

House District _____
Senate District _____

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: _____

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): _____

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Dba: Pacific Business Services, Inc.
Street Address: 1259 A'ala Street, Suite 205, Honolulu, HI 96817
Mailing Address: Same

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name RUSSELL P. SEENEY
Title President
Phone # 808-545-3722
Fax # 888-307-8157
E-mail RSEENEY@PBSHAWAII.COM

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
 FOR PROFIT CORPORATION INCORPORATED IN HAWAII
 LIMITED LIABILITY COMPANY
 OTHER
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

TO PROVIDE DISASTER RECOVERY (DR) AND CONTINUITY OF OPERATIONS (COOP) TRAINING CLASSES, SIMULATION TESTING, COMPLIANCE UPDATES FOR SMALLER CREDIT UNIONS IN HAWAII THAT CANNOT AFFORD A DISASTER RECOVERY TEAM IN ORDER TO BE PREPARED FOR DISASTERS AND MITIGATE THE IMPACT ON THEIR MEMBERS.
ADDITIONAL FOCUS ON THE TRAINING WILL BE TO INCREASE AWARENESS OF CYBERSECURITY THREATS BASED ON ATTACKS SIMILAR TO SONY, TARGET AND OTHERS AND THE IMPACT IT CAN HAVE ON A CREDIT UNION AND MORE IMPORTANTLY THE UNDERSTANDING OF IDENTITY THEFT AND HAWAII STATE REGULATIONS FOR NON-COMPLIANCE.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 58,446

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 58,446
FEDERAL \$ _____
COUNTY \$ _____
PRIVATE/OTHER \$ _____

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

RUSSELL P. SEENEY
NAME & TITLE

1/30/2015
DATE SIGNED



RECEIVED
1-30-15

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Pacific Business Services, Inc. (PBS) is a leading full-spectrum provider of solutions for the public and private sectors in Hawaii. We are a 30-year old Hawaii-based technology firm committed to implementing high-quality solutions that provide our customers increased business performance and growth.

Our Core Competencies

Disaster Recovery (DR) planning for small to medium size organizations, departments and their IT departments as needed. DR Training, table top exercises, customized department DR planning, annual DR reviews and mitigation.

Cyber security assessment, Penetration testing, business impact and risk analysis, simulated phishing (email) attacks.

Project Management; infrastructure design; general, cutover and construction scheduling; network, cabling and move planning; WAN/LAN moves and facility moves.

Transition and Conversion - Preliminary Planning, Inventory & Assessment.

Rollout and Transformation Management - Pre-upgrade preparation, develop baseline configurations to meet strategic plans, purchasing and installation of hardware, network, software, licenses and interfaces, automated deployment, renovation and relocations, post rollout analysis, facility and cabling. Successful projects with minimal disruption to existing operations.

Desktop Technical Support - Provide technical support for all lifecycle phases of a system--initial planning, installation, end-user support and troubleshooting, re-deployment and de-installation. This includes custom software design and programming.

Workflow, Information Analysis and Business Events

- Assist management with strategic planning to evolve to a Customer Focused Organization.
- Help project teams and managers initiate projects effectively.
- Conduct on-going reviews of intermediate and final project deliverables.

Assist analysts and developers in producing analysis and design specifications.

2. The goals and objectives related to the request;

Small to medium size credit unions are a critical part of the financial infrastructure in Hawaii. Most of the larger financial institutions have staffing, teams and multiple locations to survive a disaster. Smaller credit unions do not have those capabilities or resources. This program will provide training to help smaller credit unions identify disaster situations, cyber security breaches and survive during and after an incident.

Using the funds from this request we will expand our training sessions to include more focus on a number of key areas:

- ❖ Explanation of reasons people avoid training to understand or gain knowledge about the cyber security threat and breakdown the buzzwords to simple English.
- ❖ Cover the legal impact of Hawaii State regulations regarding identity theft, the loss of personal identify information and the fear of loss.
- ❖ Describe the current trends in ransom ware and theft of entire computers from homeowners or members, business computers, entire networks of systems and how hackers (or actors) are blackmailing people in to paying \$300 to \$400 per machine to recover the stolen files on desktop systems.
- ❖ How to prevent or minimize the incidents through planning, software, hardware upgrades and more importantly, through staff training (which has proven to be the weakest link) individually, by department, by organization, state and federal players.
- ❖ Learn to recognize ransomware and malware or viruses and also how to recognize the attack on your network. Develop appropriate responses.
- ❖ Create checklists of steps to take in response to an attach, what to tell the media and the legal notification required. (FBI, DHS, HPD etc.)
- ❖ Coverage of Hawaii Identity Theft Laws and Regulations as an example Act-135, 136 and 137.

