Kentucky Cybersecurity Initiative

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KENTUCKY COMMISSION ON MILITARY AFFAIRS KCMA

Phases I & II – Defense And Cybersecurity Industry Studies for Kentucky

Kentucky Cybersecurity Industry Study
June 2017

by Simon Everett, Ltd.

for Kentucky Commission on Military Affairs

simon everett
an analytic design firm

This study was prepared under contract with the Commonwealth of Kentucky, with financial support from the Office of Economic Adjustment, Department of Defense. The content reflects the views of the Commonwealth of Kentucky, and does not necessarily reflect the views of the Office of Economic Adjustment.

Kentucky Commission on Military Affairs & the Commonwealth of Kentucky

The Kentucky Defense Industry Study

May 2017

Prepared by:

Thomas P. Miller & Associates

Key Points:

- Over 1300 companies involved in more than 550 different industries
- Humana Military Healthcare Services one of the largest
- While other areas were declining Defense Information Systems Agency (DISA) grew
- Phase II focused on partnerships with state agencies and “Veterans Accelerated Learning for Licensed Occupational (VALLO) Project” Grant (DOL)

Phase I: Key Strategies Recommendations

- Build Partnerships with Defense Dependent Companies and Create Opportunities for Diversification

- Develop Programs Designed to Attract Military Spouses to the State

- Develop Military Focused Apprenticeships

- Explore Becoming a National/Regional Training Hub

    Stimulate Connections with the Private Sector

    Establish Sector Partnerships

    Partner with Community Colleges

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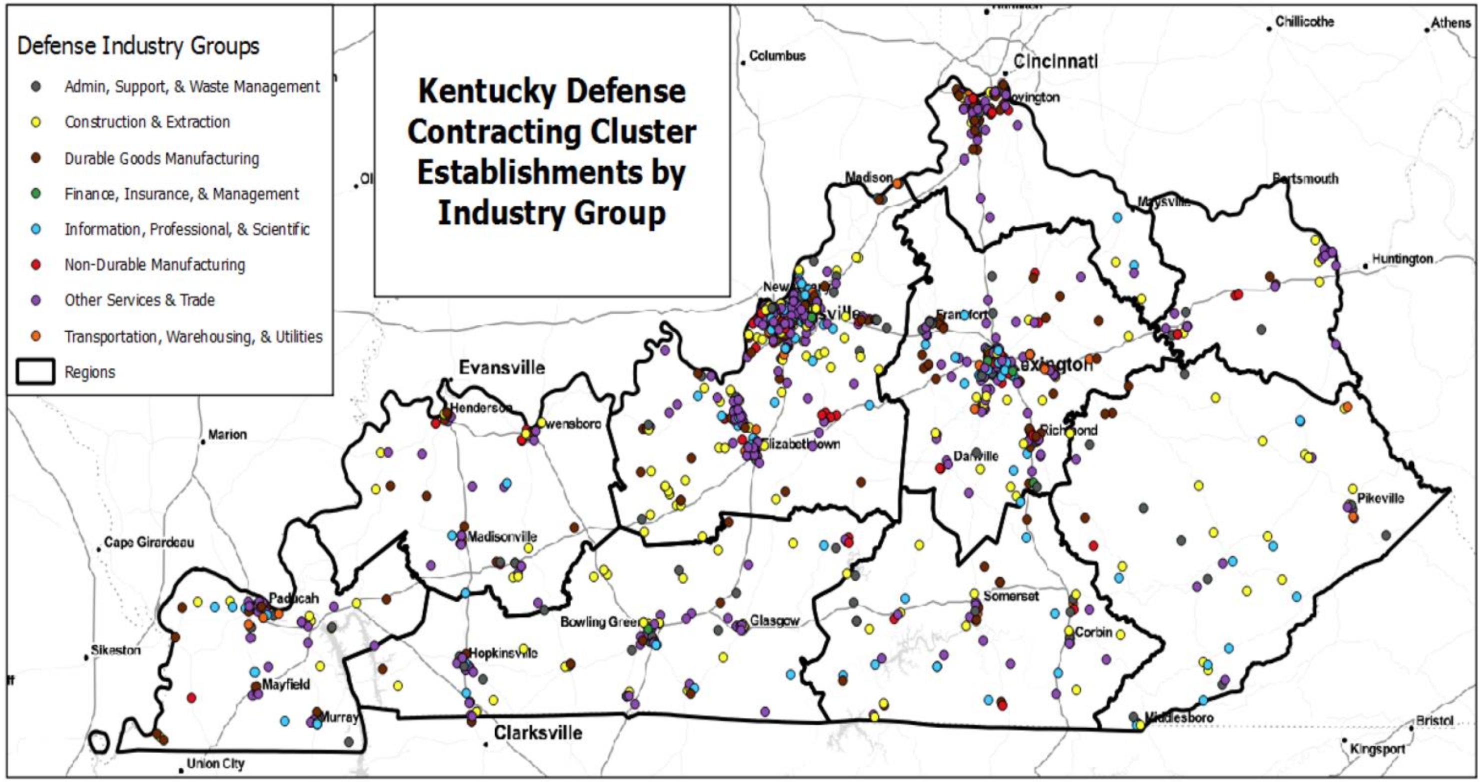
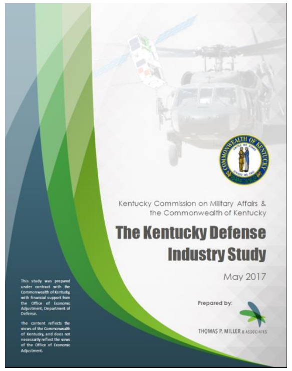
Phase I: Geographic/Sector Breakdown

