

Virginia Alcoholic Beverage Control Authority

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IT Status Report 2023

The IT Division ended the year 10% under budget with annual costs of \$35.8M. We have 82 full time staff, 29 contractors and nine hourly paid employees. We support the entire infrastructure for ABC operations, including 5,000 users on 1,100 computers and 1,100 registers in over 400 locations across the Commonwealth. Our uptime for network, Point of Sale and enterprise services exceeds 99.9% for the year, and we have had no significant service interruptions.

During the year we implemented a new Service Desk Solution (ServiceNow) integrated with telephone call center functionality from our phone provider 8x8. This is handling requests for IT, procurement, facilities and several other divisions. We handle 4,000 service requests, nearly one million emails (and 250,000 spam and malware interceptions) each month.

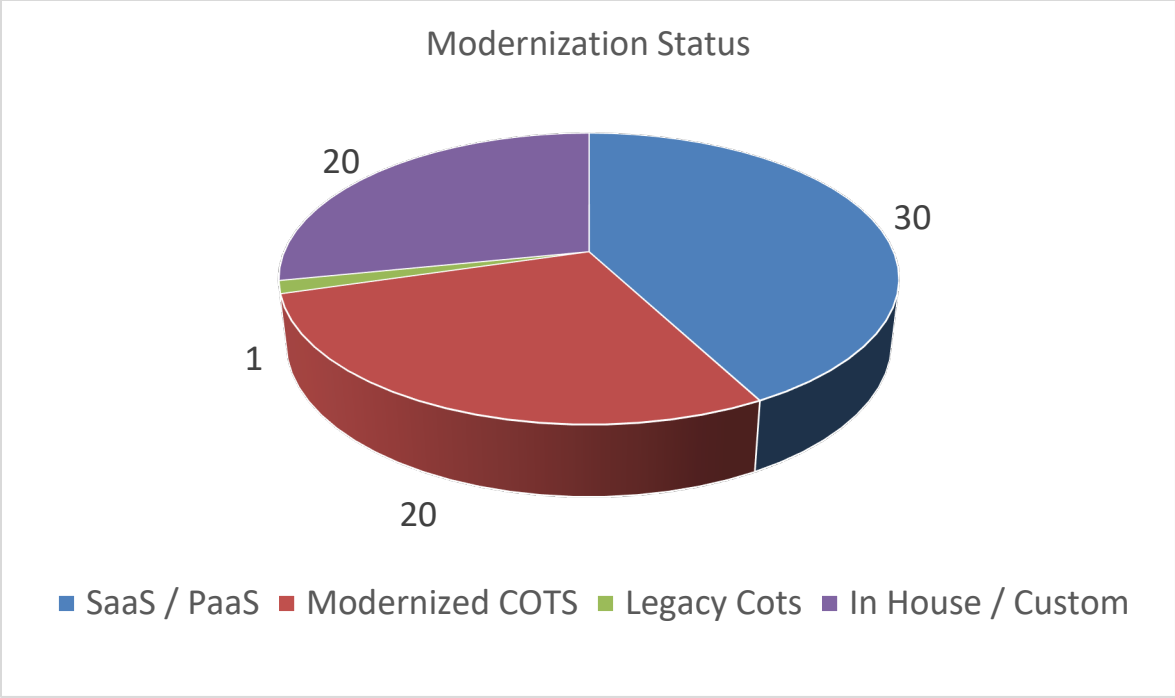
We also migrated our Oracle infrastructure from a private cloud to Oracle Platform as a Service (PaaS), which delivered significant cost avoidance savings. Infrastructure was upgraded to current versions during the migration (performed inside a weekend maintenance window).

We refreshed the IT strategy this year, further clarifying our approaches to user and enterprise support.

Enterprise Systems:

VABC has Modernized and/or migrated to SaaS / COTS 71% of our enterprise systems. The only three major legacy systems remaining are MIPS (inventory), Tax Management and HR (although these represent almost all the 21 legacy component systems), and we are due to refresh our Web / Ecommerce environment.





Significant efforts this year with our business partners included:

- Working on preparing the licensing system (VAL) to migrate to a SaaS provider and onboarding new licensees to online services, increasing system adoption.
- Supporting better payment options for licensees by using Payment tokens for repeating payees of Excise tax (will expand to other services in 2024).
- Continuing support for Digital commerce – expanding our online capabilities for product ordering from the warehouse, lottery automation and distribution of limited availability (popular, high demand, low availability) product.
- Preparing to upgrade the credit card terminals across all stores to remain PCI compliant for next year’s PCI Audit.

Security and Risk Management

- Our main focus (and risk) is that an ABC identity will be compromised and expose ABC to being hacked. Our main defense is to ensure system identities and roles are secure.
- The majority of ABC Enterprise systems require an ABC Active Directory identity and/or support multi factor authentication (“MFA”) (name, password + another factor) (71%)
- We have 19 systems that are not linked to ABC Active Directory / Have no MFA (i.e., they have standalone identities that have to be managed separately from the employee record and only require a username and password). Twelve of these contain sensitive data.
- We continue to pursue having ‘one identity’ (Active Directory) for ABC employees being integrated with HR, converted two more systems in July 2023 and continue to drive to a single secure identity.



