

United States Government

Department of Energy

memorandum



DATE: **DEC 05 2002**
REPLY TO: IG-34 (A02AT015)
SUBJECT: Follow-Up Audit on Internet Privacy
TO: Chief Information Officer, IM-1

Audit Report Number: OAS-L-03-04

The purpose of this report is to inform you of the results of our follow-up review of the Department of Energy's Internet Privacy initiatives. This review was performed from June 2002 to October 2002 at Department Headquarters. The review methodology is described in the attachment to the report.

INTRODUCTION AND OBJECTIVE

Department and OMB guidance expressly prohibit the collection of data from public Internet web site visitors through the use of unapproved or undisclosed methods. For example, persistent cookies are not allowed on any Department Internet web page unless specifically approved by the Secretary. Persistent cookies are technologies used to collect data from public web site visitors that remain on the visitor's computer even after it is completely shut down. A very small number of Department web pages possess Secretarial or equivalent approval to use persistent cookies. Additionally, OMB regulations require that web pages conspicuously post privacy notices containing clear and unambiguous language that explains data collection techniques and the ultimate use of visitor data.

In February 2001, the Office of Inspector General issued the *Audit on Internet Privacy* (DOE/IG-0493) that evaluated whether the Department's method of collecting data from its public web site visitors was consistent with applicable Federal Regulations. Our review disclosed that some web pages were collecting data by unapproved or undisclosed means and a number of web pages did not display conspicuously located or clearly written privacy notices.

Web page privacy control weaknesses occurred in a number of instances because the Department lacked clear and current implementing guidance and did not provide consistent oversight of site development and operation. As a result, the Department could not ensure that the privacy of its web page visitors was properly protected in all instances as required by Federal privacy regulations.

To ensure privacy of Departmental web page visitors, we made a number of recommendations designed to enhance privacy measures within the Department. Most significantly, we recommended the review of all publicly accessible web sites for compliance with Federal requirements and the adoption of meaningful Internet privacy-specific performance measures.

To gauge the effectiveness of corrective measures, we conducted a targeted follow-up audit to determine whether persistent cookies were still being used on Department web sites.

CONCLUSIONS AND OBSERVATIONS

Our follow-up review did not reveal any persistent cookies on the 20 randomly selected Department web pages that we tested. These test results are consistent with the Department's actions to implement our earlier recommendations.

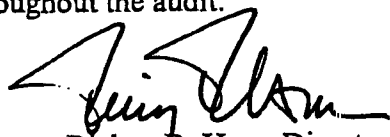
Specifically, we found that:

1. Prior to our test work, the Department tested approximately 4000 web pages for persistent cookies and adequate privacy notices. As a result of those tests, the Department found a small number of web pages using persistent cookies. The Department immediately removed the cookies, and subsequently confirmed that they had been removed.
2. The Department also developed a catalog listing web pages and implemented a process to periodically test a sample of sites listed in the catalog for compliance with Departmental and OMB guidance.
3. The Secretary issued a memorandum, dated May 22, 2001, that addressed Internet privacy requirements and the Department drafted a new Notice that addresses publicly accessible web servers and includes a section on privacy.

While the Department had made significant progress toward implementing our recommendations, we found that it has not yet adopted meaningful Internet privacy-specific performance measures. According to an official in the Office of the Chief Information Officer, they were considering various alternatives but had not yet determined a suitable method for measuring performance specific to Internet privacy.

We continue to believe that meaningful performance measures are a necessary management tool for ensuring privacy of Departmental web page visitors. Accordingly, we reaffirm our previous recommendation that the Department adopt measures specific to Internet privacy.

We appreciate the cooperation of your staff throughout the audit.



Rickey R. Hass, Director
Science, Energy, Technology,
and Financial Audits
Office of Audit Services
Office of Inspector General

cc: Director, Office of Independent Oversight and Performance Assurance, OA-1

ATTACHMENT

SCOPE AND METHODOLOGY

To accomplish the audit objective, we:

- Identified and reviewed a list of the Department web pages to establish a universe of Department web sites to be tested;
- Selected a sample of 20 Department web sites using the U.S. Army Audit Statistical Sampling Software application (version 6.3);
- Tested the randomly selected Department web pages for persistent cookies.

We also met with an official in the Office of the Chief Information Officer discussing actions taken to implement our earlier recommendations and the results to date of those actions.

The audit was conducted in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Because of the nature of our follow up audit, we did not reassess internal controls but rather relied on the assessment performed during the earlier audit. Due to the limited nature of our review, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We relied on computer-processed data in the form of statistical analysis and web cookie detecting software to accomplish our audit objective. We performed limited validation of this data, sufficient to satisfy our audit objective.

