



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-256310

February 8, 1994

Mr. John F. Wallace
Director of Resources Management
U.S. Army Corps of Engineers

Dear Mr. Wallace:

This letter responds to your November 29, 1993, request that we extend our sanction of the operation of your Electronic Signature Prototype System being developed by the Corps of Engineers for use in its new financial management system. On January 5, 1993,¹ we sanctioned the use of a prototype system for electronic signatures and message authentication at two divisions for a year beginning in February 1993. We understand that you need an additional year to complete system testing and evaluation since the originally scheduled implementation date was delayed by about 1 year.

As noted in our original letter, we believe that the stated internal controls, if properly implemented, are adequate for this prototype system and that the electronic signatures generated by this system provide at least the same quality of evidence as the handwritten signatures they are designed to replace. However, as this is a prototype system, we recognize that certain key controls required for your production system cannot be implemented at this time. We have discussed with your staff some of the control improvements that we believe are needed before the prototype system is converted into a production system. We were assured that such controls would be properly implemented and that additional control improvements would be incorporated as experience is gained.

We therefore extend our sanction on the prototype's operation at the two divisions for an additional 1-year period ending in February 1995. However, this letter is to sanction your prototype electronic signature system and does not constitute GAO approval of your financial management system, as defined by 31 U.S.C. 3512(e)(2).

We understand that because of procurement delays you will initially use "off-the-shelf" cryptographic modules which do not meet all the stated requirements for locations within these two divisions. We further understand that you plan to replace the "off-the-shelf" modules installed at the first two divisions with modules meeting the stated requirements and

¹Electronic Signature Prototype System (GAO/AFMD-93-44R, January 5, 1993).

that installation of the electronic signature system at the other divisions will await procurement of the proper modules. In addition, we have been told that a review of the electronic signature system's controls will be performed by the National Institute of Standards and Technology (NIST) during this testing period. We fully expect that additional improvements will be made based on the test results and the review conducted by NIST.

We recognize the challenges your agency has experienced in attempting to develop a system that will not only meet your needs but those of other federal agencies as well. We look forward to working with your agency on this and other efforts in the future. Should you have any questions, please contact Chris Martin of my staff at (202) 512-9481.

Sincerely yours,

A handwritten signature in black ink, reading "Gene L. Dodaro". The signature is fluid and cursive, with the first name "Gene" and last name "Dodaro" clearly legible.

Gene L. Dodaro
Assistant Comptroller General

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