

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Health Administration

*Review of
Alleged Violation of
the Datawatch Data
Pump Server Software
License Agreement*

January 5, 2016
14-04761-09

Why We Did This Review

We conducted this review to determine the merit of an allegation received on August 27, 2014. The complainant alleged that the Veterans Health Administration's (VHA) Procurement and Logistics Office purchased one license for Datawatch's Data Pump server software, yet deployed the server software an additional 56 times, in violation of the existing Data Pump Server User License Agreement.

What We Concluded

Based on the information provided by VHA and discussions with Datawatch personnel, we did not substantiate the allegation that VHA violated the Datawatch licensing agreement for the Data Pump Server software.

In June 2014, the Datawatch Chief Financial Officer (CFO) contacted VHA's Network Contracting Office (NCO) 9 staff and stated his sales executives notified him that VHA had installed 56 additional copies of Datawatch's Data Pump on a VHA server. Datawatch records showed VHA had purchased only one license for this product. The Datawatch server license agreement specified that VHA could only install the software directly on one server, or could store a copy of the software on one storage device. To ensure VHA complied with the licensing agreement, the Datawatch CFO requested VHA conduct an audit and provide a response confirming the number of software installations VHA had made of the Data Pump software.

After not receiving a timely response from VHA, Datawatch submitted an invoice to VA Medical Center Mountain Home, Tennessee, in July 2014 for the alleged 56 unpurchased licenses. The invoice was for \$1.7 million to cover the costs associated with the 56 installations of the Data Pump software. In August 2014, NCO 9 staff confirmed to Datawatch sales personnel that VHA had installed the Data Pump software an additional 56 times.

Veterans Integrated Service Network (VISN) 9 information technology staff conducted a scan of their network and determined that a clinical software program also utilized a database application named "datapump." Further analysis performed by the Office of Inspector General revealed that the clinical software program's "datapump" installations were not using the Datawatch product, but rather another software application with a similar name.

Consequently, we concluded that contracting staff in NCO 9 inaccurately communicated to the Datawatch CFO that the 56 "datapump" installations were using the Datawatch product. In November 2014, the VISN 9 CIO responded to the Datawatch CFO and certified that VISN 9 had not installed Datawatch products in excess of purchased licenses. On December 15, 2014, the Datawatch CFO concurred and considered the matter resolved. Because we did not substantiate the allegation, we closed this review without further action.

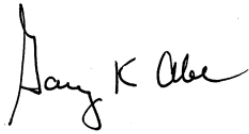
Supplemental Data

Our review of the allegation was restricted to interviews and documentation provided by the Datawatch CFO and VISN 9 staff.

We complied with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluations to the extent possible. The evidence to review the

allegations consisted of interviews, program documentation, processes, and controls related to the allegation.

For more information about this report, please contact the Office of Inspector General at (202) 461-4720.

A handwritten signature in black ink that reads "Gary K Abe". The signature is written in a cursive style with a large initial "G" and "A".

GARY K. ABE
Acting Assistant Inspector General
for Audits and Evaluations

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