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**Testimony Before
The Senate Committee on Ways and Means
House Bill 2331
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Deputy Executive Director**

Thank you for the opportunity for the Kansas Lottery to provide this written testimony regarding House Bill 2331. The Lottery supports the intent of the bill to improve overall state agency IT security and to find IT expenditure efficiencies.

The security and integrity of the Kansas Lottery and its games are of the utmost importance and priority of the Lottery. They are part of the agency's ongoing discussions about how to always improve. Without both, our players would lose confidence and trust in our games. That would lead to reduced sales and reduced transfers to the State of Kansas.

IT security has been part of the Kansas Lottery culture from its inception. It is a main focus of both the Kansas Lottery Act as well as the agency's policies and processes and rules and regulations. IT security audits of the Kansas Lottery IT systems are required by state statute to be performed every three years. These audits review a wide range of security issues – including internal gaming system, back office system, physical access to lottery IT systems as well as employee IT security training and retailer training. The Kansas Division of Post Audit completed its last security audit of the Lottery in Fall 2016. While there were a few issues that the independent audit firm hired by Post Audit referred to as "low hanging fruit" that are being addressed, it called the Lottery's IT security services "strong and robust".

In addition to the Lottery's own IT security policies and procedures, the Multi-State Lottery Association (MUSL), the state lotteries' national governing organization, also requires state lotteries to go through regular IT security audits. The Kansas Lottery's most recent MUSL IT security audit was completed in November 2015.

IT security at the Kansas Lottery goes beyond someone trying to access our gaming and back office systems from the outside. It also is about having strong internal IT security oversight and controls to ensure those who have direct access to our gaming systems are not able to make nefarious changes to them. Unfortunately, MUSL and the Kansas Lottery have experienced internal IT security breaches. MUSL systems and security have had a complete top to bottom independent audit and security review and the organization is implementing their recommendations. The Lottery made numerous changes to its processes in the early 2000s to ensure no one employee has all the "keys to the kingdom".

In the last few years, the Lottery's IT department has worked with OITS on a number of IT projects that have helped strengthened our defenses to outside attacks and improved our ability to fail over to the Lottery's back-up systems. It's important to note that this work that was done was completed without the force of legislation or imposed governance. The Lottery sought OITS' insight. OITS offered possible solutions. The Lottery then decided which path was in the agency's best interest.

The Lottery respectfully requests the Senate Ways and Means Committee restore some of the original intent of HB 2331 that non-cabinet agencies and OITS had agreed to when drafting the bill. The first amendment would give agency heads approval authority of IT and cybersecurity personnel OITS and the Chief Information Security Officer identify to place within the agencies. The Lottery is required by state statute to complete its own background checks of job applicants before they can be offered a position at the lottery. While OITS cybersecurity and IT personnel would not be employees of the Lottery, they would still be required to pass a lottery background check to work at the Lottery.

The second amendment would establish a July 1, 2019 sunset of the Kansas Information Security Office which would require a legislative review of the new office to ensure it is accomplishing the intent of its mission.

Thank you again for the opportunity for the Kansas Lottery to provide this written testimony regarding HB 2331.

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