

20 April 2012

Representatives Darrell Issa and Elijah Cummings
2347 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Issa and Ranking Member Cummings,

I am writing to commend you for co-sponsoring H.R. 2146, also known as the DATA Act, and for continuing to pursue your vigorous campaign for transparency. I hope you succeed in passing the DATA Act in the House of Representatives; and, once the House version is enacted, I hope the Senate quickly considers and passes the bill, forwarding it to President Obama for his expected signature.

There is little doubt of the importance of this legislation, which promotes accountability and transparency in a drive to reduce fraud and waste in government spending. I'm excited to see the growing consensus between both parties, both houses of Congress and the current Administration in support of legislation that standardizes the reporting of federal spending and makes it available for everyone to see. I believe that when this legislation is enacted, many GSA style waste and spending abuses will be exposed and many others will be prevented entirely.

The brilliance of the DATA Act is its key reporting provision, which requires all recipients to directly report the use of any federal funds they receive. It's noteworthy because an abbreviated version of this requirement was the foundation of ARRA 1512 reporting and has been touted by the Recovery Board as the principal reason that ARRA grant and contract reports were more accurate and complete than any previous reporting models. And, because the DATA Act builds on this experience, many grantees and contractors who reported under the Recovery Act will be comfortable knowing that little has changed. However, to assure its successful implementation, technology firms must first provide assurances that software is available to minimize the impact and reduce the cost of complying with the legislation's requirements.

One such product was developed by my company, Level One Technologies, for the Wyoming Department of Education. This product, known as Parrascope, was custom made to manage ARRA reporting and has been expanded into a web based grants management system that generates a variety of federal reports by seamlessly importing accounting data from awardees' software systems. Parrascope reconfigures the imported data and generates highly accurate federal reports in a matter of minutes each quarter. Since the initial transparency standards of Wyoming exceeded those mandated by ARRA, the Parrascope system is already compliant with the level of reporting detail that will be required by the passage of the DATA Act.

The design strategy we deployed for Parrascope is by no means unique, nor is it expensive, but few states or software vendors made a similar effort because they viewed ARRA as a temporary mandate unworthy of any level of investment. Wyoming took a different approach. They believed that ARRA was the first step toward a more progressive federal transparency policy and they wanted to develop their own custom solution from the outset. Their vision proved correct, and we are proud of the results that Parrascope produced in Wyoming, which exceeded everyone's expectations, including our own.

We began with one objective: produce the most accurate report that requires the least amount of effort for the lowest possible cost. We succeeded across the board. Parrascope reports are highly accurate because they are built with imported data rather than with manual data entry. Importing data, coincidentally, requires very little effort from the awardee, typically just a few mouse clicks each reporting period. And the low cost is achieved by licensing the system to a state, then providing unlimited access to all sub-awardees for free. A custom software solution built for a state would typically cost tens of millions of dollars to produce from scratch, but in our nearly 4 year relationship with Wyoming, we've billed only a small fraction of that amount (average of \$272K/year billed only to the state; free to all other users such as school districts and vendors).

The time savings were far more valuable to both the state and its sub-awardees. The school districts and vendors associated with the Department of Education were able to comply with ARRA reporting requirements in a matter of minutes each quarter. At no time did they hire a single individual or compromise

the primary duties of an existing employee to manage their reporting. This is true of both large and small districts, and would have been true of any sized district from any state that had opted to use our system. The state agency spent a bit more time for their review, usually a few hours over 2-3 days each reporting period. Again, no state employees were hired to perform these duties, and no employee experienced any disruption to their primary responsibilities. Most importantly, the differences between the ARRA and DATA reporting structure, as it's currently envisioned, will actually result in a dramatic decrease in workload for Parrascope users. Reporting would be completed in under 5 minutes each period, at no cost to the vast majority of the awardees.

For a better understanding of Parrascope as a potential DATA Act reporting solution, I've included a link to a short video that explains the system and its capabilities:

<http://www.youtube.com/watch?v=h4br8hxd8Nc>

I strongly believe that the key to passing the DATA Act is to eliminate the fear of those who believe that compliance with the Act will be costly and time consuming. We've already proven that it's not, and the passage of this permanent legislation will cause many other vendors to mimic our model further improving efficiency and driving down cost. To assist you in this endeavor, my staff and I will be happy to expand on our experience in developing and implementing the Parrascope system as a federal funds reporting solution for the State of Wyoming. Please let me know if I can be of service to you or the other members of the Committee.

Sincerely,



Thomas Whaley, President
Level One Technologies, Inc.

cc: All Members of the House Committee on Oversight and Government Reform