

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**REQUIREMENTS VALIDATION FOR THE
DEFENSE LOGISTICS AGENCY COMMAND AND
CONTROL VOICE COMMUNICATION SYSTEM**

Report No. 95-074

January 11, 1995

Department of Defense

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Acronyms

CCSD	Command Communications Service Designator
CCVCS	Command and Control Voice Communication System
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DSN	Defense Switched Network
PBX	Private Branch Exchange



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



January 11, 1995

MEMORANDUM FOR DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Audit Report on Requirements Validation for the Defense Logistics Agency Command and Control Voice Communication System (Report No. 95-074)

We are providing this final report for your review and comments. Management comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all recommendations and potential monetary benefits be resolved promptly. Because we revised the number of Command and Control Voice Communication System circuits and associated monetary benefits, we request that the Defense Logistics Agency provide comments on the final report by March 13, 1995.

The courtesies extended to the audit staff are appreciated. If you have questions on this audit, please contact Mr. Robert M. Murrell, Audit Program Director, at (703) 604-9506 (DSN 664-9506) or Ms. Consolacion L. Loflin, Senior Auditor, at (703) 604-9509 (DSN 664-9509). The distribution of this report is listed in Appendix G. The audit team members are listed inside the back cover.

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Office of the Inspector General, DoD

Report No. 95-074
(Project No. 4RD-5033.01)

January 11, 1995

REQUIREMENTS VALIDATION FOR THE DEFENSE LOGISTICS AGENCY COMMAND AND CONTROL VOICE COMMUNICATION SYSTEM

EXECUTIVE SUMMARY

Introduction. This audit resulted from the identification of unused telecommunications circuits during the audit of "Requirements Validation for Telecommunications Services, Philadelphia Area," Project No. 4RD-5033. The Defense Logistics Agency leased the circuits for its Command and Control Voice Communication System. The Defense Logistics Agency is updating that system and requested that we evaluate the requirements for the system and related leased circuits and equipment items.

Objectives. The objective of the audit was to evaluate the requirements for the Command and Control Voice Communication System and related leased circuits and equipment items.

Audit Results. The Defense Logistics Agency is leasing 23 long-haul telecommunication circuits and a private branch exchange, costing \$366,792 annually, that comprise the Command and Control Voice Communication System. DoD can put funds to better use if the Defense Logistics Agency terminates those leases.

Internal Controls. We did not assess internal controls because this audit covered only a limited portion of the Defense Logistics Agency's long-haul telecommunications services.

Potential Benefits of Audit. For FY 1995 through FY 2000, the DoD could put \$2.3 million to better use if the Defense Logistics Agency terminates the leases for the circuits and the private branch exchange (see Appendix E).

Summary of Recommendation. We recommend that the Defense Logistics Agency terminate the leased circuits and private branch exchange for the Command and Control Voice Communication System.

Management Comments. The Defense Logistics Agency agreed to terminate the leased circuits and private branch exchange. The Defense Logistics Agency stated that 24 circuits, not 27 circuits supported the Command and Control Voice Communication System, and terminating the leases will allow funds to be put to better use, but the amount was less than the potential monetary benefits cited in the report. Management comments are discussed in Part II, and the complete text of the comments is in Part IV.

Audit Response. We revised the number of circuits supporting the Command and Control Voice Communication System to 23, not 24, and revised potential monetary benefits associated with two circuits. We ask that the Defense Logistics Agency comment on the final report by March 13, 1995.

Table of Contents

Executive Summary	i
Part I - Introduction	1
Background	2
Objective	3
Scope and Methodology	3
Internal Controls	3
Prior Audits and Other Reviews	4
Part II - Finding and Recommendation	5
Requirement for the Command and Control Voice Communication System	6
Part III - Additional Information	9
Appendix A. Glossary	10
Appendix B. Prior Audits and Other Reviews	12
Appendix C. Voice Circuits and Private Branch Exchange Recommended for Termination	15
Appendix D. Effects of Termination Opportunities on Future Years Defense Program	17
Appendix E. Summary of Potential Benefits Resulting from Audit	18
Appendix F. Organizations Visited or Contacted	19
Appendix G. Report Distribution	20
Part IV - Management Comments	23
Defense Logistics Agency Comments	24

Part I - Introduction

Background

The Defense Logistics Agency (DLA) implemented the Command and Control Voice Communication System (CCVCS) in 1973 to provide backup voice telecommunications service for the conduct of essential command and control functions if the primary means of such service failed as a result of contingencies and national security emergencies.

