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Verdasys launches security product for health care industry

Mass High Tech: The Journal of New England Technology - by [Dyke Hendrickson](#)

Federal regulations focusing on health care have always created extra paperwork.

Now they are fostering the need for new software, which has created an opportunity for a Waltham company called Verdasys Inc.

The company, which is a year old, offers security solutions for asset protection, digital forensics and regulatory compliance.

Company officials say that beta users have included Pfizer, Wyeth, Analogic and Cigna.

Its Digital Guardian program is scheduled for commercial release on Nov. 3.

Company officials say recent legislation, including Sarbanes-Oxley and the Health Insurance Portability and Accounting Act, requires companies to demonstrate measures that ensure the security of information. To that end, Verdasys has developed a program that health care companies can use to move and protect proprietary information.

Digital Guardian provides executive-level reports as it monitors information use and distribution.

"There are more regulations now, and a greater need to protect information from unauthorized users," said Seth Birnbaum, CEO of the young company.

"We've had a lot of interest from life sciences companies who are looking for a solution to security issues."

Verdasys, which was privately funded, employs about 27.

Birnbaum says Digital Guardian is priced at \$75,000 and up, and helps companies establish actionable policies that block inappropriate use or distribution of information from the desktop.

Digital Guardian can be used to block or limit information transfer via clipboard copying, e-mailing, printing and saving to a portable USB storage or DVD device.

Digital Guardian Policy Enforcer may be used to automatically require business justification from a user before allowing a particular action, and it may also send alerts to the IT and security teams as required.

"This is a cost-effective solution to a multibillion-dollar problem," said Ed Appel, chief operating officer of the Joint Council on Information Age Crime, an industry group focusing on online security, in a statement. "Companies can automatically detect, document and track misuse of sensitive information at the actual time and point of use, instead of trying to recreate the scenario when it may be too late."

Industry analysts say other companies offer similar security, but Verdasys is focusing on firms with intellectual property in life sciences and/or health care.

Birnbaum said that another use of the product is securing a company's intellectual property, such as massive databases used by scientists.

"If an employee leaves the company, he could arguably load up a lot of research and walk out the door," Birnbaum said. "With our product, managers would be aware of when material is being removed, and by whom."

Birnbaum and several colleagues founded Verdasys to address a need with which he had direct experience: the improper use of valuable corporate information by a trusted user.

Though the threat was addressed before any loss occurred, Birnbaum realized that existing security solutions could not provide the executive-level visibility and control required to protect information assets and demonstrate compliance with regulatory mandates.

Before starting the company, Birnbaum was a co-founder and vice president of engineering at NeoGenesis Pharmaceuticals, a biotechnology company focused on the discovery and development of drug candidates against targets from the human genome.

Birnbaum, a graduate of MIT, also served as a project consultant with Scripps Institute, where he was responsible for the design of lab automation systems for life science and chemical research.

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