

**NEBRASKA STATE RECORDS BOARD
MEETING: May 10, 2005**

Nebraska State Capitol
Room 1507
Lincoln, NE
May 10, 2005
10:00 A.M.

Lincoln Journal Star
Thursday, May 5, 2005

Public Notice

NOTICE OF PUBLIC MEETING

Notice is hereby given of a public meeting of the Nebraska State Records Board on Tuesday, May 10, 2005 at 10:00 AM in Room 1507 of the State Capitol, Lincoln, Nebraska. The agenda, which is kept continually current, will include grant applications from State and Local Agencies, and a public hearing on protection of personal information, and is available at the office of the Secretary of State for public inspection during regular business hours.
#3237017 1x May 5

NEBRASKA STATE RECORDS BOARD
AGENDA
Room 1507 State Capitol
May 10, 2005 – 10:00 A.M.

1. Call to Order, Roll Call
2. Notice of Hearing (05/05/2005 Lincoln Journal Star)
3. Adoption of Agenda
4. Approval of Minutes from November 23, 2004 meeting
5. Records Management Cash Fund Balance
6. Grant Status Report
7. Report on Reinvested Revenue
8. Problem Report on Online Filings
9. State Agency Grant Applications
 - a. University of Nebraska Rural Initiative-Basic e-Government & Access e-Government training (\$25,000.00)
10. Local Agency Grant Applications
 - a. Seward County, et. al. – Online Property Tax Payment System (\$25,000.00)
 - b. Kearney County, et. al. – Kearney County Enhanced Web Page (\$25,000.00)
 - c. South Sioux City – SSC Electronic Filing System (\$10,000.00)
11. Nebrask@ Online General Manager's Report
 - a. Project Priority List--Review and Approve
 - b. New Homepage and change to Nebraska.gov
 - c. Peer Review Proposed Methodology
12. Report on Agreement with State Treasurer Regarding ACH (electronic check) Transactions
13. Update on Legislation 2005 Legislative Session – LB525
Recess until 1:30 P.M.
14. Public Hearing on Protection of Personal Information
15. Adjournment

- **November**

- **23**

- **2004**



NEBRASKA STATE RECORDS BOARD

MINUTES

Meeting of November 23, 2004

The meeting was called to order by Chairman John Gale at 9:00 A.M. on November 23, 2004, in Room 1507 of the State Capitol, Lincoln, Nebraska.

The following Board members were present:

John Gale, Chairman;
William Bidrowski;
David Buelt;
Jerry Catlett;
Laureen Riedesel;
Ron Ross;
Steve Schafer, representing the Director of Administrative Services;
Diane Vicars;
Kate Witek.

Not present were:

Holly Bolen, representing the Attorney General;
Lauren Hill, representing the Governor;
Sarah Kohlhof.

The Chairman announced that the meeting notice had been published in the Lincoln Journal Star on November 18, 2004, and published on the public meetings website.

Ms. Vicars moved to approve the agenda as circulated; motion seconded by Mr. Schafer.

Voting For:	Bidrowski	Buelt	Catlett	Gale
	Riedesel	Ross	Schafer	Vicars
	Witek			

Voting Against:	None
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Absent:	Bolen	Hill	Kohlhof
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The motion carried.

Mr. Ross moved to approve the minutes of the meeting of August 25, 2004; motion seconded by Mr. Catlett.

Voting For:	Bidrowski	Buelt	Catlett	Gale
	Riedesel	Ross	Schafer	Vicars
	Witek			

Voting Against: None

Absent:	Bolen	Hill	Kohlhof
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The motion carried.

Greg Lemon, Chief Deputy Secretary of State, reported the cash fund balance was \$766,745 as of November 10, 2004.

Mr. Lemon presented the Grant Project Status Report for the Fourth Quarter 2004. Mr. Schafer provided more detailed information regarding grants to the CIO.

Chairman Gale opened discussion of a grant application for \$25,000.00, from the DAS Personnel Division, for an online job application upgrade. Vicki Logan, Recruitment Manager, and Charles Roberson testified in favor of this application. After discussion, Ms. Witek moved that this grant be approved; motion seconded by Mr. Buelt.

Voting For:	Bidrowski	Buelt	Catlett	Gale
	Riedesel	Ross	Schafer	Vicars
	Witek			

Voting Against: None

Absent:	Bolen	Hill	Kohlhof
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The motion carried.

Greg Lemon presented the report of the Contract Implementation Committee on Reinvested Revenue. By consensus, the Board decided to postpone all Category 3 items until the future. Rod Armstrong, Nebraska@ Online General Manager, indicated that the Google search engine was the top priority in Category 2. After discussion, Mr. Catlett moved to allocate \$25,000.00 in reinvested revenue for creating the Google search engine, subject to oversight by the Contract Implementation Committee; motion seconded by Ms. Riedesel.

Voting For:	Bidrowski	Buelt	Catlett	Gale
	Riedesel	Ross	Schafer	Vicars
	Witek			

Voting Against: None

Absent:	Bolen	Hill	Kohlhof
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The motion carried.

Mr. Armstrong presented the Local Portal/Services Integration project. After discussion, Ms. Witek moved to allocate \$50,000.00 in reinvested revenue for this project, subject to receiving a detailed work plan before expenditure of funds; motion seconded by Ms. Riedesel

Voting For:	Bidrowski Riedesel Witek	Buelt Ross	Catlett Schafer	Gale Vicars
Voting Against:	None			
Absent:	Bolen	Hill	Kohlhof	

The motion carried.

Mr. Armstrong presented the One-Stop Business Registration project. After discussion, Mr. Ross moved to allocate \$75,000.00 in reinvested revenue for Phase 1 of this project; motion seconded by Mr. Buelt.

Voting For:	Bidrowski Riedesel Witek	Buelt Ross	Catlett Schafer	Gale Vicars
Voting Against:	None			
Absent:	Bolen	Hill	Kohlhof	

The motion carried.

Mr. Armstrong presented the Online License Renewals project. After discussion, Ms. Witek moved to allocate \$25,000.00 in reinvested revenue for this project; motion seconded by Mr. Bidrowski.

Holly Bolen, representing the Attorney General, arrived at the meeting.

The motion was considered.

Voting For:	Bidrowski Riedesel Witek	Buelt Ross	Catlett Schafer	Gale Vicars
Voting Against:	None			
Not Voting:	Bolen			
Absent:	Hill	Kohlhof		

The motion carried.

Mr. Lemon presented the report of the Local Government Grant Subcommittee. After discussion, Mr. Ross moved to approve the Local Government Grant Criteria and the Local Government Grant Application form; motion seconded by Mr. Bidrowski.

Voting For:	Bidrowski Gale Vicars	Bolen Riedesel Witek	Buelt Ross	Catlett Schafer
Voting Against:	None			
Absent:	Hill	Kohlhof		

The motion carried.

Mr. Lemon discussed the Attorney General's opinion regarding the authority of the State Records Board to approve a surcharge or convenience fees on electronic payments for electronic access to public records. No action was required.

Mr. Lemon presented the agreement with the State Treasurer regarding ACH (electronic check) transactions. After discussion, Mr. Buelt moved to authorize the Chairman to enter into a contract to allow ACH transactions; motion seconded by Mr. Schafer.

Voting For:	Bidrowski Gale Witek	Bolen Riedesel	Buelt Schafer	Catlett Vicars
Voting Against:	None			
Not Voting:	Ross			
Absent:	Hill	Kohlhof		

The motion carried.

Mr. Lemon presented information on possible legislation for the 2005 Legislative Session. He indicated legislation would be necessary to make fees statutory for the enhanced Legislative Information System. After discussion, Ms. Witek moved to authorize Mr. Lemon to draft legislation for this session to establish these fees in statute; Motion seconded by Ms. Bolen.

Voting For:	Bidrowski Gale Vicars	Bolen Riedesel Witek	Buelt Ross	Catlett Schafer
Voting Against:	None			
Absent:	Hill	Kohlhof		

The motion carried.

Mr. Armstrong presented the Nebrask@ Online General Manager's Report. After discussion, Ms. Witek moved to approve the Project Priority List; motion seconded by Mr. Schafer.

Voting For:	Bidrowski Gale Vicars	Bolen Riedesel Witek	Buelt Ross	Catlett Schafer
Voting Against:	None			
Absent:	Hill	Kohlhof		

The motion carried.

Mr. Armstrong presented his letter detailing proposed staffing changes for Nebraska Interactive. After discussion, Mr. Schafer moved to approve these staffing changes; motion seconded by Ms. Riedesel.

Voting For:	Bidrowski Gale Vicars	Bolen Riedesel Witek	Buelt Ross	Catlett Schafer
Voting Against:	None			
Absent:	Hill	Kohlhof		

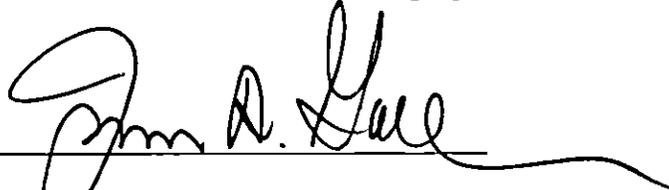
The motion carried.

No further business appearing before the Board, Mr. Buelt moved to adjourn; motion seconded by Mr. Schafer.

Voting For:	Bidrowski Gale Vicars	Bolen Riedesel Witek	Buelt Ross	Catlett Schafer
Voting Against:	None			
Absent:	Hill	Kohlhof		

The motion carried.

Chairman Gale declared the meeting adjourned at 12:00 Noon.



John A. Gale
Chairman
State Records Board

Grant Project Status Report First Quarter, 2005

Agency Name	Project Description	Date Grant Awarded	Original Grant Amount	Amount Not Spent To Date	Completion Date
Chief Information Officer	Business Portal Phase II	2/15/2002	\$25,000	\$5,461.75	Completed
Chief Information Officer	Citizen's Portal (Phase II approved 6/24/2003)	5/20/2002	\$25,000	\$0.00	Completed
Chief Information Officer	Education Portal	5/20/2002	\$25,000	\$15,000	May, 2005
Bd. Of Public Accountancy	On-line review of Annual Register & submission of Applications & Forms	7/8/2003	\$25,000	\$25,000	April, 2006
UNL-Center for Applied Rural Innovation Connecting NE	Access eGovernment	7/8/2003	\$25,000	\$804.89	Completed
Chief Information Officer	Interactive Licensing Phase II	9/18/2003	\$25,000	\$0.00	Completed
Chief Information Officer	Interactive Licensing Phase III	4/28/2004	\$25,000	\$2,500	November, 2005
Chief Information Officer	Public Meeting Calendar Upgrade	4/28/2004	\$15,000	\$3,000	June, 2005
Chief Information Officer	Business Forms Search Upgrade	4/28/2004	\$16,500	\$10,200	July, 2005
Department of Natural Resources	Geospatial Data Clearinghouse	4/28/2004	\$25,000	\$19,248.10	August, 2005
DAS Personnel	Online Job Application	11/23/2004	\$25,000	\$25,000	July, 2005
TOTALS			\$256,500.00	\$106,214.74	

Reinvested Revenue Project Update

Nebraska Interactive – May 2005

In its 2003 contract proposal to the State Records Board, Nebraska Interactive identified a number of proposed projects for which Reinvested Revenue might provide financial support. The Board approved allocation of reinvested revenue for several of these projects. Following is a status report as of May, 2005.

1. Search Engine

Purpose: Improve search engine for locating government information and services by participating in the NIC license agreement for the Google search appliance.

Status: An instance of the Google search engine has been installed at the NIC central data center and is has been operational on Nebraska.gov since early this year. The Google search engine searches all Web sites within the Nebraska.gov, ne.gov, nol.org and state.ne.us domains, as well as other known aliases such as neded.org (Dept. of Economic Development). The engine is also available to interested agencies for whom Nebrask@ Online hosts Web sites at no additional charge.

Per agreement with the board, Nebraska Interactive will be requesting reimbursement for the license costs incurred to date, which is just under \$4,000 for the first quarter of 2005. The board allocated \$25,000 for this purpose for the entire year, and it is expected that amount will be more than enough to cover the full-year cost.

2. Local Portal/Services Integration

Purpose: Improve access and marketing of local government online applications; identify opportunities for sharing code among local jurisdictions; provide integration with state government online applications such as one-stop business registration.

