Legislative Auditors Slam $24M W.VA Router Deal

LAWRENCE MESSINA - Associated Press

West Virginia officials wasted millions of federal stimulus dollars by insisting on buying more than 1,000 high-capacity routers as part of a $24 million deal meant to boost Internet access statewide, a report presented Sunday to lawmakers concluded.

Legislative auditors believe state purchasing officials should consider barring router manufacturer Cisco from future contracts because of the role its sales staff and engineers played in arranging the deal. The report's other recommendations include ending the bidding process that was used, which bypassed normal contract rules.

A Cisco spokeswoman did not immediately respond for requests for comment Sunday. State officials maintain that the 2010 deal was needed to build a long-lasting network offering high-speed Internet access statewide.

Sunday's audit sharply criticizes the choice of high-capacity routers to create hubs for this network at schools, libraries and other community institutions. While their capacity is in between models for typical home routers and those used to keep the Internet running, the Cisco 3945 devices are unnecessarily powerful for hundreds of the planned anchor locations, the report said.

"I believe every West Virginian deserves the same broadband access," Legislative Auditor Aaron Allred told the two House-Senate oversight committees that received the report Sunday. "But having the same access doesn't mean you the same number of buses for the Pendleton County school system that you buy for the Kanawha County school system."

The latter is the state's largest county, while Pendleton is among its most rural and sparsely populated. Allred used maps to show multiple high-capacity routers slated for the same rural area. Other more populated sites, such as Kanawha County's easternmost high school, were meanwhile overlooked.

Allred said the state wasted millions of dollars that could have helped build the needed fiber optic network for connecting these planned hubs. The state's 172 libraries, for instance, could instead rely on small and less costly routers that would have saved the state nearly $3 million, auditors found. While 89 larger schools could benefit from the high-capacity routers, the state could have saved nearly $3.7 million by providing lower-scale versions to another 368 schools.

The auditors also estimated nearly $2.4 million in savings if officials had bought a different mix of routers for State Police detachments. Among other issues, the high-capacity Cisco routers lack parts that allow the State Police to rely on them for phone service. The report notes that the department already has properly-sized routers that provide phone service — after conducting a study of its technology team that the officials overseeing the stimulus spending ignored.

Rob Alsop, chief of staff to Gov. Earl Ray Tomblin, said West Virginia should aim to match and then stay ahead of the constantly changing technology curve.

"It wasn't about the size of the facilities...It was about what those libraries and schools should be able to do over the course of the next decade," Alsop told lawmakers Sunday. "Those routers can do more than what's currently available."

The report recommends that technology officials contact Cisco to negotiate a trade-

in of unneeded components in exchange for the parts that would allow the State Police to use the new routers for their phone service. It similarly suggests that officials study the capacity needs of all planned router locations — a step that auditors say officials failed to take before the purchase — and provide findings to lawmakers before this year's regular session ends in April.

While it repeatedly criticizes state officials, the audit also slams Cisco. The tech giant's chief executive, John Chambers, was raised in West Virginia, and Allred said the state has become "overly dependent on Cisco's goodwill."

"The Legislative Auditor believes that the Cisco sales representatives and engineers had a moral responsibility to propose a plan which reasonably complied with Cisco's own engineering standards," the report said. "It is the opinion of the Legislative Auditor that the Cisco representatives showed a wanton indifference to the interests of the public in recommending using $24 million of public funds to purchase 1,164 Cisco model 3945 branch routers."

The U.S. Commerce Department's inspector general criticized West Virginia officials for the stimulus spending last month.

The router deal was part of a plan funded by $126 million in stimulus grants that also aims to fill gaps in the microwave communication system for law enforcement and other first responders, and provide the first-ever broadband connection between the sprawling National Radio Astronomy Observatory in Green Bank and West Virginia University.

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