

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



# Veterans Health Administration

*Review of  
Alleged Misuse of  
Resources by the  
Strategic Investment  
Management, Business  
Architecture Division*

June 29, 2017  
15-02586-419

# ACRONYMS

EPM	Enterprise Portfolio Management
NIST	National Institute of Standards and Technology
OIG	Office of Inspector General
OI&T	Office of Information and Technology
OSI	Office of Strategic Integration
PPBE	Planning, Programming, Budgeting, and Execution
RFI	Request for Information
SaaS	Software as a Service
TAC	Technology Acquisition Center
TTSI	Technology Tools and Solution Identification
VA	Department of Veterans Affairs
VASI	VA Systems Inventory
VHA	Veterans Health Administration

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# Highlights: Review of Alleged Misuse of Resources by VHA's Strategic Investment Management, Business Architecture Division

## Why We Did This Review

In February 2015, the Office of Inspector General received an anonymous Hotline complaint stating that the Veterans Health Administration's (VHA) Strategic Investment Management, Business Architecture Division, misused Government funds when it purchased Trous Technologies' Architect software. The complainant also stated that VA had project management and architecture tools available; and therefore the purchase of this software was a duplication of existing software functionality. The OIG conducted this review to determine the merits of the allegations.

## What We Found

We did not substantiate the allegation that VHA acquired Trous Technologies' Architect software. However, VHA procured other Trous Enterprise Portfolio Management (EPM) tools, including Trous Navigate for a report-creation capability and Trous Insight as a business analysis engine.

We did not substantiate the allegation that the purchase of other Trous services was a duplication of existing VA project management and architecture software functionality. At the time of the allegation, VHA was developing EPM capabilities through a contract with Trous Technologies, Inc. Before awarding the contract to Trous Technologies, Inc., VHA conducted a review of business activities and identified functionality gaps for portfolio management.

VHA's "Alternatives Analysis Review," provided several possible vendor solutions to address the gaps, one of which was Trous

EPM software. The analysis identified weaknesses within VA existing systems inventory and noted that the current toolset could not provide portfolio management functionality without extensive modification. We conducted a review of VA's system inventory and found no EPM capability that met VHA's requirements.

## What We Recommended

We did not substantiate the allegations. Accordingly, we have no recommendations for improvement.

## Management Comments

Management concurred with our report and did not provide any comments.

Handwritten signature of Larry M. Reinkemeyer in blue ink.

**LARRY REINKEMEYER**  
Assistant Inspector General  
for Audits and Evaluations

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## INTRODUCTION

### **Objective**

In February 2015, the Office of Inspector General received an anonymous Hotline complaint stating that the Veterans Health Administration's (VHA) Strategic Investment Management, Business Architecture Division, misused Government funds when it purchased Trous Technologies' Architect software. Trous Technologies, Inc., offered a suite of distinct Enterprise Portfolio Management (EPM) tools that support visual modeling, data analytics, and reporting functionality for Information Technology (IT). The complainant also stated that VA had IT project management and architecture tools available; and therefore the purchase of this software was a duplication of existing software functionality. The OIG conducted this review to determine the merits of the allegations.

### **Background**

VHA's Strategic Investment Management focuses on supporting a business's health IT needs by providing information to facilitate making informed leadership decisions. The program office's mission is to facilitate sound decision-making for the development, acquisition, and maintenance of health-focused IT investments by providing leadership with a comprehensive understanding of needed VHA business capabilities.

In September 2014, VHA's Office of Strategic Integration, in partnership with Strategic Investment Management, acquired Trous software as a service platform to assist with executing VHA's strategic and tactical health care plans. In addition, VHA made this acquisition to align elements in support of VA's mandate to implement proper Planning, Programming, Budget, and Execution (PPBE).<sup>1</sup> VHA supported the acquisition based on review work completed in April 2010 under the "*Technology Tools and Solution Identification*" contract, in which the contractor analyzed and documented VHA-wide business activities, identified respective user requirements, and documented tools currently in use or otherwise needed by VHA to meet those requirements.