Status: The initial version of the Local Portal will be launched in conjunction with the redesigned Nebraska.gov portal on or before June 1. Several steps in the initial plan have taken place, including creation of an inventory of existing local government online services; development of a site architecture to provide access to local services by type and location; and creation of design templates. Development and testing of the local portal is in process as part of the overall portal redesign. Once in place, Nebraska Interactive will consult with various local government organizations to enhance and market the local portal.

\$50,000 in reinvested revenue was allocated to this project. Once it is launched in conjunction with the overall portal redesign, Nebraska Interactive will assess the resources used for this portion of the initiative and inform the Board and Operations Committee. Plans and estimated expenses for the next phase will also be identified.

3. One-Stop Business Registration:

Purpose: Promote economic development by making it easier to conduct business with state and local government.

Status: A meeting was held in early May with a subset of the planning committee to review the approach to this initiative. Based on this discussion, it is now recommended that the initial step be to develop a basic system that directs users to the correct agencies and forms for general business registration, rather than attempting to fully integrate data collection at this stage. The second step will be to expand the scope beyond the four primary agencies (IRS, Dept. of Revenue, Secretary of State and Dept. of Labor) into other state agencies and possibly local government. Phase 3 will involve more extensive integration of data gathering and transmission. Pending discussion with the full planning committee, it is expected that work on the initial phase can begin in June with estimated completion by late August. A complete plan, including milestones for using the reinvested revenue allocation, will be presented to the NSRB Operations Committee by June 1.

4. **Online License Renewals**

Purpose: Provide online access for license renewals for state government.

Status: Nebraska Interactive continues to work with agencies (primarily HHS) in development of license renewal applications. Reinvested revenue is supporting development of renewal for new license types, with payment directly from agencies (either through per-transaction or fixed cost payments) for upgrading license types that had been developed with NSRB support in prior years. The development process has been streamlined to a point that new license types (particularly for HHS) can be turned around in a very short period of time. Use of these reinvested revenue funds is dependent upon identification of new license types to be addressed, and we are working with agencies to identify candidate license types to continue the initiative.

5. **1040N Income Tax Filing**

Purpose: Provide online filing capability for an additional filing type, the 1040N.

Status: Work on this project began in the fall of 2004, with specifications developed in conjunction with the Dept. of Revenue and a test version of the 1040A portion was delivered for agency review in early January. The 1040 portion of the project turned out to be considerably more complex and time-consuming than initially realized, and a mutual decision was reached to postpone launch of the final version until 2006.

Payment to Nebraska Interactive from the total of \$59,200 in reinvested revenue funds was broken into segments, with \$10,000 paid upon completion of specifications, \$20,000 upon delivery of the test version, and \$29,200 payable upon completion. The Dept. of Revenue recognizes the work that has been done and is agreeable to payment of half the final amount due for work completed to date (\$14,600), with the balance due when the application is launched. The number of 1040A filed on-line this year was 11,163.

Status Report – State Records Board Grants to the CIO
Date of Last Revision: May 5, 2005

A. Business Portal Phase II

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Forms Inventory Database Maintenance Strategy	Completed	\$1,000	\$0
Training for Businesses and Development Professionals	<ul style="list-style-type: none"> • 10 meetings held to date • Promotional materials published • Lincoln B to B trade show – 10/7/03 • Omaha trade show –10/14/03 • Target Completion Date: Shift remaining funds (\$281.75) to Forms Automation 	\$3,718.25	\$281.75
Interactive Licenses (3)	<ul style="list-style-type: none"> • EMT (Sept 2003) – done • Well Drillers (fall 2003) – done • Water Operators (10/1/03) – done 	\$7,500	\$0
Forms Automation	<ul style="list-style-type: none"> • Completed: 20 forms for Secretary of State, 10 forms for Board of Public Accountancy, 260 forms for HHSS; • Completed: 29 forms for Dept of Ag, 26 forms for Labor, 11 forms for Tourism, 5 forms for NEMA, and 2 forms for Attorney General. • Completed: 27 forms for Dept of Ag, 4 forms for Attorney General, 5 for Brand Committee, 7 for Court Admin, 2 for Electrical Div., 11 for DEQ, 4 for Fire Marshal, 26 for MVILB, 2 for State Patrol, 1 for State Treasurer • Completed: 39 for Workers Comp, 6 for Agriculture, 1 for Fire Marshal, and 2 for Liquor Control. • Completed: 70 forms for Public Service Commission (July 2004); 15 pages for Secretary of State (August 2004) • Completed: 3 forms for Electrical Division and 1 form for Attorney General (Oct. 2004) • Completed: 15 pages for Banking & Finance (Nov 2004) • Completed: Banking and Finance (54 forms), Health & Human Services (21 forms) – January 2005. • Target Completion Date: Close out this grant. Agencies will be charged for any further work. 	\$7,320	\$5,180
Overall Completion Date: December 31, 2004			
Totals		\$19,538.25	\$5,461.75

B. Citizen's Portal

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Portal Web Site (www.ne.gov/citizen)	Completed	\$5,000	\$0
Self-Registered E-mail	<ul style="list-style-type: none"> Central website and subscription service for agency newsletters, information releases, and e-mail lists (May 30, 2004) (Completed November 2004) Automatic notification of changes to Public Meeting Calendar (www.ne.gov) -- Done Meeting with Agency PIOs will be held in mid to late September to present central website and subscription service in the context of an overall marketing strategy. 	\$1,500 \$3,500	\$0 \$0
Enhancements to campaign finance information searches	Target completion date is June 30, 2004, but is dependent on Accountability and Disclosure's schedule. Update, August 2004: The Commission will not implement major system changes until after the elections. Estimated implementation date is January 2005.	\$10,000	0
Enhanced Legislative Bill Tracking System	Target completion date within 6 months of approval by Legislature's Executive Board <ul style="list-style-type: none"> Target Completion Date: December 1, 2004 	\$5,000	0
	Overall Completion Date: January 1, 2005		
Totals		\$25,000	0

C. Education Portal

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Portal Web Site (www.ne.gov/education)	Completed	\$5,000	\$0
Statewide application for admission to all higher education institutions	Education Council has gathered admissions forms from all institutions. Initial list of common elements has been identified. Initial application has been completed. <ul style="list-style-type: none"> Target Completion Date: Project Terminated 	\$5,000	\$5,000
Information technology training calendar	Work on the training calendar is completed. It will be shown to the Education Council on May 20 th . If they approve, this project is complete and can be closed out. <ul style="list-style-type: none"> Target Completion Date: May 20, 2005 	\$0	\$5,000
Searchable database of education courses, programs	Waiting for information on what might be available from other sources <ul style="list-style-type: none"> Target Completion Date: Project Terminated 	\$0	\$5,000

	Overall Completion Date: May 20, 2005		
Totals		\$10,000	\$15,000 (only \$5,000 more will be spent)

D. Interactive License Renewal (First Grant) – Completed

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Dentists	Completed and in operation	\$5,000	\$0
Dental Hygienists	Completed and in operation	\$5,000	\$0
Pharmacists	Completed and in operation	\$5,000	\$0
Medical Nutrition Therapists	Completed and in operation	\$5,000	\$0
Physical Therapists	Completed and in operation	\$5,000	\$0
Totals		\$25,000	\$0

E. Payment Portal -- Completed

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Payment module for credit card and electronic check processing	The payment portal went live in January 2003 with credit card processing for license renewals. The electronic check module is complete.	\$12,500	\$0
Enhanced Shopping Cart Feature	Completed	\$10,000	\$0
Automated general ledger transmission tool	Completed	\$2,500	\$0
Totals		\$25,000	\$0

F. Interactive License Renewal (Second Grant) – Completed

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
HHSS -- Podiatrists	• Target Date: April 1, 2004 (live as of March 1)	\$2,500	
HHSS – Veterinarians	• Target Date: April 2004 (Live as of March 8)	\$2,500	
HHSS – Respiratory Care	• Target Date: March 15, 2004 (done 3/29)	\$2,500	
HHSS – Chiropractitioners	• Target Date: August 2004 (done 6/30)	\$2,500	
HHSS – Optometrists	• Target Date: August 2004 (done 6/30)	\$2,500	
HHSS – Occupational Therapists	• Target Date: August 2004 (done 6/30)	\$2,500	
Fire Marshal- Fireworks Distributors, Jobbers & Retailers	• Target Date: April 15, 2004	\$2,500	
Osteopathic Physical	• Target Date: 9/01/04	\$2,500	
Osteopathic Physician & Surgeon	• Target Date: 9/01/04	\$2,500	

Physician	• Target Date: 9/01/04	\$2,500	
Totals	Overall Completion Date: September 1, 2004	\$25,000	\$0

G. Interactive License Renewal Grant (Third Grant -- \$25,000)

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Fire Marshal – Grain Elevators	Target Date: November 2005		\$2,500
Fire Marshal Fireworks Display Permit	Target Date: (Completed March 2005)	\$2,500	
Audiologist	12/1/04 (Completed 11/8/04)	\$2,500	
Speech-Language Pathologist	12/1/04 (Completed 11/8/04)	\$2,500	
Cosmetologist	12/31/04 (Completed 11/15/04)	\$2,500	
Cosmetology Instructor	12/31/04 (Completed 11/15/04)	\$2,500	
Hearing Aid Instrument Dispenser & Fitter	12/31/04 (Completed 10/31/2004)	\$2,500	
Nursing Home Administrator	12/31/04 (Completed 11/15/04)	\$2,500	
Environmental Health Specialist	1/1/05 (Completed November 2004)	\$2,500	
Psychologist	1/1/05 (Completed November 2004)	\$2,500	
Special Psychologist	1/1/05		
Totals	Overall Completion Date: November 1, 2005	\$22,500	\$2,500

H. Public Meeting Calendar Upgrade (\$15,000)

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Project Charter	6/15/2004	\$1,500	
Systems Requirements	6/30/2004	\$3,500	
System Design	7/15/2004 (completed November 2004)	\$2,000	
System Implementation	8/31/2004 (completed March 2005)	\$5,000	
Marketing Plan Development	8/31/2004		\$2,400
Project Closure	9/30/2004		\$ 600
Totals	Overall Completion Date: June 15, 2005	\$12,000	\$3,000

I. Business Forms Search Upgrade (\$16,500)

<u>Deliverables</u>	<u>Status and Comments</u>	<u>Expended To Date</u>	<u>Funds Remaining</u>
Project Charter	6/15/2004	\$1,500	0
Systems Requirements	7/15/2004	\$3,300	0
System Design	7/31/2004	\$1,500	0
System Implementation	9/30/2004		\$4,900
Marketing Plan Development	9/30/2004		\$4,700
Project Closure	10/31/2004		\$ 600
Totals	Overall Completion Date: July 15, 2005	\$6,300	\$10,200



STATE OF NEBRASKA

JOHN A. GALE
SECRETARY OF STATE

P.O. Box 94608
State Capitol, Suite 2300
Lincoln, NE 68509-4608
Phone 402-471-2554
Fax 402-471-3237
www.sos.state.ne.us
sos08@nol.org

June 22, 2005

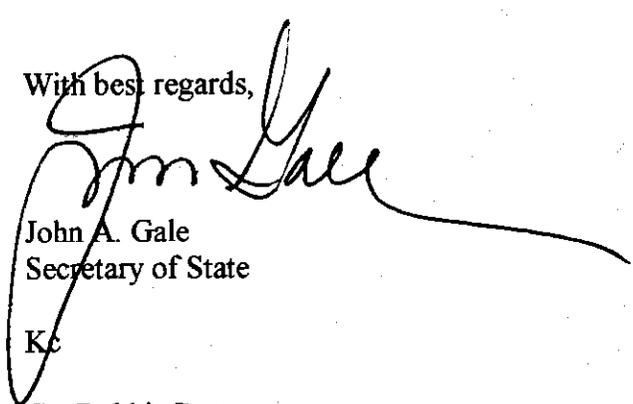
Rod Armstrong
Nebraska Online
1301 S 13th St, Suite 301
Lincoln, NE 68508

COPY

Dear Rod,

Enclosed are copies of survey responses from the Secretary of State's office.

With best regards,


John A. Gale
Secretary of State

Kc

Cc: Debbie Pester
Bill Ptacek

Nebrask@ Online is now Nebraska.gov. We value your opinion and would like your comments regarding our service. Please complete the following survey in its entirety so that we may improve our service to you. Any information you supply will be kept confidential and will be used solely to improve the quality of service we offer to you.

