

United States Senate

WASHINGTON, DC 20510

March 17, 2010

Via Electronic Transmission

The Honorable Robert S. Mueller, III
Director
Federal Bureau of Investigation
935 Pennsylvania Avenue, N.W.
Washington, D.C. 20535

Dear Director Mueller:

On March 5, 2010, our staff was advised by personnel from the Federal Bureau of Investigation (FBI), that there has been a significant event related to the development of the FBI's new Case Management System known as Sentinel. Specifically, the FBI stated that the vendor, Lockheed Martin Services, Incorporated (herein "Lockheed") was asked by the FBI to cease work on Phase 3 of the Sentinel project because it was becoming clear that Lockheed would not meet the timeline for completing Phase 3. This is a serious development that threatens the successful deployment of Sentinel and raises serious concerns about the FBI's ability to finish this information technology project on time and on budget.

We remain very concerned about the ability of the FBI to complete the Sentinel project on time and on budget. We have not forgotten the FBI's previous attempt at creating an automated case management system, the failed Virtual Case File system, which cost federal taxpayers over \$100 million and ultimately finished with no workable system. Given the current financial condition of the U.S. Government and the increasing federal deficits, it is imperative that the FBI remain committed to finishing Sentinel on time and on budget.

Accordingly, we request that you provide the answers to the following questions and produce all documents and information requested.

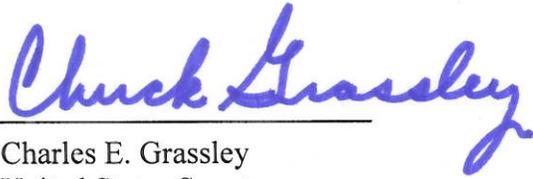
1. Provide a copy of any and all communications between the FBI and Lockheed related to the suspension of work on Phase 3 of the Sentinel project.
2. Provide a detailed list of expenditures by the FBI on Phase 3 from the date Phase 3 began until the FBI notified Lockheed it was suspending work on Phase 3.
3. Provide a detailed analysis of the impact the suspension of Lockheed's work on Phase 3 will have on the overall timeline of the Sentinel project, including an updated, detailed timeline for the completion of Phase 3.
4. It is our understanding that Lockheed employees and contractors that were working on Phase 3 at the time of the suspension may be reassigned to help finish the ongoing work to finish the yet uncompleted Phase 2 of Sentinel. If so, please provide an analysis of

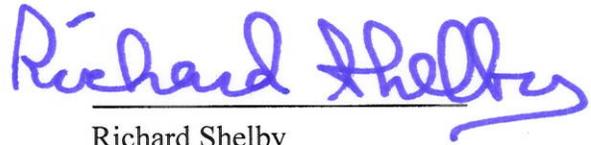
how this re-tasking of employees will impact the cost and timeliness of the completion of Phase 2.

5. Provide a detailed analysis and updated timeline when the FBI and Lockheed anticipate the completion of Phase 2, Phase 3, and Phase 4.
6. Provide an updated, detailed cost analysis of the cost of completing Phase 2, Phase 3, and Phase 4 of the Sentinel program, highlighting any variances to the previously stated anticipated cost of \$425 million.
7. Provide any and all communications provided to the DOJ/OIG regarding the suspension of Lockheed's work on Phase 3 of the Sentinel project.
8. A cursory review of the 160 contract modifications to date indicates a \$48 million cost overrun for the program, which is \$30 million more than the OIG reported in August 2009. Provide the explanation for the difference between the cost overruns and justification for why they are more than the OIG reported.
9. The Sentinel reports published between March 2009 and July 2009 indicate the program is "favorable for cost." However, in August 2009, the FBI increased the cost of Phase 2 from \$137 million to \$155 million. This is a cost increase of \$18 million that the FBI's Earned Value Management System (EVMS) did not predict. Explain why the EVMS did not predict such a sizeable cost increase well in advance of any re-planning activity. Provide a list of all activities taken to date to correct this critical error in the EVMS.
10. The justification for contract modification 27 indicates the modification "allows the program to purchase \$4.7m worth of software licenses and hardware components necessary to complete P4." Why were these essential items missing from the bill of materials necessary to complete the work?
11. In contract modification 32, the project management office is to, "formally update requirements baseline based upon PMO and LM agreements of changes to scope of P4." Explain the specifics of the costs of the scope change and when the taxpayers' can expect to get the updated modifications associated with this phase.
12. The justification noted in contract modification 23 and is applicable to the \$5.9 million total of modifications 20, 22, and 23, indicates that during detailed planning it was determined there was a need for a "richer" skill set mix. Explain the root cause of each of the modifications noted above and the increased cost to the taxpayer for a richer skill set.

Given the past problems with the development of an automated case management system at the FBI, it is imperative that you provide this information immediately. As Congress works to enact a Budget for Fiscal Year 2011 and the corresponding Appropriations this information is necessary to study the financial impact Sentinel will continue to have on the FBI's budget. We appreciate a prompt response and the requested documents no later than March 31, 2010.

Sincerely,


Charles E. Grassley
United States Senator


Richard Shelby
United States Senator

Cc: The Honorable Glenn A. Fine
Inspector General