



## Press Release

### FOR IMMEDIATE RELEASE

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## Governor Secures Nearly \$60M Credit from Deloitte After Vendor Discloses Latest Backlog Error

*Vendor also agrees to cover any FNS fines; Will continue working at no cost to taxpayers through at least the end of FY18*

**CRANSTON, R.I. (October 24, 2017)** – After Deloitte disclosed to state leaders the latest system error in its RI Bridges software system, Governor Gina M. Raimondo secured an agreement in principle from the vendor's CEO to credit the State nearly \$60 million and cover any fines from the Food and Nutrition Services (FNS) related to the vendor's flawed rollout of RI Bridges. This credit is in addition to the \$27 million credit the State secured earlier this year.

This latest concession from Deloitte follows a disclosure made to the State by Deloitte of a new system error in its RI Bridges software system which has resulted in the discovery of thousands unprocessed applications. Deloitte is still working to determine the full extent of the issue, and Deloitte has pledged to do everything necessary to ensure that all newly discovered applications are processed by the State before the end of the year.

"We're not going to tolerate these ongoing system issues or Deloitte's poor performance. They owe us a system that works, and we're not going to pay until we get it," said Governor Raimondo. "We've been able to recover over \$85 million from Deloitte, and they've committed to ensure that taxpayers don't have to pay potential federal fines because Deloitte's system hasn't worked. I'll continue to hold them accountable and will not take the option of future litigation off the table until they deliver."

The \$58.6 million credit will cover all maintenance and operations for FY18 and will cover the State's costs for overtime and additional personnel and contractors who were hired after the Bridges system launched last year. With this credit, Deloitte has agreed in principle to a no-cost contract extension through the end of the State's current fiscal year. By extending the contract, Deloitte has agreed to complete the work required to get the system to a steady state at no additional cost to Rhode Island taxpayers.

"Rhode Island taxpayers deserve the system they've paid for, and our customers deserve timely and reliable services from our agencies. We've made a lot of progress in the last six months, but this new disclosure from Deloitte is a serious setback," said Health and Human Services Secretary Eric J. Beane. "Deloitte has pledged to do whatever it takes to catch up by the end of the year. Thanks to Governor Raimondo's direct engagement with Deloitte's CEO, we have

recovered more than \$85 million to date and we have a commitment from Deloitte that they'll cover the costs of any FNS fines and penalties.”

“The discovery of new unworked applications is incredibly frustrating as it represents thousands of vulnerable Rhode Islanders who are waiting for benefits,” said Department of Human Services Director Courtney Hawkins. “Deloitte must be accountable for the impact this system is having on people’s lives. DHS remains committed to doing everything in our power to get the system back on track and ensure that our residents feel like they can rely upon the Department when they need help.”

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