



HOW NCRYPTED CLOUD ENSURES ITAR COMPLIANCE

Background

This white paper outlines how nCrypted Cloud is the industry leading solution to ensure ITAR regulatory compliance when using cloud-based file storage and sharing facilities such as Dropbox.

Executive Summary

nCrypted Cloud gives manufacturers and exporters of defense articles and items covered under United States Munitions List (USML) the ability to confidently maintain ITAR regulatory compliance when using cloud-based file storage and sharing technologies in order to protect the import and export of defense-related articles and services defined in USML.

nCrypted Cloud provides all the controls and security safeguards to meet, and in many instances exceed, ITAR requirements.

nCrypted Cloud offers the most comprehensive and effective solution in the marketplace. nCrypted Cloud is the only solution that persistently encrypts data at rest on mobile devices and traditional personal computers. nCrypted Cloud also delivers superior security controls to ensure minimum necessary access is maintained at desired levels.

Cloud-based file storage and sharing – Level Setting

Cloud-based file storage and sharing is an innovative technology that can be used to access, synchronize, and share documents or files anywhere, anytime, with anyone, and from any device. Numerous cloud-based storage providers exist, however, the most prominent and the market leader is Dropbox.

With the right controls in place, cloud-based file storage and sharing can be used to track and monitor activity on the cloud, allowing for better regulatory control of import/export control data and ensuring ITAR compliance.

Import/Export Control Data and International Traffic In Arms Regulations (ITAR) Overview

ITAR is a set of regulations, established by the US government, that control defense-related imports, exports, and military related technologies, dictating who can access classified

government data and prohibiting the retransfer of sensitive information.

Import/Export Control Data is information, usually related to national defense and security, that the government deems controllable.

The articles belonging to the USML are subject to the export and temporary import jurisdiction of the Department of State. These articles consist of, but are not limited to, Military Electronics, Classified Articles (Technical Data and Defense Services), Nuclear Weapons (Design and Testing Related Items), and Spacecraft Systems and Associated Equipment.

How nCrypted Cloud Ensures ITAR Compliance

nCrypted Cloud security safeguards effectively and efficiently address data security controls and audit requirement components of ITAR to ensure or exceed compliance.

Classification: nCrypted Cloud allows customers to apply classification to files and folders in cloud storage solutions like Dropbox, Google Drive, etc. The classification tags applied to the documents may be aligned with the definition of 'Technical Data' under ITAR 120.10. Classifying the data in real-time with automated policies allows organizations to quickly apply controls and perform audit of data access, usage, and inventory as needed.

Authorization: Under ITAR 120.6, 'Empowered Officials' and appropriate designates are the only people explicitly authorized to access information designated 'Defense Articles'. nCrypted Cloud ensures the protection of sensitive government data, whether it is stored in the cloud, on a mobile device, or on a traditional personal computer.

nCrypted Cloud provides fine-grained privacy access controls such as read, print, or edit privileges, termination date triggers, and water marking at both the folder and document level. These security controls ensure access to import/export control data can be maintained at the desired minimum necessary levels.

Recordkeeping: Keeping a good record of ITAR Technical Data by performing inventory and having a constant audit trail of user's usage records, as well as current access rights that users and devices have to the data, is a critical requirement for



remaining compliant with ITAR. nCrypted Cloud provides an indispensable audit trail, documenting who accesses data, what they exactly did, when they did it, and where they did it. This audit trail provides comprehensive event data to account for all access activity, providing much needed reporting for export regulated organizations.

nCrypted Cloud Ensures Security ITAR Compliance

nCrypted Cloud uniquely provides all the required and addressable security safeguards to meet and maintain compliance requirements mandated by International Traffic In Arms Regulations (ITAR) when using cloud-based storage and sharing technologies.

Specifically, nCrypted Cloud ensures:

- Import/Export Control Data and Defense-Related Articles and Technologies belonging to United States Munitions List (USML) are encrypted at all times, whenever and wherever it goes, using industrial strength encryption algorithms. This means that data is persistently encrypted at rest on cloud storage servers and on any mobile devices and traditional personal computers, as well as being encrypted while being transmitted over the Internet.
- Only authorized individuals can access Import/Export Control Data
- Individuals are uniquely identified and access to data is protected by strong passwords.
- Access events to data are captured and logged for monitoring and reporting purposes. (Who, what, when, and where).
- Access to data is terminated at the individual, folder, or document level when it is no longer needed.
- Notifications or alerts are sent to individuals or work group members when a change to data records or files occurs.
- Features to control the privacy of the documents or files including: read once only, access expiration date, print, view, edit privileges, and many more privacy control features.
- Ability to revoke access to the data for individuals and/or devices.

nCrypted Cloud also gives export regulated organizations the administrative capabilities to securely manage cloud-based file storage and sharing activities, including means to:

- Recover data for forensic and security purposes.

- Prevent data loss.
- Back up and recover files or documents.

Finally, nCrypted Cloud provides a high availability (HA), secured, and hardened computer-processing infrastructure to ensure the security of information and data processing recovery in case of a disaster.

How nCrypted Cloud Protects Entities from Violating The Arms Export Control Act

The Arms Export Control Act authorizes and controls the import and export of defense-related articles, services, and technology.

Because nCrypted Cloud provides persistent encryption at all times, authorized parties have the ability to secure and protect classified, defense-related government data, ensuring ITAR compliance.

How nCrypted Cloud Does It Better Than Competitors

nCrypted Cloud technology and its capabilities are superior to that of any other competitive product. While many competitive products make similar claims, nCrypted Cloud is the only one that offers a complete and comprehensive solution. nCrypted Cloud's ground breaking, unique technology and set of features include:

- Persistent encryption at all times and in all places.
- Feature rich privacy controls at the document or file level.
- Classification of ITAR Technical Data.
- Data access inventory.
- Extensive event logging and auditing capabilities.

Conclusion

nCrypted Cloud delivers a ground breaking cloud file storage and collaboration security solution that meets, and in many instances exceeds, ITAR requirements. nCrypted Cloud's consumer-centric design, data-centric security architecture, enterprise strength encryption, and auditing features make it the undisputed leader in the marketplace.