

ORACLE CORPORATION

FEDERAL CONTRACT FAILURE RECORD

2005 — 2026 | TWENTY YEARS OF EVIDENCE

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**This document supports the Oracle Corporation disqualification provisions of VAHGMA 2026,
Section 12, Part B.**

PART 1 — MASTER FINANCIAL SUMMARY — TOTAL DAMAGE ACROSS ALL ORACLE FEDERAL FAILURES

CONTRACT / PROGRAM	PERIOD	TOTAL OBLIGATED OR SPENT	OUTCOME
VA Electronic Health Record Modernization (VA EHRM)	FY2018–Q2 FY2025	\$13.84 billion obligated \$49.8B independent lifecycle est.	6 of 171 facilities operational. Program on-hold / reset. Veterans harmed.
DoD MHS Genesis (via Cerner/Leidos)	2015–2024	\$4.3B base / \$9B+ lifecycle	Deployed — but classified 'not operationally effective.' Dentrix dental module still broken. Users: 39% agreed it enables patient-centered care vs. 56% for legacy system.
Cover Oregon — State ACA Exchange	2011–2015	\$303M federal funds obligated Oregon paid Oracle \$240M	Zero enrollments online. Scrapped. FBI investigation. Oracle settled \$100M. Oregon originally sought \$6 billion.
GSA Schedule Contract Fraud (via PeopleSoft)	1998–2006	Hundreds of millions in inflated pricing	\$98.5M False Claims Act settlement (2006). Largest FCA settlement in GSA MAS history at that time.
GSA Schedule Contract Fraud (Oracle direct)	1998–2006	Hundreds of millions	\$199.5M False Claims Act settlement. Largest single GSA FCA recovery in US history at time of settlement.
GSA / Sun Microsystems Kickback Fraud	Post-merger	N/A — kickback scheme	\$46M FCA settlement. Oracle paid on behalf of Sun — kickbacks to IBM, CSC, PwC for federal recommendations.
DoD JEDI Cloud Contract	2018–2021	Up to \$10 billion contract at stake	Oracle lost at GAO, Court of Federal Claims, Court of Appeals. Supreme Court denied certiorari. Excluded for failing gate criteria.
DoD DCHRMS Human Resources System	2019–2025	~\$280 million	Contract terminated March 2025 by DOGE-directed cuts. System never delivered.
VA predecessor EHR systems (pre-Cerner era)	1990s–2017	~\$1.7 billion	Three failed EHR modernization attempts before Oracle/Cerner contract. Pattern of failure predates current program.
TOTAL DOCUMENTED EXPOSURE	20+ years	\$20+ billion direct \$49.8B lifecycle est. VA alone	Multiple failures. One qualified deployment (MHS Genesis) requires on-site Oracle/Leidos personnel to function.

FAILURE 1 — VA ELECTRONIC HEALTH RECORD MODERNIZATION (VA EHRM)

The Largest IT Contract Failure in VA History

Contract Award	May 2018
Original Contract Value	\$10 billion (10-year contract)
Revised Contract Value	\$16.1 billion (revised VA estimate, January 2019)
Independent Lifecycle Cost Estimate	\$49.8 billion — Institute for Defense Analyses, October 2022 — \$32.7B implementation + \$17.1B sustainment
Updated VA Estimate (2024)	\$37.2 billion — still unconfirmed, Congress has not received updated schedule
Amount Obligated FY2018–Q2 FY2025	\$13.84 billion
Amount Obligated in IT Infrastructure	\$3.35 billion
Amount Obligated in Program Management	\$1.48 billion
Facilities Operational as of March 2025	6 of 171 VA medical centers
Amount Oracle Refunded	\$325,000 of \$4.4 billion received — Oracle's own figure
Penalty Structure Under Original Contract	If new penalty terms had been in place since 2018, VA would have recovered 30 times as much for system outages
GAO Priority Recommendations	10 issued May 2023. As of December 2025: 9 of 10 not yet implemented. 16 of 18 total recommendations still open.
Current Status (March 2025)	Nationwide outage March 4–7, 2025. All VA, DoD, Coast Guard, NOAA users affected 5+ hours. Deployments paused and restarting in Michigan facilities 2026.

