



OPERATIONAL TEST
AND EVALUATION

OFFICE OF THE SECRETARY OF DEFENSE
1700 DEFENSE PENTAGON
WASHINGTON, DC 20301-1700

AUG 12 2015

The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
United States House of Representatives
Washington, DC 20515-6035

Dear Mr. Chairman:

(U) I have enclosed my IOT&E report for the DEAMS Inc 1 Rel 3, required by Section 2399, Title 10, United States Code. DEAMS is a Major Automated Information System which provides accounting and management services for the Air Force, U.S. Transportation Command, and the Defense Finance and Accounting Service (DFAS). In the report, I conclude the following:

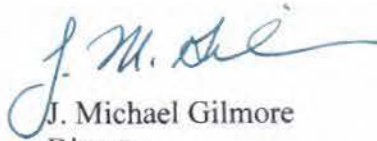
- (U) DEAMS Inc 1 is not operationally effective. DEAMS Inc 1 did not effectively perform several critical accounting and management functions including: providing a reliably correct balance of available funds, closing end-of-year accounts within the timeframe prescribed by the Air Force, meeting the 95 percent thresholds for balancing end-of-quarter and end-of-month accounts, and recording transactions in a timely manner. At one point during the test, over 3,000 travel transactions and 9,400 fuel bills were past the 24-hour timeliness threshold and had not been recorded in DEAMS Inc 1. A backlog of transactions resulted in an increase in late penalty payments. As in previous operational assessments, the reporting capability in DEAMS was often not timely, accurate or complete, and was difficult to use. Enhancements to DEAMS intended to correct reporting defects, including the Oracle Business Intelligence Enterprise Edition (OBIEE), were not fielded in time for the IOT&E.
- (U) DEAMS Inc 1 is not operationally suitable. DEAMS Inc 1 did not meet Net-Ready KPP requirements for the exchange of critical information, and exhibited problems with software reliability growth as measured by the increase in the amount of deficiencies during IOT&E including many high severity deficiencies (Severity-2) that have remained unresolved for 240 days or longer. DEAMS training, while demonstrating gradual improvement since the last operational assessment, did not prepare users to effectively employ DEAMS and many new users had little knowledge of DEAMS.
- (U) DEAMS Inc 1 is not survivable. Adversarial cybersecurity testing showed that the system did not protect its information or detect cybersecurity threats. In February 2014, the Air Force's 177th Aggressor Squadron conducted a cyber-economic vulnerability assessment of DEAMS Inc 1 that revealed serious cyber



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vulnerabilities. I made several recommendations for mitigating these vulnerabilities in a classified test report dated June 2014. However, during the IOT&E, the 177th again found serious cyber vulnerabilities similar to those found in 2014. Further cybersecurity results and recommendations are contained in the classified cybersecurity annex to this report.

(U) Section 2399 provides that the Secretary of Defense may submit separate comments on my report, if he so desires. I have sent copies to him; the Under Secretary of Defense for Acquisition, Technology and Logistics; the Secretary of the Air Force; the Vice Chairman of the Joint Chiefs of Staff; and the Chairmen and Ranking Members of the Congressional defense committees.


J. Michael Gilmore
Director

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member



OPERATIONAL TEST
AND EVALUATION

OFFICE OF THE SECRETARY OF DEFENSE
1700 DEFENSE PENTAGON
WASHINGTON, DC 20301-1700

AUG 12 2015

The Honorable Rodney P. Frelinghuysen
Chairman, Subcommittee on Defense
Committee on Appropriations
United States House of Representatives
Washington, DC 20515-6015

Dear Mr. Chairman:

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J. Michael Gilmore
Director

Enclosure:
As stated

cc:
The Honorable Peter J. Visclosky
Ranking Member



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1700 DEFENSE PENTAGON
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AUG 12 2015

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr. Chairman:

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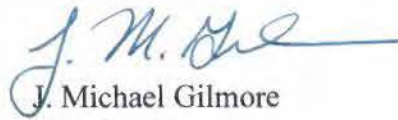
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J. Michael Gilmore
Director

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member



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1700 DEFENSE PENTAGON
WASHINGTON, DC 20301-1700

AUG 12 2015

The Honorable Thad Cochran
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510-6025

Dear Mr. Chairman:

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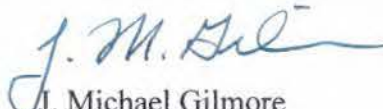
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J. Michael Gilmore
Director

Enclosure:
As stated

cc:
The Honorable Richard J. Durbin
Vice Chairman