Focus areas:

- Covington
- Louisville (Humana Medical)
- Elizabethtown (Ft Knox)
- Lexington (Bluegrass Station)
- Bowling Green (Ft Campbell)





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Phase II: Key Strategies Recommendations

- Establish a Workforce-Education Committee
- Increase Cybersecurity Education Opportunities
- Educate Businesses on the need for Cybersecurity
- Identify and grow cybersecurity infrastructure

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Phase II: Cybersecurity Environment in Kentucky

Cybersecurity already has a presence in KY

- Located around industry hubs (Phase I)
- Geographically connected to military communities
- Significant growth potential

Figure 3 // Map of Kentucky's cybersecurity companies

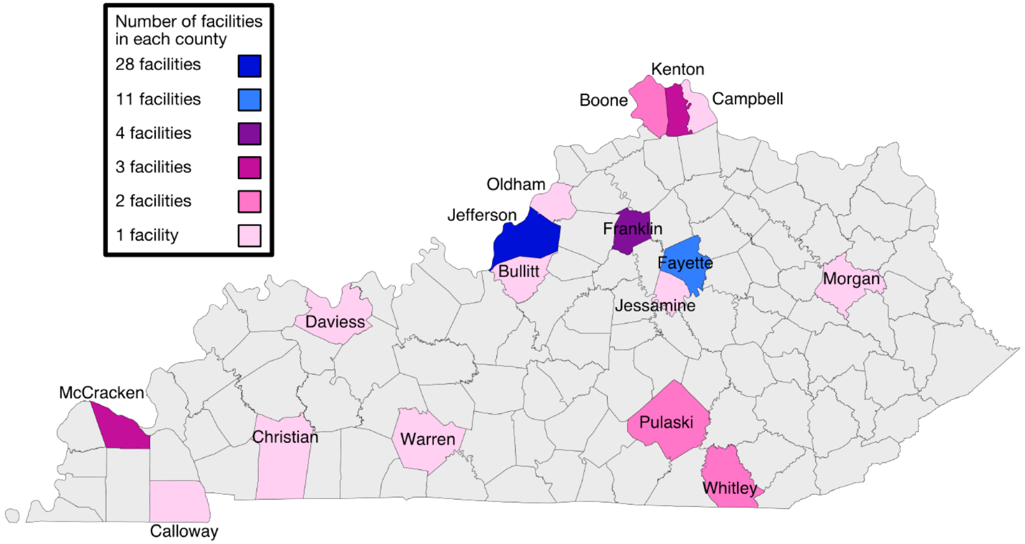
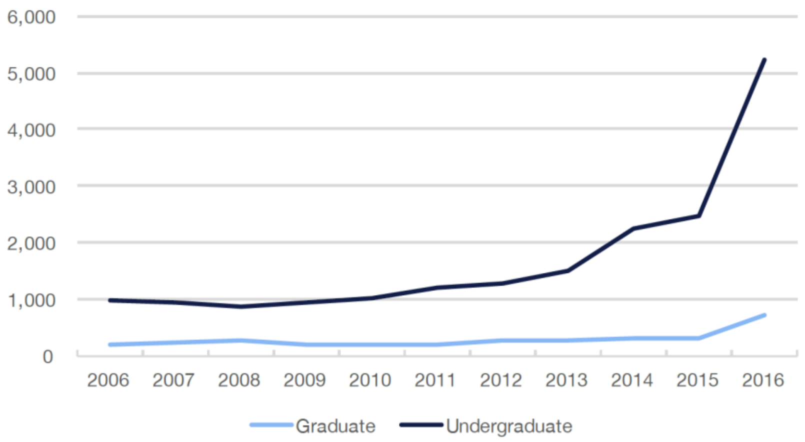