1) Please select the option which best describes your opinion about the following statements about Nebraska.gov (formally Nebrask@ Online).

	(Strongly agree)	<... < ... (Neutral) ... > ...>	(Strongly Disagree)
Nebraska.gov understands my agency's or division's needs.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nebraska.gov posses the technical ability to address the needs of my agency or division.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov follows through with commitments, project time lines and promises.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov's employees are professional.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov is responsive to my agency's or division's needs.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov provides a quality product	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov treats my agency or division with respect.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
My experience working with Nebraska.gov has been positive.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov has contributed in increasing my agency's or division's overall efficiency.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Comments:

There has been good coordination on matters pertaining to the State Records Board; website needs have been promptly addressed; however our online filings need in UCC have been a four year struggle.

2) Please rate your opinion of Nebraska.gov's (Nebrask@ Online's) technical support.

	(Strongly agree)	<... < ... (Neutral) ... > ...>	(Strongly Disagree)
Nebraska.gov provides quality technical support.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov has reduced the amount of customer calls to my agency or division.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov resolves service problems/issues quickly.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nebraska.gov resolves problems/issues to my complete satisfaction.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Comments:

These ratings all pertain to UCC online filing issues.

3) In the future, how likely are you to work with Nebraska.gov again?

- [Very Likely]
- [Somewhat Likely]
- [Somewhat NOT Likely]
- [Not at all likely]

} depends upon significant improvement with UCC online filing issues

4) How likely are you to recommend Nebraska.gov to another government agency or division?

- [Very Likely]
- [Somewhat Likely]
- [Somewhat NOT Likely]
- [Not at all likely]

} based upon State Records Board reputation, yes; based upon our UCC online filing experience, cautious.

5) Please use the space below to comment on your overall experience of working with Nebraska.gov.

The significant and ongoing UCC online failures over four years do not speak highly of technical expertise, project management, nor customer satisfaction.

6) Please provide background information about your agency or division (Optional).

Jurisdiction

- [State Government] _____
- [County Government]
- [Other]

Your position:

- [Agency/Dept. Director]
- [Agency/Dept. Manager]
- [Project Manager]
- [County Official]
- [Other] constitutional officer

Thank you for your feedback! Your answers and recommendations will be used to help us improve our service.

Jim Gale
Secretary of State
Nebraska
4/21/05

May 17, 2005

State Records Board
Suite 2300, State Capitol
PO Box 94608
Lincoln, NE 68509-4608

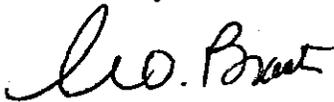
Dear Madame or Sir,

On behalf of the Katherine L. Walter, the Board of Regents of the University of Nebraska is pleased to submit a proposal to your agency for the Nebraska Public Documents Digitalization Project.

The proposal has been administratively approved on behalf of the Board of Regents by the appropriate University officials as evidenced by my signature on this letter of transmittal.

Questions regarding the technical aspects of this project should be directed to Ms. Walter at 402/472-3939. Administrative or fiscal questions should be directed to me at 402/472-3780. We look forward to the response from the State Records Board.

Sincerely,



Norman O. Braaten
Director, Pre-Award Development and
Authorized Official

Enc.

cc: Ms. Walter

Title: Nebraska Public Documents Digitalization Project
Applicant: University of Nebraska-Lincoln Libraries
Date: 13 May 2005

Granting Agency: Nebraska State Records Board

I. Grant summary:

1. **Name of agency:** University of Nebraska-Lincoln Libraries
2. **Brief description of project:** The University of Nebraska-Lincoln Libraries requests funds to complete digitization of *Nebraska Public Documents* from 1891-1956. This set includes agency annual reports and other documents critical to the information needs of the citizenry. The *Nebraska Public Documents* are not widely available, not indexed, and in fragile condition.
3. **Grant request amount:** \$23,000
4. **Will there be a fee for accessing records associated with this project:** No.
5. **If yes, provide statutory reference or authorization:** Not applicable.

II. Grant detail:

1. **Please describe the project in detail.**

Nebraska Public Documents, a publication comparable to the federal U.S. *Serial Set* but for the State of Nebraska, is a publication that is not widely available, often in fragile condition, and not indexed. Despite its historical nature, it is a publication used for research on various topics of interest to the citizenry.

In the mid-1990s, the New York Public Library received funds from the National Endowment for the Humanities to microfilm 1891-1956 as part of a larger project to preserve documents of various states. The material is still not indexed, and the reels cannot be borrowed. Recently, the Nebraska Library Commission, the University of Nebraska at Omaha, the University of Nebraska-Lincoln, and the Nebraska State Historical Society met to discuss problems in providing access to the *Nebraska Public Documents*. None of our institutions has a complete set, and none of the institutions is able to provide meaningful reference services associated with the materials because of the lack of indexing.

Based on this situation, the Nebraska Library Commission has granted the Nebraska State Historical Society \$10,000 to purchase copies of the 116 reels of microfilm from the New York Public Library, and granted the University of Nebraska-Lincoln Libraries \$23,000 towards half of the digitization efforts, which are estimated to cost \$56,000, based on an average price of \$0.40 per image for 116,000 images. Upon digitization of the microfilm, UNL will produce a free searchable, public interface for the digitized images, will host the digitized content on a server in the University Libraries, and commits to backing up and migrating data on a regular basis.

This grant proposal will match the Nebraska Library Commission's commitment to UNL, thus allowing UNL to complete the digitization of the microfilm.

2. Please describe whom the beneficiary or recipient of this service will be and projected activity for access or use of the proposed service.

Digitization of the *Nebraska Public Documents* will benefit the citizenry of the state, corporations, governments, and other entities. Access will be available to anyone around the world with access to the Internet. Examples of the uses abound, however. One example is the ability to track data on polio outbreaks in Nebraska, which is reported in inconsistent ways. Sometimes information is in tables and other times it is buried in narrative accounts. A researcher for a law firm recently used the documents to identify issues relating to water law. Another researcher was able to confirm the existence of early baseball teams at the State Penitentiary. A number of the early reports demonstrate that the Governor's speeches were translated into Czech. To expound further, state agencies will benefit from digital versions of their historic annual reports. Some do not have copies of older reports inhouse, and this project will make such documents easily accessible. The uses, as evident from these few examples, are varied and wide.

3. Timeline for implementation. The initial project, funded by the Nebraska Library Commission, will be completed by June 2006. We anticipate that the project funded by the Nebraska State Records Board will be completed by December 2006. Incrementally, implementation is expected to progress as follows:

Digitization services RFP developed for scanning and OCR by Walter and UNL Purchasing Dept. July/August 2005.

Decision made regarding successful bid in August 2005. Begin sending existing reels sent for digitization immediately.

Purchase of remaining reels from NYPL in late August/early Sept. 2005.

Ship remaining reels to digitization services provider in November 2005. (Assumes that NYPL will take around 60 days to create remaining reels).

Begin receiving digital files back from contractor in December 2005, and begin quality control checks and encoding of files.

Quality control checks and file encoding will continue throughout 2006.

4. Agency contribution to project. As noted above, the Nebraska Library Commission has provided seed monies for the project to both the Nebraska State

Historical Society and the University of Nebraska-Lincoln, totaling \$33,000. In addition, UNL agrees to host the online content, to develop metadata and a search interface as part of its Electronic Text Center responsibilities, and to sustain the digitized content. The University of Nebraska at Omaha is leading efforts to identify public documents that may have been missed during New York Public Library's microfilming efforts to ensure that there are no gaps in state holdings. In the event paper materials are found that supplement the microfilm, a preservation microfilming project will be planned.

5. **Has this project ever been submitted as a budget request.** No.

6. **Does the project require additional statutory authority.** No.

7. **Why is grant money needed for the project, and if applicable, how will the service be sustained once the grant money is expended?** The cost of providing online access to the *Nebraska Public Documents* is significant, but worthwhile. UNL commits to sustain the online text for the long-term as described later in this proposal.

8. **Please describe how this project will enhance the delivery of state agency services or access to those services.** Citizens of the state cannot now easily access information found in the *Nebraska Public Documents*. Information used by citizens ranges from genealogical evidence to significant longitudinal data on issues pertinent to the State of Nebraska. By digitizing the microfilm, creating a digital site for the data, developing a user-friendly interface with a sophisticated XML searching capability, and developing a migration plan for sustaining the data long-term, the project will provide significant access to the public—both in Nebraska and around the world.

9. **Please describe how this project will**

- **Improve the efficiency of agency operations:** Access to a digital version of the *Nebraska Public Documents* will help the Nebraska Library Commission, the Nebraska State Historical Society, and the University of Nebraska system provide reference services to citizens. None of our agencies currently has a complete run of the documents, and so providing reference is difficult at best. In addition, the fact that the set is not indexed creates significant difficulties in tracking needed information.

- **Facilitate collaboration among state agencies:** Two state agencies are among the group collaborating on the project. As noted, the Nebraska Library Commission has pledged funds for the Nebraska State Historical Society to purchase the preservation microfilm for digitization, and the Nebraska State Historical Society has agreed to loan the film to the University of Nebraska-Lincoln for digitization.

- **Facilitate collaboration between state agencies and other public institutions:** The Nebraska Library Commission, the Nebraska State Historical

Society, and the University of Nebraska at Omaha have taken this opportunity to begin an inventory to determine which institutions hold various years of the set and how complete the sets are. So far, it is clear that no institution holds all of the set. The University of Nebraska-Lincoln does not own the set at all, but is able to contribute thanks to its significant investment in digital scholarship. The UNL Libraries already owns XML search engine software, has the ability to store large amounts of online data, and has committed to long-term digital storage of the *Nebraska Public Documents*.

• **Support public/private partnerships in the delivery of public services:**

Not applicable.

III. Technical information

1. **Describe the hardware, software, and communications needed for this project and explain why these choices were made.** UNL Libraries has the server storage capacity, XML search engine software, and the staff to maintain the data digitally for the long-term. The digitization of the microfilm will be outsourced to a reliable vendor, such as Crowley Micrographics, First BPO, Heritage Microfilms, or OCLC Digital and Preservation Services, based on the University's state bid process. Once the data files are received, the UNL Libraries' Electronic Text Center staff will ensure that the files are complete; develop a web site for presentation of the data; work with other UNL Libraries' departments to prepare the data for searching; and will maintain the data on a fast server and associated software for searching and data manipulation, such as a SunFire V240, Tamino 4.211, Apache 2.054 (64-bit), Tomcat 4.1.3; and/or a SunFire 880, Tamino 4.2.11, Apache 2.043 (64-bit for Tamino) and Apache 2.050 (32-bit), Tomcat 4.1.3, PHP 4.3.7, mySQL 4.0.2.

2. **Address any technical issues with the proposed technology, including:**

Conformity with generally accepted industry standards. Project which interface with other state systems (such as distance learning systems) should also address NITC technical standards and guidelines. The University of Nebraska-Lincoln Libraries will bid for the digitization services, following the Research Libraries Group's (RLG's) *Guidelines and Tools* developed in concert with the Digital Library Federation, and the *NINCH Guide to Good Practice in the Digital Representation and Management of Cultural Resources and Management of Cultural Heritage Materials*. See http://www.rlg.org/en/page.php?Page_ID=555 and <http://www.ninch.org/programs/practice>. These are in compliance with State of Nebraska guidelines.

The set will be cataloged on OCLC using MARC or Dublin Core records, and the documents will be marked up in eXtensible Markup Language (XML) to permit sophisticated searching. Documents will be presented on the web using XSLT stylesheets. For examples of similar sites, see the UNL Libraries Electronic Text Center pages at <http://etc.unl.edu>. See the section on Digital Projects.

Compatibility with existing institutional and/or statewide infrastructure. The digital product will meet international standards. By following standards, and by encoding data in eXtensible Markup Language (XML), we will be contributing to the development of a state digital library that can be used through any state agency, public library, or internet connection in citizens' homes or businesses.

Reliability, security, and scalability (future needs for growth or adaptation). The data will be presented in a non-proprietary format. UNL Libraries regularly backs up its data, and performs security checks. Sites created in the UNL Libraries are scalable to ensure that any future needs are anticipated.

3. **Describe how technical support will be provided.** The University Libraries' Electronic Text Center and Computing Operations & Research Services (CORS) will collaborate to provide technical support. The Electronic Text Center is responsible for creation of the public interface, for creating and/or correcting metadata, for specifying file naming conventions, and for working with UNL Purchasing Dept. on creation of the bid document. CORS will be responsible for data storage, back-up, and for developing the search engine using existing Tamino software.

