

**Data Security and Encryption Information Technology Project**

**FY2008 Request: \$200,000**  
**Reference No: 42927**

**AP/AL:** Appropriation  
**Category:** General Government  
**Location:** Statewide  
**House District:** Statewide (HD 1-40)  
**Estimated Project Dates:** 07/01/2007 - 06/30/2012

**Project Type:** Information Systems  
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**Brief Summary and Statement of Need:**

Banking and Securities requires data security and encryption enhancements.

<b>Funding:</b>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>Total</u>
Rcpt Svcs	\$200,000						\$200,000
<b>Total:</b>	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

No prior funding.

**Project Description/Justification:**

The Banking and Securities division performs audits and examinations of banks doing business in the state and premium finance companies in/out of state the bank examiners typically work out of the office, onsite in banks. They use laptop computers exclusively to do their job. Part of that job requires them to download and use large amounts of very sensitive and confidential data (social security numbers, telephone numbers, and bank account numbers). A typical download can contain more than 46,000 social security numbers.

Without a high level of protection for this data, including the eventuality of a lost or stolen laptop all data stored on laptops needs to be encrypted. Additionally, these machines must be capable of encrypting any data sent to other agencies.

Following a case in California that resulted in the loss of several thousand confidential records the Federal Deposit Insurance Corporation (FDIC) has notified all banking related entities to anticipate a very short notice requirement for encryption of mobile device sensitive data.

The same solution will be required for the licensing and insurance divisions since they deal with the same confidential data. The State of Alaska has multiple bills working through the legislative process at this time that will make all State agencies subject to disclosure notification requirements and financial penalties for the inadvertent release of sensitive personal data. In anticipation of these requirements the Enterprise Technology Services (ETS) Division in the Department of Administration is currently working toward a centrally managed security system that will give all departments the capability the Department of Commerce is seeking. ETS has requested \$500.0 for fiscal year 2008 for that purpose. The solutions proposed with this Commerce funding will provide Commerce the ability to immediately implement an interim solution that will secure their mobile devices, starting with the banking, licensing, and insurance examiners, and to secure their data during transit from these machines. This solution will be fully capable of migration to the enterprise solution ETS will be completing in the same time frame. ETS will be responsible for ensuring that the enterprise solution meets or exceeds all of Commerce's requirements. Project management will be shared between the two departments. As soon as

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that wider solution becomes available the balance of the funding will be used to migrate Commerce to the enterprise solution.

The projected cost for this project includes all hardware, software, and consulting services required to fully provision the interim solution for Commerce and to migrate them to the more robust enterprise solution when it becomes available.