

**U.S. DEPARTMENT OF LABOR
OFFICE OF INSPECTOR GENERAL
OFFICE OF AUDIT**

BRIEFLY...

Highlights of Report Number: 23-11-001-07-001
Ineffective Accounting for Sensitive Information
Technology Hardware and Software Assets Places
DOL at Significant Risk.

WHY READ THE REPORT

The U.S. Department of Labor (DOL), Office of Inspector General (OIG), conducted an audit of the inventory of DOL's sensitive IT hardware and software. The audit objective was to determine if the Department accounts for its inventory of sensitive IT assets

The audit covered DOL's primary inventory processes, including Procurement, Asset Distribution and Assigned Accountability, Disposal, Reconciliation, and Inventory Update from October 1, 2006 thru July 6, 2010.

WHY OIG CONDUCTED THE AUDIT

The Office of Inspector General (OIG) is issuing this report due to concerns over recent, high-profile instances of laptop thefts and data breaches, the Federal government has been concerned about Federal agencies' ability to account for their sensitive Information Technology (IT) assets. To push agencies to examine their risks and make substantial security improvements to address these concerns, in 2010 the Office of Management and Budget (OMB) developed an outcome-focused metric for information security performance for Federal agencies designed in part to ensure they are accountable for sensitive IT assets.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:
<http://www.oig.dol.gov/public/reports/oa/2011/23-11-001-07-001.pdf>

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INEFFECTIVE ACCOUNTING FOR SENSITIVE INFORMATION TECHNOLOGY HARDWARE AND SOFTWARE ASSETS PLACES DOL AT SIGNIFICANT RISK.

WHAT OIG FOUND

The OIG found DOL cannot account for its sensitive IT assets. From our sample, we could not physically locate approximately 50 percent of assets recorded in the E-Property Management System (EPMS), and could not find, and were not provided any records for, approximately 14 percent of IT assets we located on the floor. Furthermore, The Department could not locate approximately 71 percent of IT assets that had been procured using the E-Procurement System (EPS). In addition, Department security officials could not determine whether sensitive data (e.g., personally identifiable information (PII)) existed on 377 sensitive IT assets in the Office of the Assistant Secretary for Administration and Management (OASAM) that had been reported lost, missing, or stolen. The Department could not determine if these items — which included laptops, desktops, printers, blackberries, and a server — represented a potential information security breach.

DOL confirmed it had not certified its IT inventory since 2007. On January 5, 2010, the Assistant Secretary for Administration and Management required all 24 program agencies to certify its IT inventories. As of July 8, 2010, 11 program agencies had not certified their inventories in the EPMS, the official system of record, and 2 agencies had certified their inventories outside of the EPMS. The remaining 11 program agencies had certified their IT inventory as complete and accurate. However, as noted throughout this report, substantial errors in the inventory data tested were found.

Also, written department-wide policy or procedures that should govern how program agencies are to dispose of IT assets did not exist.

Finally, we noted that one agency developed its own inventory system — duplicating EPMS — without receiving authorization from the Department to waive the required use of EPMS.

WHAT OIG RECOMMENDED

The OIG made six recommendations covering enforcing accountability over current policies and developing policies for areas such as disposal that presently lack coherent policy; establishing a viable inventory management system; assessing impact of reported lost, missing, or stolen assets; consolidating any duplicative inventory systems to realize cost savings; and strengthening inventory and security controls. Management agreed with the spirit of the recommendations and plans to take corrective actions.