IV. CONTACT INFORMATION, SIGNATURE

Contact person for any questions regarding this application: Katherine L. Walter, Chair, Digital Initiatives & Special Collections (DISC), University of Nebraska-Lincoln, 29 Love Library, Lincoln, NE 68588-4100
Phone #: (402) 472-3939 **Email:** kwalter1@unl.edu

Signed this 17th day of May, 2005

Agency Director *N. O. Braaten*
Norman O. Braaten, Director, Pre-Award Development.
Please return to:

State Records Board
Suite 2300, State Capitol
PO Box 94608
Lincoln, NE 68509-4608

TO: Nebraska State Records Board Members

FROM: Greg Lemon

RE: Local Grant Recommendations

DATE: May 6, 2005

The Contract Operations subcommittee met on February xx, 2005 and reviewed the three local government grant applications currently before Nebraska State Records Board and recommends as follows:

1. Seward County, et al. --Online Property Tax Filings (\$25,000)

The subcommittee considered this grant application. Because the online property tax payment system was included as part of the RFP response submitted by Nebraska Interactive, and because online property tax payments were on the reinvested projects list developed by the Operations Subcommittee, the Subcommittee recommends that this project be funded as a reinvested revenue project.

2. Kearney County, et al. --Enhanced County Webpage (\$25,000)

The subcommittee considered this grant to meet the criteria of enhancing the delivery of government services electronically, however, concern was expressed about whether the developed application would be available for use by other subdivisions and whether the existing communications infrastructure could handle increased data volume. Therefore the subcommittee voted to defer any recommendation on this until further information is received.

3. South Sioux City--SSC Electronic Filing System (10,000)

Based upon the information submitted this request does not appear to meet the criteria of enhancing public access to government records. Therefore, the subcommittee voted to recommend that this request not be funded.

Concern was also expressed about the ability of the current infrastructure to handle increased data volume created by the new system.

GENERAL MANAGER'S REPORT

April 2005



www.nebraska.gov

**ROD ARMSTRONG, GENERAL MANAGER
NEBRASK@ ONLINE
301 So. 13TH ST., STE. 301
LINCOLN, NE 68508
PHONE: 402-471-6582
FAX: 402-471-7817
EMAIL: ROD@NOL.ORG**

	Month Ended 4-30-05	Month Ended 4-30-04	Year to Date 4-30-05	Year to Date 4-30-04
Gross Revenue	\$385,696.00	\$352,207.00	\$1,639,534.00	\$1,445,971.00
COR Paid to NSRB	\$11,393.00	\$11,260.00	\$47,297.00	\$40,347.00
COR Paid to Agencies	\$225,875.00	\$208,701.00	\$951,535.00	\$846,395.00
COR Other	\$535.00	\$1,718.00	\$6,544.00	\$6,249.00
Total Cost of Revenue	\$237,803.00	\$221,679.00	\$1,005,376.00	\$892,991.00
Gross Profit	\$147,893.00	\$130,528.00	\$634,158.00	\$552,980.00
Operating Expenses	\$112,512.00	\$96,848.00	\$451,359.00	\$390,114.00
Operating Income (Loss)	\$35,381.00	\$33,680.00	\$182,799.00	\$162,866.00
Other Income (Expense)	\$0.00	\$187.00	\$2,329.00	\$640.00
Net Pre-Tax Income (Loss)	\$35,381.00	\$33,867.00	\$185,128.00	\$163,506.00
Provision for Income Tax	\$14,176.00	\$13,171.00	\$74,186.00	\$63,602.00
Net After-Tax Income (Loss)	\$21,205.00	\$20,696.00	\$110,942.00	\$99,904.00
Variance from Plan	(\$2,665.00)	\$4,344.00	\$10,290.00	\$35,491.00
Revenue Contribution (April, 2005)				
Dept. of Motor Vehicles (Batch Drivers Records)				23.9%
Dept. of Motor Vehicles (Interactive & Other Services)				38.6%
Secretary of State Services (Interactive/Batch)				19.5%
Other (Subscriptions, Connect Time, Special Projects, etc.)				18.0%
Balance Sheet (4/30/05):				
Current Assets			\$973,837.00	
Fixed Assets			\$15,486.00	
Other Assets			\$13,085.00	\$1,002,408.00
Current Liabilities			\$224,672.00	
Stockholder's Equity			\$777,737.00	\$1,002,409.00

- Approval is pending on several projects, including: a Budget Estimator Tool for the Governor's office that would allow citizen input into the state budget process; the database interface search tool for the Liquor Control Commission; a new web site design for the Liquor Control Commission; professional license renewals for pharmacies; and a new web site design for the Nebraska Chamber of Commerce.

- Work has begun or continues on a number of projects, including:
 - New web site designs for several agencies and organizations;
 - Revisions and enhancements to the eGrant System for the Nebraska Arts Council;
 - Professional license renewals for HHSS;
 - Tax Estimator Project for the DMV;
 - Specialty license plate search and ordering for the DMV;
 - Water well drilling registration templates for the DNR;
 - County web site re-designs and enhancements;
 - Online license renewal and continuing education reporting system for the Board of Public Accountancy;
 - Real Estate agent licensing; and
 - Upgrading the state employment application.

- Provided training on Web site maintenance and/or discussed possible online applications with several counties, including: Burt, Howard, Rock, Merrick, Franklin, Kimball, Lincoln, Holt, Seward, Buffalo, Hamilton, Pierce, Dawson and Clay.
- Provided Web site training to staff from the Abstractors Board of Examiners.
- Met with members of the Nebraska Court of Appeals, Supreme Court and representatives from Lexis Nexis to explore the feasibility of an integrated electronic court documents filing system.

New/Outstanding Issues

- Rollout of our new portal design is scheduled for June 1. With board approval, we will also change the portal brand from Nebrask@ Online to Nebraska.gov at that time. A broad marketing plan will be executed in conjunction with the new portal brand.
- Jason Bush, an NOL developer, has left the company to pursue other opportunities. We appreciate Jason's contributions to NOL and wish him success in his new ventures. We are in the process of recruiting a replacement.
- The peer review process approved by the board is underway, with completion expected about July 1.
- The quarterly backup tape has been deposited with our escrow agent per our contract.

Respectfully Submitted,

Rod Armstrong
Network General Manager

NEBRASKA@ ONLINE PROJECT REPORT: May 10 2005

*** Indicates new project, status change, or other significant change to existing project.

Projects Completed

Agency	Project	Public Benefit	Resource Requirement	Type of Payment
Accountability & Disclosure Commission	Campaign Finance Database & Citizen Search Enhancements	Extensive	Extremely High	Grant/Fixed Cost
Arts Council	Credit Card Payment application for NAC Online Shop	Moderate	Moderate	Fixed Cost
Arts Council	Enhancements to eGrants Application System	Large	High	Fixed Cost
Attorney General	Online Subscription for Consumer Notifications and Newsletters	Large	Moderate	Fixed Cost
***Attorney General	Consumer Vulnerability Survey	Large	Low	Fixed Cost
Chief Information Officer	Citizen Press Release Center	Large	Moderate	Grant
Chief Information Officer	Public Meeting Calendar Application Rewrite/Update	Extensive	Very High	Grant
***Counties: Garfield	Web Site Design with Navigation and Graphics	Moderate	Moderate	Approp.
Counties: Howard	Web Site Design with Navigation and Graphics	Moderate	Moderate	Approp.
Counties: Morrill	Web Site Design with Navigation and Graphics	Moderate	Moderate	Approp.
Counties: Polk	Web Site Design with Navigation and Graphics	Moderate	Moderate	Approp.
Counties: Thayer	Web Site Design with Navigation and Graphics	Moderate	Moderate	Approp.
Crime Commission	Searchable Database #2: Crime Statistical Information	Large	High	Non-fee
Crime Commission	Searchable Database #3: Crime Statistical Information	Large	High	Non-fee
Crime Commission	Web Site Redesign	Large	Moderate	Fixed Cost
***Economic Development: Film Office	Host Film Office Web Site and re-write online search & registration	Moderate	Moderate	Fixed Cost
***Economic Development: CRD	Online Registration for Training Seminars	Moderate	Moderate	Fixed Cost
Fire Marshal	Fireworks Permit Application Rewrite/Enhancements	Large	Moderate	Non-fee
Fire Marshal	Fireworks Display Permit	Large	High	Grant/Trans. Fee
Health & Human Services	Cosmetologist/Cosmetology Instructor License Renewals	Large	High	Grant
***Health & Human Services	Dentist/Dental Hygienist License Renewals	Large	High	Fixed Cost
Health & Human Services	Environmental Health Specialist License Renewals	Large	High	Grant
Health & Human Services	Nursing Home Administrator	Large	High	Grant
Insurance	Web Site Redesign	Large	Moderate	Non-fee
Legislature/CIO	BillTracker: Legislative Bill Tracking & Notification System	Extensive	Very High	Grant/Trans. Fee
***Nebraska Bankers Association	Bank Compliance PDF site search	Moderate	Moderate	Non-fee
NRCSA	Web Site Design and Hosting	Moderate	Moderate	Fixed Cost
Revenue	Sales Tax Form Upgrades	Large	Moderate	Trans. Fee
Revenue	Income Tax Forms: Form 1040N	Large	High	Grant/Trans. Fee
Secretary of State	UCC Statutory Lien Filing	Large	Very High	Trans. Fee
Volunteer Service Commission	Web Site Redesign & Conference Registration	Large	High	Fixed Cost

Projects Pending Approval

Agency	Project	Date Received	Public Benefit	Deadline Sensitivity	Resource Requirement	Type of Payment	Assigned Staff	Percent Complete	Original Due Date	Revised Due Date
Arts Council	eGrants System Upgrades and Enhancements: Additions to current online grants system including new final report section and user admin.	1-Jun-04	Large	High	Extremely High	Fixed Cost	Warriner	95%	1-Mar-05	
Chief Information Officer	Business Portal Upgrade: Upgrades to Forms Inventory database and portal architecture.	2-Jan-04	Extensive	Flexible	High	Grant	K.Lyons	95%	29-Oct-04	1-Jun-05
Chief Information Officer	Ed Portal IT Training Calendar: Calendar of IT training classes, seminars and workshops posted by institutions & agencies. <i>Comment: Change in priority of project resulting in revised due date and conforming this project with rewrite of Public Meeting Calendar.</i>	1-Jun-03	Extensive	Flexible	High	Grant	Pfister	95%	29-Feb-04	20-May-05
County Project: Rock	Web Site Design: New design for county site with navigation and graphics.		Large	Flexible	Moderate	Approp.	Brown			
***Governor	Online Citizen Budget Estimator Tool	14-Apr-05	Moderate	Flexible	Moderate	Non-Fee	Warriner	95%		
***Health & Human Services	Pharmacies Online License Renewal	1-Apr-05	Large	Firm	High	Fixed Cost	Norton	95%	1-May-05	
Liquor Control	Database Web Interface: Upgrade search capability with NOI Web search of IMServe database for license information <i>Comment: Due date revised at agency request and completion of IMS portion of project</i>		Large	Flexible	High	Unknown	K. Lyons	95%	1-Jan-05	15-Apr-05
Liquor Control	Web Site Design: New design for agency web site with navigation and graphics. <i>Comment: Due date revised due to agency delay on design decision. (July 1, 2004)</i>	1-Apr-04	Large	Flexible	Moderate	Non-Fee	Duffy	95%	15-Jul-04	30-Jul-04
***Nebraska Chamber of Commerce	Web Site Redesign	15-Dec-04	Moderate	Flexible	Moderate	Non-Fee	M. Lyons	95%	30-Apr-05	