3. The public purpose and need to be served;

During a natural disaster such as a hurricane, earthquake or tsunami that devastated Fukushima, Japan in 2011, people need quick access to cash and other funds to buy food, rebuild their homes, replace damaged cars, etc.

Disasters can also be man-made. Technical or computer viruses and identity theft data hacked that occurred with Target stores or more recently the Sony data hacking.

4. Describe the target population to be served; and

Over half of the credit unions in the State of Hawaii are considered small with fewer than 15,000 members but provide important financial services to approximately 173,000 people on all islands.

5. Describe the geographic coverage.

The coverage will be the entire state of Hawaii. Initial plan and scope of work will be to protect the islands of Oahu and Maui. During subsequent years we will expand our scope to include all islands in the state of Hawaii.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

Pacific Business Services, Inc. (PBS) will create updated small financial institution content to include PowerPoint Handouts, DVDs, and photocopies of educational materials. During this time we will use the Federal NCUA compliance document Information Systems and Technology (IS&T) as a template which will allow us to measure and recap results.

On a limited basis we will provide disaster simulation testing between the smaller credit unions that have similar computer technology infrastructures.

We will provide or utilize a presenter, a technician for operations and some software programming. We will also utilize a DR Technician and Certified Ethical Hackers (CEH) to augment the basic classroom environment to provide real world experience or table top exercises.

Part of the training will be to learn and understand how Cloud Services can be used, new technology such as Pico Projectors, Tablet and Skype or Web Video Conference can be utilized as working tools to manage their organization during a disaster.

We will also contact DHS, FBI InfraGard, the Red Cross, Civil Defense, Hawaii Credit Union League and the Nation Credit Union Administration for tools, services, speakers, training items that can be used during the training and during incidents.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

We will provide 4 classes, simulation testing, compliance reviews during the year; three on Oahu and one on Maui for the first year.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

The initial plan for reviewing training effectiveness will be through post-class evaluations.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

- Measure of effectiveness will be based on the number of people a credit union is willing to train from their total staff and including the Board of Directors.
- We will also determine how their disaster recovery plan is structured and how it performs during real world simulations such as an electrical outage, or a hurricane watch. Even if the event doesn't happen, the practice simulation will provide actual hands-on experience in reacting to a disaster. Results of their work and documentation generated will demonstrate their ability to survive.
- Finally they will be able to update their NCUA Disaster Recovery Plan and Cyber Security plans for their Federal NCUA Annual Review. (Compliance requirements)

III. Financial

Budget

- 1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**

Budget forms are included in this grant request.

- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2016.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
29,223	9,741	9,741	9,741	58,446

- 3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2016.**

Currently all other funding will be provided using Pacific Business Services operating cash flow. We are currently not seeking any other sources of funds.

- 4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.**

We currently have no tax credits and have not been granted any tax credits.

- 5. The applicant shall provide a listing of all government contracts and grants it has been and will be receiving for program funding.**

We currently have no other government contracts

- 6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2014.**

PBS Assets as of \$21,100

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Since 2000, we have provided basic disaster recovery training to a number of credit unions. We expect to use these pilot classes to further refine and develop new updated educational material and formats for the future classes.

We have participated in Hawaii National Guard Po'oihe Cyber Security war games conducted with the FBI InfraGard and we will integrate this training and knowledge into our own training program.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Pacific Business Services, Inc. is located in the Hawaii USA FCU College Walk facility.

- Utilizing the HawaiiUSA Federal Credit Union Community Rooms we will have access to two different training rooms. We can set the rooms up in banquet style with round tables or in a classroom style.
- We will be able fit between 30 students up to 210 students depending on the requirements.

- Located on the first floor of our office building
- ADA parking stalls located in our parking plaza
- ADA equipped restrooms

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

The Pacific Business Services, Inc. management and instructor have completed classes which are applicable to disaster planning and cybersecurity and cyber defense. These include:

- Hawaii Credit Union League Disaster Recovery Planning class
- FBI Citizens Academy
- FBI InfraGard (cyber security outreach)
- Department of Homeland Security Disaster Planning
- Department of Homeland Security SENTINEL Cybersecurity Incident Handling and Response
- Red Cross Information Technology Emergency setup
- Hawai'i National Guard's Po'oihe Cyber Range. Cyber warfare simulation
- 2015 Honolulu Maritime Cybersecurity Exercise

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

Pacific Business Services, Inc. is a small business with several employees. The president and owner of the company develops and teaches the classes. Additional support, technical skills, programming and classroom environment setup will be provided by specialized independent contractors we have worked with over the years.