An exit conference was waived by cognizant Department Headquarters officials.

bcc: Sandy Parnes, IG-1

Cindy

United States Government

Department of Energy

Memorandum

DATE: DEC 05 2002

REPLY TO: IG-34 (A02AT015)

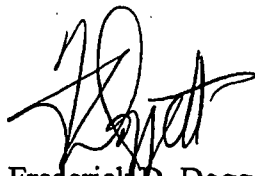
Audit Report Number: OAS-L-03-04

SUBJECT: Audit Report on "Follow-Up Audit on Internet Privacy"

TO: Team Leader, Audit Liaison Team, ME-2

This report follows up on our earlier "Audit on Internet Privacy" (DOE/IG-0493). Our follow-up found that corrective action has not been completed for one of our earlier recommendations that has already been closed in the Departmental Audit Report Tracking System (DARTS). Accordingly, the report reaffirms the earlier recommendation that should be reopened in DARTS and tracked until action is completed.

We appreciate your cooperation.



Frederick D. Doggett
Deputy Assistant Inspector General
for Audit Services
Office of Inspector General

cc: Audit Liaison, IM-10

Attachment



Department of Energy

Washington, DC 20585

December 24, 2002

MEMORANDUM FOR WILLIAM S. MAHARAY
ASSISTANT INSPECTOR GENERAL FOR
AUDIT SERVICES

FROM:

67 RICHARD H. HOPF, DIRECTOR
OFFICE OF PROCUREMENT AND ASSISTANCE
MANAGEMENT, OMBE

SUBJECT:

FOLLOW-UP AUDIT OF THE DEPARTMENT'S MANAGEMENT
OF FIELD CONTRACTOR STAFF ASSIGNED TO THE
WASHINGTON, D.C. AREA (DOE-IG-0414).

On November 21, 2002, an exit briefing was held by Mr. Ron Hancock and Mr. John Moynihan to present the results of the recently completed subject audit. I am pleased to hear that you are satisfied that we have taken the necessary steps to satisfy the previous IG-0414 report recommendations and believe that the Department of Energy (DOE) has improved its management of contractors assigned to Headquarters.

While your letter report will not make any formal recommendations, I understand that it will provide a few suggestions for consideration. I concur with the first suggestion to review and evaluate the duties performed by field contractor administrative support personnel and determine whether these administrative support services could be acquired more economically using alternative contracting methods. My office plans to notify account managers that, when considering approval for these assignments, alternative sources and related costs should be considered prior to approval. Additionally, I concur with the suggestion that, for a contractor assignment which is funded by more than one organization, the system should identify each program office and the percentage of funding provided from each office. We are in the process of making database system improvements that will provide the capability to identify multiple funding sources for each assignment. Once completed, database account administrators will be directed to update their respective accounts and, where an assignee is funded from multiple sources, to identify each organization and their funding percentage in proportion to the total cost of the assignment. The second modification, to accumulate annual costs by individual Headquarters organizations, will be discussed with program organizations. Currently, the database is capable of calculating aggregate annual costs and average monthly costs of current assignments.



Finally, I would like to commend your team leader Mr. Ron Hancock and Mr. John Moynihan for their professionalism and expeditious manner in which they performed the follow-up audit. It was apparent from the onset that the follow-up audit was focused on obtaining verification of our improvements while causing minimal impact to staff resources. Unless notified by your office, we will consider the audit closed and associated actions completed.

cc: Hass, Rickey R., IG-34
Doggett, Frederick D., IG-32

DOE F 1325.8
(8-89)
EFG (07-90)

United States Government

Department of Energy

Memorandum

DATE: **DEC 12 2002**
REPLY TO: IG-331 (A02AT015)
SUBJECT: Final Report Package for "Follow-Up Audit on Internet Privacy"
Audit Report No.: OAS-L-03-04

TO: Frederick D. Doggett, Deputy Assistant Inspector General for Audit Services

Attached is the required final report package on the subject audit. The pertinent details are:

1. Actual Staff days: 12

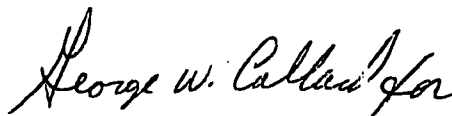
Actual Elapsed days: 90

2. Names of OIG and/or contractor audit staff:

Assistant Director: George W. Collard
Team Leader: Ron Hancock
Auditor-in-Charge: Dick Marvin
Audit Staff: (None assigned)

3. Coordination with Investigations and Inspections:

Due to the nature of this follow-up audit, Investigations and Inspections were not contacted.



Rickey R. Hass, Director
Science, Energy, Technology,
and Financial Audits
Office of Audit Services
Office of Inspector General

Attachments:

1. Final Report (3)
2. Monetary Impact Report
3. Audit Project Summary Report
4. Audit Database Information Sheet

Attachment 2

MONETARY IMPACT OF REPORT NO.: OAS-L-03-04

- 1. Title of Audit: Follow-Up Audit on Internet Privacy
- 2. Region/Office: Science, Energy, Technology, and Financial Audits
- 3. Project No.: A02AT015
- 4. Type of Audit:

Financial: _____ Performance: X
 Financial Statement _____ Economy and Efficiency X
 Financial Related _____ Program Results _____
 Other (specify type): _____

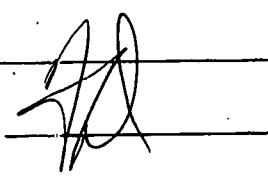
5.