Projects Underway:											
Agency	Project	Date Received	Public Benefit	Deadline Sensitivity	Resource Requirement	Type of Payment	Assigned Staff	Percent Complete	Original Due Date	Revised Due Date	
Account. & Disclosure	Web Site Redesign: Redesign web site navigation and graphics.	24-Jan-05	Extensive	Flexible	Moderate	Non-Fee	Duffy	75%	30-Apr-05		
Administrative Services: Personnel	State Employment Application Upgrade: Improvements and additions to online state employment application.	1-Sep-04	Extensive	Firm	Very High	Fixed Cost	K. Lyons	20%	13-Jun-05		
Chief Information Officer	Forms Automation	15-Mar-01	Extensive	Flexible	High	Grant	All	90%	31-Dec-04		
Chief Information Officer	One-Stop Business Registration: Online site for business to access all information necessary to register and do business in Nebraska.	28-Apr-04	Extensive	Flexible	Extremely High	Reinv. Rev.	Unassigned	10%	31-Dec-05		
***Community College System	Web Site Redesign:	2-Feb-05	Extensive	Flexible	Moderate	Non-Fee	Duffy	30%	15-May-05		
		2-Jan-04	Moderate	Flexible	Moderate	Approp.	Duffy	50%	15-Mar-04	30-Apr-04	
County Project: Merrick	Web Site Design: New design for county site with navigation and graphics. Comment: NOL waiting to hear back regarding design approval										
Crime Commission	Law Enforcement Training Center Web Site & Application Completion Comment: Finish web site and online applications for division because company originally contracted to do work has gone out of business. Comment: Decision made to finish web site design and static content but to not proceed on applications (March 1, 2005).	19-Oct-04	Moderate	Flexible	Unknown	Fixed Cost	K. Lyons	80%	1-May-05		
***Health & Human Services	Physician's Assistant Professional License Renewal Comment: This profession selected to fill final space in NSRB grant for license renewal	18-Feb-05	Large	Firm	Moderate	Grant	Norton	75%	1-Jul-05		
Health & Human Services	Redesign & Enhancements to HHS-SICA Web Site	10-Nov-04	Large	Flexible	Moderate	Fixed Cost	Duffy	50%			
Investment Council	Web Site Design: New design for agency that does not currently have a site; with navigation and graphics. Comment: Project on hold while agency decides on design Comment: Agency has decided to proceed with site pending signing of Agreement. (12-15-2004)	2-Jan-04	Large	Flexible	Moderate	Non-Fee	Benes	60%	15-Feb-04	1-Jul-05	
Insurance	Company and Producer Online Search	20-Oct-04	Moderate	Flexible	Moderate	Non-Fee	Bush	10%	30-Aug-05		
Motor Vehicles	Insurance Database Comment: This project was returned to report because of stepped up enforcement of reporting requirements by Dept. of Insurance and resultant reporting activity by previously non-complying insurance carriers.	15-Oct-04	Large	Flexible	High	Non-Fee	Pfister	Ongoing	1-Jun-04	Ongoing	
Motor Vehicles	Specialty Plate Ordering: Ability to check availability of message plates and order online with credit card/ACH payment. Comment: Due date revised after discussion with agency as regards to priority of projects. (Sept. 2, 2004)	2-Jan-04	Large	Flexible	High	Unknown	Pfister	10%	30-Aug-04	15-Aug-05	
Motor Vehicles	Vehicle Tax Estimator: Online site for user to access to determine approximate motor vehicle tax on cars and trucks at registration.	2-Jan-04	Large	High	High	Unknown	Bush	25%	30-Oct-04	5-Jul-05	
Motor Vehicles	Vehicle Registration Renewals: Online renewal of motor vehicle registration and credit card/ACH payment.	2-Jan-04	Extensive	Rigid	Extremely High	Trans. Fee	Pfister	10%			
Natural Resources	Water Well Drilling Application Templating: Provide applicant with templated sections to expedite application for multiple wells Comment: Need to rewrite entire application which will significantly extend deadline; still need agency approval to change. (Oct. 12, 2004) Comment: Agency approved delay of application, resulting in revised due date. (November 1, 2004)	8-Aug-04	Moderate	Firm	Moderate	Fee	Pabian	15%	30-Sep-04	30-Jun-05	
Public Accountancy	License Renewals: Online system for license renewals including database conversion, continuing education, credit card payment. Comment: Project was approved by Board in late Sept. and will be done in three phases with final phase to be completed by end of 2005. (Oct. 1, 2004) Comment: Project schedule was revised at agency request to accommodate sequencing of phases. (Feb. 1, 2005)	24-Sep-04	Large	Firm	High	Fee	K. Lyons	25%	31-Dec-05	1-May-06	
Real Estate Commission	License Application: Online application for real estate agent and/or broker license. Comment: Deadline revised and percentage completed revised due to numerous changes requested by agency. (Sept. 3, 2004) Comment: After further review of application and necessary changes to application, illness of key agency contact, and with approval of agency, have again revised due date. (Feb 1, 2005)	1-Sep-03	Moderate	High	Moderate	Fee	Norton	75%	1-Nov-03	15-Jul-05	
Projects Requested:											
Agency	Project	Date Received	Public Benefit	Deadline Sensitivity	Resource Requirement	Type of Payment	Assigned Staff	Percent Complete	Original Due Date	Revised Due Date	
Health & Human Services	Water Standards: Online application for water well and/or septic system inspections	24-Aug-04	Moderate	Flexible	Moderate	Unknown	Gibbs	0%			
***Health & Human Services	Medical Nutrition Therapist Online License Renewal	25-Apr-05	Large	Firm	High	Fixed Cost	Norton	0%	1-Aug-05		
***Health & Human Services	Physical Therapy Online License Renewals	25-Apr-05	Large	Firm	High	Fixed Cost	Norton	0%	1-Oct-05		
***Health & Human Services	Water Operators Online License Renewals	25-Apr-05	Large	Firm	High	Fixed Cost	Norton	0%	1-Nov-05		
***Health & Human Services	Well Drillers Online License Renewals	25-Apr-05	Large	Firm	High	Fixed Cost	Norton	0%	1-Nov-05		
***Health & Human Services	Emergency Medical Services Online License Renewals	25-Apr-05	Large	Firm	High	Fixed Cost	Norton	0%	1-Nov-05		
Motor Vehicles	Drivers' License Renewals: Online renewal of drivers' license and credit card/ACH payment.	2-Jan-04	Extensive	Rigid	Extremely High	Trans. Fee	Pfister	0%			
Motor Vehicles	Drivers' License Reinstatement: Online application for reinstatement of drivers' license and credit card payment.	1-Feb-02	Modest	Flexible	High	Unknown	Pfister	10%			
Motor Vehicles	Commercial Plate Search Comment: Trying to obtain necessary information from EZ Pass states has proven to be very difficult Comment: Project was on hold but agency recently decided to move forward. (June 21, 2004)	15-Jun-03	Moderate	Flexible	High	Fee	Pfister	10%			
Motor Vehicles	Drivers' License Data Update: Add reinstatement information to drivers' license record.	2-Sep-04	Moderate	Flexible	Moderate	Unknown	Pfister	0%			
Motor Vehicles	CDL Third-Party Testing Online Reporting System Enhancement: Add ability to cut and paste comments from over/covert audit.	23-Dec-04	Moderate	Flexible	Moderate	Non-Fee	Bush	0%			
Revenue	Online Sale of Tax Permits: Online application for tax permit and credit card payment.	2-Jan-04	Large	High	High	Trans. Fee	Armstrong	0%			
Revenue	Web Site Search Engine: Assist with implementation of agency site search engine.	7-Sep-04	Large	Flexible	Moderate	Non-Fee	Pfister/Duffy	0%			
Secretary of State/IRS	Federal Tax Lien Filings: Online filing of IRS tax liens in conjunction with Secretary of State's Office.	15-Apr-04	Extensive	Flexible	High	Unknown	Armstrong	0%			
Secretary of State	EFS Filing	2-Feb-02	Large	Firm	High	Trans. Fee	Pfister	0%			

Projects On Hold										
Agency	Project	Date Received	Public Benefit	Deadline Sensitivity	Resource Requirement	Type of Payment	Assigned Staff	Percent Complete	Original Due Date	Revised Due Date
**Administrative Services: Surplus Property	Online Surplus Property Auction <i>Comment: Exploring possibility of joint project with Division of Information Technology (Feb. 18, 2005)</i>	2-Feb-05	Large	Firm	Very High	Unknown	Gibbs	0%		
Abstracters Board	License Renewals: Online filing of application for license renewal with credit card payment. <i>Comment: Not a top priority for small agency with limited staff</i>	1-Oct-03	Large	High	High	Fee	Brown	0%	1-Feb-04	
Counties: Fillmore County	Web Site Design: New design for county site with navigation and graphics. <i>Comment: No response from county regarding design forced due date to be revised</i>	1-Nov-03	Moderate	Flexible	Moderate	Approp.	Duffy	25%	30-May-04	
Engineers & Architects	Web Site Message Board	2-Aug-04	Low	Flexible	Low	Non-Fee	K. Lyons	0%	15-Nov-04	
Fire Marshal	Grain Permits: Online application for Grain Storage permits and credit card payment. <i>Comment: Agency made decision to place project on hold for immediate future due to lack of agency staff time to work on project</i>	1-Nov-03	Moderate	Firm	High	Trans. Fee	Norton	0%	1-Nov-04	
Grain Sorghum Board	Web Site Redesign: Redesign of agency web site with new graphics and navigation.	28-Jun-04	Moderate	Flexible	Low	Non-Fee	Benes	0%	1-Oct-04	
**Property Assessment & Taxation	Online Database Search: Government property database search engine and FTP site to implement provisions of LB 644. <i>Comment: Due date revised at agency request. (Oct. 6, 2004)</i>	8-Sep-04	Low	Firm	Moderate	Fixed Cost	Bills	75%	15-Dec-04	
**Women's Commission	Donations Page: Online charitable contributions to the Commission	1-Dec-04	Moderate	Flexible	Low	Fixed Cost	Unassigned	0%		
Possible Future Projects:										
Agency	Project:	Date Received	Public Benefit	Deadline Sensitivity	Resource Requirement	Type of Payment	Assigned Staff	Percent Complete	Original Due Date	Revised Due Date
Account. & Disclosure	Campaign Statement Filings: Online system to allow campaign/candidate committees to file online.		Large	High	High	Fixed Cost	Pfister			
County Project: Brown	Web Site Design: New design for county site with navigation and graphics.		Large	Flexible	Moderate	Approp.	Brown			
Health & Human Services	Web Site Redesign		Large	Unknown	Very High	Unknown	M. Lyons			
Historical Society	Photo Image Database: Online search of photo image database with payment for search results via credit card.		Large	Low	Very High	Non-Fee	Pfister			
Patrol	Criminal History Search System: Online search for criminal history with credit card payment.		Extensive	Flexible	Extremely High	Fee	Armstrong			
Revenue/SOS	State Tax Lien Filings: Online system to do state tax lien filing in conjunction with two state agencies.		Extensive		High	Unknown	Armstrong			

**Nebraska Interactive Peer Review
Proposed Methodology
April 25, 2005**

1. Overview and Purpose

Section 18 of the contract for Nebrask@ Online Network Management Services between the Nebraska State Records Board and Nebraska Interactive States:

“NSRB shall develop and NII shall submit to an annual peer review of technical architecture, security, quality assurance, and project management methodology developed and used pursuant to the contract and project management processes. The peer review shall be conducted by an individual or individuals mutually agreed to by the parties. Individuals conducting any such peer review shall sign a non-disclosure agreement acceptable to NII to protect NII or NIC proprietary information.”

The purpose of this document is to describe a methodology, scope and time frame for NSRB consideration. The purpose of the peer review itself is to assess Nebraska Interactive’s performance compared with other similar operations in other states, to identify any areas for improvement, and to create mutual expectations between NI and NSRB regarding timing and priority of any necessary improvements.

2. Scope

Four items are identified in the contract language as subjects for review:

- Technical architecture;
- Security;
- Quality assurance;
- Project management methodology.

Technical architecture and security components were previously reviewed as part of the migration to the NIC Central Data Center. Since that migration is currently in process, it may be prudent to defer further review until the migration is complete and has been in production for a period of several months. If that is acceptable to the board, the focus of this review can be directed to quality assurance and project management methodology.

3. Methodology

NIC has performed peer reviews in at least one other state and has developed a methodology that relies on a network general manager from another state (peer to the NI General Manager) as the primary reviewer. Nebraska Interactive recommends that Candy Irven, General Manager of Access Indiana, serve in this capacity. She has

experience in conducting peer reviews, and the Indiana network is recognized as having a number of best-in-class processes and procedures among NIC networks.

The methodology includes the following elements:

- Review of documentation in advance of a site visit, to include regular reports to NSRB and other documents/reports as specified by NSRB;
- On-site visit by reviewer to interview NI staff and designated state personnel as specified by NSRB;
- Compilation of results by reviewer into report format including observations and recommendations;
- Response to reviewer observations and recommendations by NI and NSRB, development of an agreement upon improvement plan and schedule as necessary;
- Implementation of improvement plan as necessary, subject to annual peer review in a manner agreed to by NI and NSRB.

