



Highlights of [GAO-08-550T](#), a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Assigns High Risk

GAO audits and evaluations identify federal programs and operations that are high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement. Increasingly, GAO also is identifying high-risk areas to focus on the need for broad-based transformations to address major economy, efficiency, or effectiveness challenges. In January 2007, GAO presented the 110th Congress with the latest status of existing and new high-risk areas warranting attention by both the Congress and the administration. Lasting solutions to high-risk problems could save billions of dollars, dramatically improve service to the public, strengthen confidence and trust in the performance and accountability of the U.S. government, and ensure the ability of government to deliver on its promises. The decennial census is a Constitutionally-mandated activity that produces critical data used to apportion congressional seats and allocate billions of dollars in federal assistance.

What GAO Recommends

In its reports, GAO has recommended that the Bureau improve acquisition management capabilities, operational planning, cost estimation, and performance measurement. The Bureau agreed with most of these recommendations, but has not fully implemented them.

To view the full product, including the scope and methodology, click on [GAO-08-550T](#). For more information, contact Mathew Scire, 202-512-6806, sciremj@gao.gov or David A. Powner, 202-512-9286, pownerd@gao.gov.

2010 CENSUS

Automation Problems and Uncertain Costs and Plans May Jeopardize the Success of the Decennial and Warrant Immediate Attention

Designation as High Risk

Today GAO is designating the 2010 Census as a high-risk area. The Decennial Census is at a critical stage in the 2008 Dress Rehearsal, in which the Bureau has the opportunity to test, for the last time under census-like conditions, its plans for 2010. GAO's work and Census have highlighted a number of long-standing and emerging challenges facing the 2010 Census. Because the census is one of the foundations for many government decisions, threats to a timely and reliable census can affect the public's confidence in government.

GAO has reported long-standing weaknesses in the Bureau's management of information technology. To control costs and improve accuracy, the Bureau is relying as never before on contractor provided technology, including the use of handheld mobile computing devices. In October 2007, GAO concluded that without effective management of key risks, the Field Data Collection Automation (FDCA) program responsible for the devices faced an increased probability that the system would not be delivered on schedule and within budget or perform as expected. GAO recommended that the Bureau strengthen its system testing and risk management activities. Today the Bureau and its contractor are finalizing the FDCA program and have not yet agreed on requirements for FDCA, and system interface testing has been delayed. In the spring of 2007, the Bureau tested the device under census-like conditions for the first time as part of its address canvassing dress rehearsal. Field staff reported technical problems with the handheld devices. The magnitude of these problems is not clear and the Bureau still has not fully specified how it will measure the performance of the handheld devices, as GAO recommended. In addition, the Bureau has not performed recommended analysis or provided sufficient information to provide a level of confidence in its \$11.5 billion life-cycle cost estimate of the decennial census. The Bureau has not itemized the estimated costs of each component operation, conducted sensitivity analysis on cost drivers, or provided an explanation of significant changes in the assumptions on which these costs are based. More recently, the Bureau has delayed the dress rehearsal and dropped several operations. Together, these weaknesses and actions raise serious questions about the Bureau's preparations for conducting the 2010 Census.

In 2005 GAO highlighted the 2010 Census as an emerging area for possible high-risk designation. GAO has recommended numerous corrective actions to address the risks associated with the 2010 Census, but many of them have not been implemented. GAO recommended that the Bureau (1) strengthen its systems testing and risk management activities, (2) define specific measurable performance requirements for the handheld mobile computing device, and (3) develop an integrated and comprehensive plan to control its costs and manage operations.

GAO's High-Risk Areas as of March 2008

High-Risk Areas	Year designated high risk
Addressing Challenges In Broad-Based Transformations	
• Strategic Human Capital Management ^a	2001
• Managing Federal Real Property ^a	2003
• Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures	1997
• Implementing and Transforming the Department of Homeland Security	2003
• Establishing Appropriate And Effective Information-Sharing Mechanisms to Improve Homeland Security	2005
• DOD Approach to Business Transformation ^a	2005
• DOD Business Systems Modernization	1995
• DOD Personnel Security Clearance Program	2005
• DOD Support Infrastructure Management	1997
• DOD Financial Management	1995
• DOD Supply Chain Management	1990
• DOD Weapon Systems Acquisition	1990
• FAA Air Traffic Control Modernization	1995
• Financing the Nation's Transportation System ^a	2007
• Effective Protection of Technologies Critical to U.S. National Security Interests ^a	2007
• Transforming Federal Oversight of Food Safety ^a	2007
• The 2010 Census (New)	2008
Managing Federal Contracting More Effectively	
• DOD Contract Management	1992
• DOE Contract Management	1990
• NASA Contract Management	1990
• Management of Interagency Contracting	2005
Assessing the Efficiency and Effectiveness of Tax Law Administration	
• Enforcement of Tax Laws ^a	1990
• IRS Business Systems Modernization	1995
Modernizing and Safeguarding Insurance and Benefit Programs	
• Modernizing Federal Disability Programs ^a	2003
• Pension Benefit Guaranty Corporation Single-Employer Pension Insurance Program	2003
• Medicare Program ^a	1990
• Medicaid Program ^a	2003
• National Flood Insurance Program ^a	2006

See *Information Technology: Significant Problems of Critical Automation Program Contribute to Risks Facing 2010 Census*, [GAO-08-550T](#), March 5, 2008, for more about the Census high-risk area.

See *High-Risk Series: An Update*, [GAO-07-310](#), January 2007, for more about the other high-risk areas.

Source: GAO.

^aLegislation is likely to be necessary, as a supplement to actions by the executive branch, in order to effectively address this high-risk area.