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Testimony on House Bill 2509
Before the House Committee on Vision 2020
Sherriene Jones-Sontag, Deputy Executive Director
Kansas Lottery
February 3, 2016

Chairman Campbell and Members of the Committee,

Thank you for the opportunity for the Kansas Lottery to provide this neutral testimony regarding House Bill 2509. The Lottery supports the intent of the bill to improve overall state agency IT security and to find IT expenditure efficiencies.

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

IT security has been part of the Kansas Lottery culture from its inception. It is a main focus of the Kansas Lottery Act as well as the agency's policies and processes and rules and regulations. IT security audits of the Kansas Lottery IT systems are required by state statute to be performed every three years. These audits review a wide range of security issues – including internal gaming system, back office system, physical access to lottery IT systems as well as employee IT security training and retailer training. The Lottery's last security audit overseen by the Kansas Division of Post Audit was in 2013. While there were a few issues that needed to be addressed, the independent auditor hired by Post Audit rated the Lottery's security as "exceptional". The Lottery has begun planning with the Post Audit Division for the next IT security audit to be performed later this calendar year.

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

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

However, in the last few years, the Lottery has recognized the valuable partnership it could have with OITS. The Lottery’s IT department has worked closely with the agency on a number of IT projects that have strengthened our defenses to outside attacks and improved our ability to fail over to the Lottery’s back-up systems. It’s important to note that this work that was done was completed without the force of legislation or imposed governance. The Lottery sought OITS’ insight and expertise. OITS reviewed our concerns and offered solutions. The Lottery then decided which path was in the agency’s best interest. We truly appreciate their partnership.

Thank you again for the opportunity for the Kansas Lottery to provide this neutral testimony regarding HB 2509.