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## Digital dog tag already cloned



(AP file photo)

Antonio Aceves shows the VeriChip, a radio frequency identification chip, which the VeriChip Corp. wants to implant in U.S. troops.

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David Francis and Bill Myers, The Examiner

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**WASHINGTON** - The company lobbying for a Pentagon contract to insert radio frequency identification chips under the skin of U.S. military personnel has already had its technology cloned by two experts.

VeriChip Corp. is "in discussions" with the Air Force, Navy and the Department of Veterans Affairs to sell its radio frequency identification chips, said Scott Silverman, CEO of VeriChip's parent company.

VeriChip says that the devices are secure, but Annalee Newitz, a contributing editor at Wired magazine, and software engineer Jonathan Westhues, say that's not true.

Newitz wears a VeriChip under her arm, and last month at a computer hackers' conference in New York, she and Westhues made a copy of her VeriChip — and her private medical data — using a homemade device.

"VeriChip puts absolutely no security on this at all. There's no encryption, no security features," Newitz told The Examiner during a phone interview Monday from her San Francisco home.

"These are basically modified pet tags. All they've done is tweak that a little bit for humans," Newitz said, adding that she was "stunned" that VeriChip wants to put the device in U.S. troops. "You're not concerned that your pet's tag might be read by an enemy on the field."

Additionally, once implanted, the chips can last a person's lifetime and can't be updated with new security technology, Newitz said.

"You can't just say, 'Oh, we have new security technology, we'll just add that,'" Newitz said.

It is possible to encrypt the chip, but it would raise costs from about 25 cents per chip to more than \$4 per chip, Newitz said.

But Silverman said the devices are safe. He said that Newitz and Westhues were only able to call up the "unique" 16-digit code on Newitz's implant and that only someone with access to the database could actually get someone's private data.

"The system was designed to protect people's privacy," Silverman said.

A Pentagon contract would be a boon to VeriChip. A subsidiary of Florida-based Advanced Digital Solutions, VeriChip made a company record \$7 million in revenue last quarter, according to published reports.

The company sells the radio devices to private patients for about \$200 each and then charges them between \$20 and \$80 per year to update their information, Silverman said.

VeriChip has offered to sell the devices to the Pentagon for between \$100 and \$125 per year, Silverman said.

There are almost 1.4 million people on active duty in the U.S. armed forces.

And Advanced Digital — which otherwise posted losses for last quarter — is planning to offer VeriChip's stock to the public by the end of the year, Silverman said.

VeriChip has corporate backing from IBM, which owns several hundred thousand shares of the company.

Tommy Thompson, the former secretary for the Health and Human Services Department and current partner at lobbying law firm Akin Gump, is on the company's board of directors.

Still, Silverman said he's not sure how far away a Pentagon contract is.

"Washington works in slow ways," he said. "We hope it's in the future of the company."

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