4. Possible Documents to Include:

- Quality Assurance
 - a. Monthly GM reports to NSRB
 - b. Monthly problem reports
 - c. Monthly financial reports to NSRB
 - d. NOL monthly transaction statistics (located on Sec. of State Web site)
- Project Management
 - a. NIC project lifecycle documentation
 - b. Monthly project priority report
 - c. Sample project documentation

5. Interview Process

Personal interviews with NI staff and selected state partners – and compiling the results – may be the most time-intensive aspect of the peer review. This is especially true if the intent is to have in-person (or even telephone) interviews with a large number of people. To make the best use of the reviewer's on-site time, we recommend that the primary focus of in-person interviews be Nebraska Interactive staff and a select group of state partners, including a representative of the State Records Board, Secretary of State's Office, Dept. of Motor Vehicles and the Chief Information Officer. A broader range of partner input can be obtained using an online survey instrument, a process that should be initiated upon Board approval to proceed with the review.

It will be important to have a clear understanding of what questions the NSRB wishes to have answered through the interview process. For example:

- NSRB may be interested in agency partner attitudes, and possibly board member attitudes, toward the network manager. These could be general questions, such as are they doing a good job or not, what concerns do you have, what things would you like to accomplish working with NOL, etc. The process could also use a graduated approach, with a general customer satisfaction survey made available to a wide range of agency partners, with telephone or in-person interviews for a smaller number of key partners to be determined by NSRB (see above for recommendations for in-person partner interviews);
- NSRB may be interested in the attitudes of NI employees toward their jobs, agency partners with whom they work, etc. Interviews should be done in person with individual staff and teams. It should be recognized that some work products of this segment of the review may be considered proprietary.

6. Work Products

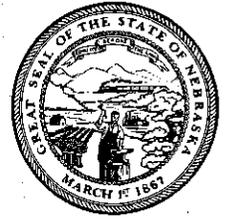
- A report from the reviewer to NI and NSRB detailing the review methodology, summarizing observations, and recommending improvements if necessary;
- Meetings as necessary between NSRB or its representatives, Nebraska Interactive and if needed NIC management to discuss observations and recommendations. Outcome is an improvement plan and timetable mutually agreeable to the parties. Plan becomes the foundation for future year peer reviews.

7. Time Frame

It would seem desirable to put the process in motion as soon as possible following NSRB approval of the methodology, with review of documents taking place during May, on-site visits scheduled in late May or early June, reviewer report delivered June 30, and agreement between NSRB and NI on an improvement plan by July 1.

STATE OF NEBRASKA

DEPARTMENT OF MOTOR VEHICLES
Beverly Neth
Director



Handout of Beverly Neth
Director Nebraska Department of Motor Vehicles
May 10, 2005

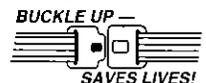
~~Mike Johanns~~
~~GOVERNOR~~
Dave Heineman
Governor

Personal information and sensitive personal information contained in all motor vehicle records is restricted, unless the requestor is a qualified requestor as defined under the statute.

Exempted Purposes Personal Information

Personal information is defined as information that identifies a person, including an individual's driver identification number (driver's license number, license plate number or title number); name; address, except zip code; and telephone number. Personal information does not include accident involvement information, violations or license/registration status.

1. Use by any federal, state, or local governmental agency, including any court or law enforcement agency, in carrying out its functions, or by any private entity acting on behalf of an agency in carrying out their functions;
2. Use in connection with vehicle or driver safety and theft; vehicle emissions; vehicle product alterations, recalls or advisories; performance monitoring of vehicles, vehicle parts, and dealers; motor vehicle market research activities and survey research; and removal of nonowner records from the original owner records of motor vehicle manufacturers;
3. Use in normal course of business by a legitimate business to verify accuracy of information submitted by an individual or business; or to obtain correct information if the above is not correct or no longer correct, for the purpose of preventing fraud, pursuing legal remedies against or recovering on a debt or security interest against the record holder;
4. Use in connection with a civil, criminal, administrative or arbitral proceeding in any federal, state or local court, government agency, or self-regulatory body, including service of process, investigation in anticipation of litigation, and execution or



- enforcement of judgment; or pursuant to an order of a federal, state, or local court, an administrative agency, or a self-regulatory body;
5. Use in research activities and statistical reports, as long as personal information is not published, redisclosed or used to contact individuals;
 6. Use by any insurer/insurance support organization or by a self-insured entity in connection with claims investigation activities, anti-fraud activities, rating or underwriting;
 7. Use in providing notice to owners of abandoned, towed or impounded vehicles;
 8. Use by a private detective, plain-clothes investigator, or private investigative agency licensed under Neb.Rev.Stat. 71-3201 to 71-3213 for purposes permitted under this act;
 9. Use by an employer, employer's agent or insurer, to obtain or verify information of a Commercial Driver's License holder;
 10. Use in connection with the operation of private toll transportation facilities;
 11. Any use if requestor has notarized consent of the record holder and has provided proof of such consent to the Department, as indicated on the front of this form;
 12. Use, including redisclosure through news publication, for a member of a medium of communication as defined in Neb.Rev.Stat. 20-145, in connection with news involving motor vehicle or driver safety or vehicle theft; and,
 13. Any use if the record holder makes the request for the record.
 14. Use by the federally designated organ procurement organization in Nebraska to establish and maintain the Donor Registry of Nebraska.

Exempted Purposes Sensitive Personal Information

Sensitive personal information is defined as an individual's operator's license photo or image; social security number; and, medical or disability information.

1. Use by any federal, state, or local governmental agency, including any court or law enforcement agency, in carrying out its functions, or by any private entity acting on behalf of an agency in carrying out their functions;
2. Use in connection with a civil, criminal, administrative or arbitral proceeding in any federal, state or local court, government agency, or self-regulatory body, including service of process, investigation in anticipation of litigation, and execution or enforcement of judgment; or pursuant to an order of a federal, state, or local court, an administrative agency, or a self-regulatory body;

3. Use by any insurer/insurance support organization or by a self-insured entity in connection with claims investigation activities, anti-fraud activities, rating or underwriting;
4. Use by an employer, employer's agent or insurer, to obtain or verify information of a Commercial Driver's License holder.

Release of an individual's social security number is further restricted in 60-484(6). Release can only be for the following reasons:

- ◆ To furnish driver record information to the United States Selective Service System;
- ◆ By DMV (Nebraska and out-of-state) in connection with the verification of the status of an individual's driving record;
- ◆ For purposes of child support enforcement; or,
- ◆ To furnish information regarding an applicant for or holder of a commercial driver's license with a hazardous materials endorsement to the Transportation Security Administration of the United States Department of Homeland Security or its agent.

Release of an individual's medical or disability information is further restricted in 84-712.05(2). Release can only be under the following circumstances:

- ◆ Court order (includes subpoena, search warrant);
- ◆ With notarized written consent of record holder.

Release of an individual's image and accompanying signature is further restricted in 60-484.02:

- ◆ No officer, employee, agent, or contractor of the department or a law enforcement officer shall release a digital image or a digital signature except to a federal, state, or local law enforcement agency or a driver licensing agency of another state for the purpose of carrying out the functions of the agency or assisting another agency in carrying out its functions upon the verification of the identity of the person requesting the release of the information and the verification of the purpose of the requester in requesting the release.



Data leak highlights common mistake

Savvy computer users easily uncover secrets

The Associated Press
Updated: 6:16 p.m. ET May 2, 2005

NEW YORK - Just a few clicks were enough to reveal names, training procedures and other secrets the U.S. military thought it had blacked out from an electronic report.

The data leak resulted from a type of mistake that is becoming increasingly common as government agencies and corporations scrap paper in favor of cheaper, faster distribution online.

"Software is basically a lot more complicated than mechanical typewriters, whiteout and black ink," said Richard M. Smith, a privacy and security consultant in Cambridge, Mass.

The U.S. military command in Baghdad produced the report in Adobe Systems Inc.'s popular Portable Document Format, or PDF, and posted it on the command's Web site Saturday. Its investigation cleared American soldiers of wrongdoing in the shooting of an Italian agent in Baghdad.

The blacked-out portions included names of soldiers at Iraqi checkpoints and their units. The material also discussed training for checkpoint duty, checkpoint procedures and general security in the Baghdad area, including the number of attacks since November.

John Landwehr, Adobe's director of security solutions and strategies, examined the document Monday and suggested its censors "simply put black rectangles over the text and did not delete any of the text itself from the documents. They were trying to do redaction with something not designed to do redaction."

By simply opening the document in Adobe's free Acrobat Reader, hitting the "select text" button, copying and then pasting all the text into any word processor, readers can see what's buried beneath.

The military admits it goofed.

"We need to improve our procedures. We regret this happened. We obviously didn't take sufficient precautions," said U.S. Air Force Col. Donald Alston, a spokesman for U.S.-led forces. He added that some of the leaked information appeared classified.

The full report, with the black marks removed, first appeared on some Italian Web sites, including that of the newspaper La Repubblica.

Landwehr said companies and governments needing to delete secrets should turn to third-party redaction tools like Appligent Inc.'s Redax.

Smith suggested going further: Print the document, use markers to black out text and scan the document back in. Relying on a purely electronic copy, he said, spells trouble.

"Generally, it's a bad idea to send out electronic documents in sensitive situations," Smith said.

"There can be all sorts of little things that can pop out."

Besides offering the ability to uncover blacked-out text, many documents carry "metadata" — embedded information like the document's author and company. Users of Microsoft Corp.'s Word also routinely send files embedded with previous drafts, all revealed with a few clicks.

Smith used details hidden in one document years ago to help the FBI track down the author of the damaging "Melissa" computer virus.

Many lawyers have turned to PDF to prevent the Word leakage, said Albert Barsocchini, an attorney and director of professional services at Guidance Software Inc., which makes tools for recovering data.

The military breach is "another wake up that they have to go another step further," Barsocchini said.

The U.S. government has made similar mistakes before.

Large portions of a sensitive, 186-page Justice Department report about hiring and promoting minorities as federal prosecutors was digitally blacked out in late 2003, but savvy computer users could read the entire report.

The Department of Homeland Security warned businesses about hackers breaking into PBX telephone networks in June 2003, but every word of its electronic warning — even passages thought deleted — could be viewed.

And the Army in March 2001 inadvertently disclosed a rash of drowning during training exercises at one post by crews aboard Bradley armored vehicles.

"I'm surprised there hasn't been a more formal review that says when you release documents electronically, they have to be scrubbed with certain tools or procedures," said Ron Gula, who runs Tenable Network Security Inc. and used to test the security of government computers for the National Security Agency. Placing blame for such breaches is difficult, though.

"I would hesitate to call it stupidity," said Steven Aftergood, senior research analyst with the Federation of American Scientists' Project on Government Secrecy. "It's something no one would know unless they learn it, and it's an easy mistake to make. Unfortunately, sometimes the only way to learn is to do it the wrong way."

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States consider laws to put ID theft on ice

Credit bureaus warn 'security freezes' go too far

By Bob Sullivan

Technology correspondent

MSNBC

Updated: 7:02 p.m. ET March 23, 2005

High-profile data leaks at information warehouse companies such as ChoicePoint and Lexis-Nexis are keeping the U.S. postal service busy, with well over 1 million bad-news letters telling consumers they are now vulnerable to identity theft.

People who receive the letters have one immediate question: What do I do now? Generally, the answer has been vague and unsatisfying: watch your credit report and hope for the best.

But state legislators around the country think they have found a better answer: a credit report "security freeze." Put simply, a freeze would lock down a consumer's credit report, preventing anyone -- including the legitimate consumer -- from instantly opening new credit cards or taking out loans.

Until recently, only Californians had the right to implement a security freeze, but the idea has spread like wildfire across statehouses in recent months. About 20 states now have pending legislation which would force credit bureaus to give consumers the right to freeze their accounts.

"The ChoicePoint issue and all the subsequent breaches are drawing consumers' attention and policy makers' attention," said Kerry Smith, senior consumer attorney with the Public Interest Research Group. The agency penned model security freeze legislation that has been adopted by many state lawmakers.

"Right now, consumers don't have enough tools to protect themselves," Smith said.

