

memorandum

DATE: March 16, 2009

REPLY TO

ATTN OF: IG-40

SUBJECT: Letter Report on "Y-12 National Security Complex Accountable Classified Removable Electronic Media Program," INS-L-09-03 (S09IS008)

TO: Manager, Y-12 Site Office

This is to advise you of the results of an Office of Inspector General inspection of accountable classified removable electronic media (ACREM) at the National Nuclear Security Administration's Y-12 National Security Complex (Y-12).

BACKGROUND

Y-12 is responsible for ensuring the safety and reliability of the Nation's nuclear weapon stockpile and handles and stores some of the Nation's most sensitive information. Y-12 is managed and operated by Babcock and Wilcox Technical Services Y-12, LLC, and the Y-12 Site Office oversees this contract.

Y-12 utilizes removable electronic media, such as hard drives, compact disks, data tapes, etc., to store vast amounts of classified information. Approximately five years ago, after a series of security incidents, the Department of Energy implemented policy tightening controls over removable electronic media that was classified at the Secret/Restricted Data (S/RD) level or higher and designated such media as ACREM. DOE Manual 470.4-4, "Information Security," requires that all classified information systems media must be marked with the classification level of the information system and that procedures be established to ensure that all ACREM has been placed into accountability. The Manual also requires that any disk removed from the manufacturer's case and not immediately destroyed must be marked with the classification level and category, that classified waste and receptacles must be protected for the level and category of classified matter involved, that information must be protected at its highest potential classification level and category until the actual level and category are confirmed, and that classified waste must be destroyed as soon as practical.

The objective of this inspection was to determine whether Y-12's ACREM was managed, protected, and controlled consistent with applicable requirements. During our inspection, we inventoried 1,761 of the 9,396 pieces of ACREM in accountability at Y-12. We also reviewed the contents of a sample of non-ACREM safes (safes identified as not containing ACREM and not under ACREM custodian control) to determine if any ACREM materials were unidentified or uncontrolled. Further, we reviewed a sample of ACREM held by Y-12 subcontractors at several facilities.

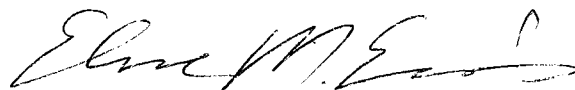
RESULTS OF INSPECTION

We found that an unmarked hard drive had not been properly marked as S/RD and placed into accountability as ACREM, as required, and that 332 metallic flat discs and data tapes located in an ACREM safe may not have been properly controlled as ACREM.

Regarding the unmarked hard drive, we were informed that it had been connected to an S/RD computer network that became inoperative, but due to an oversight, when it was removed from the network it was not marked S/RD or controlled as ACREM. The staff responsible for removing the hard drive did not believe that it contained S/RD data and was unaware of and failed to follow the requirements of DOE Manual 470.4-4. Y-12 officials placed the item into ACREM accountability during our inspection fieldwork.

Regarding the unmarked metallic flat discs and data tapes, while interviewing a Y-12 ACREM custodian, we were told that he maintained approximately 50 or 60 hard drives in an ACREM safe, awaiting destruction. He indicated that the items were of unknown origin, content, and security classification. The custodian informed us that, prior to being moved to their present location, these items had been received and stored in hard drive cases in a Y-12 security area without classification markings; they had been awaiting destruction for as long as five or six years; and the hard drive cases had been removed. We reviewed the safe contents and determined that the hard drives had been dismantled, resulting in 332 metallic flat discs and data tapes awaiting destruction (one hard drive can contain from 1 to 12 metallic flat discs that store data). We were told the items had not been destroyed because other higher priority media had been destroyed first. The custodian said the items had been stored with ACREM at their previous location and were presently protected as if they contained classified information; however, the items were not placed into accountability or marked as containing or possibly containing classified information. Subsequent to our review of the items, we were advised by Y-12 Site Office officials that Y-12 destroyed the items in accordance with ACREM destruction requirements.

Since immediate corrective actions were taken, no formal recommendations are being made, and a formal response to this report is not required. However, given the extended length of time the discs and data tapes were awaiting destruction, we suggest the Manager of the Y-12 Site Office take action to ensure destruction of unneeded media is accomplished timely. This inspection was conducted in accordance with the "Quality Standards for Inspections" issued by the President's Council on Integrity and Efficiency. We appreciate the cooperation we received from your staff during this inspection. If you have questions concerning this matter, please contact Ms. Marilyn Richardson or me at (202) 586-4109.



Elise M. Ennis
Assistant Inspector General
for Inspections and Special Inquiries

cc: Chief Health, Safety and Security Officer
Director, Policy and Internal Controls Management (NA-66)
Director, Office of Internal Review (CF-1.2)
Audit Liaison, Y-12 Site Office