APR's review of the failed software systems under Office of Information Technology

Under Gov. Robert Bentley's Office of Information Technology the administration, has sought to implement several different software systems — STAARS, eSTART and CARES — but with little success. Each software system failed in some way and have cost State taxpayers millions of dollars in both implementation and legal fees resulting from lawsuits.

STAARS

STAARS, a statewide government accounting system commissioned in 2015, was the first in the series of problematic software changes begun under Gov. Bentley's administration. The $47 million software package was intended to replace the State's aging payment software. Instead of saving money and time, as it was intended, it resulted in hundreds of thousands of dollars in arrears, which left thousands of vendors waiting months for payments.

The software package was purchased in from CGI.com, the company behind the botched rollout of the online federal health insurance exchange, for $47 million. It was not bid, as officials in the State Finance Department said it was an update to the old software system from the 1980s, not a new software system.

The rollout of the STAARS system was problematic. The Department of Transportation, at one point, had about 23,000 vendors who were not paid in a timely fashion, and the State attorneys' Bar Association memberships lapsed because of the payment system. Additionally, a National Guard Amory in North Alabama had their electricity turned off because the Tennessee Valley Authority did not receive a payment from the State.

In July 2016, a lawsuit was filed by State Auditor Jim Zeigler. He named Gov. Bentley, Acting Finance Director Bill Newton, and former AG Luther Strange as defendants, in addition to software company CGI Technology and Solutions Inc.

In October 2016, after the Department of Finance missed its 13th Account Period Deadline, APR reported that many State employees had to work overtime and holidays because of STAARS' failure. The delays were caused because the system was overloaded and users could not log in. Gov. Bentley had been advised over a year before that the system had troubles, but ignored advice and doubled-down on the system, APR reporter.

A summary of the investigation conducted by APR is available here.

eStart

At about the same time that APR began investigating the failed STAARS software, it became known that another accounting system was also causing problems. The State Department of Finance also spent $8 million for an employee time log system called eStart. Finance selected the Kronos Time and Attendance System, which was intended to automate time and attendance records in order to reduce labor costs.

The State paid $4,074,000 to Kronos for eStart in 2015, and in FY2016, they had paid another $2,332,561.

By the end of July, several different high-ranking agency heads wrote to then-Acting Finance Director Bill New complaining about eStart, including then-Attorney General Luther Strange, the Agriculture and Industry Commissioner, the State Personnel Director and then-State Superintendent Tommy Bice.

Strange listed at least 13 different areas where eSTART would present problems, including: "If eSTART goes down, which reportedly happened often, and employees need to clock in or out, the manager had to go into eSTART and manually make corrections."

ALEA faced numerous problems implementing eStart for its State Troopers, who often do not report to an office. The agency had to purchase a mobile app license for almost $50 a person per month for the program.

More on the letters sent by State agency heads is available here.

The State Department of Human Resources abandoned eStart on November 1, 2016, joining a long list of State agencies that quit using the system or refused to implement in the first place. In the first month of FY2017, the State paid another $26,000 for eStart. By November 16, 2017, the State Department of Public Health also informed staff that they would no longer be using the eStart system.

Pallets of phones gathered dust for months because of Department of Finance

Pallets of Cisco phones, perhaps millions of dollars' worth, sat gathering dust in a warehouse in January 2016. For over a year, they sat in storage because the assistant finance director, Rex McDowell, countered agencies who had requested the purchase of a Cisco system for VoIP. The Office of the Attorney General, the Medicaid Agency and the State Personnel Department all ordered the Cisco phone system.

The State Department of Health had installed the system and found it saved around $500,000 annually. The plan excused by Cisco can be seen here.

Reportedly, McDowell, who owns a phone/communications company in Texas, with Newton's approval, made the call, and later said the new Cisco phones would be sold on the used phone market.

Medicaid's CARES is another massive technology failure

In 2014, the Governor began combining various agencies' software systems into one system that would administer to and enroll individuals in State and Federal benefit programs like Medicaid, children's services, public health and senior programs.

The program cost between $20 and $40 million in State and Federal dollars and it didn't work.

Not only did the system not work, the total cost of the project is not known by the agencies footing the bills. Budget overruns, software incompatibility, a poisonous work environment and extremely poor leadership were among the many troubling aspects of the project, according to an internal review APR obtained.

CARES is an acronym for Centralized Alabama Recipient Eligibility System Project, once believed that after its implementation, it would allow state agencies to interact with individuals who qualify for state and federal benefits. CARES falls under Dr. Joanne Hale, Acting Secretary of Information Technology.

A full report on the Medicaid CARES program implementation is available here.