FINDING		BETTER USED			QUESTIONED COSTS			MGT. POSITION	POTENTIAL BUDGET IMPACT	
(A)	(B) Title	(C) One Time	Recurring		(F) Total Amount	(G) Questioned Portion	(H) Unsupported Portion	(I) Total	(J) C=Concur N=Noncon U=Undcc	(K) Y=Yes N=No
			(D) Amount Per Year	(E) No. Yrs.						
	N/A				N/A			N/A		
TOTALS--ALL FINDINGS		\$ 0	\$0		\$0	\$0	\$0	\$0		

6. Remarks: There is no current monetary impact or potential future savings.

7. Contractor: _____
 8. Contract No.: _____
 9. Task Order No.: _____

10. Approvals:
 Division Director & Date _____
 Technical Advisor & Date _____



Office of the Inspector General (OIG)
Audit Project Office Summary (APS)

Report run on: December 9, 2002 9:49 AM

Audit#: A02AT015 Ofc: ATA Title: FOLLOW-UP ON INTERNET PRIVACY

**** Milestones ****

	Planned			Actual
	Profile	End of Survey	Revised	
Entrance Conference:	10-SEP-02	10-SEP-02	10-SEP-02	10-SEP-02
Survey Completed:				
Field Work Complete:				
Draft Report Issued:				
Exit Conference:				()
Completed with Report:	31-OCT-02			
-----Elapsed Days	51			90
-----Staff Days:	0	0		12
Date Suspended:		Date Terminated:		
Date Reactivated:		Date Cancelled:		
DaysSuspended(Cur/Tot):	0 ()	Report Number:		
Rpt Title:				

**** Audit Codes and Personnel ****

Aud Type:	Not Found	AD:	Not Found
Category:	Not Found	AIC:	630 MARVIN
DOE-Org:	Not Found	HDQ-Mon:	Not Found
Maj Iss:	Not Found	ARM:	459 COLLARD
Site:	Not Found		

**** Task Information ****

Task No:	
Task Order Dt:	CO Tech. Rep:
Orig Auth Hrs:	Orig Auth Costs:
Current Auth:	Current Auth Cost:
Tot Actl IPR Hr:	Tot Actl Cost:

**** Time Charges ****

<u>Emp/Cont Name</u>	<u>Numdays</u>	<u>Last Date</u>
MARVIN, R	11.6	30-NOV-02
Total:	11.6	

**** ATC Information ****

<u>Atc</u>	<u>Atc Rank</u>	<u>Atcdesc</u>

Attachment 4

AUDIT DATABASE INFORMATION SHEET

1. Project No.: A02AT015
2. Title of Audit: Follow-Up Audit on Internet Privacy
3. Report No./Date: OAS-L-03-04, December 5, 2002
4. Management Challenge Area: Information Technology
5. Presidential Mgmt Initiative: N/A
6. Secretary Priority/Initiative: N/A
7. Program Code: MA
8. Location/Sites: Headquarters
9. Finding Summary:

While the Department had made significant progress toward implementing our earlier recommendations, we found that it has not yet adopted meaningful Internet privacy-specific performance measures. According to an official in the Office of the Chief Information Officer, they were considering various alternatives but had not yet determined a suitable method for measuring performance specific to Internet privacy. We continue to believe that meaningful performance measures are a necessary management tool for ensuring privacy of Departmental web page visitors. Accordingly, we reaffirm our previous recommendation that the Department adopt measures specific to Internet privacy.

10. Keywords:

- Cookies
- Internet
- Privacy
- OMBE
- ME
- MA
- Follow-up
- Performance

United States Government

Department of Energy

Memorandum



DATE: DEC 05 2002
REPLY TO: IG-34 (A02AT015)
SUBJECT: Audit Report on "Follow-Up Audit on Internet Privacy"
TO: Team Leader, Audit Liaison Team, ME-2

Audit Report Number: OAS-L-03-04

This report follows up on our earlier "Audit on Internet Privacy" (DOE/IG-0493). Our follow-up found that corrective action has not been completed for one of our earlier recommendations that has already been closed in the Departmental Audit Report Tracking System (DARTS). Accordingly, the report reaffirms the earlier recommendation that should be reopened in DARTS and tracked until action is completed.

We appreciate your cooperation.

Frederick D. Doggett
Deputy Assistant Inspector General
for Audit Services
Office of Inspector General

cc: Audit Liaison, IM-10

Attachment