

IT Competition XXIII – 2019 IT Strategy Case

Request for Information (RFI) for Consulting Services for

Recommend Business Controls for Prevention of Criminal Abuse

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Background Information

Bazinga's! (www.bazingas.com) was founded in 1998 as an online retailer, initially selling small electronic devices to consumers over the Internet. The company's early website design was nothing more than simple hyperlinked text, since Internet technologies had not evolved to support rich content. Bazinga's! was known for its sense of humor and frequently posted random funny sayings at the bottom of its web pages for user amusement. By the end of 2005 Bazinga's! had diversified its product inventory to include almost anything which could be sold online that was not perishable. The company had transitioned to stocking/fulfilling orders via regional distribution centers. Bazinga's! had also established an online marketplace and payment/order fulfillment process for individual merchants to sell their products. The company has continued to innovate and grow quickly and it is now considered the most valuable publicly traded company with a market capitalization of more than \$1 trillion. Bazinga's! founder, Jayne Brown, was recently named the wealthiest person on the Forbes 400 Wealthiest People's List. Forbes Publisher, Steve Forbes commented, "For the first time ever, a woman leads this prestigious list and thus, a significant glass ceiling has been broken!"

Based on the popular adoption of Bazinga's! Web Services (BWS) platform the company developed and introduced a cryptocurrency (B-Coin) and supporting blockchain as a service (BAAS). Bazinga's! determined this service offering could help to decrease operating costs and speed up e-commerce transactions by keeping financial transactions within the company's operations. Additionally, emerging markets, such as the cannabis industry, don't have access to the financial system because cannabis is still considered illegal under Federal Laws. The B-Coin and BAAS offerings quickly became popular with regular Bazinga's! merchants and a de-facto standard of the cannabis industry capturing more than 90 percent of online business.

Recently Bazinga's! corporate offices and regional data centers were raided by the Drug Enforcement Administration (DEA) and Federal Bureau of Investigation (FBI) for illegal drug trafficking and money laundering. A Columbian drug cartel had been detected by the DEA using B-Coin and BAAS for conducting illegal drug sales. Product listings on Bazinga's! had been identified as using stuffed animals containing illegal drugs for distribution. No stuffed animals containing illegal drugs ever entered Bazinga's! warehouses, but the Columbian drug cartel made an order fulfilling error to a regular Bazinga's! customer who thought they were ordering a regular stuffed animal. The customer contacted the DEA when they discovered the illegal drugs in their shipment. Additionally, the FBI had detected an organized crime family had repurposed B-Coin as a platform for laundering millions of dollars.

Problem Statement

Due to the type and level of criminal activity, the DEA and FBI went to Federal Court and obtained an injunction requiring Bazinga's! to immediately cease and desist from offering B-Coin and BAAS until they could prove to the Federal Court the company had suitable controls in place to prohibit repurposing of B-Coin and BAAS for major criminal activities. The injunction put Bazinga's! under Federal Court

supervision and halted a growing part of their business. The cannabis industry's e-commerce activity was severely impaired since B-Coin and BAAS had become a popular platform for supporting the cannabis supply chain. Bazinga's! Legal Department was attempting to get the injunction lifted, but the Senior Leadership Team was not optimistic about the outcome.

The impact of the injunction was so severe that Bazinga's market capitalization was reduced by 15 percent in one day of trading and the SEC ordered trading in Bazinga's! stock to be suspended until controls over the B-Coin and BAAS platform could be clarified. The suspension in stock trading caused Jayne Brown to be summoned to a meeting of the Board of Directors to discuss the trading suspension and what her plan going forward would be to get the suspension lifted. The Board indicated the shareholders are starting to get impatient with the "roller coaster ride" of past technology problems and would like to see more stability with Bazinga's! technology innovations going forward. Jayne Brown responded to the Board by indicating she's solved problems successfully in the past and in order to innovate you have to be willing to take risks and considering the market value of Bazinga's! continues to grow the investors appear to accept these types of risks.

Jayne Brown invited the SVP of Product/Services Development, SVP of Legal Affairs and the CIO to a working lunch where they discussed the current situations and she raised the following issues:

1. Our design and plans for B-Coin and BAAS seemed so well thought out. It was clear we had identified an emerging market (cannabis industry) that was not being served and thought we had another big win on our hands. How could we not anticipate that a new innovative platform could be repurposed to support criminal activities? Could our regular e-commerce platform have the same potential to be used to support criminal activities?
2. Given the issues and injunction we are faced with B-Coin and BAAS, should we consider entering into a settlement agreement with the Federal Court where we would agree to never offer a e-commerce service which could be repurposed to support criminal activity? Is there a practical Bazinga's! could provide this assurance to the Federal Court?
3. If we decide to keep B-Coin and BAAS as a market offering, what are the best practices and controls for offering this technology to avoid it being repurposed to support criminal activities? Should we extend these best practices and controls to all Bazinga's! e-commerce platforms?

