

STATEMENT OF JOHN LIVINGSTON, CEO OF ABSOLUTE SOFTWARE
BEFORE THE SUBCOMMITTEE ON CRIME AND DRUGS
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
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Chairman Specter, Members of the Subcommittee, Absolute Software is pleased to have this opportunity to discuss with the subcommittee Absolute's products and services, as well as our protocols and policies as they relate to privacy issues, which is something that Absolute values and cares deeply about.

I co-founded Absolute Software in 1994 with the notion that individuals and businesses should be able to manage, secure and recover their mobile devices regardless of their physical location. Since that time, Absolute has developed one of the premier managed theft recovery services in the world. Our security-as-a-service solutions protect more than 5 million computers worldwide with subscribers who range from individuals to the largest public and private sector organizations. To date, we have recovered over 13,500 computers in 50 different countries with our flagship product suite, Computrace. We average approximately 100 stolen computer recoveries each week.

Absolute believes very strongly in protecting computer theft victims and mitigating the multiple downstream consequences of computer theft. For an organization with a lost or stolen computer, the cost of the hardware is really just the beginning. In addition to lost productivity and competitive threats, an organization that experiences a data breach may be subject to fines, media scrutiny, and a damaged reputation. Computer theft has other costs and consequences including the potential theft of personal identifying information that may later be sold or otherwise misused by identity thieves.

In fact, we have assisted the Philadelphia police on many occasions, including cases where recovering the laptop led to apprehending a child pornographer or recovering illegal drugs, weapons, and stolen cash. This is not atypical. Our case experience indicates that laptop thieves are often involved with other very serious crimes, including child pornography, drug trafficking, large scale burglaries, including involving public school districts.

- We assisted the San Diego School District in recovering 13 laptops that had been stolen during a breaking and entering. The thieves were also charged with possession of methamphetamines and various parole violations.
- Computrace uncovered a Southwest Airlines luggage handler theft ring at O'Hare Airport, after which law enforcement arrested 5 workers, recovered 8 laptops, 4 cameras, 2 GPS units, and cash.
- In Florida, our technology helped to capture a career criminal who had been burglarizing offices and taking 12-15 laptops at a time. He was sentenced to ten years in prison for his various crimes.

- Working with information provided by Absolute, police were able to identify an unauthorized user on a stolen laptop and recovered drugs, handguns, and hundreds of stolen social security and credit card numbers from his residence. The value of the stolen credit card information alone was estimated at \$300,000.

We believe that in significant part these successes are possible because our post-theft recovery services are carried out by Absolute's trained theft recovery personnel. The theft recovery process only begins when the customer reports their computer as stolen to local law enforcement. Then the customer must report the theft to Absolute, provide the police report file number (which is required before any theft recovery process begins), and their authorization to have Absolute's Theft Recovery team start the investigation. Our trained Computrace investigative team of law enforcement veterans coordinates the entire theft recovery process and partners directly with local law enforcement. We are ISO 27001 certified and have policies, procedures, and controls to protect customer data, which I would be happy to describe if that is of interest to your Committee.

Thus, our Computrace solution is premised upon a managed theft recovery model that relies upon filed police reports to open a case investigation, which is then handled by our staff of highly trained former law enforcement personnel. Some of our competitors instead offer end-user oriented solutions, similar to the LANRev "Theft Track" tools that a purchaser (such as an IT Administrator at a school district) could choose to activate to enable taking still images from a laptop's webcam. Absolute did not itself develop or offer camera functionality in its product line, because we did not see a need for such a tool in our very different, and in our view superior, managed recovery model. We acquired LANRev's assets late last year for their computer inventory and asset management functionality, and, through a software patch offered to the Theft Track customers we acquired, disabled the webcam feature earlier this year.

With that, I conclude my comments, and welcome your questions, Senator.