Our Commonwealth

About the Governor

Governor’s Cabinet

Issues & Initiatives

Media Library

Archives

News

Online Services

Secretary of Technology Jim Duffey, who negotiated with Northrop Grumman on behalf of the Commonwealth, said the financial
in the years ahead."

Commonwealth with an improved information technology infrastructure that will reliably support Virginia’s citizens and agencies
obtaining compensation for the state’s expenses. This agreement brings closure to this incident, and provides the
circumstances surrounding the outage and to hold Northrop Grumman accountable for the outage and to provide a path for
computer systems resulted in an unprecedented bipartisan effort between the legislative and executive branch to investigate the
circumstances surrounding the outage. The disruption of our state

In addition, the company previously paid $250,000 for the cost of the independent third-party audit performed by Agilysys.

This represents the entire amount of direct costs incurred by the Commonwealth as a result of the disruption.

Northrop Grumman also will expend $2.09 million making operational improvements to database backup, storage systems,

system monitoring, database monitoring, network monitoring and capacity management.

This brings the company's total expenses to slightly under $5 million.

"I am satisfied that Northrop Grumman has been held accountable and that the Commonwealth has been made whole,"
Secretary Duffey said. "This compensation package will benefit all agencies impacted by the outage and enhance the state's
information technology infrastructure."

Virginia Chief Information Officer Sam Nixon added, "I believe that the risks and problems identified in the audit have been
satisfactorily addressed. Moving forward, I am confident that the improvements will make our infrastructure more reliable and
resilient."

On August 25, 2010, the failure of a key hardware component owned and operated by Northrop Grumman at the state data
center -- and subsequent delays in restoring operations -- caused a significant impact to the operation of several state agencies.
These delays had an adverse effect on the citizens of the Commonwealth and resulted in unexpected expense to state agencies.
Outages related to the disruption impacted 13 percent of the Commonwealth's executive branch file servers and 26 of 89
executive branch agencies, including, most visibly, the Virginia Department of Motor Vehicles. Of those 26 agencies, 16 reported
a financial impact due to the outage.

In the wake of the disruption, Governor McDonnell ordered that immediate and comprehensive recovery steps be taken. First he
directed Department of Motor Vehicle offices in every region of the state to hold unprecedented weekend hours in order to
accommodate Virginians inconvenienced by the outages. Secondly, he called for a comprehensive external audit of the situation,
to be overseen jointly by the executive and legislative branches and paid for by Northrop Grumman. Working in conjunction with
the Joint Legislative Audit and Review Commission (JLARC), the McDonnell Administration, represented by Secretary Duffey,
chose Agilysys, a provider of information technology services to Fortune 50, 500 and mid-tier customers, to conduct the audit.

The major findings of the Agilysys review included:

- The outage resulted from the failure of a key data storage system (EMC DMX-3) and subsequent human error during its
  repair.
- Loss of data and the delay in restoring operations and data resulted from the failure to follow two key industry best
  practices. Also, there was an insufficient degree of self governance toward continuous process improvement and the
  management of risk.
- Many components selected for the data center and its IT infrastructure meet or exceed industry best practices, but that
  implementation falls short in certain areas.

Under Northrop Grumman’s contract with the Commonwealth, overseen by the Virginia Information Technologies Agency (VITA),
the company provides IT infrastructure services for executive branch agencies. Those services include networks, data centers,
storage, servers, messaging and personal computers.

Link to Agilysys review: