



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

Ref: F-10-0152

OCCL

Steven Aftergood
Federation of American Scientists
1725 DeSales Street NW, Suite 600
Washington, DC 20036


Dear Mr. Aftergood:

This is the final response to your Freedom of Information Act (FOIA) request dated January 27, 2010, seeking DoD IG Audit report number D-2010-038 titled "Identification of Classified Information in an Unclassified System and an Unsecured DOD Facility, January 25, 2010, (Project No. D2007-D000FL-0252.002)." We received your request on January 27, 2010, and assigned it FOIA case number F-10-0152.

The Office of the Deputy Inspector General for Auditing conducted a search and located the enclosed document that is responsive to your request. I determined that portions of the document are exempt from release pursuant to 5 U.S.C. § 552(b)(6), which pertains to information, the release of which would constitute a clearly unwarranted invasion of personal privacy.

If you are not satisfied with this action, you may submit an administrative appeal to the Department of Defense, Office of the Inspector General, Office of Communications and Congressional Liaison, ATTN: FOIA Appellate Authority, Suite 14L24, 4800 Mark Center Drive, Alexandria, VA 22350-1500. Your appeal should be postmarked within 60 days of the date of this letter, should cite to case number F-10-0152, and should be clearly marked "Freedom of Information Act Appeal."

Sincerely,


Jeanne Miller
Chief, Freedom of Information and
Privacy Office

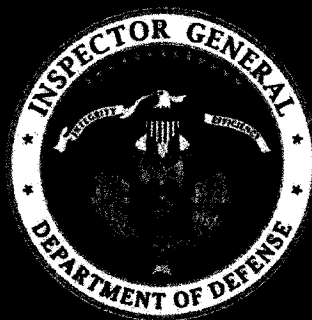
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Report No. D-2010-038

January 25, 2010

Inspector General

United States
Department of Defense



Identification of Classified Information
in an Unclassified DoD System
and an Unsecured DoD Facility

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Acronyms and Abbreviations

DDS	Deployable Disbursing System
DFAS	Defense Finance and Accounting Service
OIF	Operation Iraqi Freedom
USCENTCOM	United States Central Command

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

January 25, 2010

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Identification of Classified Information in an Unclassified DOD System and an
Unsecured DOD Facility (Report No. D-2010-038)

We are providing this report for your information and use. This is the third in a series of reports on our audit of Internal Controls and Data Reliability in the Deployable Disbursing System. In completing the objective for the audit of the Army's use of the Deployable Disbursing System, we identified an urgent issue related to the U.S. Army mishandling of classified information. We considered management comments on a draft of this report when preparing the final report. The Assistant Secretary of the Army (Financial Operations) and the Defense Finance and Accounting Service comments conformed to the requirements of DOD Directive 7650.3; therefore, additional comments are not required. The complete text of the comments is in the Management Comments section of the report.

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 601-██████ (DSN 329-██████).

Patricia A. Marsh

Patricia A. Marsh, CPA
Assistant Inspector General
Defense Business Operations

cc:
COMMANDER, U.S. CENTRAL COMMAND



Results in Brief: Identification of Classified Information in an Unclassified DOD System and an Unsecured DOD Facility

What We Did

The objective of the audit was to determine whether the internal controls over transactions processed through the Deployable Disbursing System (DDS) were adequate to ensure the reliability of the data processed. The audit included financial information processed by disbursing stations supporting the Operation Iraqi Freedom and included the recording of related obligations. In completing this objective, we identified an urgent issue related to the U.S. Army mishandling of classified information.

What We Found

The U.S. Army did not have effective internal controls over the handling of classified information to prevent the:

- processing of 655 transactions containing classified information into DDS and
- submission of at least 40 disbursement vouchers containing unmarked classified information for storage at a vulnerable Defense Finance and Accounting Service (DFAS) Rome facility.

The unauthorized disclosure of classified information in an unclassified system, such as DDS, or at a vulnerable facility could place unsuspecting warfighters or trusted foreign officials in harm's way and cause damage to national security.

What We Recommend

We recommend that the Assistant Secretary of the U.S. Army (Financial Operations):

- identify DDS disbursement transactions that contain classified information and remove the classified information from the system and
- identify and properly mark the vouchers containing classified information housed at DFAS Rome.

In addition, we recommend that the Director, DFAS:

- identify and remove classified information from DDS databases housed by DFAS, Indianapolis Operations and
- move classified documentation to a secure storage facility.

Management Comments and Our Response

The Deputy Assistant Secretary of the U.S. Army (Financial Operations) and the Director, DFAS Information and Technology, agreed with our recommendations. Management comments were responsive to the recommendations and no additional comments are required. Please see the recommendations table on page ii.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Assistant Secretary of the U.S. Army (Financial Operations)		1.a and 1.b
Director, Defense Finance and Accounting Service		2.a and 2.b

Table of Contents

Introduction	1
Objective	1
Background	1
Review of Internal Controls	2
Finding. Army Classified Information	3
Management Actions	4
Management Comments on the Finding and Our Response	4
Recommendations, Management Comments, and Our Response	5
Appendix	
Scope and Methodology	7
Prior Coverage	7
Management Comments	
Department of the Army	8
Defense Finance and Accounting Service	10

Introduction

Objective

The objective of the audit was to determine whether the internal controls over transactions processed through the Deployable Disbursing System (DDS) were adequate to ensure the reliability of the data processed. The audit included financial information processed by disbursing stations supporting the Operation Iraqi Freedom (OIF) and included the recording of related obligations. In completing this objective, we identified an urgent issue related to the U.S. Army mishandling of classified information. For scope and methodology used and a discussion of prior coverage related to the objective, please see the appendix of this report.

Background

On May 22, 2008, the DOD Inspector General Audit Report D-2008-098, "Internal Controls Over Payments Made in Iraq, Kuwait, and Egypt," addressed a material internal control weakness over in-theater payments. In response to a draft of that report, the Under Secretary of Defense (Comptroller)/ Chief Financial Officer stated that the implementation of DDS would improve the controls. As a follow-up to "Internal Controls Over Payments Made in Iraq, Kuwait, and Egypt," we reviewed the controls over commercial and miscellaneous payments processed through DDS. This audit is the third of a series that addresses the internal controls and data reliability of DDS. The first audit reported that the U.S. Marine Corps recorded classified information in unclassified DOD systems. The second audit addressed the U.S. Marine Corps' internal controls related to the use of DDS. The fourth audit will cover the U.S. Army's use of DDS.

DDS captures disbursement information for commercial and miscellaneous payments processed by the U.S. Army disbursing stations, including those supporting OIF. The Defense Finance and Accounting Service (DFAS) site at Rome, New York, maintains documentation supporting these OIF payments.

DFAS developed DDS to fulfill the need for a military tactical disbursing system to account for U.S. Treasury funds entrusted to disbursing agents on the battlefield and provide timely reporting of accounting and pay information. DDS is an unclassified system that is used for a variety of disbursing office functions, including travel pay, military pay, accounts payable, disbursing and collection processes, and reporting. During FYs 2006 through 2008, DDS processed in excess of 275,456 commercial and miscellaneous payments for at least \$13.2 billion. The U.S. Army disbursing stations supporting OIF submit DDS supporting documents (disbursement vouchers, invoices, and receiving reports) to DFAS Rome for storage.

Classified Information Requirements

DOD 5200.1-R, "DOD Information Security Program," January 1997, prescribes procedures for implementing Executive Order 12958, "Classified National Security Information," April 20, 1995, within DOD. This security program establishes the DOD

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Information Security Program to promote proper and effective classification, protection, and downgrading of official information requiring protection in the interest of the national security. It provides specific requirements for the storage of classified information in a locked security container, vault, room, or area.

U.S. Central Command (USCENTCOM) Security Classification Guide 0501, dated June 9, 2005, implements the requirements of Executive Order 12958 for USCENTCOM. The USCENTCOM Security Classification Guide 0501 establishes the basic policies for proper classification, downgrading, and declassification of information related to operations, facilities, communications, data collection, and processing. Personnel involved in USCENTCOM activities use the USCENTCOM Security Classification Guide 0501 to determine the levels of security classification assigned to information, systems, programs, or projects associated with USCENTCOM, including information processed by disbursing stations supporting OIF.

Review of Internal Controls

DOD Instruction 5010.40, "Managers' Internal Control (MIC) Program Procedures," January 4, 2006, requires DOD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses for the U.S. Army. The U.S. Army did not have effective internal controls over the handling of classified information. Implementing Recommendations 1 and 2 will help prevent unauthorized disclosure of classified information. We will provide a copy of the report to the senior U.S. Army official responsible for internal controls.

Finding. Army Classified Information

U.S. Army internal controls did not prevent the input of classified information into DDS and did not ensure that classified information was properly marked in disbursement documentation. This occurred because the U.S. Army did not comply with USCENTCOM Security Classification Guide 0501 when handling classified information. The unauthorized disclosure of classified information in unclassified systems, such as DDS, or at a vulnerable facility could place unsuspecting warfighters or trusted foreign officials in harm's way and cause damage to national security.

DDS Databases

The U.S. Army processed 655 classified disbursement transactions through DDS, which is an unclassified system. At least 132 disbursement vouchers from the U.S. Army DDS databases contained classified information in the "Articles or Services" field or in the "Payee" field. We reviewed the 682 transactions contained in the 132 disbursement vouchers and determined that 655 transactions contained classified information. These transactions included sensitive information pertaining to reward payments. Because DDS is an unclassified system, the U.S. Army should not have processed classified information through DDS. The U.S. Army should take corrective action to identify and remove classified information from its DDS databases. In addition, because DFAS, Indianapolis Operations, maintains export files of the U.S. Army DDS databases, DFAS should also identify and remove classified information from the DFAS databases.

Disbursing Documentation

The U.S. Army did not properly mark classified information in its disbursing documentation. The U.S. Army did not mark the disbursing documentation with a classification in accordance with USCENTCOM Security Classification Guide 0501. Specifically, the U.S. Army submitted disbursing documentation for reward payments containing information that the USCENTCOM Security Classification Guide 0501 categorizes as classified. During a May 2009 visit to DFAS Rome, we reviewed 40 hard-copy documents that related to the 132 DDS disbursement vouchers containing classified information. The hard-copy documents were stored in an inadequately secured warehouse, and all 40 hard-copy documents contained classified information, including sensitive reward payment information. DFAS Rome personnel stored this documentation in a warehouse that was not adequate to safeguard classified information. According to DOD 7000.14-R, "DOD Financial Management Regulation," volume 5, chapter 11, the paying disbursing or voucher preparing office must retain the classified portion of the disbursement documentation. If the U.S. Army had properly marked the classified documents, it may not have submitted them to DFAS Rome for storage.

We informed DFAS Rome that these 40 disbursement vouchers contained the same classified information as posted in DDS and that they needed to properly secure them. We notified DFAS Rome of an additional 16 disbursement vouchers that contained classified information. DFAS Rome security personnel agreed that the warehouse used to store these documents was inadequate for storage of classified information and stated

that they were in the process of building a secure facility. DFAS personnel stated that they would sanitize the 40 vouchers and move classified information to a safe. To prevent the release of classified information, the U.S. Army should review the disbursement documentation housed in the DFAS Rome storage facility to identify and properly mark the vouchers containing classified information. Upon completion of the U.S. Army's review, DFAS should store the disbursement vouchers containing classified documentation in a secure facility, as specified in DOD 5200.1-R, "DOD Information Security Program."

Management Actions

On April 2, 2009, the Deputy Assistant Secretary of the U.S. Army (Financial Operations) issued a memorandum regarding the processing of sensitive payments made in contingency operations. The memorandum requires that all payments made in contingency operations under the rewards program be processed using procedures for classified documents. This memorandum prescribes procedures for the handling of current and future documentation containing sensitive information. However, it does not correct the preexisting conditions identified in this report.

According to the Director of DFAS Rome, to mitigate the risk of exposure of classified information, DFAS restricted access to the warehouse requiring individuals to have at least a SECRET clearance. DFAS also created policy prohibiting individuals from bringing storage devices, such as cell phones and cameras, into the warehouse.

Conclusion

Because of the potential exposure of classified information and the consequential risk of placing unsuspecting warfighters or trusted foreign officials in harm's way, the U.S. Army and DFAS should take immediate action to implement the recommendations stated in this report.

Management Comments on the Finding and Our Response

Management Comments on the Storage of Classified Information

The Director, DFAS Information and Technology, requested that the following statements be added to the report:

- "DFAS Rome completed the construction of the secure facility post-audit and expects Corps of Engineers to verify completion of the secure facility construction by 30 October 2009," to page 3, paragraph 4, and
- "Per DFAS security protocol red-tagged boxes have been moved post-audit from the controlled warehouse to the new secured environment storage room," to page 4, paragraph 1.

Audit Response

We have included the full text of the Director, DFAS Information and Technology, requested additions to the report (see the DFAS Comments section in this report). On October 18, 2009, the Director, DFAS Rome, clarified that the U.S. Army Corps of Engineers did not have to certify the facility. The Director, DFAS Corporate Security, certified that the new storage facility complied with DOD 5200.1-R, "DOD Information Security Program" requirements. On November 2, 2009, the Director, DFAS Rome, approved the use of the facility for secure storage of classified material. We met with the Director, DFAS Corporate Security, on November 6, 2009, and confirmed that DFAS moved documentation that they confirmed to contain classified information into this secure facility.

Recommendations, Management Comments, and Our Response

1. We recommend that the Assistant Secretary of the U.S. Army (Financial Operations):

- a. Identify which Deployable Disbursing System disbursement transactions contain classified information and remove the classified information from the system.**

Management Comments

The Deputy Assistant Secretary of the U.S. Army (Financial Operations) agreed. He stated that the Defense Finance and Accounting Service (DFAS) prepared Deployable Disbursing System scripts that identified and replaced classified information. He explained that this script was run against centrally stored and in-theater databases and also provided to audit agencies using these databases. In addition, he stated that the Army Central Command and DFAS coordinated the cleansing of hardware.

Our Response

The Deputy Assistant Secretary of the U.S. Army (Financial Operations) comments are responsive to the recommendation and no additional comments are required.

- b. Review the disbursement documentation housed in the Defense Finance and Accounting Service Rome storage facility to identify and properly mark the vouchers containing classified information.**

Management Comments

The Deputy Assistant Secretary of the U.S. Army (Financial Operations) partially agreed. He stated that the Army has partnered with DFAS to review vouchers for classified information. He also stated that the immediate focus is on incoming documents and those already scanned into an imaging system. He added that boxes of older documents were tagged for transfer to a secure facility and subsequent review for classified information prior to scanning.

Our Response

The Deputy Assistant Secretary of the U.S. Army (Financial Operations) comments are responsive to the recommendation because DFAS has completed a new secure storage facility that meets the requirements of DOD 5200.1-R and has moved documentation confirmed to contain or potentially containing classified information to this facility. Therefore, no additional comments are required.

2. We recommend that the Director, Defense Finance and Accounting Service:

- a. Identify which Deployable Disbursing System disbursement transactions stored in databases housed by Defense Finance and Accounting Service, Indianapolis Operations, contain classified information and remove the classified information from the databases.**

Management Comments

The Director, DFAS Information and Technology, agreed and stated that all Deployable Disbursing System databases have been scanned and classified data have been identified and removed. This action was completed in September 2009.

Our Response

The Director, DFAS Information and Technology, comments are responsive to the recommendation and no additional comments are required.

- b. Move documentation containing classified information, as identified by the auditors and the U.S. Army, to a storage facility that meets the classified information storage facility requirements specified in DOD 5200.1-R, "DOD Information Security Program," January 1997.**

Management Comments

The Director, DFAS Information and Technology, agreed and stated that as of September 30, 2009, DFAS Rome has a sensitive document facility which meets the classified information storage facility requirements specified in DOD 5200.1-R. Documentation containing classified information is now stored within this facility. Additionally, procedures have been implemented to restrict access to the controlled warehouse.

Our Response

The Director, DFAS Information and Technology, comments are responsive to the recommendation and no additional comments are required.

Appendix. Scope and Methodology

We conducted this performance audit on the identification of classified information during January through September 2009, in conjunction with the performance of the audit, "Internal Controls and Data Reliability in the Processing of U.S. Army Payments Through DDS." We performed this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the assessment to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives.

This is the third in a series of reports on our audit of Internal Controls and Data Reliability in the DDS. We evaluated FY 2006 through FY 2009 commercial and miscellaneous disbursement voucher data that the U.S. Army entered into DDS and the disbursement documentation the U.S. Army stored at DFAS Rome. We applied the classification guidelines contained in USCENTCOM Security Classification Guide 0501 and reviewed DDS data and hard-copy documentation to determine whether it contained classified information. We discussed our review of the disbursement data and documentation with U.S. Army and DFAS personnel. As a result, we determined that the U.S. Army had processed disbursement transactions that contain classified information in DDS and stored unmarked classified documentation in an inadequate storage facility.

Use of Computer Processed Data

We relied upon computer-processed data obtained from DDS to perform this audit. We confirmed that the classified information posted in DDS also existed on the hard-copy documentation stored at DFAS Rome.