DOCUMENTED PATIENT HARM

VA OIG Report No. 22-01137-204 (July 14, 2022): The new EHR's 'unknown queue' caused multiple events of patient harm. Clinical orders routed to an unknown queue with no alert to clinical staff — meaning ordered care was simply not delivered. The OIG confirmed that veterans were harmed as a direct result.

VA OIG Report No. 22-03591-231 (September 23, 2024): VA and Oracle Health did not have adequate controls to prevent system changes from causing major performance incidents. Staff at VA Southern Oregon Healthcare System and Walla Walla VA reported impacts on patient care operations including loss of productivity and staffing drain.

VA OIG (2023): At least 148 veterans harmed at Mann-Grandstaff VA Medical Center in Spokane, Washington, during the initial EHR rollout.

Pharmacy coding error (February 2024): An error in Oracle Health's software coding resulted in widespread transmission of incorrect VA Unique Identifier numbers from Oracle EHR sites to Vista

legacy EHR sites. Pharmacies at multiple facilities were processing prescriptions against incorrect patient records.

THE REFUND: \$325,000 ON \$4.4 BILLION RECEIVED

Oracle received \$4.4 billion from VA through the original contract period. The total refund Oracle has provided to VA for system crashes, outages, and performance failures is \$325,000. That is 0.0074 percent of what was paid. The VA Secretary testified before Congress that the rollout had been 'no question a disservice' to veterans.

MARCH 2025 NATIONWIDE OUTAGE — SYSTEM STILL NOT STABLE

On March 4, 2025, Oracle's Federal EHR system suffered a nationwide outage affecting all users at VA, DoD, Coast Guard, and NOAA facilities. The outage began at 08:37 ET. Systems were not restored until 14:05 ET — a 5.5-hour window during which clinical staff at affected facilities operated under contingency procedures. Oracle restarted the system to resolve the outage. As of March 2025, the system was live at only 6 of 171 VA medical centers.

FAILURE 2 — MHS GENESIS: THE SINGLE 'SUCCESS' AND WHY IT IS NOT WHAT ORACLE CLAIMS

DoD Military Health System Genesis — The Manufactured Success Narrative

Oracle and its predecessor Cerner point to MHS Genesis — the DoD implementation — as proof the system works and that VA's problems are VA's fault. This claim requires examination. The GAO, DoD's own Director of Operational Test and Evaluation, and post-deployment user surveys tell a materially different story.

Contract Award	July 2015 — to Leidos-led team (Leidos, Cerner, Accenture, Henry Schein)
Structure	Leidos is prime contractor and systems integrator. Cerner (now Oracle Health) provides the EHR software. This distinction is critical.
Original Contract Value	\$4.3 billion
Revised Contract Ceiling	\$9 billion+ lifecycle
Initial Deployment	February 2017 — Fairchild Air Force Base, Spokane, WA
Full Deployment Completion	March 2024 — Captain James A. Lovell Federal Health Care Center, North Chicago
Total Facilities	3,890 garrison facilities / 197,200 end-users / 9.5 million beneficiaries
2024 Cloud Migration	DoD now migrating MHS Genesis off on-premises infrastructure to cloud. Leidos awarded \$1.131B sole-source IDIQ for the migration — meaning the system still requires the original implementation team to operate it.

WHAT THE DoD'S OWN TESTING DIRECTORATE ACTUALLY FOUND

The DoD's Director of Operational Test and Evaluation classified MHS Genesis as 'not operationally effective and not operationally suitable' in its April 2018 assessment of the initial Fairchild AFB deployment. The specific findings:

Performance Tasks	Users successfully completed only 56% of performance tasks. The threshold for acceptable performance was not met.
Usability Score	37 out of 100. The required minimum threshold was 70. The system scored 47% below the minimum standard.
Critical Deficiency Incidents	156 critical deficiency incident reports filed during initial testing.
Patient Record Accuracy	90% of survey respondents found inaccurate or incomplete patient health information in the system.
Patient-Centered Care	Only 39% of MHS Genesis users agreed the system enabled patient-centered care, compared to 56% of users of the legacy systems it replaced.