The CCVCS is composed of 23 leased long-haul Defense Switched Network (DSN) access circuits with multilevel precedence and preemption* features; a leased, dedicated private branch exchange at DLA Headquarters; and special touchtone telephone instruments. The CCVCS provides "immediate" preemption service for DLA Headquarters and an overseas gateway at Defense General Supply Center, Richmond, Virginia; and "priority" preemption service for all DLA primary level field activities.

Survivability. DLA planned for the CCVCS to provide a high degree of accessibility (connectivity) to the survivable portion of the DSN. The general objective of the DSN is to provide more survivable and cost-effective switched services to meet DoD operational and administrative requirements, ranging from day-to-day activities to conventional war and recovery during and after a nuclear war or national disaster. Survivability features, such as dual and split homing, diverse and avoidance routing, and automatic or semiautomatic restoral and physical protection, are limited to high-priority functions and facilities with an established mission requirement for survivability as determined by the concerned commander in chief and validated by the Joint Staff.

The DSN provides the opportunity to eliminate individual four-wire circuits, including special interface equipment. With the implementation of the DSN, the majority of four-wire voice circuits was changed to two-wire circuits throughout DoD with no degradation of service or capabilities. However, DLA continued to lease four-wire voice circuits for the CCVCS.

DLA utilizes and maintains split homing arrangements for all DSN access circuits for the CCVCS. The access circuits for command and control are physically separated and assigned to a DSN switch center other than the switch center used for general-purpose (common-user) private branch exchange services.

Each designated DLA emergency relocation site or appropriately designated alternative headquarters location provides standby power capabilities sufficient to carry critical communications to selected equipment for an extended period. Specifically, each private branch exchange location maintains a battery reserve to supply DSN command and control and critical operational-type circuits and facilities. Those CCVCS DSN access circuits that are not connected to a switchboard are equipped with special power packs designed for emergency use.

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

Objective

The objective of the audit was to evaluate the requirements for the CCVCS and related leased circuits and equipment items.

Scope and Methodology

We analyzed DLA criteria and documentation supporting the requirements for continuing leases of long-haul equipment and services for the CCVCS. We evaluated the requirements and utilization of all circuits and a private branch exchange that composed the CCVCS. DLA leased the circuits and private branch exchange at \$366,792 annually. Those costs were exclusive of overhead, rate stabilization, and common-user subscriber charges. We reviewed telecommunications service requests, telecommunications service orders, budgeted costs, and other historical documentation dated from March 1973 through July 1994. We interviewed DLA and other DoD managers to determine the justification for continuing the CCVCS. We compared the results of our evaluations of budget data and requirements for the CCVCS with DoD and Joint Chiefs of Staff guidance on leases of telecommunications equipment and services for the continuity of command and control during contingencies and emergencies. We did not rely on computer-processed data in forming audit conclusions.

This economy and efficiency audit was made from June through September 1994. The audit was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Appendix F lists the organizations visited or contacted.

Internal Controls

Implementation of the DoD Internal Management Control Program (defined in DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987) as it applies to the circuit requirement review and revalidation process, is the responsibility of the communications commands within the Military Departments, Defense agencies, and the Defense Information Systems Agency (DISA). We did not assess internal controls for DLA's review and revalidation process, because this segment of our overall audit covered only a limited portion of DLA's long-haul telecommunications services.

Introduction

Prior Audits and Other Reviews

Problems similar to those discussed in this report, regarding telecommunications services that were no longer required, are identified in 10 Inspector General, DoD, reports. Details on those audits are in Appendix B.

Part II - Finding and Recommendation

Requirement for the Command and Control Voice Communication System

DLA is leasing 23 long-haul telecommunication circuits and a private branch exchange that comprise the CCVCS, although requirements for the CCVCS no longer exist. Unnecessary leasing occurred because DLA did not adequately revalidate requirements for the CCVCS. If DLA terminates those leases, the DoD can put about \$2.3 million to better use during the execution of the FY 1995 through FY 2000 Future Years Defense Program.

DoD Guidance Related to the CCVCS

DoD Directive 4640.13, "Management of Base and Long-Haul Telecommunications Equipment and Services," December 5, 1991, prescribes DoD policy for the management of long-haul telecommunications equipment and services. DoD Instruction 4640.14, "Base and Long-Haul Telecommunications Equipment and Services," December 6, 1991, contains detailed instructions for implementing DoD policy. DoD established policy, assigned responsibilities, and prescribed procedures to ensure the effective, efficient, and economical use of base and long-haul telecommunications and services. The provisions state that all long-haul telecommunications services for command and control functions normally shall be satisfied by a DoD common-user system. A new system acquisition may be initiated only to satisfy unique requirements that cannot be satisfied (technically, operationally, cost-effectively) by DoD common-user systems. Before new systems can be acquired, DoD Components must obtain waivers from the use of common-user systems. DoD Directive 4640.13 and DoD Instruction 4640.14 also require that DoD Components review and revalidate requirements for long-haul telecommunications circuits at least every 2 years and promptly terminate all circuits lacking bona fide requirements.

