



JUN 22 2012

MEMORANDUM FOR ELLIOT P. LEWIS

Assistant Inspector General for Audit

FROM:

EDWARD C. HUGLER
Deputy Assistant Secretary for
Administration and Management

A handwritten signature in black ink, appearing to read "E. Hugler", written over the typed name and title.

SUBJECT:

Response to Alert Memorandum: DOL Needs to Immediately
Take Corrective Action to Safeguard BLS Information
Report Number: 23-12-006-07-001

This memorandum responds to the Office of Inspector General's (OIG) recent Alert Memorandum concerning issues found with Bureau of Labor Statistics' (BLS) information technology (IT) equipment sent for disposal. Specifically, the OIG found several hard drives that were not properly sanitized prior to being sent for disposal and several hard drives that could not be accounted for. The Department takes these findings very seriously and is committed to ensuring that proper procedures and policies are followed.

As you know, following an Alert Memorandum from the OIG in March, the Department began taking steps to review its procedures for the disposal of IT equipment at the Frances Perkins Building (FPB). Per a recommendation from OIG, management suspended all disposal actions at the FPB pending the determination of an appropriate solution. Office of the Assistant Secretary for Administration and Management (OASAM) staff have kept OIG informed of the progress in this area. We're please to inform you that a contract was recently awarded for FPB media sanitization and destruction, and OIG will be advised when this process is set to begin.

To the best of our knowledge, there have been no negative OIG findings in the regional offices related to this audit. However, we will remind the OASAM Regional Administrators of their responsibility to ensure all applicable DOL policies and procedures related to the IT disposal process are followed.

As is further detailed below, as a result of OIG's findings, BLS' independent authority to dispose of its IT equipment has been rescinded pending the determination of an acceptable solution for the disposal of its equipment. OASAM staff will continue to work with BLS to ensure revised procedures are in place and followed.

The OIG's Alert Memorandum contained five recommendations for the Chief Information Officer. Our responses to those recommendations follow:

1) Undertake and document a full Department-wide review of all sanitization policies and procedures, including accountability for IT equipment disposals.

DOL Response: OASAM is currently revising the Department's sanitization policies and procedures to address the issues identified in the ongoing audit, described above. Interim updated sanitization policies and procedures, including accountability for IT equipment disposal will be promulgated within 90 days that will address department-wide policy and procedures.

2) Immediately stop the BLS from disposing of computers.

DOL Response: The Department has issued the attached memorandum to BLS that revokes the previously issued notice allowing them to directly dispose of BLS IT equipment. Upon satisfaction of the identified deficiencies, DOL will consider reissuance of disposal authority.

3) Rescind the BLS IT Equipment Disposal Authority until the BLS can ensure that 100 percent of its equipment has been properly sanitized.

DOL Response: See the Department's response to recommendation #2.

4) Ensure BLS establishes accountability for all its IT equipment.

DOL Response: Current DOL policy and business practices are aligned with tracking assets by barcoding the device. They do not provide for accountability at the component level (i.e., hard drive). DOL will develop policy for improving accountability and control of such components.

5) Instruct BLS to report the 3 missing hard drives to the OCIO as a computer security incident for further investigation.

DOL Response: The DOL Computer Security Incident Response Capability (DOLCSIRC) contacted BLS regarding incident reporting requirements for the three hard drives. BLS has been instructed to open a Category 6 incident report and to initiate the incident response process. The initial incident has been assigned DOLCSIRC – 1-12-100 and is considered open pending their investigation. It should be noted that BLS believes the unaccounted for hard drives have been repurposed to repair other BLS computers, which is a common practice.

We appreciate the efforts the OIG has made to communicate its findings with us as this study continues. If you have any questions regarding this response, please contact me at (202) 693-4040.

Attachment

cc: T. Michael Kerr, Chief Information Officer
Dan Lacey, Associate Commissioner (BLS)
Tom Markey, Acting Deputy Chief Information Officer