



The City of New York
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DOI INVESTIGATION INTO THE CITY'S PROGRAM TO OVERHAUL THE 911 SYSTEM REVEALS SIGNIFICANT MISMANAGEMENT AT THE ROOT OF COST OVERRUNS AND DELAYS

Mark G. Peters, Commissioner of the New York City Department of Investigation ("DOI"), issued a Report today on the City's decade-long, multi-billion dollar effort to modernize its 911 system, known as the Emergency Communications Transformation Program ("ECTP"). The report, requested by Mayor Bill de Blasio last May, documents a number of management, oversight, and performance failures which caused the program to be years behind schedule and hundreds of millions of dollars over its original budget. As a result, the program has yet to fully deliver on its promise of a modernized 911 system that will more effectively respond to the health and safety needs of New Yorkers.

DOI Commissioner Mark G. Peters said, "Between 2004 and 2013, city officials mismanaged this project: They failed to adequately supervise sub-contractors, who presented the City with markups on products and services of up to 600 percent. City officials also pushed workers to 'sanitize' documents in order to make ECTP's progress and overall health appear better than it actually was. Once again, City officials, at a high level, allowed a much hyped tech program to run out of control and failed to provide basic supervision and oversight."

The original schedule for ECTP projected the program would be completed in its entirety by September 2007, at a projected cost of \$1.345 billion. According to current estimates, the program will not be fully delivered until 2017, nearly a decade behind schedule, and at a cost of approximately \$2 billion dollars. When these delays and cost overruns became public early last year, Mayor de Blasio requested that DOI conduct this investigation to determine the cause of the problems and what changes were needed going forward.

As part of its seven month investigation, DOI reviewed tens of thousands of documents, including copies of contracts, bids, progress reports, invoices, budget documents, and electronic communications. DOI also conducted more than 50 interviews with individuals involved with ECTP, conducted site visits and analyzed financial records related to the project's budget.

DOI found significant mismanagement, internal control weaknesses, and contractor performance deficiencies that created the conditions for the substantial delays and rising costs which have plagued the program. The report acknowledged significant steps the City has since taken to begin fixing these problems.

DOI's review identified an excessive reliance on consultants, leading to inflated markups on price estimates for products and services. In one instance, the sheer amount of sub-contractors involved in the program resulted in inflated price estimates of as much as 600 percent on a specific service.

In addition, multiple witnesses interviewed by DOI shared that, as late as the end of 2013, senior program officials created an environment that discouraged truthfulness – seeking to “sanitize,” “soften” or “spin” negative information about the program in reports to create the impression that ECTP’s status was better than it actually was.

The report also found a clear failure to present a complete picture of the total costs of the program. Though DOI did not perform a full accounting of expenditures, it found that at least \$211.4 million in costs relating to ECTP projects were not reflected as program costs. Instead, these costs were paid for by individual agency budgets, were not recorded because they were paid under contracts executed before ECTP began, or were omitted from ECTP cost-tracking altogether.

Other deficiencies uncovered by the investigation include:

- a failure to adequately plan or sufficiently define the scope and direction of the program;
- ineffective program governance that allowed the NYPD and FDNY to design separate systems rather than one coordinated system;
- the failure to appoint an independent integrity monitor; and
- inconsistent agency recordkeeping practices, including at the NYPD, which did not have a document retention policy for program records.

This report not only assesses what went wrong on ECTP and recommends remedies for the program going forward but also addresses ways to improve the City’s management of large scale technology projects in the future.

DOI issued seven recommendations to the City for ECTP and future large scale technology projects, a number of which the City has already implemented:

- ECTP’s scope and direction going forward must be well-defined in a written plan that should be drafted and agreed upon by all stakeholders. (The City’s Department of Information Technology & Telecommunications, (“DoITT”) has begun efforts to analyze and redefine the program’s scope.)
- The City must appoint a strong, central manager empowered by the Mayor to lead large-scale technology projects such as ECTP. (As to ECTP, the City has appointed DoITT Commissioner Anne Roest.)
- Where possible, the City should establish direct contractual relationships with vendors and avoid layers of subcontracting. The City should also seek to avoid ceding complete responsibility over projects to outside contractors. (As to ECTP, the City has begun steps to reduce contractor involvement, including the removal of a number of consultants.)
- The City should set forth written criteria for any reporting of ratings or metrics intended to measure the progress of the program or particular projects. Further, reporting should not take so much time and effort as to detract from staff’s ability to perform substantive program work. (The City has taken some preliminary steps to simplify the process.)
- The City should retain an independent integrity monitor for large scale technology projects such as ECTP. (As to ECTP, the City has now agreed to retain such a monitor.)
- The City should account for all costs relating to large-scale technology programs like ECTP as program costs.

- The City should implement standardized recordkeeping practices on large-scale, multi-agency technology projects. Agencies including NYPD should create a document retention policy for ECTP and future large-scale technology projects.

Commissioner Peters thanked Commissioner Roest of DoITT, William Bratton, Commissioner of the New York City Police Department, Daniel A. Nigro, Commissioner of the New York City Fire Department, Feniosky Peña-Mora, Commissioner of the Department of Design and Construction, and Dean Fuleihan, Director of the Office of Management and Budget, and their staffs, for their assistance in this investigation.

This investigation was conducted by Inspectors General Andrew Brunsten and Andrew Sein, and their staff, including Counsel to the Inspectors General Annette Almazan, Special Investigator Nicole Clyne, Special Investigator Boris Galchenko, Investigative Attorney Glenn Greenberg, Special Investigator Elizabeth Mack, Chief Forensic Auditor Ivette Morales, Investigative Attorney Lindsey Ramistella, Special Investigator Peter Relyea, Special Investigator Rushelle Sharpe, Investigative Attorney Carolyn Sheehan, and Special Investigator Rickey Young, under the supervision of Associate Commissioner William Jorgenson.

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