DLA prescribed the policy, procedures, and responsibilities for the use and operation of the CCVCS in Defense Supply Agency (now DLA) Regulation 4630.1, "DSA Command and Control Voice Communications System," March 8, 1973.

Requirements for the CCVCS

Status of CCVCS Circuitry. In May 1994, during the Audit of Requirements Validation for Telecommunications Services - Philadelphia Area, we identified two CCVCS circuits that had not been used for more than 3 years. Due to lack of proper maintenance, the telephone instrument connected to one of the circuits

Requirement for the Command and Control Voice Communication System

was broken into two parts, and the telephone instrument connected to the other circuit rang only because the callers had dialed the wrong telephone number. DLA officials stated that those circuits were required by DoD guidance pertaining to national security emergency preparedness.

Utilization of the CCVCS. Through additional audit work, we determined that the CCVCS was installed to provide DLA with a telephone backup capability in the event of a loss of the primary voice system. The CCVCS is composed of 23 circuits and a private branch exchange at a cost of \$366,792 annually (see Appendix C). The private branch exchange and six circuits are located at DLA Headquarters; an overseas gateway circuit is located at Richmond, Virginia; and 16 circuits are located at DLA primary level field activities.

Managers at DLA primary level field activities believed no requirement existed for the CCVCS. Managers attempted to discontinue the CCVCS circuits because the system had never been used in support of the command and control mission except during emergency exercises. Managers at one DLA primary level field activity told us that the CCVCS circuits at that location should be disconnected. The managers also stated that the CCVCS service at that location had not been tested to ensure the service would fulfill telecommunications requirements during contingencies and emergencies. Managers further stated that other existing capabilities would provide backup voice telecommunications services during contingencies and emergencies.

Revalidating Requirements for the CCVCS. In March 1994, DLA conducted a revalidation process for the first time since the CCVCS was implemented in 1973. DLA found it difficult to justify use of the CCVCS because of the absence of a contingency or emergency condition for which the CCVCS was primarily designed. However, DLA managers involved in the revalidation process justified the requirements based on a recommendation to revise DLA Regulation 4630.1, which will facilitate the use of the CCVCS during noncrisis periods.

Alternative Telecommunications Service. The requests of DLA managers at primary level field activities to disconnect the CCVCS demonstrate the relative insignificance of the CCVCS for backup of essential command and control voice telecommunications service. The service provided by the CCVCS also duplicates existing DoD telecommunications service that could be used during contingencies and emergencies. Therefore, the CCVCS should be terminated. DoD can put about \$2.3 million (see Appendixes D and E) to better use during the execution of the FY 1995 through FY 2000 Future Years Defense Program if DLA terminates the 23 long-haul telecommunications circuits and the private branch exchange leased for the CCVCS.

Recommendation for Corrective Action

We recommend that the Director, Defense Logistics Agency, issue a Request for Service to terminate the leases for the Command and Control Voice Communication System circuits and private branch exchange.

Defense Logistics Agency Comments. The DLA agreed to terminate the leases and is coordinating the disconnection and removal of the circuits and private branch exchange. DLA did not agree with the associated monetary benefits, stating that 24 circuits, not 27 (as shown in the draft report) support the CCVCS. The DLA stated that circuits DD7B LJ9B, DD7B LK4V, DD7B LK5J, DD7B LMOS, and DD7B LMOT are not part of the CCVCS.

DLA stated that costs for circuits DD7B LLSF and DD7B LLSH were identified in a previous Inspector General, DoD, audit report associated with the Defense Personnel Support Center, Philadelphia. Additionally, the monetary benefits for circuit DSUB LJS7 should not be included because a Telecommunications Service Request was issued in September 1994 to terminate the circuit effective October 14, 1994. Furthermore, DLA stated that it had planned to discontinue the AT&T Dimension 600 private branch exchange during the fourth quarter of FY 1995, upon DLA's relocation to Fort Belvoir, Virginia, and that associated monetary benefits should not be reflected for the Future Years Defense Program. The complete text of the comments is in Part IV.

Audit Response. As of December 1994, DLA could not provide us a complete inventory of CCVCS circuits. Based on the information in DLA's comments, we determined that 23 circuits, not 24 support the CCVCS. We excluded five circuits (DD7B LJ9B, DD7B LK4V, DD7B LK5J, DD7B LMOS, and DD7B LMOT) and added circuit DD7B LJ88, which DLA identified on December 8, 1994, as part of the CCVCS.

We agree with DLA concerning the costs for circuits DD7B LLSF and DD7B LLSH, and we revised the monetary benefits accordingly. Although DLA issued a Telecommunications Service Request in September 1994 for circuit DSUB LJS7, that circuit was operational before our audit cutoff date of July 31, 1994. This is why the report identified the associated monetary benefits. Further, although DLA indicated that the private branch exchange had been identified for removal, DLA did not provide documentation on the disconnection. Until DLA can provide the documentation, we have no assurance that the planned disconnection will occur. We request that DLA comment on the revised potential monetary benefits.

Part III - Additional Information

Appendix A. Glossary

Access Circuit. As related to the DSN, an access circuit is a circuit used to provide the user connectivity to the DSN.

Avoidance Routing. Circuits routed so as to avoid critical junctions and known target areas.

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

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

Diverse Routing. Connectivity servicing the same facility, but routed over geographically separate circuits.

Dual Homing. The connection of a terminal so that it is served by either of two separate switching centers. This service uses a single directory number.

Gateway. A DSN switch located at the point of access to a different telephone network or to a DSN switch in another geographical area.

Multilevel Precedence and Preemption. The capability to originate calls based on precedence and to preempt calls of lower precedence in the DSN.

Private Branch Exchange (PBX). A telephone exchange servicing a single organization or area where service requires connection to another telephone exchange for long-distance capabilities. A PBX, either manual or automatic, is customer premise equipment and is not an integral part of DSN.

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

Split Homing. The connection of a DSN terminal to two switching centers with the assignment of two DSN telephone numbers.

Switch Center. An installation in which switching equipment interconnects circuits on a circuit-switching basis.

Switched Services. A switch is a device that selects paths or circuits for routing telecommunications transmissions. Switched services use a network of switches combined together with circuits to provide connectivity between two or more network users.

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

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

Appendix B. Prior Audits and Other Reviews

Ten Inspector General, DoD, audit reports discuss problems regarding telecommunications services that were no longer required.

Office of the Inspector General, DoD, Report No. 95-071, "Requirements Validation for Telecommunications Services-Philadelphia Area," January 6, 1995. DoD installations did not adequately revalidate requirements. The report shows that 16.5 (54) of the 328 Command Communications Service Designators (CCSDs) reviewed at 6 DoD installations in the Philadelphia area were no longer required. If the 54 circuits are terminated, about \$4.0 million could be put to better use for the FY 1995 through FY 2000 Future Years Defense Program. Final management comments have not yet been received from the Army, Defense Information Systems Agency, and Defense Logistics Agency.

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

Office of the Inspector General, DoD, Report No. 94-120, "Telecommunications Circuit Allocation Programs-Jacksonville Area," June 6, 1994. DoD organizations did not effectively identify reconfiguration opportunities nor adequately revalidate requirements. The report shows that 63.3 percent of the 166 sampled CCSDs at DoD organizations in the Jacksonville, Florida, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 74 (44.6 percent) circuits as candidates for potential reconfiguration. Leases for 31 (18.7 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the Jacksonville area, about \$9.6 million could be put to better use during the execution of the FY 1994 through FY 1999 Future Years Defense Program. Finally, for that same period, about \$1.5 million could be put to better use if 28 circuits that were not part of the audit universe or sample are reconfigured or terminated. The report recommends that the circuits be reconfigured or terminated. Management concurred with the recommendations.

Office of the Inspector General, DoD, Report No. 94-072, "Telecommunications Circuit Allocation Programs-Kansas City Area," March 31, 1994. DoD organizations did not effectively identify reconfiguration opportunities nor adequately revalidate requirements. The report shows that 63.1 percent of the 292 sampled CCSDs at DoD organizations in the Kansas City, Missouri, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 33 (35.9 percent) circuits as candidates for potential reconfiguration. Leases for 25 (27.2 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or

terminated in the Kansas City area, \$7.9 million could be put to better use during the execution of the FY 1994 through FY 1997 Future Years Defense Program. Finally, for that same period, about \$1.3 million could be put to better use if 21 circuits that were not part of the audit universe or sample are terminated. The report recommends that the circuits be reconfigured or terminated. Management has taken all necessary corrective actions.

Office of the Inspector General, DoD, Report No. 94-051, "Telecommunications Circuit Allocation Programs-San Antonio Area," March 11, 1994. DoD organizations did not effectively identify reconfiguration opportunities nor adequately revalidate requirements. The report shows that 47.6 percent of the 193 sampled CCSDs at DoD organizations in the San Antonio, Texas, metropolitan area were potentially not cost-effective in their configurations or were no longer required. For the sampled CCSDs, the report identifies 84 (43.5 percent) circuits as candidates for potential reconfiguration. Leases for eight (4.1 percent) other circuits could be terminated because they were no longer required. If circuits are either reconfigured or terminated in the San Antonio area, \$8.9 million could be put to better use during the execution of the FY 1994 through FY 1996 Future Years Defense Program. Finally, for that same period, about \$.015 million could be put to better use if one circuit that was not part of the audit universe or sample is terminated. The report recommends that the circuits be reconfigured or terminated. Management concurred with the finding and recommendations.

