

Agency Response to Draft Report


U.S. Department of Labor

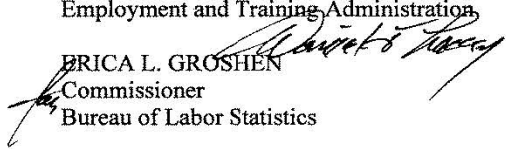
Assistant Secretary for
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Washington, D.C. 20210



DEC 13 2013

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

FROM: ERIC M. SELEZNOW 
Acting Assistant Secretary
Employment and Training Administration

ERICA L. GROSHEN 
Commissioner
Bureau of Labor Statistics

SUBJECT: Audit of Controls Over the Release of the UI Weekly Claims
Need Improvement, Draft Audit Report No. 17-13-002-03-315

Thank you for the opportunity to comment on your final draft report on controls associated with the release of the Unemployment Insurance (UI) weekly claims report. The Employment and Training Administration (ETA) appreciates the Office of Inspector General (OIG) conducting this audit at the request of former Assistant Secretary of Labor for ETA Jane Oates. Because the report includes findings and recommendations that go beyond an audit of the original incident, the Department's response is organized in two segments: a response to the primary findings and recommendations related to the release of the UI weekly claims report, and a response reflecting the shared position of ETA and the Bureau of Labor Statistics (BLS) to the findings and recommendations related to press lock-ups.

Recommendations 2-6: Release of the UI Weekly Claims Report

ETA appreciates the OIG's review of the operating procedures associated with release of the UI weekly claims report and concurs with the findings and recommendations – specifically recommendations 2 – 6. Implementation of the recommendations will further strengthen the security of the embargoed data. ETA has already taken steps to fully address recommendations 2, 3, 4, 5, and 6 and we will be happy to share the revised procedures and processes with the OIG.

Recommendation 1: Press Lock-up Issues

OIG's audit and recommendations depart from the objective of the original referral, which was initiated in response to the unintended public release on ETA's website of the Weekly UI Claims Report on August 8, 2012. Instead, the OIG defined the scope of the audit as the broader issue of whether ETA "adequately protect[s] the Weekly UI Claims Report to ensure no one can gain an advantage by having access to the report before the general public." The

audit report properly addressed the premature data release and the steps ETA took to reduce the risk of a recurrence. However, it also focused on the complex policy question of whether technological advances provide an unfair advantage to the news organizations (including their subscribers) that participate in the Department’s press lock-ups used by the Department and other federal agencies for the release of statistical data. The first recommendation in the report states that “[i]n consultation with the Office of Management and Budget (OMB), BLS and other federal agencies who provide pre-release access via press lock-ups, develop and implement a strategy to achieve an equitable release of the Claims Report and eliminate any competitive advantage that news organizations inside the lock-up and their clients may have; or discontinue the use of the press lock-up to provide news organizations pre-release access to the Claims Report.”

The Department agrees that issues surrounding the continued efficacy of the lock-up in light of both its underlying purposes and technological changes should be addressed. However, only through careful study of the actual practices within and outcomes of the lock-up, including current security measures, real or threatened data breaches, competitive advantages achieved by those who participate in the lock-up, and the continuing journalistic values served by the lock-up, will the Department and other federal agencies, including OMB, be able to make informed decisions about this important issue. We regret that the OIG Report addressed the lock-up without attempting such a careful analysis.

Historically, the use of press lock-ups has been to promote accurate reporting of economic data and the role of the Department has been to ensure the data is secure until the embargo on the data is lifted. As the report notes, the Department has taken significant steps to improve its capacity to secure the data.

In April of 2011, the Department engaged Sandia National Laboratories to identify potential vulnerabilities in its print media lock-up facility, provide mitigation options for vulnerabilities identified, and assist in mitigation verification regarding any changes the Department decided to make to the lock-up. Sandia provided the Department a report and series of recommendations in August of 2011. Based on these recommendations, the Department made a number of significant security enhancements to mitigate the premature release of embargoed data.

Technology Changes

The Department’s policy permits credentialed news organizations to use a Department-owned system or provide their own computer equipment, though supply-chain safeguards prevent news organization staff from physically handling the desktop computers they have purchased for use in the lock-up facility. Production desktops are stored in locked boxes on-site; news organization staff access is limited to the monitor, mouse, keyboard, and external DVD drive. These combined measures enforce configuration management—a foundational element of information assurance policy.

News organization communication lines now terminate in a telecommunications vault, and news organization Wide Area Network (WAN) equipment has been moved to a secure location

in the Department data center (where no physical access is granted to news organization staff or contractors). All Local Area Network (LAN) equipment is now owned and controlled by the Department and located in a secured closet in the media lock-up facility. News organizations connect to their telecommunication lines through the Department's infrastructure.

The Department increased its control over access to the Internet during the embargo period by installing physically and logically secured media converters located in a LAN closet, which is unavailable to media organization staff and contractors. The "black-boxes" previously used to perform this function now control telephones only.

Physical Changes

The print media lock-up facility was gutted and rebuilt with RF shielding in order to mitigate the potential use of transmitting devices inside the lock-up. Locked boxes – accessible to Department staff only – are installed at each news organization work station to secure news organization equipment.

Department installed lockers and a metal detector in the hallway outside the media lock-up facility and now require media organization employees to deposit their personal belongings in a locker and submit to screening before entering the facility. The only items news organization staff is permitted to bring in the room are notebooks.

According to Sandia's final acceptance testing of the enhancements, the Department made significant strides in improving the security posture of the media lock-up facility and implemented risk mitigation controls judged to be sufficient defense against identified threats.

Policy Changes

The Department's Office of Public Affairs (OPA), which administers lock-ups, also re-evaluated its criteria for granting press credentials to the lock-up facilities, consistent with one of Sandia's recommendations. A committee of career employees reviewed credentials and issued new press badges based on whether organizations are primarily journalistic enterprises and publish time-sensitive reports that contribute significantly to the public understanding of economic and employment data. The committee established procedures that require every entrant into the lock-up facility to sign an embargo agreement, which includes provisions for expulsion or temporary suspension of news organizations and their personnel if the career staff believes a violation has taken place.

The Department's lock-up facility is a model for the government and the Department is committed to continuous improvements that protect the integrity of federal data. Having said that, OPA acknowledges that press lock-ups can never be totally secure and operate on the honor system.

Recommendation 1 in the report suggests that ETA should consult with OMB and other federal agencies that provide pre-release access to economic data via press lock-ups to develop and implement a strategy to achieve an equitable release of the UI weekly claims report so as to eliminate the potential for any competitive advantage by the news organizations participating in

the lock-up. The footnote to this recommendation notes that the OIG has sent a memorandum to BLS recommending similar actions with regard to their press lock-ups.

We agree with the OIG that it is appropriate to consider ending the UI weekly claims press lock-up. In fact, well before the release of the OIG's report, the Department began exploring the value of the press lock-up for the UI weekly claims report and intends to continue its consideration of how best to disseminate the report to the public and to news organizations. The Department routinely explores opportunities to improve its data releases and ways to better explain the data and make it more user-friendly. We will also continue seeking ways to improve the presentation of the data.

In addition, the Department will circulate the OIG Report to OMB and other federal agencies that provide pre-release access to Principal Federal Economic Indicators via press lock-ups as soon as the OIG publishes the Report in order to consider the OIG's parallel recommendation to BLS about continued use of the lock up. We will then consult with OMB and the statistical agencies to discuss the serious issues raised in the OIG's recommendation and consider options for moving forward.

Thank you for the opportunity to provide these comments.