Efficiency	20% of MHS Genesis users agreed the system made them as efficient as legacy systems. Legacy system: 36%. Private sector users of the same platform: 32%.
Dentrix Dental Module	Still broken as of January 2024 GAO report. DoD's own testing director stated the dental interface could not be delivered as specified. A manual workaround was implemented at go-live with a promise that a permanent fix would come later. It has not come.
Cerner/Oracle IP Refusal	Cerner declined DoD's request to negotiate intellectual property rights in the system, potentially locking DoD into Oracle indefinitely without competitive alternatives.

WHY MHS GENESIS DEPLOYED: THE ROLE OF ON-SITE ORACLE AND LEIDOS PERSONNEL

MHS Genesis achieved deployment — not user satisfaction, not clinical effectiveness, but physical deployment — for one structural reason the VA EHRM did not have: Leidos, as the prime contractor and system integrator, placed its own personnel on-site at every facility through the deployment process. These were not Oracle personnel instructing VA staff via remote training sessions. These were Leidos and Cerner personnel physically present on the floor of the facility, working alongside military clinical staff, resolving issues in real time, and managing the implementation directly.

The VA model was materially different. VA relied on remote training, self-study modules, and facility-based Go-Live Readiness Assessments conducted by VA's own staff — staff who had no prior experience with the Cerner platform and who were simultaneously responsible for patient care. The result was the pattern documented in every OIG report: inadequate training, loss of productivity, and clinical orders routed to unknown queues.

Even with dedicated on-site Leidos and Cerner personnel, MHS Genesis still produced the testing results documented above. The GAO noted that DoD's user satisfaction surveys showed improvement over 2022 and 2023 — but 'improvement' from a system that scored 37 on usability and achieved 39% patient-centered care agreement is a low bar. DoD has continued to require Leidos as the sole-source integrator precisely because the system cannot be managed without the team that built it.

Oracle uses DoD's completion of deployment as the primary exhibit for VA stakeholders. The exhibit is misleading. Deployment completion is not the same as operational effectiveness. A system deployed to every facility is not a success if clinical staff are completing only 56% of required tasks and the dental module does not work six years after go-live.

FAILURE 3 — COVER OREGON ACA EXCHANGE

\$303 Million Federal Funds — Zero Enrollments Online — FBI Investigation

Program	Cover Oregon — Oregon State ACA health insurance exchange
Federal Funds Obligated	\$303 million in CMS grants to Oregon
Amount Paid to Oracle	\$240 million
Outcome	The website never enrolled a single person online. Zero. Every enrollment had to be processed by paper application through insurance brokers.
Scrapped	April 2014 — Oregon board voted to abandon the website and adopt HealthCare.gov for 2015 enrollments
Investigation	FBI opened investigation March 2014. Federal grand jury subpoenas issued May 2014. Investigation ongoing as of May 2016.
Lawsuit	Oregon sued Oracle for \$6 billion in damages, including racketeering charges. Oracle countersued Oregon for breach of contract.
Settlement	September 2016 — \$100 million package: \$35 million cash + \$60 million in software licensing and support services + \$10 million to Oregon schools. Oracle continued doing business with Oregon post-settlement.
House Oversight Committee	May 2016 report: 'How Mismanagement and Political Interference Squandered \$305 Million Federal Taxpayer Dollars.' Referred matter to DOJ for criminal investigation.
Internal Oracle Communication	Documents produced in litigation included internal Oracle communications in which Oracle personnel described the engagement in terms that acknowledged they were collecting money for a project they knew would not work. The 'raping the state of Oregon' characterization appeared in documents produced to litigants.

Oregon's \$6 billion lawsuit alleged that Oracle knew the project would fail, knew the software was defective, and continued to collect fees rather than disclose the failures to the state. The settlement for \$100 million — roughly one-sixtieth of the originally sought damages — resolved six simultaneous lawsuits between the parties. After accepting the settlement, Oregon continued to hold Oracle software licenses. The Portland Tribune observed that when the settlement details were examined, Oracle came out the clear winner.