Office of the Inspector General, DoD, Report No. 93-114, "Management of Leased Modulators/Demodulators by the Air Mobility Command," June 30, 1993. The Air Mobility Command did not prepare required documentation to discontinue payments for modulators/demodulators (modems) no longer in service, purchase rather than lease modems, and disconnect circuits that were no longer required. As a result, about \$826,000 was spent for equipment no longer in service; about \$1.3 million was spent for leased equipment that should have been purchased; and about \$70,000 was spent for leased circuits that were no longer required. At seven military installations, 53.6 percent of telecommunications equipment could not be accounted for, and the Air Mobility Command could not validate its telecommunications equipment inventories. Corrective actions would reduce costs by about \$5.3 million (of which \$784,000 was previously reported in Audit Report No. 93-021, "Management of Leased Modulators/Demodulators at Dover Air Force Base, Delaware," November 9, 1992.) during the FY 1993 through FY 1998 Future Years Defense Program. The report recommends that the Commander, Air Mobility Command, terminate payments for equipment no longer in service, purchase leased modems, disconnect circuits no longer needed, and conduct and maintain inventories of all leased and owned telecommunications equipment and services. The Air Force concurred with the finding and implemented recommended measures.

Office of the Inspector General, DoD, Report No. 93-021, "Management of Leased Modulators/Demodulators at Dover Air Force Base, Delaware," November 9, 1992. The Air Mobility Command continued to make payments for telecommunications equipment that was no longer in service, and equipment that should have been purchased continued to be leased. As a result, more than \$287,000 had been spent unnecessarily from February 1990 through June 1992. Action to terminate leases and purchase modems would reduce costs by about \$784,000 during the FY 1993

Appendix B. Prior Audits and Other Reviews

through FY 1998 Future Years Defense Program. The report recommends that the Commander, Air Mobility Command, terminate leases for six long-haul modems and purchase replacement modems from the Bulk Modem Contract maintained by the Defense Commercial Communications Office. The Air Force concurred with the finding and implemented recommended measures.

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

Office of the Inspector General, DoD, Report No. 93-018, "Disposition of Telecommunications Services and Equipment at Pease Air National Guard Base," November 6, 1992. The Air National Guard did not discontinue services when communication requirements no longer existed. The report states that 7 (47 percent) of 15 long-haul telecommunications circuits reviewed at Pease Air National Guard Base, Portsmouth, New Hampshire, were no longer required. DoD could have avoided communications costs estimated at \$151,000 if action had been taken to discontinue the services. When this matter was brought to management's attention, it took immediate action to discontinue the services and avoided additional costs of about \$272,000 during the execution of the FY 1993 through FY 1998 Future Years Defense Program. The Defense Information Systems Agency fully concurred in the report.

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

Appendix C. Voice Circuits and Private Branch Exchange Recommended for Termination

