

From: Larry Fisher <lffisher@mindspring.com> [\[Add to Address Book\]](#) [Flag Message](#) | [Mark Unread](#)
[\[This is spam\]](#)

To: gray.lyons@epa.gov
Cc: millerb@gao.gov, mary.mitchell@gsa.gov, comesw@fasab.gov, barrett.douglas@epa.gov
Subject: EPA's future financial software purchase *(CGI Federal)*
Date: Apr 25, 2006 3:16 PM

Dear Mr. Gray,

EPA, as you know, is considering the procurement of another off-the-shelf financial accounting) software package within the next two years. The first software package that we purchased from American Management Systems (AMS) in 1989 still cannot generate the government's summary level financial statements. The following paragraphs provide background information and detail what I consider to be the same fundamental Central Agencies' flaws that required the manual preparation of all agency summary level financial statements since 1987. Another concern is our government accountant non-accountants) routine violation of Generally Accepted Accounting Principles (GAAP) in designing all agency-unique accounting processes. As a taxpayer and federal accountant, I am suggesting that all agencies (including EPA) delay procurement of new off-the-shelf financial software until both the Central Agencies and individual agency processes have been examined by government accountants.

Like corporations, partnerships, and individual proprietorships, the government's accounting (and budgeting) financial software is very complex. Private sector software is designed in accordance with the American Institute of Certified Public Accountants (AICPA) standard and based upon GAAP. Private sector businesses pay very good salaries to their accountants and computer science people for testing its software in two specific areas: 1) ease of entering transactions - collections, payments, receivables, liabilities, assets, etc, and 2) ability to generate AICPA quality summary level financial statements (i.e. Balance Sheet, Income Statements, Statement of Retained Earnings) and detail level cost reports (by organization, office). Once the software is tested and purchased, accountants are used, once again, to ensure that all data entered into the financial software is in accordance with GAAP.

While the federal government's bureaucrats spend (actually waste) tremendous amounts of our tax dollars attempting to achieve government accountability, the fact is there is no accountability at any level. For starters, the Federal Accounting Standards Advisory Board (FASAB), comprised of GAO, OMB, and Treasury, is charged with the responsibility of producing a single government-wide accounting standard (comparable to the private sector's AICPA standard). FASAB was formed in October 1990 and, 15 years later, has reams of meaningless accounting policy but no accounting model to ensure that their proposed input (journal entries) is capable of producing any meaningful output or summary level financial statements. The Financial Systems Integration Office (FSIO), formerly the Joint Financial Management Improvement Program (JFMIP), was charged with the responsibility of testing the government's off-the-shelf financial software packages. With no credible FASAB standard, JFMIP was unable to test the available AMS and CDSI software packages in 1987 and FSIO

has no ability to test the available government software today.

In order to resolve these very basic government accountability deficiencies, the first thing that we need to understand is that these problems are not technical in nature, they are classic accounting (101) and computer science (101) problems. These technical deficiencies have occurred because of the lack of accountants involved in the process and the varied bureaucratic agendas that drive, and undermine, the American people's desire to have real accountability of our tax dollars. For example, in 1987, the Central Agencies' Deputy Commissioner of Treasury allowed all federal agencies to use the AMS and CDSI software packages despite his knowledge that the government had no accounting standard in place at the time and no ability to generate any government financial statements. For a VP position with CDSI, he wasted the resources of an entire federal bureaucracy over the past 19-years!!! Individual agency agendas are also more interested in covering up all levels of wrongdoing and gross incompetence than in addressing government accountability issues. Their only real enemy are the accountants who question and expose their illegal behavior. The mantra for the government accountant (non-accountants) acceptable behavior includes lies, deceit, intimidation, and reprisals for anyone who questions their deficient GAAP-based decisions.

Congress passed the Sarbanes-Oxley act and sent a clear message to all corporate executives that the health and well being of our market economy depended upon accurate and meaningful financial statements. Enron's executives are now paying the price for the financial and emotional devastation they wreaked upon their employees and stockholders. Congress should show an equal amount of concern for our country and our country's taxpayers (and voters) by passing an equally stringent government version of the Sarbanes-Oxley legislation. It is time for government managers who take reprisals against their employees for any reason to pay the price for their Mafia-like tactics in addition to the hundreds of billions of dollars wasted each year because of planned government accountability failures. I will be contacting specific members of Congress in the near future to suggest the idea of forming a government accountant panel to define the accounting and financial system checks and balances needed to prevent future abuses of this magnitude.

I have always been open and honest about my concerns with both the Central Agencies and agency level accounting and budgeting practices. For that reason, I am also including cc's to the Comptroller General of the U.S. (actually his assistant), the FASAB and FSIO directors, and the EPA parties alluded to in this Email. If there are questions, comments, or differences of opinion regarding any of the above statements, I look forward to your feedback.

Larry Fisher

2