Reference



DEPARTMENT OF DEFENSE  
COMMANDER  
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IN REPLY REFER TO:  
J02  
8 SEP 04

## MEMORANDUM FOR DEPUTY INSPECTOR GENERAL FOR AUDITING

Subject: Department of Defense (DoD) Inspector General (IG) Draft Report on Defense Hotline Allegations Concerning the Collaborative Force-Building Analysis, Sustainment, & Transportation (CFAST) System (Project No. D20004LG-0079)

1. U.S. Joint Forces Command (USJFCOM) appreciates the opportunity to provide comments on the DoD IG Draft Report on Defense Hotline Allegations Concerning the CFAST System.
2. USJFCOM concurs with the reports' findings and partially concurs with the reports' recommendation that the command develop management control information. We do not concur with the recommendation to produce a CFAST Initial Capabilities Document (ICD). Joint Requirements Oversight Council (JROC) Memorandum (JROCM) 102-04 directed JFCOM to conduct a Quick Look and Final Capability Needs Analysis. The recommendation to produce an ICD is not directed in JROCM 102-04.
3. The Joint Capabilities Integration and Development System (JCIDS) analysis process as described in CJCSM 3170.01A, determines if an ICD is appropriate. CJCSM 3170.01A, Figure A-1, clearly depicts completion of the analysis process is necessary to identify the DOTMLPF impacts and to determine whether a material solution (ICD) or a DOTMLPF change recommendation is appropriate. Developing an ICD prior to the completion of the due diligence analysis process would not follow the JCIDS process.
4. We can better determine if an ICD is required or if the CFAST capability is already addressed in existing documents (i.e. Global Command and Control Mission Needs Statement and Joint Command and Control CDD) when the analysis is completed. The final analysis should be completed by 30 January 2005. One of the results will be the determination of what JCIDS documentation is required.

  
JAMES N. SOLIGAN  
Major General, U.S. Air Force  
Chief of Staff

Revised

## **Team Members**

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