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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

~~4-10-74~~

B-171019

SEP 6 1973

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CI The Honorable William J. Randall  
Chairman, Legal and Monetary Affairs  
Subcommittee  
R Committee on Government Operations H1513  
House of Representatives



Dear Mr. Chairman:

Your April 12, 1973, letter requested that we review the sufficiency and accuracy of the Department of Justice's April 6, 1973, comments on our report entitled "Development of a Nationwide Criminal Data Exchange System--Need to Determine Cost and Improve Reporting" (B-171019, Jan. 16, 1973). The Department prepared its comments in response to a February 1, 1973, request from the Chairman, House Committee on Government Operations. 37

2 Our report commented on the need for the Federal Bureau  
of Investigation (FBI) and the Law Enforcement Assistance 102  
3 Administration (LEAA) to (1) determine the total cost of de-187  
veloping and operating the computerized criminal history  
exchange system so that the participants can decide whether  
they are able, or willing, to meet the system's financial  
requirements and (2) implement a program to insure that ar-  
rest and disposition data entered into the system is complete  
and accurately reflects the offender's record.

The Department's comments contained in our report con-  
tinue to be its official views. These comments and the  
additional comments provided on April 6, are substantially  
accurate, and the actions being taken by the Department  
should provide cost data and should improve arrest and dispo-  
sition reporting. However these actions are not sufficient  
to insure that the total cost of developing and operating the  
system will be determined. Whether the data maintained in  
the system will be complete and accurate will depend, in part,  
on enactment of legislation which would require criminal jus-  
tice agencies in each State to furnish timely disposition  
data. The Department is currently drafting such legislation.

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COMPUTERIZED CRIMINAL HISTORY  
EXCHANGE SYSTEM COSTS

The Department stated that these costs fall into two categories--FBI costs and State costs--and that the costs of each are commingled with other data system costs. FBI costs are part of the cost of operating the National Crime Information Center (NCIC) system; State costs are part of each State's total data system costs.

The computerized criminal history exchange system is an integral part of the NCIC system, which also maintains and provides data on wanted persons and stolen articles. Appropriated funds for fiscal years 1972 and 1973 and requested funds for fiscal year 1974 for operation of NCIC and the system were about \$4 million, \$5.2 million, and \$7.9 million, respectively. The Department stated that "Any separation of computerized criminal history costs from the above figures would necessarily be arbitrary and hence of doubtful value."

We believe that instead of year-to-year appropriation requests being made with no indication of total funds required to implement a fully operational computerized system some estimate of the impact of the system on NCIC operations should be provided to the Congress during these early stages of development. NCIC costs will have nearly doubled in just 2 years--from fiscal year 1972 to fiscal year 1974--and should continue to increase as additional States join the system.<sup>1</sup>

According to an NCIC official, NCIC has not determined the cost to operate a fully operational system, nor is it accumulating any data on estimated State costs. NCIC has not estimated its own future computerized criminal history exchange costs because (1) it does not know how many records will eventually be in the system, (2) it finds it difficult to determine the extent of traffic (data being entered, inquiries being made, etc.) which the system will eventually carry, (3) it cannot predict when States will join the system (this will depend on State capabilities), and (4) it has no cost experience to determine what it will cost to route inquiries from one State to another once NCIC stops maintaining detailed histories on single-State offenders.

We believe NCIC can estimate their personnel, computer equipment, and communication-line needs and determine the related costs. Such estimates could be based on experiences with States already participating in the system and on an

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<sup>1</sup>As of July 1973, six States and the District of Columbia were participating in the system.

estimate of the number of records that will be entered into the system. The FBI prepares Uniform Crime Reports on the basis of arrests reported by law enforcement agencies. These reports should give a good estimate of the number of arrests being reported by each State. Although future modifications to the system may alter its operating costs, we believe estimates can be made using current data and operating experience with allowances for such variables as the dates States will begin entering data and the date NCIC will stop maintaining detailed histories on single-State offenders.

According to the Department, the cost estimates which must be submitted by States participating in LEAA's comprehensive data systems program include provisions for funding the criminal history exchange system. The Department acknowledges, however, that such costs are not being identified separately. The Department also believes that, because each State participates in electing the 20 members of the NCIC Advisory Policy Board (law enforcement officers who make recommendations regarding system operations), each State is represented on the Board and is cognizant of the problems which would affect potential costs. Because LEAA funds are available and information generated by the comprehensive data systems program is useful to the States, the Department concludes that it is unlikely any State will not participate in the comprehensive data systems program, as we suggested in our report.

Although States may be aware of problems which would affect potential costs and although information generated by the comprehensive data systems program is useful, there is no guarantee that all States will participate in the program. Even if they do, the cost data submitted by them to LEAA as part of the program will not be sufficient to determine what the criminal history exchange system will cost because the States are not required to separately identify these costs.

We believe that, until State and local jurisdictions determine what their information needs are and how they plan to meet them, they will not know what their costs will be and consequently will not know whether they will be financially able to participate in the system. Although States receive substantial LEAA block grant funds, each State decides how much of its grant funds to use for a given purpose. There is no assurance, therefore, that LEAA's continued funding will guarantee each State sufficient funds to enable it to participate in the system.

A State must estimate the number of records it will maintain and the number of entries and inquiries it will process before it can estimate its costs for computer equipment, computer programs, personnel, facilities, and communication lines. Similarly, criminal justice agencies which tie into their State systems and which will provide most of the data for the computerized system and make most of the inquiries must determine what it will cost them to process data and to obtain the terminals necessary to provide data to or access data from the system. We believe that these estimates should be made and that these costs should be determined.

LEAA officials agreed that the cost of developing and operating the system should be determined. They said they are attempting to develop a way within the framework of the comprehensive data systems program, to enable States to estimate computerized criminal history costs. LEAA believes it should not coerce States to produce estimates based on a "Federal model" of what their State systems should include. According to LEAA, cost estimates will be less than accurate until States and local jurisdictions determine what their information needs are and how they choose to meet them. Further, LEAA believes that, to be accurate, State estimates should consider the needs of local government subsystems which are being developed to feed data into the system and should reflect any savings from operations which will be modified or eliminated by establishing this system. LEAA is concerned that unrealistic estimates could have an adverse effect on the development of this system and other criminal justice data systems in the States, because overstated estimates could discourage State participation. LEAA was unable to provide us with a target date for completing development of a uniform method of collecting State cost estimates but plans to have a method devised within the next few months.

#### ARREST AND DISPOSITION REPORTING


The Department agreed that disposition information is incomplete. According to the Department, although 23 States have various laws and regulations requiring criminal justice agencies to report disposition data, not all agencies are complying because of staffing or budgeting problems and there are no sanctions for noncompliance. The Department stated, and we agree, that a need for Federal legislation exists requiring criminal justice agencies in each State to furnish timely disposition data.

The Department maintains that the FBI has always processed complete arrest data. According to the Department, the FBI manually maintains arrest data received from law enforcement agencies in States not participating in the system.

When a State is participating in the computerized system, its central State identification unit is responsible for entering into the system all arrest data reported by criminal justice agencies in that State. In our report, however, we noted that not all States require that arrest data be reported to a central State unit. We also cited an LEAA survey which showed that, even in those States that required such reporting, many arrests were not being reported to the central State units, although they may have been reported to the FBI.

After our report was issued, the FBI told us that they forward to the central State unit of each participating State any arrest information that the State's law enforcement agencies report directly to the FBI. The central State unit can then enter this arrest data into the computerized system. If this procedure is followed, the files of those States participating in the system should contain complete arrest data.

Sincerely yours,



Comptroller General  
of the United States