2 CCSD	Location		3 CSA	1 Leased Costs	
	From	To		Monthly Recurring Costs	Annual Cost To DoD
DD7B LJ43	TRACY ⁴	SNLSOBSP ⁵	MLPP SL J 28524 001	\$ 915	\$ 10,980
DD7B LJ9H	DAYTON ⁶	TLDJNCTN ⁷	MLPP WP J 28606 701	691	8,292
DD7B LK4T	COLUMBUS ⁸	WLLMSTWN ⁹	MLPP WI J 28902 701	987	11,844
DD7B LK4U	COLUMBUS ¹⁰	WLLMSTWN ⁹	MLPP WP J 28903 701	824	9,888
DD7B LKF3	BOSTON ¹¹	TULLY ¹²	MLPP LI J 28474 701	602	7,224
DD7B LKJG	ELSEGUND ¹³	SNLSOBSP ⁵	MLPP SL J 28659 701	751	9,012
DD7B LL2M	ALEXANDR ¹⁴	DRANESVL ¹⁵	MLPP DV J 44733 001	613	7,356
DD7B LL2N	ALEXANDR ¹⁴	DRANESVL ¹⁵	MLPP DV J 44733 002	613	7,356
DD7B LL2P	ALEXANDR ¹⁴	DRANESVL ¹⁵	MLPP DV J 44733 003	613	7,356
DD7B LL2Q	ALEXANDR ¹⁴	ARLINGTON ¹⁶	MLPP AR J 44692 001	500	6,000
DD7B LL2R	ALEXANDR ¹⁴	ARLINGTON ¹⁶	MLPP AR J 44692 002	500	6,000
DD7B LL2S	ALEXANDR ¹⁴	ARLINGTON ¹⁶	MLPP AR J 44692 003	500	6,000
DD7B LL74	MEMPHIS ¹⁷	MPHSJNCT ¹⁸	MLPP MM J 44607 701	568	6,816
DD7B LL9Q	MEMPHIS ¹⁷	SCOTT ¹⁹	MLPP SC J 44892 001	818	9,816
DD7B LLOL	MARIETTA ²⁰	ELLISVLL ²¹	MLPP EV J 29011 701	1,108	13,296
DD7B LLSF	PHILDLPH ²²	HAGRSTWN ²³	MLPP HG J 28955 701	0 ²⁴	0
DD7B LLSG	PHILDLPH ²⁵	HAGRSTWN ²³	MLPP HG J 28957 701	796	9,552
DD7B LLSH	PHILDLPH ²⁶	HAGRSTWN ²³	MLPP HG J 28956 701	0 ²⁴	0
DSUB LJ6P	BATTLECR ²⁷	WLLMSTWN ⁹	MLPP WI J 28535 702	1,493	17,916
DSUB LJJ1	OGDEN ²⁸	LODI ²⁹	MLPP LO J 28553 901	1,156	13,872
DSUB LJOZ	BATTLECR ³⁰	WLLMSTWN ⁹	MLPP WI J 28535 701	956	11,472
DSUB LJS7	CHICAGO ³¹	ROSCOMM ³²	MLPP WI J 28520 701	951	11,412
DD7B LJ88	RICHMOND ³³	ARLINGTON ¹⁶	MLPP AR J 28979 701	1,411	<u>16,932</u>
Annual Funds Put to Better Use Resulting from Circuit Termination Actions					<u>\$208,392</u>
AT&T Dimension 600 PBX ³⁴				\$13,200	<u>\$158,400</u>
Total Annual Funds Put to Better Use Resulting from all Termination Actions					<u>\$366,792</u>

¹The Defense Information Technology Contracting Office pays the costs of leased telecommunications services to communication vendors. The costs shown are the net costs to the Government.

²A Command Communications Service Designator identifies single-channel circuits, multichannel trunk circuits and interswitch trunk circuits.

³A Communications Service Authorization identifies a specific contract with the vendor for each service.

Appendix C. Voice Circuits and Private Branch Exchange Recommended for Termination

- ⁴Defense Depot Region West, Tracy, California
- ⁵San Luis Obispo, California.
- ⁶Defense Electronics Supply Center, Dayton, Ohio.
- ⁷Toledo Junction, Ohio.
- ⁸Defense Construction Supply Center, Columbus, Ohio.
- ⁹Williamstown, Kentucky.
- ¹⁰Defense Logistics Agency Systems Automation Center, Columbus, Ohio.
- ¹¹Defense Contract Management District Northeast, Boston, Massachusetts.
- ¹²Tully, New York.
- ¹³Defense Contract Management Region West, El Segundo, California.
- ¹⁴Defense Logistics Agency Administrative Support Center, Alexandria, Virginia.
- ¹⁵Dranesville, Virginia.
- ¹⁶Arlington, Virginia.
- ¹⁷Defense Distribution Depot, Memphis, Tennessee.
- ¹⁸Memphis Junction, Arkansas.
- ¹⁹Scott Air Force Base, Bellville, Illinois.
- ²⁰Defense Contract Management District South, Marietta, Georgia.
- ²¹Ellisville, Florida.
- ²²Defense Personnel Support Center, Philadelphia, Pennsylvania.
- ²³Hagerstown, Maryland.
- ²⁴This circuit has been reflected in Audit Report No. 95-071, "Requirements Validation of Telecommunication Services-Philadelphia Area," January 6, 1995.
- ²⁵Defense Industrial Supply Center, Philadelphia, Pennsylvania.
- ²⁶Defense Contract Management District Mid-Atlantic, Philadelphia, Pennsylvania.
- ²⁷Defense Logistics Service Center, Battle Creek, Michigan.
- ²⁸Defense Depot, Ogden, Utah.
- ²⁹Lodi, California.
- ³⁰Defense Logistics Service Center, Battle Creek, Michigan.
- ³¹Defense Contract Management District North Central, Chicago, Illinois.
- ³²Roscommon, Michigan.
- ³³Defense General Supply Center, Richmond, Virginia.
- ³⁴An AT&T Dimension 600 Private Branch Exchange leased at DLA Headquarters for the Command and Control Voice Communication System.