Use of Technical Assistance

We consulted with DFAS security officials to verify the security level of the warehouse used to store the documents at DFAS Rome. In addition, we consulted with DOD Office of Inspector General security officials to ensure that we did not compromise the security of the classified information

Prior Coverage

During the last 5 years, the DOD Office of Inspector General has issued one report regarding classified information processed by DDS. One can access unrestricted DOD Office of Inspector General reports at <http://www.dodig.mil/audit/reports>.

DOD IG Report No. D-2009-054, "Identification of Classified Information in Unclassified DOD Systems During the Audit of Internal Controls and Data Reliability in the Deployable Disbursing System," February 17, 2009

Department of the Army Comments



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DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20316-0109

OCT 22 2009

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, OFFICE OF THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL, 8899 EAST 56TH STREET, INDIANAPOLIS, INDIANA 46249-7501

SUBJECT: Identification of Classified Information in an Unclassified DoD System and an Unsecured DoD Facility (Project No. D2007-D000FL-0252.002)

1. We appreciate the opportunity to comment on this report and our response to your recommendations is:

a. DoDIG Recommendation 1a: We recommend that the Assistant Secretary of the U.S. Army (Financial Operations) identify which Deployable Disbursing System disbursement transactions contain classified information and remove the classified information from the system.

Army Response: Concur. The Defense Finance and Accounting Service (DFAS) prepared scripts, based on the key words used by the audit team in their data mining, that identified and replaced information contained in a Deployable Disbursing System (DDS) database that should have been classified in accordance with US Central Command classification guidance. This script was then run against centrally stored databases and, when data which should have been classified was identified, it was again run in the theater on the applicable local databases. The Army Central Command also coordinated with in-theater systems security staff to cleanse the appropriate hardware on which the databases resided. DFAS performed similar actions on their hardware. Scripts and key word listings were also provided to the audit agencies which had obtained copies or extracts of these databases.

b. DoDIG Recommendation 1b: We recommend that the Assistant Secretary of the U.S. Army (Financial Operations) review the disbursement documentation housed in the DFAS Rome storage facility to identify and properly mark the vouchers containing classified information.

Army Response: Partially Concur. The Army has partnered with DFAS to review vouchers submitted from theater for classified information. Due to the millions of disbursement documents received from theater since the inception of current

SUBJECT: Identification of Classified Information in an Unclassified DoD System and an Unsecured DoD Facility (Project No. D2007-D000FL-0252.002)

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operations, a deliberate plan was implemented to prioritize this effort with immediate focus on incoming documents and those already scanned into an imaging system. Boxes of older documents intended for later imaging for archival purposes were tagged and secured for transfer to a new secure facility under construction and subsequent review for information which should be classified by the operational units in theater prior to scanning. As noted in the report, this process was already ongoing and will continue through review of all disbursement files sent from the theater to DFAS Rome.

2. Due to the sensitivity of this report and potential adverse impact its release could have on individuals who have provided information to U.S. forces, it is strongly recommended that the final report not be published on a public internet site.

3. My point of contact for this matter is [REDACTED] at [REDACTED] or [REDACTED].


John J. Argodale
Deputy Assistant Secretary of the Army
(Financial Operations)

- 2 -

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Defense Finance and Accounting Service Comments



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON
1851 SOUTH BELL STREET
ARLINGTON, VA 22240-5291

OCT 26 2009

DFAS-HT

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: Provide Comments for Draft DoD IG Report - Identification of Classified Information in an Unclassified DoD System and an Unsecured DoD Facility Project No. D2007-D000FL-0252.002, Recommendations 2a and 2b.

Attached are updated management comments for subject audit; recommendations 2a and 2b from Information and Technology and DFAS Rome.

My Point of Contact (POC) for these recommendations is [REDACTED]

A handwritten signature in black ink, appearing to read "J. Hinton".

Jerry S. Hinton
Director, Information and Technology

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ACTION MEMO

TO: DIRECTOR, INFORMATION AND TECHNOLOGY

THRU: DEPUTY DIRECTOR, INFORMATION AND TECHNOLOGY

FROM: DIRECTOR, SYSTEMS MANAGEMENT

SUBJECT: Management Comments for DoD IG Draft Report, Project No. D2007-D000FL-0252.002. "Identification of Classified Information in an Unclassified DOD System and an Unsecured Facility."

PURPOSE: To provide management comments for subject audit report recommendation 2.b. and 2.a.