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<sup>1</sup> PPBE is the Department's requirements-based, integrated, multi-year resource allocation process. It provides an integrated, structured, and data-driven approach for the Department to assess its needs and allocate resources. The resulting process would produce a budget that delivers high-quality and timely benefits and services to veterans. The Department's PPBE process is a modified version of the Department of Defense PPBE Model to ensure relevancy to the VA's business lines and services mission. (VA Office of Policy and Planning, VA Programming Guidance: FY 2016-2020 PPBE Cycle)

## RESULTS AND RECOMMENDATIONS

### **Finding**      **VHA Did Not Purchase Duplicate Software Functionality**

We did not substantiate the allegation that VHA's Strategic Investment Management, Business Architecture Division, misused Government funds to procure Trous Technologies' Inc. Architect software. We also did not substantiate the allegation that the purchase of the Trous EPM solution was a software duplication of existing VA project management and architecture tools.

#### **What We Found**

We determined that VHA did not purchase Trous Architect software but did award a service contract to Trous Technologies, Inc., for other Trous products. We also determined that the purchase of the Trous EPM Software as a Service (SaaS) was not a duplication of existing functionality.

Before awarding the service contract, VHA documented user requirements, existing tools, and unmet requirements within the Technology Tools and Solution Identification (TTSI) review. The review focused on a number of VHA-wide business activities and noted functionality gaps, which include these business activities: business reference architecture, health information strategic plan traceability, and portfolio knowledge management.

The review also stated that VHA was unable to perform IT portfolio management, which is critical in supporting the IT budget process and establishing an IT capital planning process. To address these unmet requirements, the review identified Trous's EPM software as a potential high-compliance solution set.

VHA's Office of Strategic Integration (OSI) also stated that VHA lacked the ability to cross-reference and track critical operational requirements, preventing the organization from being fully aware of its business investments. Furthermore, VA did not possess appropriate tools to perform the daily functions of VHA strategic or tactical planning. The OSI was seeking a SaaS<sup>2</sup> solution for VHA-wide coordination of business capabilities, requirements, projects, and to assist with aligning information technology and human resources functions that support VHA's strategic and tactical health care plans.

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<sup>2</sup> The National Institute of Standards and Technology (NIST) defines Software as a Service (SaaS) as the capability provided to the consumer to use the provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through either a thin client interface, such as a web browser (e.g., web-based email), or a program interface. (NIST Special Publication 800-145, The NIST Definition of Cloud Computing, Sept. 2011)

We found that VHA's OSI acquired Troux EPM functionality, specifically Navigate and Insight, to provide an advanced report-creation capability and an interactive business-analysis engine as part of a SaaS solution. The base year of the service contract was \$570,897; with additional services available for three option years. Other contract options included vendor-specific training and professional collaboration services. The modified base-contract cost for fiscal year 2015 was \$696,397.

We reviewed prior analysis conducted by various VA program offices. Specifically, we reviewed VHA's Enterprise Systems Management Technology Tools and Solution Identification: Task 7, "*User Survey Results*" and Task 9, "*Alternative Analysis Review*." The TTSI review included user-survey responses and market research conducted for VHA, and provided a set of potential solutions to address the gaps, one of which was Troux EPM software. The analysis identified weaknesses within VA's existing systems inventory and noted that the current toolset could not provide portfolio management functionality without extensive process and configuration customizations.

We reviewed the Acquisition Plan approved by the VA Office of Acquisition Operations, Technology Acquisition Center (TAC), in August 2014. The plan stated that the awarded contractor would provide comprehensive business intelligence and EPM capability, which would "result in consistent, coherent, integrated, interoperable, adaptable, and actionable business intelligence for senior leadership."

We also reviewed the Summary of Market Research, which stated that the TAC issued a Request for Information (RFI) to more than 800 contractors on the General Services Administration-Federal Supply Schedule 70<sup>3</sup>. The RFI asked all interested vendors to respond if they have the capability and capacity to provide subscription-based software as a service to support business intelligence and integration activities. Finally, we reviewed VA's *Financial Policies and Procedures, Accounting for Internal Use Software*, which dictates policy for purchases of SaaS contracts and states that VA may purchase such service contracts through an appropriate licensing arrangement.