C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position..

President: \$60,000

Vice President Operations \$45,000

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

We have no litigation at this time.

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

The owner of the company is a Microsoft Certified Professional, the President of the FBI InfraGard Hawaii Chapter and an Officer of International Association of Microsoft Channel Partners Hawaii Chapter (IAMCP).

C. Federal and County Grants

The applicant shall separately specify the amount of federal and county grants awarded since July 1, 2014.

Pacific Business Services, Inc has not received any federal or state grants.

D. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

Pacific Business Services, Inc is not planning on using any of the funding any private educational institutions.

E. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2015-16 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2015-16, but

(2) Not received by the applicant thereafter.

Pacific Business Services, Inc has on-going operations based on 30 years of longevity and will use our normal operations cash flow to provide sustainability.

F. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2014.

See attached COGS dated January 25th, 2015.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Pacific Business Services, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	42,500			
2. Payroll Taxes & Assessments	4,250			
3. Fringe Benefits	4,250			
TOTAL PERSONNEL COST	51,000			
B. OTHER CURRENT EXPENSES				
PowerPoint Handouts, DVDs, Xerox material	420			
Create updated small financial institution content	incl in labor			
Invitations, contacts	incl in labor			
Identify prospects	incl in labor			
NCUA DR IT Audit update, recap results	incl in labor			
Simulation testing	incl in labor			
Presenter	incl in labor			
Technician, software programming	incl in labor			
DR Technician	incl in labor			
Cloud Services	80			
Projector	incl in equip			
Tablet	incl in equip			
Airfare (Interisland, Maui)	360			
Car Rental	150			
Class room space	3,200			
Class Room Parking	126			
Internet access	240			
Skype or Web Video Conference presentation	120			
TOTAL OTHER CURRENT EXPENSES	4,686			
C. EQUIPMENT PURCHASES	2,750			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	58,446			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	58,446	Russell P Seeney	808-545-3722	
(b) Total Federal Funds Requested		Name (Please type or print)	Phone	
(c) Total County Funds Requested			1/30/2015	
(d) Total Private/Other Funds Requested		Signature of Authorized Official	Date	
TOTAL BUDGET	58,446	President		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2015 to June 30, 2016

Applicant: Pacific Business Sevivces, Inc.

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
President / Presenter	1	\$60,000.00	24.93%	\$ 14,959.98
Technician / Programmer	2	\$60,000.00	9.07%	\$ 5,442.00
Disaster Recovery Technician / Presenter	1	\$45,000.00	19.11%	\$ 8,598.15
(contractor based on scheduled hours)				\$ -
NCUA Regulatory Compliance researcher	1	\$45,000.00	10.00%	\$ 4,500.00
Certified Ethical Hacker	2	\$60,000.00	15.00%	\$ 9,000.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				42,500
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Pacific Business Services, Inc

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Tablet computer to be used for presentation and used as	2.00	\$900.00	\$ 1,800.00	
an example of disaster recovery remote access technology			\$ -	
Mini or Pico presentation projector	1	\$350.00	\$ 350.00	
portable for interisland usage			\$ -	
Linux laptop setup for penetration testing and network scans	1	\$600.00	\$ 600.00	
TOTAL:	4		\$ 2,750.00	

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: _Pacific Business Services, Inc.

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS:						
Not Applicable						

GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Pacific Business Services, Inc.

Period: July 1, 2015 to June 30, 2016

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1.	None at this time				
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
				TOTAL	

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

PACIFIC BUSINESS SERVICES, INC.

(Typed Name of Individual or Organization)



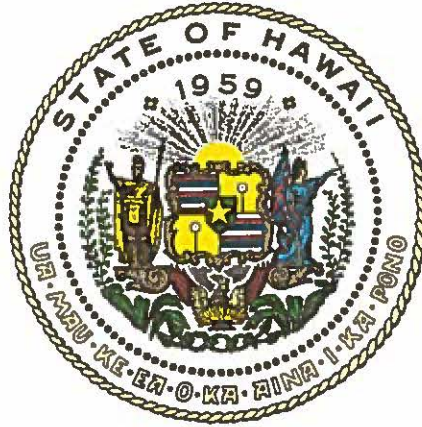
(Signature)
Russell P. Seeney

1/30/2015

(Date)
President

(Typed Name)

(Title)



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

PACIFIC BUSINESS SERVICES, INC.

was incorporated under the laws of Hawaii on 10/07/1992 ; and that it is an existing corporation in good standing, and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 25, 2015

Interim Director of Commerce and Consumer Affairs