'Bad advice,' says industry

A credit freeze would be the essential identity theft prevention tool, consumer advocates say. With a freeze in place, credit files cannot be accessed, and instant credit -- such as retail credit cards or on-the-spot car loans -- cannot be granted.

Only after a consumer provides additional evidence they are who they say they are, a process known as "thawing," can credit be granted. Thawing can take up to three days, and generally can't be done at the point of sale, such as that critical moment when consumers find themselves unexpectedly across a table from a car salesman. But freezes also prevent identity thieves from making high-speed credit purchases and opening new accounts.

"This puts the consumer in the driver's seat over their personal information," Smith said.

The retail industry and the nation's credit bureaus are less enthused. The industry argues that consumers like the convenience of instant credit and those who lock down their credit files will miss out on good deals. No impulse buys at the car dealership, no 10 percent discount for signing up for the store credit card.

"Ultimately (telling someone to use a credit freeze) is bad advice," said Stuart Pratt, CEO of the

Consumer Data Industry Association, which lobbies for the credit bureaus. "It's a little like telling consumers to brick up their windows and doors to prevent burglary, but then you can't get out of house when you need to."

Consumers who implement freezes will be frustrated the first time they try to get new credit, the industry claims.

"It completely eliminates any point of sale type of credit transaction. If credit files were frozen, certainly that source of income for retailers would stop," said Experian spokeswoman Susan Henson. "We feel there are other tools consumer can take advantage of that are a little less draconian."

"Identity theft solutions have to be effective and practical. We really do want to engage in commerce," Pratt said. "A freeze really is not practical."

State lawmakers take up the case

Neither is the current state of affairs, said Gail Hillebrand, senior attorney at Consumers Union, which is lobbying on behalf of the state credit freeze bills. Nearly 10 million people are hit with identity theft every year, and there is currently nothing consumers can do ahead of time to prevent it, she said.

"Consumers can do everything right, shred all their mail, read all their statements, but still be a victim," Hillebrand said. "You can't stop someone from stealing your personal information from someone else."

The high-profile thefts at ChoicePoint and other firms highlight this helplessness, said Utah state Sen. Carlene M. Walker, chief sponsor of Utah's credit freeze law. Even after consumers find out their data has been stolen, there's little a consumer can do until after an identity theft has occurred, she said.

The Salt Lake City Republican said she spent the better part of the last year fighting to get her bill passed after she learned of a particularly brutal ID theft case in her hometown district.

"Consumers don't have a preventative, proactive tool," she said. "A credit freeze would let consumers be proactive. I just feel like we owe it to the consumer."

Walker's bill died before it reached a floor vote, killed largely by the auto dealer lobby, she said. A similar bill has already been dropped by the Indiana legislature.

But despite lobbying efforts by the credit bureaus and retail industry, momentum for security freezes continues to build.

In Illinois, a freeze bill was passed by the state's lower house unanimously on March 17. The state senate is scheduled to take up the measure in April. A similar bill was passed out of committee on Tuesday in Connecticut, and has the support of the state Attorney General Richard Blumenthal. According to the Public Internet Research Group, consumer advocates have active lobbying efforts in 12 other states.

If you build it, will they come?

While lawmakers and privacy advocates may like security freezes, will consumers actually use them? The credit bureaus say no, pointing to the evidence in the two states where they already have the option.

In California, which passed a freeze law in 2003, only about 4,000 consumers have taken the option, according to Experian. In Texas, where the option is only available to identity theft victims, only 133 consumers have filed for a freeze.

Consumer advocates respond that few consumers in either state are aware of the freeze option.

Joanne McNabb, who runs California's Office of Privacy Protection, said phone inquiries about freezes have skyrocketed in recent weeks as consumers responded to the rash of high-profile data thefts. Last July, only 1 percent of phone inquiries to the office concerned credit freezes. So far this month, 15 percent of callers are asking about freezes, she said.

Few disagree that the current system for using a security freeze is complicated. At the moment, files are unlocked by PIN numbers that consumers must remember and provide to the credit bureaus before they apply for credit. Consumers could easily forget these rarely-used PINS, or fail to realize that they need to unlock their files at all three credit bureaus before applying for a home mortgage, the credit trade group's Pratt said.

There will be other unexpected frustrations, too, said Experian's Henson.

"Consumers don't think about the fact that if they lose their cell phone, and they need a new one, the cell phone company will need access to their credit report to do that," Henson said. "And with a freeze, it just takes time."

It can also be pricey. In California, freezes are free to ID theft victims, but others must pay about \$10 to each credit bureau each time the freeze is turned on or off. That can add up quickly for a household with two or more adults who apply for credit a couple of times each year. And delays caused by credit freezes could also cost consumers a chance at a home in a fast-moving market, the bureaus say.

Consumer advocates reply that the bureaus could develop a system which allowed instant on-off toggling of credit freezes, since so many other credit decisions are made at light speed.

Even if some consumers might be frustrated, locking up credit reports has become a necessary evil, given the proliferation of identity theft, said Beth Givens, director of the Privacy Rights Clearinghouse.

"Someone who has been the victim of an aggressive identity thief will find comfort in establishing a freeze, and put up with the inconvenience," Givens said.

Fraud alerts pushed as alternative

Pratt said consumers already have the tool they need. Anyone concerned about identity theft can have a fraud alert placed on their files with the credit bureaus at no charge. With such an alert in place, retailers who pull a credit report are given a warning to take additional steps to verify the identity of the consumer.

This system, however, relies on the retailers to verify the consumer's identity and privacy advocates criticize it as ineffective. Unlike freezes, retailers are still able to access credit reports, just with fraud alerts attached.

The alert system was improved by the latest update to the Fair Credit Reporting Act, called the FACT Act, passed by Congress at the end of 2003, and those measures should be given a chance, Pratt said.

"We need to give the FACT Act a chance to be effective," he said. "We are concerned about any new initiative, we have so much in the pipeline right now that is going to be an effective deterrent to identity theft."

Fraud alerts have already been tried and failed, said McNabb of the California privacy office.

"The reason (credit freezes) passed here was frustration with ineffectiveness of fraud alerts," she said. "We had a parade of identity theft victims who placed fraud alerts on their files and credit was issued anyway."

The alerts have another characteristic that dooms them to ineffectiveness, Givens said -- they generally expire after 90 days. Con artists know this, so often they simply steal data and wait for a few months before attempting fraud. ChoicePoint victims, for example, were told to place fraud alerts on their accounts when they received their letters in February. But that protection will expire at the end of May unless they request a new alert.

"I know a man puts a note on his calendar and refiles for a fraud alert every 90 days," Givens said. "Fraud alerts just aren't working. It's really a shame we have to go this far, but we do."

On a more fundamental level, Hillebrand argued that even if freezes ultimately aren't popular with consumers, the option to lock up personal files is an important consumer right.

"Every consumer in America should be able to do this," she said. "In light of ChoicePoint and the other incidents, people are beginning to understand that other people have their personal information and have an interest in selling it. And that interest is very different from your interest in protecting it."

"There will always be hackers, and information about us will always be stolen. A freeze is the one thing that gives consumers control over who can look at their files for granting credit. We as individuals need one way to close the door."

Bob Sullivan is author of [Your Evil Twin: Behind the Identity Theft Epidemic](#)

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Law enforcement struggles to stop identity theft

Multiagency task force in California aims to catch thieves

By Tom Costello

Correspondent

NBC News

Updated: 7:36 p.m. ET April 29, 2005

NEW YORK - In San Diego, a high-tech, undercover, multijurisdictional task force called the Computer and Technology Crime High-Tech Response Team, or CATCH, targets the nationwide identity theft epidemic.

"This is the fastest-growing crime in the United States today, and it is worldwide," says Keith Burt, the project director of CATCH and a deputy district attorney in San Diego. "We had one individual who had 10 million profiles in his computer alone."

Ten million profiles equals 10 million identities. In recent months, at least 5 million more identities have been lost or stolen from some very big names, including:

- The University of California, Berkeley
- Bank of America
- ChoicePoint
- The Nevada Department of Motor Vehicles
- DSW Shoe Warehouse
- Boston College
- Ameritrade

Police say there is now an all-out criminal effort to steal our identities, and trying to stay anonymous is almost impossible. Whether it's through our credit cards, banking account information, our online activity, even our garbage, everybody is vulnerable.

"This is why consumers are so upset," says Bob Sullivan, MSNBC.com technology correspondent and author of a book on identity theft. "Some company you have never heard of has your data, they sell your data and then they lose it to a criminal, and there's nothing you can do about any of this."

At CATCH headquarters in San Diego, credit cards, driver's licenses, bank statements and checkbooks cover a table — all of them stolen.

"This is one case and one suspect and probably some other folks with that suspect, victimizing 200 to 500 families in a particular area," says Terry Jensen, the commander of the CATCH team in San Diego.

In California, federal, state and local investigators work together on all five CATCH teams.

"Is it a finger in the dike?" asks Jensen. "Though I don't like to admit it, it probably is. But we're working real hard to make sure it stays as plugged as we possibly can."

The identity theft leak already costs Americans some \$52 billion each year.

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URL: <http://www.msnbc.msn.com/id/7680843/>

Testimony Before the Nebraska State Records Board Hearing on the
Protection of Personal Information

(5/10/05)

Submitted by: Greg Lemon

On February 16, 2005, Choicepoint, one of the largest information resellers in the country, reported that it had sold information to third parties who had fraudulently identified themselves as legitimate users of the information.

As a result of this leak government records, including social security numbers and drivers license numbers of over 144,000 United States citizens were improperly released and to date hundreds of people have been identified as victims of identity theft as a result of this misappropriation of information.

Choicepoint is notifying and offering free credit checks and credit report monitoring and other services to those whose information was compromised. Has upped credentialing requirements, esp. for small businesses, and has changed how they sell information, requiring a specific consumer transaction or existing customer relationship before releasing information. The notification that Choicepoint is providing is not required in any states except for California.

This was followed in March by a report of personal information theft from a subsidiary of Lexis Nexis which would ultimately be revealed to involve over 300,000 people, as well as a reported loss of data by the Bank of America potentially affecting over 1,000,000 individuals has brought this issue to national attention. These recent events have brought a high level of attention to this matter including a hearing held by the Senate banking committee in March and the house financial services committee last week.

According to the United States Postal Service Postal Inspector's Office almost 10million Americans were victims of Identity Theft last year. Cost estimates of identity theft vary widely from \$5 Billion to over \$50 Billion per year.

So how does this relate to work of the Nebraska State Records Board?

Most of the information accessed and disseminated pursuant to the contract with Nebraska Interactive LLC for management of the state gateway that we refer to as Nebraska online is public record with no restrictions on who may access it.

However, Department of Motor Vehicle Records contain information which is considered important to the safety and security (both physical and monetary) of the Nebraska Driver's and Vehicle Owners on whom it is on. Both Choicepoint and Lexis have agreements with and are customers of Nebraska Online, and purchase DMV records. However, apparently no Nebraska drivers records are involved in the current security breach.

I would note for the record that in my research we have no evidence of non-compliance with the state privacy act which is codified at Neb. Rev. Stat. 60-2901 et. seq. restricts who and for what purpose this information can be released. However in light of the recent improper use of information and the ongoing concerns about identity theft the question before the board is whether we are taking the appropriate steps to safeguard information or screen our clients who purchase the information.

I would add that that Boards tools to act in this area lie in two areas, the first involves the review and revision of contractual arrangements with purchasers and resellers of information and the second would involve indirect action by the board of proposing legislation on this issue.

It should be noted that the federal privacy act upon which the state law is based proposed minimum standards for protecting privacy and under the federal law those standards may be exceeded.

Other speakers from Department of Motor Vehicles, Nebraska Interactive Inc., and Explore Information Services will address the issue of safeguards we have in place now as well additional safeguards that might be proposed, as well as national developments in this area.

Security Statement

"The State of Nebraska is committed to ensuring the integrity and security of the information and systems it maintains. The State has taken steps designed to safeguard its telecommunications and computing infrastructure to prevent unauthorized access to internal systems and confidential information. If you have any knowledge of a security breach or potential security breach, please contact us at 402-471-4636 or IHELP@notes.state.ne.us."

May 10, 2005

Internet Attack Called Broad and Long Lasting by Investigators

By **JOHN MARKOFF** and **LOWELL BERGMAN**

SAN FRANCISCO, May 9 - The incident seemed alarming enough: a breach of a Cisco Systems network in which an intruder seized programming instructions for many of the computers that control the flow of the Internet.