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

<u>DoD Program</u>	<u>DoD Element Title/ Element No.</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>6-Year¹ Total</u>
CS&M ²	Logistics Support- Activities Communi- cations 0708021S	<u>\$366,792</u>	<u>\$375,228</u>	<u>\$383,858</u>	<u>392,879</u>	<u>\$402,308</u>	<u>\$411,963</u>	<u>\$2,333,028</u>
Totals		<u>\$366,792</u>	<u>\$375,228</u>	<u>\$383,858</u>	<u>392,879</u>	<u>\$402,308</u>	<u>\$411,963</u>	<u>\$2,333,028</u>

¹This table summarizes the recurring funds put to better use (Appropriation-Operation and Maintenance) based on the audit results identified in Appendix C. Using the FY 1995 annual recurring funds put to better use (\$366,792) for the base year, we applied the established DoD inflation factors (2.3 percent for FY 1996, 2.3 percent for FY 1997, 2.35 percent for FY 1998, 2.4 percent for FY 1999, and 2.4 percent for FY 2000) for the next 5 fiscal years and calculated the total recurring funds put to better use for the Future Years Defense Program to be about \$2.3 million.

²Central Supply and Maintenance.

Appendix E. Summary of Potential Benefits Resulting from Audit

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
Page 8.	Economy and Efficiency. Terminating the Command and Control Voice Communication System circuits and private branch exchange that are not required will result in an immediate reduction in unnecessary expenditures.	\$2.3 million can be put to better use during budget years FY 1995 through FY 2000. Appropriation-Operation and Maintenance.

Appendix F. Organizations Visited or Contacted

Defense Agencies

Defense Information Systems Agency, Washington, DC
Acquisition Management Organization, Washington, DC
Defense Information Technology Contracting Office, Scott Air Force Base, IL
Telecommunications Management and Services Office, Scott Air Force Base, IL
Defense Logistics Agency, Alexandria, VA
Defense Personnel Support Center, Philadelphia, PA
Defense Construction Supply Center, Columbus, OH

Joint Staff

Command, Control, Communication and Computer Systems (J-6), Washington, DC
Defense-Wide Networks Division, Washington, DC
Contingency Support Division, Washington, DC

Appendix G. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Auditor General, Department of the Navy

Department of the Air Force

Auditor General, Department of the Air Force

Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Information Systems Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, Central Imagery Office
Inspector General, Defense Intelligence Agency
Inspector General, National Security Agency
Director, Defense Logistics Studies Information Exchange

Non-Defense Federal Organizations

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

Non-Defense Federal Organizations (cont'd)

Chairman and Ranking Minority Member of Each of the
Following Congressional Committees and Subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Commerce, Science, and Transportation
Senate Subcommittee on Communications, Committee on Commerce, Science, and
Transportation
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Commerce
House Subcommittee on Telecommunications and Finance, Committee on
Commerce
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Part IV - Management Comments

Defense Logistics Agency Comments



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY DDAI
REFER TO

27 DEC 1994

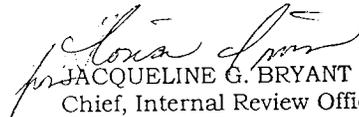
MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING,
DEPARTMENT OF DEFENSE

SUBJECT: OIG Draft Report on *"Requirements Validation for the Defense Logistics Agency Command and Control Voice Communication System"*
(Project No. 4RD-5033.01)

This is in response to your 17 November 1994 request.

Encl

cc:
CA


JACQUELINE G. BRYANT
Chief, Internal Review Office

Defense Logistics Agency Comments

TYPE OF REPORT: AUDIT

DATE OF POSITION: 17 DEC 1994

PURPOSE OF INPUT: INITIAL POSITION

AUDIT TITLE AND #: Requirements Validation for the Defense
Logistics Agency Command and Control Voice
Communication System
(Project No. 4RD-5033.01).

RECOMMENDATION 1. We recommend that the Director, Defense
Logistics Agency issue a Request for Service to terminate the
leases for the Command and Control Voice Communication System
Circuits and Private Branch Exchange.

DLA COMMENTS: We concur in the above recommendation. A decision
has been made to reverse the Agency position that the CCVCS
System is required to support the DLA Command and Control
function, to support the Agency's voice telecommunications needs
upon service failure, contingencies, and/or emergencies. A
decision has been made to request each of the DLA Primary Level
Field Activities (PLFAs) issue feeder Telecommunications Service
Requests (TSRs) for the disconnect and removal of their leased
CCVCS circuits. A local Communication Service Authorization
(CSA) will be issued to disconnect and remove the leased Primary
Branch Exchange (PBX). The DLA Administrative Support Center
leased PBX serves the DLA Headquarters. A letter requesting each
PLFA prepare the required TSR feeders for disconnect and removal
of their leased CCVCS circuits is currently in coordination.