- Recommendation 2a requires identification and removal of classified information from DDS databases housed by DFAS, Indianapolis Operations.

Concur. Action was completed September 4, 2009 in conjunction with DFAS Rome.

- Recommendation 2b requires moving documentation containing classified information, as identified by the auditors and the U.S Army to a storage facility.

Concur. Action was completed by DFAS Rome September 30, 2009.

RECOMMENDATION: Director, Information and Technology sign memorandum.

COORDINATION: [REDACTED] Director, Accounting Systems

Director, DFAS Rome (action memo attached)

Attachments:
As Stated

Prepared By: [REDACTED]

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ACTION MEMO

TO: DIRECTOR, INFORMATION AND TECHNOLOGY

FROM: DIRECTOR, DFAS ROME

SUBJECT: Management Comments to the DoDIG Draft Report, "Identification of Classified Information in an Unclassified DOD System and an Unsecured DOD Facility," Project No. D2007-D000FL-0252 002 dated 22 September 2009

DISCUSSION:

- Attached are the DFAS Rome's Management Comments.

RECOMMENDATION: Director, DFAS Rome, approve the attached management comments

Approved:  *shy* Disapproved: _____

Attachments:
Comments for Recommendations 2 a , 2 b

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**Management Comments for DoD IG Draft Report, Project No. D2007-D000FL-0252.002,
"Identification of Classified Information in an Unclassified DOD System and an Unsecured
DOD Facility:"**

Recommendation 2.a: Identify and remove classified information from DDS databases housed by DFAS, Indianapolis Operations.

Management Comments: Concur. Deployed DDS databases have been scanned and spillage of classified data identified. Scripts were prepared and run to sanitize the classified information. DFAS has identified, removed, and secured all help desk PCs and hard drives that handled this data. DFAS and Army anticipate completion of all cleansing efforts by EOM Sep 09.

Estimated Completion Date: September 30, 2009

Current Management Comments: Concur. All DDS databases have been scanned and spillage of classified data identified. Scripts were prepared and run to sanitize the classified data on all DFAS databases.

Completion Date: September 4, 2009.

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Management Comments to DoDIG Draft Report, "Identification of Classified Information in an Unclassified DOD System and an Unsecured DOD Facility" dated September 22, 2009
Project No. D0007-D000FL-0252.002

Recommendation 2.a.: Identify which Deployable Disbursing System disbursement transactions stored in databases housed by Defense Finance and Accounting Service, Indianapolis Operations, contain classified information and remove the classified information from the databases

DFAS Rome Management Comments: Concur: Deployed DDS databases have been scanned and spillage of classified data identified. Scripts were prepared and run to sanitize the classified information. DFAS has identified, removed, and secured all help desk PCs and hard drives that handled this data. DFAS and Army completed all cleansing efforts 30 September 2009

Completion Date: September 30, 2009

Recommendation 2.b.: Move documentation containing classified information, as identified by the auditors and the U.S. Army, to a storage facility that meets the classified information storage facility requirements specified in DOD 5200.1-R, "DOD Information Security Program," January 1997.

DFAS Rome Management Comments: Concur: As of 30 September 2009, DFAS Rome has a sensitive document facility which meets the classified information storage facility requirements specified in DOD 5200.1-R. Documentation containing classified information is now stored within the secured facility. DFAS Rome has implemented protocol and procedures to restrict access to the controlled warehouse to address the spillage of classified information

Completion Date: September 30, 2009

Based on IG comments that did not require comments, DFAS Rome recommends these additional comments be included on the Disbursing Documentation as follows:

- **Disbursing Documentation: Page 3 Paragraph 4 Lines 4-6:** "DFAS Rome security personnel agreed that the warehouse used to store these documents was inadequate for storage of classified information and stated that they were in the process of building a secure facility."

DFAS Rome Management Comments: Concur: Recommend adding the following statement: "DFAS Rome completed the construction of the secure facility post-audit and expects Corps of Engineers to verify completion of the secure facility construction by 30 October 2009."

- **Disbursing Documentation: Page 4 Paragraph 1 Lines 6-7:** "DFAS should store the disbursement vouchers containing classified documentation in a secure facility."

DFAS Rome Management Comments: Concur: Recommend noting in the final report, "Per DFAS security protocol red-tagged boxes have been moved post-audit from the controlled warehouse to the new secured environment storage room."

Management
Comments on the
Finding Page 4

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Department of Defense

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