

H. CARL McCALL
STATE COMPTROLLER



A.E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE
COMPTROLLER

July 14, 1999

Mr. Eliot L. Spitzer
Attorney General
Department of Law
State Capitol
Albany, NY 12224-0341

Re: Report 99-Y-34

Dear Mr. Spitzer:

To assist in your oversight of the Office of the Attorney General's (Office) Year 2000 compliance progress, we reviewed selected steps being taken by the Office as of May 12, 1999, to make the Case Management Information System (SilverCaseCore), Charities 7A System, (Charities7A), Charities-Estate, Powers and Trusts Law System (EPTL), and Real Estate Financing System (REF) Year 2000 compliant. These four Systems have been designated as "high priority" systems by New York State's Office For Technology (OFT), which is responsible for overseeing the State's Year 2000 readiness.

The SilverCaseCore System is used for managing the litigation work of the Office that averages approximately 46,000 open cases at any one time. The Charities7A System maintains registration information and data from annual reports for charities and other parties governed by Article 7A of the Executive Law. The EPTL System maintains registration information and data from annual reports for charities and other parties governed by the Estates, Powers and Trusts Law. The REF System maintains and reports on data pertinent to all types of real estate offering plans, their associated amendments, attorneys and law firms, sponsors and statuses.

The steps we selected for review pertained to Year 2000 project planning and management, Year 2000 system testing, identification and correction of system data exchanges, and the establishment of contingency plans for continuing important business and service functions in the event of a Year 2000-related failure. The objective of our review was to assess whether the Office appears to be taking the necessary steps to address Year 2000 problems related to the Systems reviewed. To complete our review we interviewed Office personnel and we reviewed Office documents. In addition, we obtained and analyzed the Office's response to a Year 2000 assessment questionnaire that we designed (See attached Table). Unlike an audit, a review does not include testing or verification of information and records provided by the Office, and does not include a review of internal controls. Therefore, we cannot conclude whether the Case

Management Information System, Charities 7A System, Charities-Estate, Powers and Trusts Law System, and Real Estate Financing System will be Year 2000 compliant in a timely manner.

The results of our review show that the Office is taking many of the steps necessary to address Year 2000 problems related to the four Systems. For example:

- Efforts to correct the Systems were covered by a written Year 2000 project plan and Office management monitored the efforts.
- There were plans for testing the Systems in a current date environment and guidance was available for completing testing.
- All data exchanges with the Systems have been identified and appropriate correction of data exchanges have been made.
- The Office has taken the initial steps to prepare contingency plans to ensure the continuance of business and service functions that are dependent on the Systems. We encourage the Office to continue its contingency planning process.

However, the Office has not established a test environment with hardware and software that is Year 2000 compliant so that it is able to test the four Systems for future dates or dates beyond December 31, 1999. In addition, the Office has not implemented a schedule for when the test environment will be put in place and testing will start. Since testing can consume considerable resources, we are concerned that it may not afford the Office sufficient time to address unforeseen events. We encourage the Office to expedite the establishment of a test environment and to start testing these Systems.

Major contributors to this review were Brian Reilly, Jim Brunt, Deb Spaulding, Jerry Steigman, and Jorge Vázquez.

Your comments to this review are welcomed. We wish to express our appreciation to the management and staff of the Office of the Attorney General for the courtesies and cooperation extended to our auditors during this review, and hope that it is helpful to your Year 2000 monitoring and oversight responsibilities.

Very truly yours,

William P. Challice
Audit Director

cc: Edward Twiss, Chief Development Technologies
Gary Davis, Office for Technology

**OFFICE OF THE ATTORNEY GENERAL
YEAR 2000 ASSESSMENT QUESTIONNAIRE
CASE MANAGEMENT INFORMATION SYSTEM (SilverCaseCore),
CHARITIES 7A (Charities7A)
CHARITIES--EPTL (EPTL)
REAL ESTATE FINANCING SYSTEM (REF)**

TABLE

A colored "traffic light" legend is included in the table below to assist management in focusing an appropriate level of attention on the issues identified in the Status and Comments sections of the Review Findings.

Legend:

	Status/Comments contain matters which may be of immediate concern to management.		Status/Comments contain matters which management may wish to consider.		Status/Comments do not contain issues which require immediate management consideration.
---	--	---	--	---	---

Review Findings:

	YEAR 2000 STEPS	STATUS	COMMENTS
	A. PROJECT PLANNING & MANAGEMENT		
	A1. Is there a written Year 2000 Project Plan and does it include/identify steps needed to correct the Systems in question?	Yes	The Office has a Year 2000 Project Plan which was developed in late 1997 that covers all phases of the project. The overall plan is supplemented by individual work plans for each of the Systems.
	A2. Does the Plan (or any other available record) define what is meant by "compliance" when describing systems at the agency which are Year 2000 ready?	Yes	Office officials stated that they have adopted OFT's definition of compliance.
	A3. Are there written schedules covering the time frames for achieving compliance for the Systems in question?	Yes	There are detailed schedules for remediation of the Systems. A consultant developed the SilverCaseCore and it was placed in production in early 1999. The Charities 7A, EPTL, and REF are scheduled for implementation at the end of June 1999. However, all the Systems have yet to be tested in a Year 2000 test environment. The Office plans to do this testing, but has not established a schedule for conducting this test.
	A4. Is progress toward completion of the schedules for the Systems in question being monitored?	Yes	Progress is reported to executive management monthly and to OFT quarterly.

TABLE (Cont'd)

	YEAR 2000 STEPS	STATUS	COMMENTS
	A5. Are the Systems in question meeting their schedules (no significant slippage being reported)?	Yes	The SilverCaseCore was completed on schedule and placed in production in early 1999. The Charities 7A, and EPTL are on schedule and to be implemented in June 1999. However, the REF has a revised estimated completion date of June 1999 which is two months behind the original schedule of April 1999. In addition, the Office is purchasing hardware and software to establish a Year 2000 test environment, but has not established a schedule showing when this will occur.
	B. TEST PLANS		
	B1. Are there documented test plans and do they include/identify steps needed to ensure that the Systems in question will process as expected after they have been corrected to comply with Year 2000?	Yes	The Office has a test plan for the four Systems. However, the Office needs to establish a Year 2000 test environment that will allow for testing future dates and the interaction between the System's ORACLE database system and the operating system of the UNIX servers.
	C. DATA EXCHANGES		
	C1. Have all data exchange partners/interfaces for the Systems in question been identified and included on written inventory records?	Yes	The Office determined that there are no electronic data exchanges with any of the Systems.
	C2. Have data exchange interfaces been considered in the overall Year 2000 Project Plan and the test plans covering the Systems in question?	Yes	The Office determined that there are no electronic data exchanges with any of the Systems.
	D. CONTINGENCY PLANS		
	D1. Are there written business contingency plans in place for the Systems in question and do the plans specify steps for completing vital business functions if the Systems in question are noncompliant or inoperable for Year 2000 purposes?	Pending	The Office is in the process of preparing contingency plans for the four Systems that conform to OFT's guidelines.