Figure 2 // Number of relevant degrees, diplomas, and certificates issued by level over time (2006 – 2016)



Educational Opportunities

- Significant increase in degree attainment, but not retained in the state (Brain-drain)
- Educational opportunities geographically match industry
- Forecast indicated expanding defense-related employment opportunities

Phase III: Collaborative Partnership with University of Louisville

OEA grant provides the opportunity to develop cyber training opportunities and work-force development connectivity

- Expanding training and degree-granting for transitioning members, veterans, and spouses
- Engaging state agencies to create "Pathways to Employment" – targeting transitioning service members through Skillbridge and DOL
- Partnering with business and education to provide apprenticeships and education at the same time
- Connecting all activities with KY Department of Veterans Affairs

UofL COLLEGE OF EDUCATION & HUMAN DEVELOPMENT
C4 PROJECT
CYBERSECURITY CERTIFICATIONS, CAREERS AND COMMUNITIES PROJECT
C4

Lessons Learned

- Many state and non-profit agencies are doing great things, but are stove-piped

- Data-driven process helped to make the case for a cybersecurity need and garnered state government support

- Higher ed is responsive, but lacks connection to business

- Challenges in communicating training and employment opportunities to veterans - many are overwhelmed by the "many voices"

- Small business wants to engage, just don't know how

KCMA

GENEDGE

PART OF THE MEP National Network™

Virginia’s Defend CUI Program (DEFENDCUI-VA)

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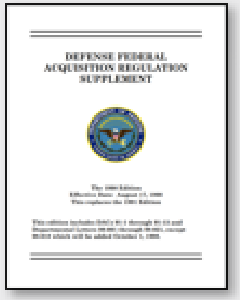
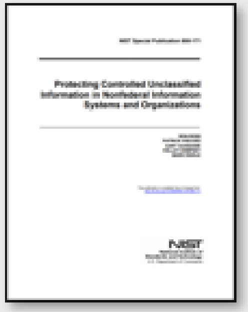
Program Summary

Requirements

- **DFARS 252.204-7012**
  Safeguarding Covered Defense Information and Cyber Incident Reporting (Oct 2016)
  - System Security Plan
  - Incident Response Plan
  - POAM to Fill NIST 800-171 Gaps
  - Self-Certification

- **Cybersecurity Maturity Model Certification (CMMC)**
  - Work in Progress – Targeting 2020 Release
  - CMMC level (1-5) is Contract Dependent
  - Level 3 alignment to NIST 800-171
  - 3rd Party Certification


DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT


NIST Special Publication 800-171

Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations

NIST

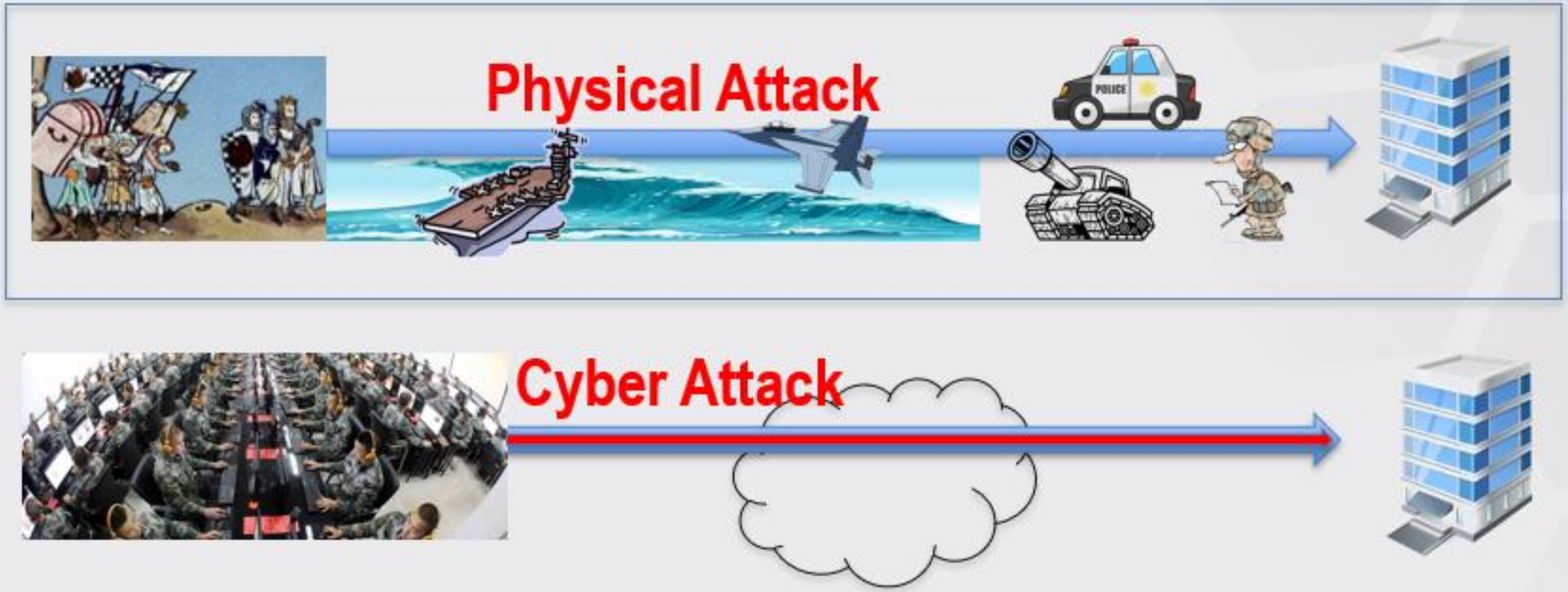
DEFENDCUI-VA

Phase 1-ASSESSMENT	Phase 2-REMEDIATION
• NIST 800-171 Gap Assessment Using IntelliGRC Tool • System Security Plan • Incident Response Plan • POAM	• Scope / Deliverables are Company Dependent • Covers 80% of Labor Costs • Client Selects 3rd Party

Key Take Away: The DEFENDCUI-VA Program Delivers Tangible Benefits to Participating Companies and Sets Them Up for CMMC Success.

Cyber Threat Messaging

- Average of 1 successful cyber attack every 39 seconds
- Estimated $1 billion annually in ransom payments
- Estimated $11.5 billion in damages from ransomware attacks
- 65% of cyber-attacks are aimed at small mid-sized businesses



Physical Attack

Cyber Attack

MEP National Network™

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DEFENDCUI-VA Impact

- In 2019, GENEDGE engaged **75** companies. So far in 2020 have engaged more than **100** companies.
- In 2019, GENEDGE supported **21** companies in completing the DFARS 7012 (self-attestation) requirements. Of those, **17** companies continued on with Phase II (remediation) support.
- So far in 2020, we have supported **20** companies in completing self-attestation requirements, with another **17** in progress. We also have **8** companies that have started with Phase II that are expected to also complete a Phase I - bringing the total to 45 companies for Phase I.
- Year 3 Backlog is currently at **15** companies.

	Phase I Assesent	Phase II Remediation	Total Engagements
2019	**21**	**17**	**38**
2020	**37***	**8**	**45**
Total by Type	**58**	**25**	**83**
	*Note 17 in Progress		

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More Resources at genedge.org:

https://www.genedge.org/program/virginias-defend-cui-program/

https://www.genedge.org/resources/cybersecurity-materials/

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