



Written by [Michael Tennant](#) on October 29, 2013

ObamaCare Website Builder Also Tapped for Long-delayed Disaster Relief

When it comes to government, nothing succeeds like failure. Nowhere is this more apparent than in the case of CGI Federal, the company that built the troubled ObamaCare website. As it turns out, CGI was also put in charge of disbursing federal disaster aid to victims of Hurricane Sandy — and has been hardly more successful in that endeavor.



According to documents obtained by [FreedomWorks](#), at a May 9 meeting of the Housing Trust Fund Corporation (HTFC), which is overseeing the implementation of two Sandy-related relief programs, CGI got plum deals related to both. First, it got a three-year, \$4.3-million contract to assist in the implementation of the \$1.7-billion Community Development Block Grant (CDBG) Disaster Recovery Program. Second, it received a no-bid contract “on the basis of an emergency” to implement the Disaster Housing Assistance Program. CGI was already serving as “HTFC’s performance based contractor administrator” at the time and was therefore expected to be able “to rapidly deploy the program.”

“True to that,” noted FreedomWorks, “in just a few short weeks, CGI rapidly sought to hire roughly 40 Disaster Recovery Specialists.”

Actually disbursing the aid — i.e., doing more than just hiring people on the taxpayers’ dime — is another matter. According to an [October 22 Associated Press report](#), a year after Sandy made landfall, just \$700 million of the \$60 billion in aid that Congress approved has been released. “Within that package was \$16 billion allocated to HUD [the Department of Housing and Urban Development] in fiscal year 2013 for the CDBG Disaster Recovery program, of which the \$1.7 billion was to be distributed via the CGI contract,” wrote FreedomWorks.

However, nearly six months after the contract was approved — expressly because CGI was expected to get the program moving quickly — and almost a year after the storm, around half of the 24,000 families who applied for aid to repair their homes “still haven’t received any money,” the AP reported.

As to that no-bid contract, it is far from the first such federal contract CGI has received. In 2007, the company was approved “to deliver, without public competition, a variety of hardware, software and



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communication products and services” to the Department of Health and Human Services, according to the [Washington Examiner](#).

“Between 2009 and 2013, CMS [Centers for Medicare and Medicaid Services] officials awarded 185 separate task orders to CGI totaling \$678 million for work of all kinds, according to USAspending.gov, a federal spending database,” the paper added. “The Obamacare website design contract was for \$93 million.” The [Washington Post](#) reported that the company has been paid \$112 million for the website thus far and could end up raking in as much as \$196 million.

All this continued despite questions about CGI’s performance for CMS and revelations of the company’s failure to deliver a key product to a Canadian provincial government.

In 2010, CGI protested a CMS contract award to a competing company. General Accountability Office acting counsel Linda Gibson denied the protest on the grounds that the competing company had offered a substantially lower bid than CGI. In addition, she wrote: “The record reflects that CGI’s positive ratings were somewhat tempered by the fact that [DELETED] had received ‘fair’ ratings on one of its relevant contracts and that CGI’s performance had also been rated as ‘fair’ on another contract, which CMS deemed relevant.”

The next year, CGI’s parent company, CGI Group Inc., failed to deliver on a project for the Canadian province of Ontario: an online medical registry. “Ontario government officials cancelled the \$46.2 million contract after 14 months of delay in September 2012,” stated the *Examiner*. “Ontario officials currently refuse to pay any fees to CGI for the failed IT project.”

Despite this record, CGI got no-bid contracts for multiple federal projects, including both the ObamaCare website and Hurricane Sandy relief. HealthCare.gov has hardly been a roaring success. As for disaster relief, Sandy victims expecting speedy help from Washington were always in for a letdown. Unfortunately, the sweetheart deal that CGI got to deliver that help may do little to relieve their disappointment.



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