



Michelle Ross Mayor Pro Tem
City of Shavano Park

Reference: Discussion regarding the Security Network Breach

This letter is to serve as an alternative response to being asked to appear before Council to address the reasons for a Security Data Network Breach which lead to a Ransomware matter. In order to be in a position to fully address this matter and questions, HTS Voice & data is limited greatly in formulating answers or input into what specifically may have been diagnosed as the exact problems uncovered by outside forensic technical entities. We have been informed by City Staff that in order to secure the Insurance Coverage available, it was necessary to bring in for review and investigations specific Forensic IT Network Security Specialists for the investigation. During the period of this investigation, HTS was directed almost daily to undertake certain IT work functions which were either necessary or required by the Investigators. I would hope that the City Staff has reported that we responded as soon as possible and with every intent to serve the City of Shavano Park during the crisis.

During the entire process of the Investigation, HTS was never briefed or enlightened as to what the actual findings uncovered. We have made several assumptions on the matter by trying to read into the actions we were directed to deliver. However, we were never provided any final documents to allow us to review, debate or provide feedback on the matters uncovered. Basically, it is because we were relegated to being directed to provide actions only, that we find ourselves limited in providing complete validated details on the Breach.

In my opinion, we would prefer not to appear in Council without knowing and having time to review the actual findings. For whatever reason, we were never briefed or had a meeting to review the findings. When we originally became the IT Service Provider for the city of Shavano, we were engaged and completely immersed in all IT Network Matters. Two years ago, our relationship changed to becoming an IT Support Provider who was interfacing and taking direction from the Assistant City Manager. Our role became less in control and more support and service work oriented. This adjustment in our perceived role made it possible for us to lower our monthly cost and fit the City's Budget.

During our contract period we continued to make recommendations on many aspects of managing the network. This included Policies and Practices, Backup Storage, Intrusion Protection, Anti-Virus, and equipment recommendations. Some were acted on and some were not. In our role as Support IT Provider we primarily focused on delivering support and action items. One could certainly debate the extent and fiduciary responsibilities HTS had in managing the Network.

I do not believe that any detailed and finite ground rules for how HTS would interface with the Assistant City Manager in a support role were ever painfully established. Our experience has been that the ground rules for interfacing with an in-house IT Point of Contact varies among customers and is ever changing depending on many circumstances. It is necessary for the relationship to be flexible with open dialog. HTS and the City of Shavano Park arrived at a revised Maintenance Plan which had been fiscally working for both parties for years. Recently, we found ourselves in a situation where a Breach occurred. Based on the reactions to the problem, we have perceived as being solely responsible for whatever the final forensics uncovered.

Without a doubt, this may have been a reason for why the IT Contract was opened for Bid. If the Council were to review our Bid Package, I believe you would see a quality presentation of what we can deliver. I decided that we would present a Bid that was higher than our existing billing. It would include all the items we felt important to offer, especially after the Breach experience. I knew this would be challenging to win since our competitors were aware of our existing contract content and cost. We are in a very competitive industry. I have attempted to highlight the overall body of work (covering many mote IT disciplines than just network management) over 10 years.

Finally, since we are limited in truly discussing a final review of the Breach matter and the fact exists that we may longer continue as the IT provider, I ask that we not make the appearance for discussion at Council. This matter has been so painful thus far, that grasping for any unknown details seems to be of little value. Therefore, with your understanding, we would like to be excused from the Council meeting and ask that you read this document instead. As a matter of further documentation, I have included the responses from my Staff to specific questions you have asked us to reply on. Thank You.

Sincerely,

Rey G. Salinas
CEO