

From: Soura, Christian
To: Pitts, Ted <TedPitts@gov.sc.gov>
Veldran, Katherine (KatherineVeldran@gov.sc.gov) <KatherineVeldran@gov.sc.gov>
Date: 6/25/2013 1:11:19 PM
Subject: Draft Veto - IT Certifications

Ted and Katherine,

I've gone back and forth with Jimmy Earley, who's the Director out at DSIT, a few times in the last day or so about this proviso below. He and I worked together on this language, which he said reflected what they were trying to accomplish.

It's an unfortunate veto in the sense that it's largely due to some of the original author's wordsmithing, but I think we've made it very clear that we're committed to the underlying goal. The language below would clearly bind us to it, as well. Again, the issue is that "information technology" purchases capture a dramatically larger universe of activity than "information security" purchases. DSIT isn't staffed in the near-term to review everything...but the goal is to focus on a common approach to information security for now, anyway. Thanks.

CLS

Veto ## Part IB, Page 491; Section 117, General Provisions; Proviso 117.124 – GP: IT Certifications

Together, we have already taken some very important steps to improve information security and develop a common approach to protecting sensitive data. For instance, and thanks to your support, this General Appropriations Act and the accompanying Capital Reserve Fund bill provide essential funding and legal authority that will enable us to further improve the state's defenses, including:

- \$10 million from the Capital Reserve Fund, for IT security improvements and an additional year of identity theft protection and identity theft resolution services
- \$5.8 million in recurring funds for the new Division of Information Security, augmented by \$4.8 million from the Capital Reserve Fund for enterprise technology and remediation
- \$230,000 to establish an Identity Theft Unit within the Department of Consumer Affairs

Also, as recommended by Deloitte, we are establishing a new security organization under the leadership of a Chief Information Security Officer. We are also creating a Privacy Office that will help us classify the records we hold, to ensure that sensitive records are safeguarded properly.

Deloitte has already completed risk assessments of three agencies and will undertake 15 more over the course of the next year. Thanks to the funding contained in this budget and the authority granted under the "Technology and Remediation" proviso, we have the ability to rapidly respond to any security vulnerabilities that are uncovered. In many cases, this response will involve the procurement of IT services or equipment.

This proviso clearly has its roots in Deloitte's initial report on how South Carolina should organize its efforts to establish a true statewide approach to information technology and security. One of Deloitte's key findings – with which I am in complete agreement – was that we need to transition from the decentralized model we have today to a federated model in which more decisions about technology policies and standards are made centrally.

To that end, the proviso I am vetoing would suspend – starting less than a week from now – all information technology procurement delegations for all state agencies, with exemptions for the legislature, the judiciary, and

our technical colleges and other public institutions of higher education. Unfortunately, the closing sentence of this proviso is the primary reason for my veto: “All information security and information technology purchases must be approved by the Budget and Control Board, Division of State Information Technology in a manner prescribed by the Division.”

I believe this proviso was drafted with the reasonable intention of ensuring that security-related purchases of IT hardware and services are made according to a common set of standards. I support this and will direct cabinet agencies to work with DSIT to procure and implement IT security improvements, effective immediately.

Unfortunately, I am vetoing this proviso because its overly-broad wording encompasses “[a]ll information security **and information technology** purchases” within its scope, and therefore captures essentially any software, hardware, or IT service purchase that will be made by a state agency in the coming year, **even if entirely unrelated to security**. I do not believe this was the original author’s intent; furthermore, I suspect that DSIT is not prepared to review the full range of agencies’ IT requests beginning in just six days.

We have made great strides in improving the state’s information security practices in the past year, through a variety of means including two Executive Orders and this budget. That work will continue and will be easier to accomplish without this proviso’s unintended consequences. I look forward to partnering with you to that end in the coming year.

Christian L. Soura
Deputy Chief of Staff

(803) 543-0792
ChristianSoura@gov.sc.gov