## **Conclusion**

Based on our review of contract documentation, VHA's technology review and business requirements, VA's system inventory, and interviews with applicable personnel, we concluded that VHA did not procure Troux Architect software. Instead, we found that VHA did procure a SaaS contract from Troux Technologies, Inc., for a different program, containing data

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<sup>3</sup> General Services Administration-Federal Supply IT Schedule 70 provides federal, state, and local customer agencies with the tools and expertise needed to shorten procurement cycles, ensure compliance, and obtain the best value for innovative technology products, services, and solutions. See: <https://www.gsa.gov/portal/content/188085>

analytics and reporting capabilities. However, we found no IT portfolio management capability that met VHA requirements and concluded that the acquisition was not a duplication of existing project management, architecture software, or portfolio management functionality.

## Appendix A Scope and Methodology

### Scope

We conducted our review work from May 2015 through April 2017. We focused our review on the allegation received in February 2015 concerning the misuse of Government funds by the Veterans Health Administration's Strategic Investment Management, Business Architecture Division, when it purchased Troux Technologies, Inc., EPM software as a service.

### Methodology

To evaluate the merits of the allegation, we conducted interviews with key personnel involved with the program management and acquisition of the VHA Enterprise Business Portfolio and Business Intelligence capability. We also reviewed relevant VA and Federal policies, relevant contract information, VHA business processes, and existing systems in the VA inventory.

In addition, we reviewed product description documents and market research documentation to determine the salient requirements of the EPM solution. We reviewed the Office of Information and Technology's (OI&T) VA Systems Inventory (VASI) as of March 14, 2017 to conduct a search for IT portfolio management capabilities. As defined by VA Directive 6404, VASI is the authoritative inventory of VA business-oriented systems. The data input into VASI are derived from the following authoritative sources: the VA Office of Information Security's Governance, Risk, and Compliance reporting tool, RiskVision; OI&T's Technical Reference Model, the Veteran-focused Integration Process, and OI&T's Configuration Management Database.

### Data Reliability

While performing this review, we used computer-processed data to support our conclusion. To assess the data reliability of VASI, we obtained system information from technical support personnel on data reliability procedures, reviewed system documentation, and performed electronic testing of the database to identify obvious errors in accuracy and completeness. While we could not establish the completeness of the information as reported in VASI because we did not obtain access to all the data sources used to populate it, we did attain access to RiskVision.

We used RiskVision to perform a comparative analysis of data contained in VASI to determine the reliability of system security information. We performed an analysis of 30 active systems and were able to validate that the VASI database contained sufficiently reliable data. Based on our RiskVision analysis and on our assessment of OI&T's VASI data validation processes, we gained reasonable assurance that the data obtained in this review adequately support our conclusion.

### Government Standards

We complied with the Council of Inspector General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* to the extent possible.

## Appendix B Management Comments

### Department of Veterans Affairs Memorandum

Date: May 24, 2017

From: Acting Under Secretary for Health (10)

Subj: OIG Draft Report., Review of Alleged Misuse of Resources by the Strategic Investment Management – Business Architecture Division (VAIQ 7799467)

To: Assistant Inspector General for Audits and Evaluations (52)

1. Thank you for the opportunity to review and comment on the Office Inspector General draft report, Review of Alleged Misuse of Resources by the Strategic Investment Management – Business Architecture Division. I concur with the draft report and have no further comments.
2. The referenced draft report has no recommendations to the Veterans Health Administration (VHA). VHA appreciates that OIG conducted this review to determine the merits of the allegations.
3. If you have any questions, please email Karen Rasmussen, M.D., Director, Management Review Service at VHA10E1DMRSAction@va.gov.

*(original signed by:)*

POONAM ALAIGH, M.D.

*For accessibility, the format of the document presented in this appendix was modified to fit in this document.*

## Appendix C **OIG Contact and Acknowledgments**

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Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Michael Bowman, Director Wade Greenwell Richard Wright Felita Traynham

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