At the conclusion of lunch Jayne Brown, the SVP of Product/Services Development, the SVP of Legal Affairs and the CIO agreed to develop a request for information (RFI) to solicit ideas and hypothesis on how to address the above issues from qualified consulting firms to map out a plan to review the e-Commerce services offerings (B-Coin, BAAS and other Bazinga's! e-commerce services) and to determine the feasibility of implementing an acceptable set of business controls.

Request for Information Terms and Conditions

Bazinga's! is requesting RFIs from qualified consulting teams to determine how to obtain consulting services to assist with recommending business controls for preventing criminal abuse of Bazinga's! B-Coin, BAAS and e-Commerce platforms. In order to evaluate RFIs and to rank consulting teams Jayne Brown, the SVP of Product/Services Development, the SVP of Legal Affairs and the CIO have formed a Consultant Selection Committee composed of prominent IT executives from industry. The Consultant Selection Committee will review all RFIs and concepts submitted and rank the consulting teams based on RFIs and oral presentations/interviews. ***The request for information should describe ideas and***

approaches for how an acceptable set of business controls might work and how they might be implemented.

It is recommended each RFI submitted contain at a minimum the following information:

1. **Background Observations** – The consultants' interpretation and understanding of Bazinga's! problem (problem statement) and proposed assignment. Identify any special issues the consulting team believes the proposed consulting assignment should address as well as any potential risks.
2. **Scope and Objectives** – What components of B-Coin, BAAS and Bazinga's! e-Commerce process will be addressed by the business controls? Are different components of B-Coin, BAAS and Bazinga's! e-Commerce process more critical and contain more risk of criminal abuse than others?
3. **Proposed Business Controls and Implementation Plan** – What types of business controls should be deployed and in which components of B-Coin, BAAS and Bazinga's! e-Commerce process would these controls be implemented? A high-level outline of the implementation plan steps (not too much detail) which will be completed by Bazinga's! personnel and consultants together to deploy the business controls.
4. **Proposed Consulting Team** – Present the consultants to be assigned, identify their roles in the project and provide information on their past experiences as it relates to completing the consulting assignment.
5. **Timetable and Cost** – What is the schedule for implementing the business controls, how long will it take to complete and what might the implementation project cost? Bazinga's! is only interested in a very general estimate for cost and schedule, specific detail is not required at this point in time.
6. **Benefits to Bazinga's!** – What business benefits (value) will Bazinga's! receive in exchange for the fees spent to implement these business controls?

Care should be taken with preparing the contents of the written RFI since it will be relied upon as part of future final contract between Bazinga's! and the selected consulting team. All RFIs submitted become the property of Bazinga's! and the company will not be responsible for any costs associated for preparation of RFIs or for attending the oral presentation/interview.

Oral Presentation and Interview

The SVP of Product/Services Development, SVP of Legal Affairs and CIO have been assigned by the Board of Directors to sit in on the oral presentations. These executives are busy people and thus do not have a tolerance for meetings longer than 30 minutes. Therefore, Consulting Teams will be given 20 minutes to deliver their presentations and then the Consultant Selection Committee will limit questions and answers to 10 minutes. In order for the Consultant Selection Committee to properly understand and evaluate your proposal, it will be very important for the entire oral presentation to be completed within the 20 minute presentation period.

Submission of Proposals

It is the policy of Bazinga's! to accept RFIs in electronic form only (Adobe Acrobat .pdf format). Consulting teams are responsible for ensuring their RFIs are received by Bazinga's! Consultant Selection Committee by the date and time indicated below. Completed RFIs shall be emailed to

itcchair@calpolymissa.org and consulting teams will receive an email confirming successful receipt by the Consultant Selection Committee.

Important Dates

Prospective consulting teams should be aware of the following important dates. Failure to complete submissions or attendance at these dates will result in disqualification from being considered for final ranking:

- **March 15, 2019 – Proposals in electronic form due to Bazinga's! by 5:00 P.M. Pacific Time**
- **March 23, 2019 – Oral Presentation and Interview to Bazinga's! Consultant Selection Committee**

Bazinga's! Consultant Selection Committee is looking forward to receiving your RFI and attending your oral presentation and interview.