

## Joseph Fergus: Digital Eraser

By Darlene Darcy

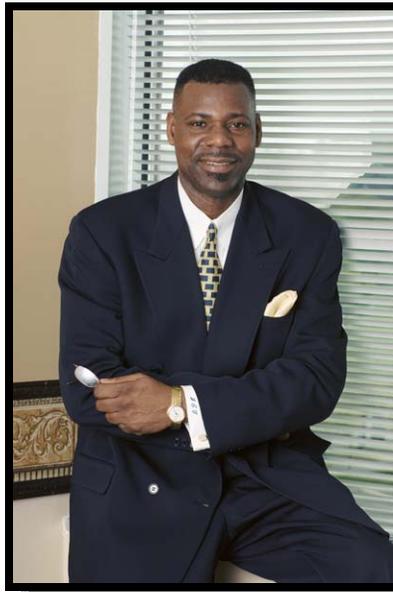
Over 20 years, Joseph Fergus has turned Communication Technologies, Inc. (COMTek) into an \$85 million company. Now, with an idea spun out from COMTek software for the Department of Defense, he is launching Reston-based nexGrēn Inc. to market software that thwarts identity theft associated with electronics disposal.

### *What is nexGrēn?*

nexGrēn brings together leading-edge technologies to prevent identity theft and enhanced procedures for disposing and recycling PCs, laptops, PDAs and cell phones. It is also designed to make an environmentally friendly statement not just through its products and services, but through the process of creating green jobs. This is not a company that you send a system to that separates the metal from the plastics. Our focus is on the consumer and the businesses. Let's protect the info and then decide what makes sense to do with the system.

### *What is nexGrēn's consumer product?*

The first product we're releasing is called DiskEraser. It's software that's been used for the last six years or so by the DOD.



We have four [software products], beginning with two related to PCs and laptops, then one related to PDAs and one related to cell phones, all using the same patented algorithm approved by DOD.

### *How was DiskEraser developed?*

As [DOD] issued soldiers laptops there was concern that if a soldier came under fire and his position were compromised, then what would they do with the information on the laptop.

They wanted a way to quickly remove that information, so we built a product called NoTrace, a

“quick purge” program. Then DOD came to the conclusion that the product had other uses. They said, “Can you take this product and make it work in such a way that we can remove data from all [our] end-of-life systems so we have an option to donate them or do something else with them?” We went back into the lab, stripped out a lot of the bells and whistles [from NoTrace], kept the core engine, and then added a boot drive to it that allows you to boot the PC externally and then remove data.

### *How does DOD's problem disposing of old computer systems translate to a consumer product?*

Personal computers and laptops have become a mainstay. Those systems are doing more and reaching their end-of-life stage sooner.

We see the opportunity for DiskEraser to play a major role in the consumer market as well as the commercial marketplace. But we want to focus primarily on the consumer market during our initial launch. [Consumers] are more vulnerable than they ever were based on the kinds of things they do on computers — doing taxes, sending e-mail, pictures.

*What is nexGrēn's service component?*

We are making an announcement in the next four to six weeks so consumers will have the option of buying the product or having nexGrēn dispose of their system, including a guarantee that information won't fall into the wrong hands.

*How will nexGrēn create jobs?*

If you have just a fraction of [the electronics disposal] market, that is over a million systems, so we need the kind of facilities that accommodate working on that number of systems. At [COMTek] we had a task from the federal government to remove the data from 7,500 systems. It took us more than three months with a dozen people to do that. So if you have an environment with over a million systems, you can see the sustainability of employment.

*Where do you plan to locate disposal facilities?*

Because of the nature of our business we are able to locate facilities in places where unemployment is at its highest. We're talking to folks in Richmond about potentially putting one in the southwestern region of Virginia. The same offerings have been presented to us in West Virginia. As nexGrēn rolls its services out, we will more than likely need one [facility] on the East Coast, West Coast and in the Midwest. Also, states are putting together laws that are requiring manufacturers to take their products back. Each state could have a direct impact on the process we put in place to recycle products from those states.

*Why didn't you introduce DiskEraser via COMTek? Why start a whole new company?*

I wanted to have an entity that is purely focused on the software and the services related to that software. This company is going to be driven in a different direction, and in a different style, a different culture than what we have today. This is a commercial and consumer-based company so we have to get people who have spent their entire careers in consumer marketing, consumer sales.

*How big is your nexGrēn staff today? Are you still staffing up?*

We are doing some hiring, but it's starting slow. The chief technology officer [from COMTek] has been doing double duty. We may command probably 300 or 400 people now in nexGrēn, but most of that is outsourced.

*How will you get consumers who have stored away their devices not only to decide to dispose of them, but also take the time to wipe them clean of all data?*

Constant exposure. Of all the competitors to our tech initiative — and there are a few — none come to mind when people think of removing data from their system. We want to capture that spot.

*What is your financial goal for nexGrēn?*

In the first year we'd like to achieve about \$3 million in product sales. At that level we would have made the transformation from unawareness to awareness [and] be able to leverage another product and then another. There is a tremendous need for what we are doing at nexGrēn in the marketplace. Once we wake it up, we are going to see a flurry of activity.