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D.C. Government Lacked Plan to Fund, Manage Multi-Agency IT Investment *Auditor's study of online business portal shows D.C. technology mandate not fully realized*

WASHINGTON, D.C. — A case study by the Office of the D.C. Auditor of the **D.C. Business Center (DCBC)** — an online portal created to streamline the process for businesses registering to do business with the D.C. government — shows that the original intent of the portal has not been fully realized because of management and funding issues.

“This study shows that the ideas behind the DCBC were sound and that the initial phase has delivered a foundation for future expansion,” said D.C. Auditor Kathy Patterson. “Unfortunately, there is no evidence of a plan to further develop the site. There is, though, a clear need for the District to revamp how we plan, procure, and implement major IT projects.”

ODCA identified the issue of failed or abandoned information technology systems as a subject appropriate for review, and chose to evaluate the DCBC as a case study to help identify lessons that could be used to improve outcomes on future IT implementation projects. Given the lack of a plan for the DCBC to realize its original intended purpose, the study's primary recommendation is that the Mayor and D.C. Council should require a comprehensive planning process for the District's IT projects.

The DCBC was first announced in March 2014 as the “One City Business Portal,” and touted as a website that could unify the licensing and permitting functions of eight District government agencies, creating a user-friendly, one-stop-shop experience for business owners. The intent behind the DCBC was simple: Allow businesses to submit applications and supporting documentation to the District government and pay the appropriate fees in a fully online environment without physically visiting any government agencies.

The first phase of the website is complete, and covers the licensing, but not the permitting, transactions of a single agency. Although the website says a multi-year project will fulfill the original vision of one-stop online business registration, licensing, and permitting, there is no explicit funding in the city's budgets for a buildout and the study found the DCBC to be a long way from fulfilling the promises made in 2014. The report recommends the Mayor and the D.C. Council establish a dedicated IT budget to ensure projects can be completed in a timely and efficient fashion.

The study's two other recommendations:

1. The Mayor should ensure that planning and implementation for IT projects include a steering committee, or other management structure, including representation from the City Administrator and appropriate Deputy Mayors' offices.
2. The D.C. Council should ensure that committee responsibility for monitoring IT projects is clear so committees can hold the executive accountable, including across administrations or changes in agency leadership.

In addition to the recommendations included above, ODCA identified two other concerns that arise from this evaluation, concerning OCTO and the use by the D.C. government of special purpose revenue (SPR) funds.

- In assessing the role of OCTO in development and implementation of the DCBC, the study notes that OCTO, when created, was designed to serve as the government's leader in setting policy and developing and operating information technology systems. It appears that OCTO is providing more limited support based on what Executive Branch operating agencies contract and pay for.
- The evaluation identified SPR funds as a potential source of funding for IT projects, including statutory language that appears to mandate the use of a portion of certain SPR funds for IT development.

State governments have long had trouble acquiring new information technology systems. The District of Columbia has tried twice unsuccessfully to bring a new financial management system online. The Metropolitan Police Department bought and abandoned two IT projects designed to identify potential problem officers, according to former Chief Cathy Lanier. A recent audit report in New Jersey found the state spent \$50 million in development and oversight costs for failed IT projects.

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