

**Testimony of Sanjeev “Sonny” Bhagowalia
Deputy Assistant Secretary for Information Systems and Chief Information Officer
United States Department of the Treasury
Before the Subcommittees on
Information Technology and Government Operations of the
Committee on Oversight and Government Reform
United States House of Representatives**

Introduction

Chairman Hurd, Ranking Member Kelly, Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittees, thank you for the opportunity to testify today on the Department of the Treasury’s approach to the Federal Information Technology Acquisition Reform Act, or FITARA.

In the following remarks, I will focus on how our evolving Office of the Chief Information Officer (OCIO) practices has laid a strong foundation for the implementation of FITARA. I will highlight some of these practices, including the roles and responsibilities of the OCIO in managing the Treasury Department’s Information Technology (IT)/Information Resource Management (IRM) portfolio, and more specifically the governance structure the Department has in place, working with our bureaus, to ensure sound IT/IRM decision-making and delivery.

The three top OCIO management priorities of the Department of the Treasury are: cybersecurity, making improvements in IT/IRM Operations, and implementation of FITARA. Treasury works each day to deliver the diverse mission of the Department both securely and reliably, and to build on what we think is a very strong foundation that positions the Department for further success in the future.

I can say, having arrived as the Treasury CIO just a year ago, that senior Departmental leadership and technology professionals throughout the Treasury Department have a strong commitment to FITARA, exemplified in part by an unwavering focus on IT/IRM governance. Treasury gains efficiencies across the Department from a successful IT/IRM program focused on improvements.

The Treasury Environment

As you know, Treasury supports an important financial mission for our country and is a large, diverse enterprise with many locations. The mission of the Treasury Department is to maintain a strong economy, create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the integrity of the financial system, and manage the U.S. Government’s finances and resources effectively. Treasury is comprised of Departmental Offices and bureaus of wide-ranging size, with varying technology needs and complexities and a number of different funding sources.

The Treasury CIO is accountable for meeting the IT/IRM needs of the Departmental Offices, and actively oversees Bureau IT/IRM activities, with special attention to advancing enterprise-wide objectives. Responsibility for IT/IRM management is shared among the Treasury CIO and Bureau-level CIOs, who focus on the unique mission and needs of their individual organizations.

Accountability ultimately rests at the Department level. Since the Treasury mission is broad and its IT/IRM portfolio complex, Treasury's governance/oversight model has worked well and allows for robust governance practices and collaborative mechanisms to facilitate the Treasury CIO's significant involvement in technology-related budget, procurement and workforce matters.

Treasury's Approach

Treasury is fully dedicated to implementing FITARA in accordance with OMB's guidelines and the Department's needs. Our self-assessment against the common baseline established by OMB demonstrates that we have a number of practices already in place, but that many of these need to be formalized through policy, and we acknowledge that there are areas in which we still need to improve. Treasury's focus is sustainability, which means integrating the goals of FITARA into existing processes to reduce redundancies and ensure efficiencies can last over time.

Treasury has a long history of managing IT/IRM across the Department in a collaborative way that leverages coordinated action on commodity technology areas such as finance and budget, procurement, and human capital management, while largely delegating decision making on mission specific IT/IRM to the bureaus. In addition, all units in the Department share cyber security information regularly and work together as a single unit whenever possible. This approach allows Treasury to take advantage of economies of scale in common areas while leveraging bureau expertise when making specific mission and strategy IT/IRM decisions.

The Treasury CIO Council, chaired by the Department CIO and meeting monthly, is a governance body that oversees the entire IT/IRM portfolio with a special emphasis on shared and enterprise-wide services, and cyber security. This approach worked very well during the FY 2015 Cyber Sprint and helped set the Department's consolidated strategy for implementation of the Administration's Cyber Security Implementation Plan (CSIP).

The Treasury Foundation

The existing IT/IRM lifecycle is built-upon a Government Accountability Office (GAO)/Office of Management and Budget (OMB) best practice framework of "Architect, Invest, Implement and Operate and Maintain" with cybersecurity built-in throughout the lifecycle. Treasury uses this framework to further policy and process development in a continuous improvement approach, and includes consistent practices in the following areas:

1. **Governance:** Through the IT/IRM Capital Planning and Investment Control (CPIC) program the Department has a GAO recognized, best-practice approach to efficient and effective review of its IT/IRM investments. Each bureau reports execution data to the Department monthly, including project status on their major IT/IRM investments and operational metrics on systems in use. Treasury then reviews all investments with month-to-month performance issues in project execution, including cost, schedule, operation metrics, and risk, and conducts a detailed program review (TechStat) on selected investments. These reviews attempt to identify project or program issues and mitigate risks before they become real problems. This active regimen also helps the Treasury CIO to develop accurate risk ratings for the IT Dashboard based on data provided by bureaus and offices, corroborated by OCIO staff and reviewed with OMB. In addition, the Department CIO conducts quarterly performance reviews with each bureau that covers its entire IT/IRM portfolio of projects and systems, and participates in quarterly PortfolioStat reviews with OMB.
2. **Budget Formulation and Planning:** The Department CIO annually reviews all bureau IT/IRM program plans and participates in full bureau budget reviews. The Treasury CIO Council also selects a group of enterprise-wide initiatives to be executed jointly. This helps ensure that IT/IRM investments meet mission needs while enabling Treasury to identify opportunities for cross-Department collaboration and cost sharing. Other efficiencies, such as those gained through data center consolidation, have allowed Treasury to begin to shift more spending from legacy IT/IRM Operations and Maintenance (O&M) to Development, Modernization and Enhancement (DME) efforts. This has increased the proportion of new DME as part of the total portfolio from 19% in Fiscal Year (FY) 2011 to 24% in FY 2016.
3. **Acquisition and Execution:** The Senior Procurement Executive (SPE) and the CIO have been working collaboratively to conduct a joint review of all Departmental Offices IT/IRM procurements as well as all acquisitions of major enterprise programs. The SPE and CIO will be extending this review across the enterprise in a phased, incremental manner. Treasury is also developing a Department-wide procurement strategy and governance program to ensure enterprise-wide oversight and to leverage economies of scale in procuring commodity IT/IRM. This is in support of OMB guidance for developing a strong IT/IRM acquisition and procurement program.
4. **Workforce and Organization:** The Treasury CIO has input into Bureau CIO selections, places performance objectives in Bureau CIO annual performance plans, and contributes to bureau CIO evaluations. The Treasury CIO participates in the HR Council and works with the Chief Human Capital Officer to review and assess IT staff competencies and skills to ensure the Departments IT/IRM workforce can respond to rapidly evolving needs and requirements to accomplish our mission.
5. **Project Management:** Through the CIO Council, Treasury has effectively shared program and project management best practices across the Department and uses this information for continuous process improvement. Beginning in FY15, Treasury OCIO launched two initiatives to improve Project Management (PM) oversight and practice:

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(a) develop a new enterprise-wide life cycle management (LCM) program, and (b) a revised PM approach to better leverage agile development methods. Per OMB's recent PortfolioStat review, Treasury has made significant progress in shifting toward a more agile development approach, reducing average planned days to deliver from approximately 240 days in FY 2011 to less than 100 days. An extension of this agile approach across more enterprise programs is planned. In addition, the CIO and the SPE are working to develop a Department-wide Federal Acquisition Certification for Project-Program Managers.

Conclusion

While Treasury has a strong foundation on which to successfully implement FITARA, there is still work to do. The Department is committed to fully implementing FITARA, and looks forward to working with OMB, the GAO and the Congress in this endeavor. Thank you for your support of FITARA, which will help improve public stewardship. I appreciate this opportunity to testify today and I will be glad to answer any questions you may have.



Office of the Chief Information Officer U.S. Department of the Treasury

SANJEEV “SONNY” BHAGOWALIA DEPUTY ASSISTANT SECRETARY FOR INFORMATION SYSTEMS (DAS-IS) AND CHIEF INFORMATION OFFICER (CIO)

Mr. Sanjeev “Sonny” Bhagowalia has 30 years of experience in industry and the Federal Government in technical, management, and senior executive leadership capacities, utilizing Information Technology (IT)/Information Resource Management (IRM) to transform organizations and achieve mission success.

Mr. Bhagowalia serves as the DAS-IS and CIO of the U.S. Department of the Treasury since October 2014. In this role, Mr. Bhagowalia oversees the Department’s \$ 3.8 Billion IT/IRM portfolio, directs the development and implementation of Treasury IT/IRM strategy, manages IT/IRM investments, and leads key technology initiatives across the Department, in partnership with Bureau CIOs.

Prior to joining Treasury, Mr. Bhagowalia served as the State of Hawaii Government’s first CIO and Governor’s Chief Advisor on Technology and Cybersecurity from July 2011 to October 2014. He led an enterprise business/technology transformation that garnered 25 national awards and oversaw the completion of the State’s first Cybersecurity Report to align with the President’s National Cybersecurity Framework.

Mr. Bhagowalia served as Deputy Associate Administrator for the U.S. General Services Administration (GSA) from May 2010 to July 2011. He served as the Senior Executive leading GSA’s efforts in supporting the U.S. Federal CIO and CTO implement government-wide Open Government and Infrastructure programs such as Data.gov, FEDRAMP, Federal Cloud Computing and Federal Data Center Consolidation Initiative.

From December 2008 to May 2010, Mr. Bhagowalia served as the CIO of the U.S. Department of Interior (DOI), overseeing a \$ 1 Billion IT/IRM portfolio and leading a cross-agency team to modernize and unify DOI’s diverse environment under its top-rated Enterprise Architecture Program and comprehensive IT/IRM framework. At DOI, he served as Bureau of Indian Affairs CIO (August 2007-December 2008), securely reconnecting the \$ 2.3 Billion bureau to the Internet in one year (Cobell Case) to better serve native tribes.

Mr. Bhagowalia served with distinction as a Senior Executive in the U.S. Department of Justice (DOJ) Federal Bureau of Investigation (FBI) for eight years, upgrading the secure enterprise Infrastructure for mission needs and overseeing a \$ 1 Billion IT/IRM portfolio. He received the Presidential Rank Award for establishing a comprehensive framework that addressed all aspects of IT/IRM lifecycle management.

Before joining the federal government, Mr. Bhagowalia worked for Boeing for 14 years as a Chief Engineer/Manager supporting programs for U.S. Government clients (Civilian, Defense and Intelligence Community). For his efforts, he received many customer awards and was also selected into the prestigious Boeing Technical Excellence Fellowship Program, recognizing the top engineers/scientists in the company.

Mr. Bhagowalia holds MS and BS degrees in Electrical Engineering from Louisiana State University; a MS in IRM from Syracuse University; and is a distinguished graduate (twice) from the U.S. Department of Defense National Defense University (NDU) with a Federal CIO Certification and IRM Diploma. He is a recipient of numerous government and industry awards, including the White House Champion of Change Award, Three Federal 100 awards, DOI Secretary’s Gold Executive Award, NASA Award of Merit, Statescoop Golden Gov State Executive of the Year, and GTRA Government Innovator of the Year. In FY 2015, he received the EA Hall of Fame, NDU Hall of Fame and Fedscoop 50 Federal Leadership awards.