FAILURE 4 — GSA SCHEDULE CONTRACT FRAUD: THREE SEPARATE FALSE CLAIMS ACT SETTLEMENTS

A Pattern of Federal Contract Fraud Spanning 1998–2006

Oracle and its acquired companies — PeopleSoft (acquired 2005) and Sun Microsystems (acquired 2010) — paid three separate False Claims Act settlements to the United States Government for defrauding federal agencies through the GSA Multiple Award Schedule program. The pattern is consistent: overprice the government, underdisclose discounts given to commercial customers, and collect the difference.

Settlement	Year	Amount	Details
Oracle Direct — GSA MAS 1998–2006	2011	\$199.5 million	Largest single GSA False Claims Act recovery in US history at time of settlement. Former Oracle employee Paul Frascella filed as whistleblower. Oracle knowingly failed to meet contractual pricing obligations over 8 years. Frascella received \$40 million of the recovery.
PeopleSoft / Oracle — GSA MAS Pricing	2006	\$98.5 million	Largest GSA MAS False Claims settlement at that time. PeopleSoft (acquired by Oracle 2005) understated commercial customer discounts to GSA. Customers received up to 74% off list price commercially while government paid near-list prices. Filed by whistleblower James Hicks.
Sun Microsystems / Oracle — Kickbacks and Defective Pricing	Post-2010	\$46 million	Oracle paid on behalf of Sun (acquired 2010). Sun paid kickbacks to IBM, CSC, and PwC to recommend Sun products to federal agencies. Also defectively priced GSA contracts with US Postal Service and two resellers.
TOTAL — GSA FALSE CLAIMS	2006–2011	\$344 million	Three settlements across three acquired companies. DOJ used the word 'defrauded' — a criminal characterization used in limited circumstances — in describing Oracle's conduct.

The \$199.5 million settlement was the largest single recovery for GSA under the False Claims Act in United States history at the time it was paid. Oracle's response to the settlement was not structural reform — it was payment. The company continued to operate under GSA Schedule contracts and continued to be awarded federal contracts throughout the period.

FAILURE 5 — DoD JEDI CLOUD CONTRACT

Disqualified, Protested, Lost at Every Level — GAO to Supreme Court

Contract	Joint Enterprise Defense Infrastructure (JEDI) — up to \$10 billion, 10 years
Oracle's Role	Bidder — claimed the single-vendor contract structure was illegal
August 2018	Oracle filed pre-award bid protest at GAO — denied. Oracle argued JEDI requirements were written for Amazon Web Services.
October 2019	DoD awarded JEDI to Microsoft, not Oracle. Oracle filed protest at Court of Federal Claims.
Court of Federal Claims	Oracle's challenge denied. The Court found Oracle's bid had been disqualified for failing gate criteria — specifically, Oracle's cloud infrastructure did not meet the required certification levels at the time bids were evaluated.
Court of Appeals	Oracle appealed. Court of Appeals affirmed the lower court's ruling against Oracle.
Supreme Court	Oracle petitioned for certiorari. The Supreme Court declined to hear the case. Oracle's challenge was exhausted.
Outcome	Oracle was not disqualified by political interference or procedural unfairness. Oracle was disqualified because its cloud product did not meet the gate criteria DoD established for the contract. Oracle fought this determination through four levels of judicial review and lost every one.

Oracle's public characterization of the JEDI protest focused on alleged conflicts of interest involving DoD procurement officials with prior ties to Amazon. GAO reviewed these allegations and found them insufficient to sustain the protest. The Court of Federal Claims confirmed that Oracle's bid was independently disqualified on substantive grounds. The conflict-of-interest narrative did not survive judicial scrutiny.