DISPOSITION:

- (X) Action is ongoing. Estimate Completion Date: 01 Mar 95
or sooner, dependant on ability to get TSRs processed.
- () Action is considered complete.

RECOMMENDATION MONETARY BENEFITS:

DLA COMMENTS: The amount identified by this report will be less
than identified in Appendix C and D of the Draft Audit Report.
Our review, performed after we received the draft report showed
that not all of the circuitry reported in Appendix C is an actual
part of the DLA CCVCS System. An assessment, by CCSD as
identified in Appendix C, is as follows:

Defense Logistics Agency Comments

Circuits DD7B LK4V, and LK5J do not belong to, nor do they support DLA activities. These two circuits support the DFAS organization. These two circuits are not a part of, nor do they support the DLA CCVCS program. These two circuits should not be a part of this audit report.

Circuit DD7B LJ9B at Sharpe is not a part of the CCVCS. It is not on the Commanders instrument. It is a DCTN PBX line with precedence. It should not be part of this audit report.

Circuits DD7B LLSF, and LLSH have been identified in a previous DoDIG audit report associated with DPSC Philadelphia. We are concerned that the cost associated with these circuits only be identified one time. No feeder TSRs have been issued pending a decision on whether the CCVCS requirement would remain in support of DoDD 3020.26. In view of our concurrence with this audit finding, these circuits will be discontinued and removed.

Circuits DD7B LMOS and LMOT are not a part of the Agency CCVCS program. They are not slated to be discontinued and should not be a part of this draft audit report. Reference to the two circuits and associated cost information should be removed from Appendix C and D of the audit report.

Circuit DSUB LJS7 should not be a part of this draft audit report. The telecommunications management support of the Chicago site has been transferred from DLA to the U. S. Air Force. Prior to the actual transfer, DLA TSR LB19AUG940005 and DISA TSR SV08Sep946261 were issued to discontinue the circuit effective 14 Oct 94. Recommend the cost information be removed from Appendix C and D of this audit report.

The cost associated with the AT&T Dimension 600 PBX should not be reflected in Appendix C and D for FY 96, nor should it be reflected for the six year period. The PBX has, for sometime, been identified for removal upon the Agency relocation from Cameron Station to Fort Belvoir, VA. Upon the Agency relocation to Ft. Belvoir the CCVCS circuits were to be installed on the new host activity PBX. The DLA plan has been to discontinue and remove the Dimension 600 during the fourth quarter of FY 95. The PBX would have been discontinued and removed without the benefit of this audit report.

ESTIMATED REALIZATION DATE: No later than 01 March 95.
AMOUNT REALIZED: To be determined based on the above.
DATE REALIZED: Upon finalization of this report.

INTERNAL MANAGEMENT CONTROL WEAKNESS:

- () Nonconcur.
- (X) Concur; however, weakness is not considered material.
- () Control; weakness is material and will be reported in the DLA Annual Statement of Assurance.

ACTION OFFICER: Ms. Jane Johansen, CANBP, X47650
REVIEW: Mr. Patrick McCarthy, CANBP, X47576
REVIEW: Ms. Carla Liberatore, CANB, X77509
REVIEW: COL Wayne R. Boles, CANAI, X46315
REVIEW: Mr. James W. Livengood, CANAI, X45157
REVIEW: Mrs. Patricia F. Brown, CANAI, X45157
PSE REVIEW/APPROVAL: Mr. Thomas J. Knapp, CAN, X46211

COORDINATION: FOE, X46220, E. Sanchez, 14 Dec 94
CAIL, 14 Dec 94
DDAI, L. Coluter, 21 Dec 94

DLA APPROVAL: *Alvin A. Smith for J. Bryant*

17 DEC 1994

The dollar amount that could be put to a better use if the leased services were discontinued will require revision and will be less than the amount identified in the draft audit report.

INTERNAL MANAGEMENT CONTROL WEAKNESSES:

- () Nonconcur.
- (X) Concur; however, weakness is not considered material.
- () Concur; weakness is material and will be reported in the DLA Annual Statement of Assurance.

ACTION OFFICER: Ms. Jane Johansen, CANBP, X47650
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PSE REVIEW/APPROVAL: Mr. Thomas J. Knapp, CAN, X46211
COORDINATION: FOE, X46220, E. Sanchez, 14 Dec 94
COORDINATION: CAIL, 14 Dec 94
DDAI, L. Coulter, 21 Dec 94

DLA APPROVAL: *Glenn [unclear] for J. Bryant*

27 DEC 1994

Audit Team Members

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

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