



*Office of Inspector General*

# Electronic Documents Program

*July 25, 2007*

*Audit Report No. 428*

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# MEMORANDUM

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**To:** Corey Booth  
Brian Cartwright  
James Clarkson  
Diego Ruiz  
Jeff Risinger  
Sharon Sheehan  
Linda Thomsen  
Peter Uhlmann

**From:** Walter Stachnik



**Date:** July 25, 2007

**Re:** Electronic Documents Program (Audit no. 428)

Attached is our audit report on Enforcement's Electronic Documents Program. The report reflects the comments we received on prior drafts.

We would appreciate receiving any additional comments you have concerning this audit and the report. In particular, we would like to know whether you found the audit useful. We also welcome any suggestions from you concerning how we could improve future audits.

The courtesy and cooperation of you and your staff are greatly appreciated.

Attachment

**Cc:** Greg Cobert  
Ken Hall  
Dan Lisewski  
Joan McKown  
Darlene Pryor  
David Sheldon  
Carol Smith  
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Jonathan Sokobin  
Chester Spatt  
Chuck Staiger  
Karen Stewart  
David Wiederkehr

Rick Hillman, GAO

# ELECTRONIC DOCUMENTS PROGRAM

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## EXECUTIVE SUMMARY

*In April 2004, the Division of Enforcement (Enforcement) and the Office of Information Technology (OIT) began a program to image electronically Enforcement's evidentiary documents.<sup>1</sup> We reviewed the program in 2004 (Document Imaging System, Audit Memorandum No. 38, issued September 13, 2004). That review identified several technical, quality control, and staffing issues. Commission management was aware of these issues and was working to correct them.*

*In this follow-up evaluation, we found that significant improvements have been made to the program to address the identified issues. Program users we surveyed were now generally satisfied with the imaging system. We commend Enforcement and OIT for their success in making improvements.*

*We are recommending several additional improvements to the program. These include: providing additional program guidance and user training; implementing additional monitoring of contractor performance; and ensuring that background investigations are appropriately completed for contract employees and that they sign non-disclosure agreements. Also, OIT and Enforcement should consider designating a task monitor or program manager.*

*Commission staff generally agreed with the report's recommendations.*

## OBJECTIVES, SCOPE AND METHODOLOGY

Our objectives were to determine what improvements have been made to the Electronic Documents program since our 2004 review, and to identify additional improvements. We focused on the processing of evidentiary documents for the Division of Enforcement, the primary program user.

We interviewed Commission staff, reviewed program guidance and other relevant documentation, and surveyed program users in Enforcement and the regional offices. The scope of our review included the coordination between contractors and contract administrators, the process for loading electronic and paper documents into

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<sup>1</sup> The term "document" refers to all evidentiary materials that the Commission receives, regardless of whether they are in paper, electronic media or other format.

the imaging system, quality assurance procedures, regional office issues, internal controls over evidentiary documents, and imaging turnaround times.

We conducted this performance evaluation from November 2006 to April 2007 in accordance with Quality Standards for Inspections, issued in January 2005, by the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency.

## **BACKGROUND**

The Commission's Electronic Documents (EDOCS) program consists of two data management projects: the Electronic Production Project and the National Imaging Project. The Electronic Production Project involves the loading of evidentiary materials from Enforcement cases (either in Headquarters or the regional offices) into an application called Concordance. This application allows authorized staff to retrieve and view the documents.

The National Imaging Project provides data back-up and disaster recovery for the program. It provides for the removal of voluminous evidentiary documents from Enforcement premises in Headquarters and the regional offices.

OIT, in consultation with Enforcement, manages the Electronic Documents program. Funding for the program totaled \$9.3 million and \$10.5 million in fiscal years 2006 and 2007, respectively. While Enforcement is the largest user of the program, other Commission divisions and offices also use the service.

Three contractors help implement the program: LABAT-Anderson (LABAT), CACI International, Inc. (CACI), and Abacus Technology (Abacus).

LABAT processes media (e.g., CDs, DVDs, hard drives) and paper documents into standard formats and then loads them into Concordance. Under its contract, LABAT must load paper documents into Concordance within ten business days of receipt, and electronic media within seven business days of receipt. Depending on volume, LABAT has up to approximately 160 of its employees assigned to the program.

CACI has eleven of its contractors assigned to quality assurance of LABAT's work. CACI contract employees follow a checklist to determine whether loaded documents are free of errors. CACI reports any exceptions to Commission staff. In January 2007, the Commission temporarily acquired additional services through CACI to process electronic documents, because it experienced problems with LABAT.

Abacus has one to two of its employees assigned to the program. Abacus helps to prepare deliverables, such as project plans and schedules, and standard operating procedures.

Several regional offices process and load electronic and paper documents locally, instead of sending them to Headquarters. As a result, the regional offices maintain control of the media and can load and access the documents faster. To facilitate this process, Headquarters has granted more server space to these regional offices upon request.

## AUDIT RESULTS

The Commission has significantly improved the Electronic Documents program since our 2004 review. The improvements include better image quality, decreased turnaround times, reduced system delays, additional contractor and administrative support, better electronic links to documents, fewer system outages, and elimination of document mix-ups (mixing imaged documents from one case with those of another). Program users whom we surveyed were now generally satisfied with the Electronic Documents program.

During the audit, Commission staff addressed a safety hazard, improved working conditions for LABAT contract employees and designated appropriate staff as Contracting Officer's Technical Representatives (COTRs).

We are making several recommendations to improve the program further, as discussed below.

### WRITTEN GUIDANCE

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#### Policy statement

The Division of Enforcement has not prepared an overall policy statement for the Electronic Documents program. An overall policy statement would describe in general terms the program's objectives, goals, requirements, responsibilities, and policies.

All of the written guidance has been prepared by contractors. Contractors could refer to this document in defining specific procedures and work instructions.

#### Standard Operating Procedures

The program's contractors have prepared a number of standard operating procedures (SOP) for the document imaging process. However, a number of these procedures have not been finalized.

Enforcement plans to prepare an SOP for its headquarters and regional office staff. The SOP will include Commission-specific guidelines and relevant parts of the contractors' SOPs.

#### Protecting Non-Public Information

The Commission has issued guidance on safeguarding non-public information. However, there is currently no Enforcement-wide written guidance explaining how to protect and account for electronic documents in Concordance and original evidentiary data, which frequently are non-public.<sup>2</sup> A supplemental written procedure should include the following:

- Which staff should have access to case files in Concordance;

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<sup>2</sup> Enforcement's Forensics Branch issued written guidance on evidence handling and security procedures, including the use of off-site secure storage facilities for protecting electronic evidentiary data. This guidance pertains only to documents handled by the forensics branch staff.



















Signed non-disclosure agreements were available for only seven of the thirty-eight contract employees in our sample. Moreover, only two of the seven had signed the current version of the agreement.

***Recommendation S***

OIT should ensure that all contract employees for the Electronic Documents program sign the current version of the Commission's non-disclosure agreement. OIT may wish to designate a central location for storing the signed agreements. OIT should establish a procedure to ensure that future contract employees sign the Commission's non-disclosure agreement on a timely basis.