

# GAO Highlights

Highlights of [GAO-15-277T](#), a testimony before the Subcommittee on Federal Workforce, U.S. Postal Service, and the Census, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

The use of IT is integral to OPM's ability to carry out its responsibilities in modernizing federal employee retirement claims processing. Since 1987, the agency has undertaken a number of initiatives that were aimed at modernizing its paper-intensive processes and antiquated systems, but that were unsuccessful.

GAO was asked to summarize findings from its previous reports on the challenges that OPM has faced in modernizing its retirement claims processing systems. The testimony also summarizes the agency's current plans to acquire new technology to improve the retirement process and key IT acquisition best practices that could serve as critical factors in the agency's successful accomplishment of its latest modernization efforts.

The information in this testimony is primarily based on GAO's previous work at OPM. GAO also reviewed the agency's plans and related information discussing current efforts to improve retirement processing systems. Additionally, the testimony highlights findings from GAO's previous report on critical success factors for major IT acquisitions. Work in support of this testimony was performed during November and December 2014.

## What GAO Recommends

GAO is not making new recommendations at this time. GAO has previously made numerous recommendations to address IT management challenges that OPM has faced in carrying out its retirement modernization efforts. Fully addressing these challenges remains key to the success of OPM's efforts.

View [GAO-15-277T](#). For more information, contact Valerie C. Melvin at (202) 512-6304 or [melvinv@gao.gov](mailto:melvinv@gao.gov).

December 10, 2014

## FEDERAL RETIREMENT PROCESSING

### Applying Information Technology Acquisition Best Practices Could Help OPM Overcome a Long History of Unsuccessful Modernization Efforts

#### What GAO Found

In a series of reviews, GAO found that the Office of Personnel Management's (OPM) efforts over two decades to modernize its processing of federal employee retirement applications were fraught with information technology (IT) management weaknesses. Specifically, in 2005, GAO made recommendations to address weaknesses in project, risk, and organizational change management. In 2008, as OPM was on the verge of deploying an automated retirement processing system, GAO reported deficiencies in, and made recommendations to address, additional weaknesses in system testing, cost estimating, and progress reporting. In 2009, GAO reported that OPM continued to have deficiencies in its cost estimating, progress reporting, and testing practices and made recommendations to address these and other weaknesses in the planning and oversight of the agency's modernization effort. OPM began to address these recommendations; however, in February 2011, it terminated the modernization effort.

OPM's *Strategic Plan for Fiscal Years 2014-2018* includes a goal to deliver retirement benefits to employees accurately, seamlessly, and on time. To achieve this goal, the agency has plans to acquire a new case management system and, ultimately, to transition to a paperless system that will authorize accurate retirement benefits on the day they are due. In addition, the agency plans other initiatives that are intended to incrementally improve retirement claims processing.

GAO has previously reported that its experience at other agencies has demonstrated that successfully overcoming challenges, such as those that have plagued OPM's past efforts, can best be achieved when critical success factors are applied. Nine common factors critical to the success of IT acquisitions are

- Active engagement of senior officials with stakeholders.
- Qualified and experienced program staff.
- Support of senior department and agency executives.
- Involvement of end users and stakeholders in the development of requirements.
- Participation of end users in testing system functionality prior to formal end user acceptance testing.
- Consistency and stability of government and contractor staff.
- Prioritization of requirements by program staff.
- Regular communication maintained between program officials and the prime contractor.
- Sufficient funding.

These critical success factors can serve as a model of best practices that OPM could apply to enhance the likelihood that the incremental IT investments the agency now plans, including the acquisition of a new case management system, will be successfully achieved.