Background

The Bureau of Industry and Security (BIS) has responsibility over U.S. export control in order to protect national security, ensure international treaty compliance, and promote U.S. technical leadership. To fulfill this export role, it grants licenses and enforces restrictions for controlled U.S. goods (e.g., chemicals, computers, sensors). BIS works in partnership with the Departments of State and Defense, as well as other federal agencies that share similar missions and interests, to grant export licenses for dual-use items.

Since 2010, BIS has been working to transition its electronic processing of export license applications to the Department of Defense interagency export licensing system, U.S. Exports System (USXPORTS). As part of the President's August 2009 Export Control Reform (ECR) Initiative, BIS and the Department of State were directed by the National Security Council's Interagency Policy Committee to transition licensing processing to USXPORTS.

Why We Did This Review

We began this audit with two objectives: to determine whether BIS was (1) effectively and efficiently managing its transition toward using USXPORTS to perform export licensing processing and (2) using effective and efficient software development practices for the Commerce USXPORTS Exporter Support System (CUESS). However, during our fieldwork, we decided to forgo analysis on the second objective, as CUESS is currently in production with no plan for major development work on the system.

BUREAU OF INDUSTRY AND SECURITY

Full Transition to the Nation's Single Export Licensing System Is Uncertain

OIG-16-037-A

WHAT WE FOUND

After more than 5 years and nearly $2.6 million spent on the effort, BIS export functions have not been fully transitioned to USXPORTS. As the transition did not occur as planned, BIS is now using CUESS to process export licenses. Even with the Interagency Referral Sub-System implemented—which enables other agencies to use USXPORTS to review the license applications and data BIS processes in the CUESS Licensing Officer Access, or LOA, module—BIS is still using its own system to process licenses. Therefore, the ECR goal of a single IT system for licensing still has not yet been achieved.

We found the following:

Ineffective coordination and collaboration between BIS and DTSA led to project delays. Major challenges that led to delays resulted from overall ineffective coordination and collaboration between BIS and DTSA—specifically, (a) disagreements over data formats for synchronizing systems, (b) inadequate control over change requests, (c) inadequate allocation of resources, (d) inconsistent feedback during development, and (e) insufficient coordination during testing.

BIS' unresolved issues with USXPORTS and continued use of CUESS for license processing leave USXPORTS' transition uncertain. BIS identified numerous issues with USXPORTS during end-to-end testing and concluded that USXPORTS was unable to support its internal operational needs—but BIS and DTSA did not sufficiently resolve these issues. BIS implemented its own license processing capabilities (i.e., the LOA module) within CUESS as a backup to USXPORTS. However, as CUESS is a separate system from USXPORTS, the inefficiencies identified by the ECR task force of having separate systems remain.

WHAT WE RECOMMEND

We recommend that the Undersecretary for Industry and Security ensure that

1. BIS establishes an Integrated Project Team for future systems development projects with other agencies (including DTSA), incorporating shared accountability.

2. BIS conduct a cost/benefit analysis on using the LOA module with the Interagency Referral Sub-System versus fully transitioning to USXPORTS.