

**STATEMENT OF LAWRENCE GROSS
DEPUTY CHIEF INFORMATION OFFICER
U.S. DEPARTMENT OF THE INTERIOR**

BEFORE THE

**HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENTAL REFORM
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND PROCUREMENT REFORM
JULY 14, 2011**

Mr. Chairman, Ranking Member Connolly, and members of the Subcommittee, thank you for the opportunity to testify today before the Subcommittee on the Department of the Interior's efforts to improve transparency through technology improvements and financial data standardization.

The Department of the Interior (Department) recognizes the benefits of transparency to the agency mission and the public and is taking active steps to improve its IT services and underlying business processes to increase efficiency and improve the quality of data it reports and provides to the public. Transparency into agency operations and data standardization increases program efficiency and delivery of services and promotes trust with the public.

The IT Dashboard, one of the Open Government initiatives, has resulted in changes in how the Department reports and manages Capital Information Technology Investments. Specifically, the Department has revamped its Capital Investment governance process to increase visibility, and to provide for early intervention and program termination for investments that fail to deliver targeted results.

The Department welcomes the Administration's and this Subcommittee's continued efforts to promote Open Government and transparency into government operations to increase accountability and program effectiveness.

Initial Steps to Standardize and Promote Efficiency - FBMS

Currently about 40 percent of the Department's bureaus and offices are using the Financial and Business Management System (FBMS), which includes the following functionality: core financial; acquisition; personal property; real property; fleet management; travel; financial assistance; enterprise management information; and reporting. This system standardizes business processes and expands functionality for many of the Department's operating bureaus and offices. It also improves effectiveness and efficiency, information technology, internal controls, and management reporting using a consistent platform and standardized information. The following Departmental entities are currently deployed to FBMS include;

- The Bureau of Land Management
- The Bureau of Ocean Energy Management, Regulation and Enforcement
- The Office of Surface Mining, and
- The U.S. Geological Survey.

The rest of the Department is in the process of retiring multiple legacy financial property, acquisition, and other systems and converting to FBMS. The next deployment will occur in November 2011 for the Fish and Wildlife Service and for the Office of the Secretary and its multiple organizations, including the Office of the Special Trustee, the Office of Inspector General and the Office of the Solicitor. Deployment for the National Park Service and the Bureau of Indian Affairs is scheduled for November 2012 and the deployment for the Bureau of Reclamation is planned to take place the following year.

FBMS supports all aspects of federal accounting and with its deployment will position the Department to improve reporting, normalize data elements and seamlessly exchange data with Open Government solutions such as Data.gov, IT Dashboard, Recovery.Gov and other Administration-wide initiatives

Secretarial Order # 3309 – Transforming the DOI IT Service Delivery Model to Improve Program Efficiency and Effectiveness

Mr. Chairman, on December 14, 2011, Secretary Salazar signed Department of the Interior, Secretarial Order 3309. Secretarial Order 3309 resulted in broad leadership changes in IT leadership within the Department and called for a multi-year plan to modernize the Department's IT systems by providing 21st century technology to the employees, improving mission effectiveness, and reducing infrastructure. The Secretarial Order was issued to modernize the Department's Information Technology program. The infusion of 21st century technology will improve mission effectiveness, and reduce duplication to better serve the public.

Secretarial Order 3309 sets the Department on a four-year trajectory to reduce significantly the Department's IT infrastructure and transform the Department into a cost effective, modern IT services delivery organization capable of delivering common IT services on an enterprise-wide level. The Department's current fragmented IT service delivery model makes it difficult to establish the common data architectures necessary to promote transparency and facilitate seamless system to system information exchange. Adoption and delivery of common enterprise-wide solutions centrally should facilitate the Department's ability to implement data standardization and share information seamlessly across the Department and with the public.

On June 31, 2011, the Chief Information Officer delivered to Secretary Salazar a four-year IT Transformation Strategic Plan. The strategic plan is a high-level roadmap to transform the Interior's IT operations for the 21st century, using advances in technology to provide better service for less. The plan identifies an initial set of high priority IT services as part of the transformation process, including a single email system for the department, telecommunications, account management, hosting services, workplace computing services, risk management, and an enterprise service desk (help desk).

The Department estimates that the initiative will produce \$100 million in annual savings from 2016 to 2020, for a cumulative total of \$500 million. Major cost-savings are expected from:

- a 45 percent reduction in the number of data centers;
- a single email system that will cut email system costs by half while improving its overall effectiveness;
- a Cloud-based electronic forms system; and
- Cloud-based electronic records, documents and content management solutions.

The transformation will be self-funded, in part by capturing savings that are realized through IT efficiencies and reinvesting those funds into subsequent phases of transformation.

