



U.S. Department of Housing and Urban Development
Office of Inspector General
Headquarters Audits Division
451 Seventh Street, SW
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Washington, DC 20410

MEMORANDUM
NO. 2003-AO-0801

December 13, 2002

MEMORANDUM FOR: Vickers Meadows, Assistant Secretary for Administration, A

[Signed]

FROM: Sandra G. Elion, Director, Headquarters Audits Division, GAH

SUBJECT: Controls Over Third Party Access to, and Disclosure and Use of
Social Security Numbers

INTRODUCTION

The Chairman of the House Ways and Means Subcommittee on Social Security asked the President's Council on Integrity and Efficiency to evaluate Federal agencies' control over third party access to, and disclosure and use of social security numbers (SSNs). To accomplish this, the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) and other participating OIGs were requested to select one program area and determine whether their agency:

- Made legal and informed disclosures of SSNs;
- Had appropriate controls over contractors' access to and use of SSNs;
- Had appropriate controls over other nongovernmental and noncontractor entities' access to and use of SSNs; and
- Had adequate controls over access to individuals' SSNs maintained in databases.

METHODOLOGY AND SCOPE

To achieve these objectives, we:

- Reviewed applicable laws, regulations, and Office of Management and Budget and HUD policies;
- Evaluated documentation provided by the Offices of the Chief Information Officer (OCIO) and Housing (Housing);
- Evaluated access controls to the following Housing computer systems: Credit Alert Interactive Voice Response System (CAIVRS), Single Family Insurance System (SFIS), Tenant Rental Assistance Certification System (TRACS), Computerized Homes Underwriting Management System (CHUMS), and Single Family Housing Enterprise Data Warehouse (SFDW).
- Tested Housing's compliance with HUD's User Access Registration process for CAIVRS, SFIS, TRACS, CHUMS, and SFDW; and
- Interviewed HUD Headquarters staff.

We conducted our audit between June and August 2002, at HUD Headquarters, Washington, DC and covered the period October 2000 through May 2002. Based on our review of HUD's responses to a General Accounting Office questionnaire, the sensitivity rating assigned to computer systems, and prior HUD OIG audit reports, we selected Housing for this review. We conducted our audit according to generally accepted government auditing standards for performance audits.

BACKGROUND

The Community Development Act of 1987 authorizes the Secretary of HUD to require applicants and participants in HUD programs to submit their SSNs as a condition of initial and continuing eligibility. Further, the Debt Collection Improvement Act requires those doing business with Federal agencies (such as lenders participating in a Federal guaranteed loan program, applicants for Federal grants or benefit payments, and contractors) to furnish SSNs to them.

Housing uses SSNs for a wide range of purposes which includes verifying applicants' eligibility for benefits, monitoring the accuracy of information, collecting debts, and conducting research and program evaluations. No single law regulates the overall use or restricts the disclosure of SSNs by the Federal government; however, a number of laws limit SSN use in specific circumstances. For example, the Privacy Act of 1974, 5 U.S.C. §552a, regulates Federal agencies' collection, maintenance, and use and disclosure of personal information maintained by agencies in a system of records.¹ The Privacy Act prohibits the disclosure of any record contained in a system of records unless the disclosure is made on the basis of a written request or prior written consent of the person to whom the records pertains, or is otherwise authorized by law.

¹ A system of records is defined as a group of records under control of the agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifier assigned to the individual, such as an SSN.

The Government Information Security Reform Act's intention is to ensure that Federal agencies establish agency-wide computer security programs that adequately protect the systems that support their missions. This Act requires agencies to examine the adequacy and effectiveness of information security policies, procedures, and practices. Further, each agency is required to develop, implement, and maintain a security program that provided adequate security for the operation and assets of its programs. HUD Handbook 2400.24 REV-2 establishes HUD's agency-wide Information Security Program. The policies in this Handbook provide the framework for controls, which help limit inappropriate access to computer systems, thereby protecting these resources against unauthorized use, modification, and disclosure. These policies apply to all systems operated by, or on behalf of, HUD and include mainframes, minicomputers, microcomputers, client servers, and network oriented systems.

The Handbook requires Government Technical Representatives to make sure that contract employees receive training, and maintain records of contract employees that have received training. The Handbook also requires (1) contract employees, having access to sensitive systems, to pass a background investigation; (2) Government Technical Representatives to maintain up-to-date lists of contract employees having access to systems; (3) System Security Administrators to review user-IDs to determine if all users still have a valid need to access a system at their current level of authority; and (4) Personnel Security Specialists in the Office of Administration to receive background investigation forms and submit the required forms to interface with the Office of Personnel Management or reviewing official. These background investigation records are stored in the Office of Administration's Security Control and Tracking System.

RESULTS OF REVIEW

Our audit showed that Housing and OCIO staff had adequate controls over access to individuals' SSNs maintained in databases containing sensitive information, such as an individual's SSN; Housing staff made legal and informed disclosures of SSNs to other Federal agencies; and had appropriate controls over other nongovernmental and noncontractor entities' access to and use of SSNs. However, neither Housing nor OCIO staff complied with procedures established to control contractors' access to records containing personal information. Specifically, our review showed that out of 220 contract employees having access to HUD's sensitive systems, OCIO did not ensure the required background investigation was completed for 187 of those contract employees. We also determined that Housing and OCIO staff did not ensure that contract employees completed information security training or maintained up-to-date lists identifying contract employees having access to these systems.

The deficiencies we noted occurred during the same period as those reported in HUD OIG Audit Report Memorandum No. 2002-FO-0003, Audit of HUD's Financial Statements FY 2001 and 2000, dated February 27, 2002. We determined that in response to that audit report, OCIO, ADP Security is coordinating with the Office of Administration to identify HUD and contract employees with greater-than-read and read-only access to HUD's sensitive systems. Those employees will be matched against those who have not completed background investigations. Specifically, for HUD and contract employees with greater-than-read access, OCIO, ADP Security, and System Security Administrators have ensured that the commensurate background investigation forms have been filed or the employees' level of authority was reduced for those

sensitive systems. OCIO, ADP Security is also taking action to resolve HUD and contract employees having read-only access.

The deficiencies regarding the lack of information security training and maintaining current lists that identify HUD and contract employees having access to HUD's systems, should be resolved when HUD obtains additional funding as stated in the corrective action plan for HUD OIG Audit-Related Memorandum No. 01-DP-0802, Annual Evaluation of HUD's Security Program and Practices, dated September 6, 2001.

Should you have any questions, please contact me at (202) 703-1342.

Appendix A**Table: Background Investigations on Contract Employees**

System	Employees With Access To Systems	Employees In The Security Control and Tracking System	Employees Without Background Investigation Record
CAIVRS	2	1	1
SFIS	114	24	90
TRACS	32	0	32
CHUMS	26	1	25
SFDW	47	7	40
Total	221	33	188

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