Three Enduring Government IT Failures

Costly consequences continue for years

L arge, costly government IT project failures often hit the media with a splash but quickly drop from public view. That's because the aftereffects of these failures linger on for years and years, long after the media has moved on to cover newer, greener disasters. As a reminder, here are three spectacular IT project failures that occurred over the past decade, and why the ramifications of each are still being felt today. ¶ **United Kingdom's National Programme for IT (NPfIT).** One of the largest IT project failures of any kind was the attempt by the U.K. National Health Service (NHS) to create a national electronic health record system. The project was canceled in September 2011 after blowing through at least £9.8 billion and having realized only 2 percent of the promised benefits. The NPfIT project began in 2002 with a projected price tag of £6 billion and was supposed to be completed in 2010. ¶ The reasons for the plan's failure involved all the usual suspects: overwhelming project, contracting, and technical complexity; a lack of management realism; and simple ineptitude. ¶ Since then, the U.K. government has spent hundreds of millions of pounds trying to keep elements of the NPfIT program operational. Meanwhile, it has undertaken several new efforts at NHS digitalization with mixed results. In February 2016, Health Secretary Jeremy Hunt announced that the government would commit £4.2 billion in new funding in order to create a "paperless" NHS by 2020. However, that amount has now climbed to an estimated £12.9 billion aimed at achieving new Health and Social Care Secretary Matt Hancock's grand NHS health IT vision by 2024. Given the government's track record, the new cost estimate and schedule are both likely too optimistic. ¶ **California Department of Motor Vehicles IT Modernization.** The planned US $208 million, six-year California Department of Motor Vehicles IT Modernization project to replace its antiquated 40-year-old legacy system was canceled in January 2013 after seven years and $134 million was spent. This effort followed the previous "hopeless failure" project, which was terminated in 1994 for "only" $44 million. Both DMV IT modernization efforts suffered from the same project mismanagement maladies as NPfIT.

The lack of a modern California DMV system has caused numerous problems, including long customer waiting lines, incorrect voter registrations, and issues with the implementation of federal Real ID compliance. There were major DMV IT outages in 2016 and 2018, along with an untold number of minor ones—34 IT outages between January 2017 and mid-August 2018 alone.

Before becoming governor, Gavin Newsom stated that any California governor who couldn't fix the Department of Motor Vehicles "should be recalled." Long-suffering California DMV customers may take his words to heart if the agency isn't fixed soon.

Secure Border Initiative Network. The SBInet project, organized with the aim of creating a virtual border fence spanning an 85-kilometer section of the U.S.-Mexico border, was canceled in 2011. Price tag: $1 billion. SBInet's failure followed the loss of a combined $450 million by its predecessors, the Integrated Surveillance Intelligence System and America's Shield Initiative.

SBInet was originally supposed to cover Arizona's 600-km border with Mexico using what prime contractor Boeing promised was "proven, low-risk, off-the-shelf technology." But the technology was anything but low risk, and incompetent government program oversight and management helped swamp the project.

After SBInet's plug was pulled, the U.S. government poured hundreds of millions more dollars into virtual fencing technology along the border. Its efficacy is debatable, with the Government Accountability Office noting in an audit that the U.S. Border Patrol "is limited in its ability to determine the mission benefits of its surveillance technologies."

Despite there being no consensus about what technology works well and what doesn't, a virtual border wall is being considered once again as a means to secure the border. The technology is ready to be deployed and is much improved over that used before, say its proponents—the same claim that was made when SBInet was being oversold.

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An extended version of this article appears in our Risk Factor blog.

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