This plan builds upon President Obama's Executive Order directing the Administration to leverage technology to strengthen and streamline service and make government work better for the American people. In June, the President and Vice President launched the Campaign to Cut Waste, an Administration-wide initiative to root out waste and identify efficiencies across all agencies in the Federal government.

The Department will form bureau-led teams to help design the way IT services will be delivered and managed. Professionals from within the Department will be involved at every level in order to ensure that the IT Transformation introduces services that meet the needs of customers and can be implemented with minimal disruption on mission-related programs.

This strategic plan fully supports the Open Government and transparency initiatives by normalizing enterprise-wide systems, standardizing data elements resulting in improved reporting, and improving information quality.

Governance – Capital IT Investment Review “IStat”

Corporate governance of IT across the Department enterprise historically was managed using a federated model. This model produced mixed results. Investments were reviewed with an emphasis on cost, schedule and performance. Very few investments with poor results were terminated for failure to deliver targeted results.

The introduction of USASpending.gov highlighted programs that were over budget, or failing to meet their targets. Troubled investments were singled out to develop mitigation strategies that focused on delivery of frequent incremental capability. Programs unable to deliver frequent incremental capability outlined in its mitigation strategy faced termination. Deemphasizing long term plans for capability delivery to a shorter window for the delivery of capability allowed for frequent windows of opportunity to intervene and terminate the investment earlier in its lifecycle, if needed. As a result of the Open Government initiative USASpending.gov, the Department has noticed a marked improvement in the accuracy and quality of information relative to the Department's IT spending.

USASpending.gov, in conjunction with OMB's Investment Review process (Techstat) placed a renewed focus on the Department's IT investment review governance process. Techstat emphasized early intervention and incremental delivery of results, while the dashboard provided a venue for high level visibility into agency IT investment portfolios.

Recognizing the need to strengthen corporate IT governance, the Department was an early adopter of the Techstat Investment review process. The Department launched a new IT Governance process called "IStat" modeled after the OMB, Techstat investment review process. IStat following the OMB model, and introduced rigor into the investment review process.

The Department's IStat process has several successes, including the termination of an investment and the turn-around of a troubled investment that was behind schedule and at risk of failing to meet targeted goals. These early successes resulted in savings for the American taxpayer and allowed for the redirection of funding to other critical investments within the Department's IT portfolio.

The Department continues to improve the IStat Investment review and governance process. It is envisioned that over time, the process will be used to evaluate “all” investments in the portfolio, not just “troubled” investments.

Conclusion

Mr. Chairman, the Department, through its modernization efforts, its revised governance framework resulting from the OMB Techstat, and continued enterprise-wide deployment of FBMS, is positioned to facilitate transparency now and in the future. The improvements will benefit the Department’s operations and reporting ability through standardization of data elements. The Department and the public have benefited from the Open Government initiatives. As a result we welcome the continued efforts of this Subcommittee to drive transparency and promote open government.

I am prepared to address any questions you or members of the Subcommittee may have.

Deputy CIO

Lawrence Gross
Deputy Chief Information Officer
U.S. Department of the Interior



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On June 28, 2010, Mr. Lawrence Gross a career senior service executive who has served in a variety of leadership positions across both the Civilian and DOD sectors of the Federal Government was selected as the Department of the Interior, Deputy Chief Information Officer. Prior to his appointment, Mr. Gross served as the Associate Chief Information Officer, Electronic Government at the U.S. Department of Treasury from April 2005 – June 2010. The Department of Treasury, is an organization with over 100,000 employees, twelve Bureaus the Departmental Office, and a \$2.3 billion dollar IT investment portfolio. In his role as Associate Chief Information Officer, he was responsible for providing the strategic direction of the Departments' Enterprise Architecture and Enterprise Solutions, EGovernment Programs as well as, formulation and implementation of an integrated investment review governance framework to effectively influence the strategic direction of the Department's 2.3 billion dollar IT investment portfolio.

Mr. Gross brings to the Department a wide variety of experiences having served in a variety of executive leadership positions such as Program Director, for the Government-wide Financial Management Line of Business initiative, where he was responsible for the planning, development and subsequent execution of the government wide strategic plan for future deployment of Financial Management Systems across the Federal Government. Mr. Gross is the recipient of a number of government and civilian awards to include the Federal 100 award.

Mr. Gross is a prior law enforcement officer, and is retired from the United States Navy after a twenty year distinguished career in Information Technology, Telecommunications, and Command Control, Communications and Intelligence (C4I). Mr. Gross is a graduate of the Federal Law Enforcement, Training Center and the University of Maryland, University College, where he received his Bachelor of Science Degree in Information Systems Management.

Mr. Gross resides with his wife and children in Maryland.