PART 2 — THE ORACLE PATTERN: WHAT TWENTY YEARS OF EVIDENCE ESTABLISHES

The Oracle federal contract record is not a series of isolated failures caused by specific circumstances. It is a pattern. The same behaviors appear across every program, every agency, and every decade. The pattern has five components:

PATTERN ELEMENT	HOW IT APPEARS	DOCUMENTED EXAMPLES
1. Overpromise and collect	Oracle bids the contract by describing capabilities the system does not have. Collects fees during implementation while failing to deliver.	Cover Oregon: collected \$240M for a system that never worked. VA EHRM: collected \$4.4B through contract period, refunded \$325K.
2. Blame the client	When the system fails, Oracle attributes the failure to insufficient agency readiness, inadequate change management, or political interference — not to the software or Oracle's performance.	Cover Oregon: Oracle sued Oregon for breach of contract before Oregon sued Oracle. VA: Oracle consistently attributed problems to VA's 'readiness' and 'change management' rather than the product.
3. Fight in court	Oracle litigates extensively rather than accepting responsibility or providing remediation. Settlements are structured to minimize cash outflow and preserve continued business relationships.	Cover Oregon: 6 simultaneous lawsuits. Oregon sought \$6B, settled for \$100M package mostly in non-cash value. GSA: three FCA settlements totaling \$344M over two decades.
4. Continue doing business	Following every settlement and every failed project, Oracle continues to hold federal contracts with the same agencies it failed.	Oregon settled with Oracle in 2016 and continued holding Oracle software licenses post-settlement. VA has continued to extend the EHRM contract despite the documented failure record.
5. Point to DoD as proof of success	MHS Genesis — deployed via Leidos as prime contractor with on-site personnel — is presented as proof the product works and VA is at fault for its own failures.	Oracle EVP statement after VA contract renegotiation: Oracle has 'complete confidence in our technology.' Not mentioned: 37/100 usability score, 39% patient-centered care agreement, broken dental module, on-site Leidos requirement.

PART 3 — WHY ORACLE IS DISQUALIFIED UNDER VAHGMA 2026

The disqualification of Oracle Corporation from SENTINEL procurement is established at Section 12, Part B, subsection (b)(3) of VAHGMA 2026. The disqualification is based on the following documented grounds, each supported by the evidence in this record:

DISQUALIFICATION GROUND	EVIDENCE IN THIS RECORD
Electronic Health Record Company Disqualification	Oracle Corporation, through its subsidiary Oracle Health Government Services Inc. (formerly Oracle Cerner), holds the current VA EHRM contract. Oracle is an EHR company. SENTINEL may not be built or operated by an EHR company.
Federal Contract Failure Record	Three GSA False Claims Act settlements totaling \$344 million. Cover Oregon — \$303 million federal funds, zero functional output, FBI investigation, \$6 billion lawsuit settled for \$100 million. VA EHRM — \$13.84 billion obligated, 6 of 171 facilities operational, veterans harmed, nationwide outage March 2025, 9 of 10 GAO priority recommendations unimplemented.
Pattern of Defective Performance	The Institute for Defense Analyses estimated VA EHRM lifecycle cost at \$49.8 billion. Oracle received \$4.4 billion through the original contract period and refunded \$325,000 for performance failures. The ratio of payment to refund is 0.0074 percent.
JEDI Disqualification	Oracle failed the gate criteria for DoD's JEDI cloud contract on substantive grounds — its product did not meet the required technical specifications. Challenges exhausted through the Supreme Court.
Data Absorption Risk	Oracle holds the current VA EHRM contract and has access to records of more than 9.5 million DoD beneficiaries through MHS Genesis and an undetermined number of VA patient records through the EHRM contract. Awarding SENTINEL to Oracle would give a single company control of the most comprehensive veteran health dataset in existence, with no structural barrier to data absorption for commercial AI development.

The SENTINEL disqualification of Oracle is not punitive. It is structural. Oracle's documented record establishes that it cannot be trusted with the data, cannot be trusted to deliver the system, and has demonstrated — through its refusal to negotiate IP rights with DoD in the MHS Genesis context — that it will use contractual leverage to lock government agencies into indefinite vendor dependency. SENTINEL is designed to prevent exactly that outcome. Oracle's presence as a SENTINEL vendor would undermine every protection the bill creates.

ORACLE FEDERAL CONTRACT FAILURE RECORD — END OF DOCUMENT

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