Now federal officials and computer security investigators have acknowledged that the Cisco break-in last year was only part of a more extensive operation - involving a single intruder or a small band, apparently based in Europe - in which thousands of computer systems were similarly penetrated.

Investigators in the United States and Europe say they have spent almost a year pursuing the case involving attacks on computer systems serving the American military, NASA and research laboratories.

The break-ins exploited security holes on those systems that the authorities say have now been plugged, and beyond the Cisco theft, it is not clear how much data was taken or destroyed. Still, the case illustrates the ease with which Internet-connected computers - even those of sophisticated corporate and government networks - can be penetrated, and also the difficulty in tracing those responsible.

Government investigators and other computer experts sometimes watched helplessly while monitoring the activity, unable to secure some systems as quickly as others were found compromised.

The case remains under investigation. But attention is focused on a 16-year-old in Uppsala, Sweden, who was charged in March with breaking into university computers in his hometown. Investigators in the American break-ins ultimately traced the intrusions back to the Uppsala university network.

The F.B.I. and the Swedish police said they were working together on the case, and one F.B.I. official said efforts in Britain and other countries were aimed at identifying accomplices. "As a result of recent actions" by law enforcement, an F.B.I. statement said, "the criminal activity appears to have stopped."

The Swedish authorities are examining computer equipment confiscated from the teenager, who was released to his parents' care. The matter is being treated as a juvenile case.

Investigators who described the break-ins did so on condition that they not be identified, saying that their continuing efforts could be jeopardized if their names, or in some cases their organizations, were disclosed.

Computer experts said the break-ins did not represent a fundamentally new kind of attack. Rather, they said, the primary intruder was particularly clever in the way he organized a system for automating the theft of computer log-ins and passwords, conducting attacks through a complicated maze of computers connected to the Internet in as many as seven countries.

The intrusions were first publicly reported in April 2004 when several of the nation's supercomputer laboratories acknowledged break-ins into computers connected to the TeraGrid, a high-speed data network serving those labs, which conduct unclassified research into a range of scientific problems.

The theft of the Cisco software was discovered last May when a small team of security specialists at the supercomputer laboratories, trying to investigate the intrusions there, watched electronically as passwords to Cisco's computers were compromised.

After discovering the passwords' theft, the security officials notified Cisco officials of the potential threat. But the company's software was taken almost immediately, before the company could respond.

Shortly after being stolen last May, a portion of the Cisco programming instructions appeared on a Russian Web site. With such information, sophisticated intruders would potentially be able to compromise security on router computers of Cisco customers running the affected programs.

There is no evidence that such use has occurred. "Cisco believes that the improper publication of this information does not create increased risk to customers' networks," the company said last week.

The crucial element in the password thefts that provided access at Cisco and elsewhere was the intruder's use of a corrupted version of a standard software program, SSH. The program is used in many computer research centers for a variety of tasks, ranging from administration of remote computers to data transfer over the Internet.

The intruder probed computers for vulnerabilities that allowed the installation of the corrupted program, known as a Trojan horse, in place of the legitimate program.

In many cases the corrupted program is distributed from a single computer and shared by tens or hundreds of users at a computing site, effectively making it possible for someone unleashing it to reel in large numbers of log-ins and passwords as they are entered.

Once passwords to the remote systems were obtained, an intruder could log in and use a variety of software "tool kits" to upgrade his privileges - known as gaining root access. That makes it possible to steal information and steal more passwords.

The operation took advantage of the vulnerability of Internet-connected computers whose security software had not been brought up to date.

In the Cisco case, the passwords to Cisco computers were sent from a compromised computer by a legitimate user unaware of the Trojan horse. The intruder captured the passwords and then used them to enter Cisco's computers and steal the programming instructions, according to the security investigators.

A security expert involved in the investigation speculated that the Cisco programming instructions were stolen as part of an effort to establish the intruder's credibility in online chat rooms he frequented.

Last May, the security investigators were able to install surveillance software on the University of Minnesota computer network when they discovered that an intruder was using it as a staging base for hundreds of Internet attacks. During a two-day period they watched as the intruder tried to break into more than 100 locations on the Internet and was successful in gaining root access to more than 50.

When possible, they alerted organizations that were victims of attacks, which would then shut out the

intruder and patch their systems.

As the attacks were first noted in April 2004, a researcher at the University of California, Berkeley, found that her own computer had been invaded. The researcher, Wren Montgomery, began to receive taunting e-mail messages from someone going by the name Stakkato - now believed by the authorities to have been the primary intruder - who also boasted of breaking in to computers at military installations.

"Patuxent River totally closed their networks," he wrote in a message sent that month, referring to the Patuxent River Naval Air Station in Maryland. "They freaked out when I said I stole F-18 blueprints."

A Navy spokesman at Patuxent River, James Darcy, said Monday said that "if there was some sort of attempted breach on those addresses, it was not significant enough of an action to have generated a report."

Monte Marlin, a spokeswoman for the White Sands Missile Range in New Mexico, whose computers Stakkato also claimed to have breached, confirmed Monday that there had been "unauthorized access" but said, "The only information obtained was weather forecast information."

The messages also claimed an intrusion into seven computers serving NASA's Jet Propulsion Laboratory in Pasadena, Calif. A computer security expert investigating the case confirmed that computers at several NASA sites, including the propulsion laboratory, had been breached. A spokesman said the laboratory did not comment on computer breaches.

Ms. Montgomery, a graduate student in geophysics, said that in a fit of anger, Stakkato had erased her computer file directory and had destroyed a year and a half of her e-mail stored on a university computer.

She guessed that she might have provoked him by referring to him as a "quaint hacker" in a communication with system administrators, which he monitored.

"It was inconvenient," she said of the loss of her e-mail, "and it's the thing that seems to happen when you have malicious teenage hackers running around with no sense of ethics."

Walter Gibbs, in Oslo, and Heather Timmons, in London, contributed reporting for this article.

May 8, 2005

Whoops! We Seem to Have Misplaced Your Identity

By RANDALL STROSS

THE diesel-powered utility van is the unappreciated speed demon of the digital age. Even lumbering along city streets in stop-and-go traffic, it can move a trillion bytes of corporate data across town far faster than if they were sent across the Internet.

The homely Ford Econoline 350 is the workhorse of Iron Mountain, the dominating presence in the off-site data protection business. Its customers include more than three-fourths of Fortune 500 companies, and it had revenue of \$1.82 billion last year, earned largely out of public sight as its unmarked vans shuttled among the back-office operations of its clients.

Last week, however, Iron Mountain lost the luxury of going about its rounds invisibly. Time Warner, one of its clients, disclosed that personal information - including names and Social Security numbers for 600,000 current and former employees - had gone missing six weeks earlier while in the care of an unnamed "leader in data storage."

The data had been, in fact, in an Iron Mountain van, and the few details about the incident that it and Time Warner have grudgingly divulged - such as the fact that the pick-up at Time Warner was 1 of 19 the van made bouncing around Manhattan on the fateful day - raise all sorts of questions.

To begin with, why would such sensitive information be handled less like a guard-this-with-your-life briefcase entrusted to Brinks than like a fungible bundle handed to the Dy-Dee Diaper Service? Why was the data unencrypted? And why were trucks involved at all?

Why wasn't the backup done via a secure online connection, an option that Iron Mountain offers as well as physical pickup? Why doesn't Iron Mountain eliminate the risk of midroute problems and retire its fleet of Econolines?

Time Warner blamed Iron Mountain for the potential breach of confidential employee information and would say nothing more about the event. Its tapes were last seen on Iron Mountain's vans, so its position is that it's Iron Mountain's responsibility; end of discussion.

Iron Mountain, for its part, gallantly declined to take Time Warner to task. It could have done so by saying how foolish Time Warner had been to send out sensitive personnel files in unencrypted form. Then again, Iron Mountain itself had failed to advise clients to encrypt files until April 21, when it issued a press release on the subject. This was too late to help Time Warner, whose tapes had

disappeared a month earlier.

Time Warner has now publicly vowed to floss regularly and encrypt always.

Iron Mountain has adopted a scattershot approach in its public appeal for exoneration. Disappearing tapes - what its chief executive, C. Richard Reese, calls "inadvertent disclosures" - are a rare problem: 12 instances for every five million pick-ups or deliveries. Mr. Reese said he viewed the rarity of error as exemplary.

Jim Stickley, one of the founders and the chief technical officer of Trace Security, a consulting firm based in Baton Rouge, La., is not impressed: "Imagine the Secret Service said that about presidents: 'Well, we protected most of them.' "

Another argument pressed by Iron Mountain is that it knows of no instance when the loss of tapes has "resulted in the unauthorized access of personal information." Then again, have previous problems involved tapes filled with 600,000 names and matching Social Security numbers thoughtfully left unencrypted?

Iron Mountain also takes too much comfort in the fact that the missing tapes are labeled only with a bar code. The company reasons that a thief in search of Time Warner's employees would not know which van to hit and which tapes to grab.

But why assume a crime of planning and cunning? If the tapes landed accidentally in the hands of someone, who knew someone with the technical competence to take a look at their contents - in unencrypted form, not a difficult feat - what person of ill motive would toss aside those 600,000 names and Social Security numbers?

Iron Mountain's best defense is that its reliance on trucks, which must be loaded and unloaded by all-too-fallible humans, is unavoidable for technical reasons. Online backups are not feasible for large companies, given the sheer mass of data, which has grown faster than the bandwidth of corporate Internet connections.

Illustrative numbers provided by Iron Mountain would seem to settle the question. Consider a customer with 22,500 gigabytes (22.5 terabytes) of data that need to be ready for recovery from a disaster. Compressed - and, one hopes, encrypted - these fit onto 300 backup tapes, easily transported by the Econoline.

Now consider the challenge of alternatively moving that data over the wire. Even with a pair of OC3 lines, each with 250 times the bandwidth of a home broadband connection, you would need more than 82 hours to send one set - though let's not forget that 8 to 10 hours are saved because tapes do not have to be created.

And if disaster were to strike, it would take 82 hours to send these terabytes back over the wire for

restoration. That's why "we're not driving the truck out of the equation," Mr. Reese said.

THE example, however, best matches a picture in which the computing resources of the largest corporation consist of a single mainframe, all of its many terabytes of data concentrated in one place, susceptible to a single disaster.

Bud Stoddard, the chief executive of AmeriVault, a rival company based in Boston that offers online backup services, says corporate data is distributed across thousands of servers and desktops. "Disasters happen every day, but they hit a server, or a department, or a building," he said. "They do not take out an enterprise's total data set."

His company - as well as Iron Mountain - offers online disaster protection by copying data via the Internet to off-site servers. This eliminates the problem of limited bandwidth, as only incremental changes to a file, not the entire file, need to be sent. It also eliminates another potential problem: a faulty tape, discovered only when it is needed for restoration.

Because of falling storage and bandwidth costs, it's now economically feasible to prepare for disaster by going digital instead of diesel, using a secure Internet connection to make an offsite mirror image of a corporation's vital data.

And should catastrophe strike, a company need not wait hours or days for its backup data to return by wire: AmeriVault can load 500 gigabytes of backed-up data onto a portable drive, then speed it to a client. For that rare emergency, the trusty Econoline can be summoned for duty.

Had Time Warner used the Internet to back up its data, the company would not now find itself reassuring its millions of subscribers - 21.7 million on AOL alone - that only employee information was in the missing tapes.

The company has offered to the individuals listed in the database a one-year subscription to Equifax's Credit Watch service. Iron Mountain has not stepped forward to pick up the bill. It adheres to the same view as photo processors: if something goes wrong when your film is in their possession, they'll replace the film, but they take no responsibility for the lost photos.

"Under standard liability, we are not responsible for the information stored on the tape," said Melissa Burman, an Iron Mountain spokeswoman. "That's because we never know what information is stored on any particular backup tape."

But when a missing tape could expose hundreds of thousands of people to identity theft through no fault of their own, many of whom may retain lawyers happy to work on contingency, Iron Mountain and similar companies are probably glad they never know the contents.

This unfortunate event, seemingly similar to a long list of recently revealed security incidents involving other companies and organizations, should stand apart for one reason: it could have been

avoided so easily. It would have been a nonevent had Time Warner encrypted its personnel files before shipping them.

Mr. Stickley of Trace Security advocates making encryption a matter of law: "The government should be stepping in and say, 'You must encrypt information that can ruin people's lives,' " he said. "It's that simple."

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