



Highlights of [GAO-06-306](#), a report to congressional requesters

FEDERAL BUREAU OF INVESTIGATION

Weak Controls over Trilogy Project Led to Payment of Questionable Contractor Costs and Missing Assets

Why GAO Did This Study

The Trilogy project—initiated in 2001—is the Federal Bureau of Investigation’s (FBI) largest information technology (IT) upgrade to date. While ultimately successful in providing updated IT infrastructure and systems, Trilogy was not a success with regard to upgrading FBI’s investigative applications. Further, the project was plagued with missed milestones and escalating costs, which eventually totaled nearly \$537 million. In light of these events, Congress asked GAO to determine whether (1) internal controls provided reasonable assurance that improper payment of unallowable contractor costs would not be made or would be detected in the normal course of business, (2) payments to contractors were properly supported as a valid use of government funds, and (3) FBI maintained proper accountability for assets purchased with Trilogy project funds.

What GAO Recommends

GAO makes 27 recommendations to help improve (1) FBI’s and GSA’s controls over their invoice review and approval processes and to address questionable billing issues, and (2) FBI’s accountability for assets. FBI concurred with our recommendations. While GSA accepted our recommendations, it did not believe that 1 of them was needed and expressed concern with some of our findings. GAO reaffirms its position on all of its findings and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-306.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Calbom at (202) 512-9508 or calboml@gao.gov.

What GAO Found

FBI’s review and approval process for Trilogy contractor invoices, which included a review role for the General Services Administration (GSA) as contracting agency, did not provide an adequate basis to verify that goods and services billed were actually received and that the amounts billed were appropriate, leaving FBI highly vulnerable to payments of unallowable costs. This vulnerability is demonstrated by FBI’s payment of about \$10.1 million in questionable contractor costs we identified using data mining, document analysis, and other forensic auditing techniques. These costs included first-class travel and other excessive airfare costs, incorrect charges for overtime hours, potentially overcharged labor rates, and charges for which the contractors could not provide adequate supporting documentation to substantiate the costs purportedly incurred.

FBI also failed to establish controls to maintain accountability over equipment purchased for the Trilogy project. These control lapses resulted in more than 1,200 missing pieces of equipment valued at approximately \$7.6 million that GAO identified as part of its review. In addition, in its own inventory counts, FBI identified 37 pieces of Trilogy equipment valued at approximately \$167,000 that had been lost or stolen. The table below summarizes questionable contractor costs and missing assets that GAO identified.

Questionable Costs and Missing Assets

Issues identified	Amount (in thousands)
First-class travel	\$20.0
Excessive air travel costs	49.8
Excess overtime charges	400.0
Potential overcharging of labor rates	2,100.0
Inadequately supported subcontractor labor costs	1,957.9
Inadequately supported other direct costs	5,508.3
Duplicate payment of subcontractor labor invoice	26.3
Total questionable costs	\$10,062.3
1,205 pieces of missing equipment	\$7,607.1

Source: GAO.

Given the poor control environment and the fact that GAO reviewed only selected FBI payments to Trilogy contractors, other questionable contractor costs may have been paid that have not been identified. If these control weaknesses go uncorrected, future contracts, including those related to Sentinel—FBI’s new electronic information management system initiative—will be highly exposed to improper payments. In addition, the lack of accountability for Trilogy equipment calls into question FBI’s ability to adequately safeguard its existing assets as well as those it may acquire in the future.