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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

December 19, 2006

Mr. Thomas J. Madison, Jr.  
Commissioner  
New York State Department of Transportation  
50 Wolf Road, 6<sup>th</sup> Floor  
Albany, NY 12232

Re: Department of Transportation  
Network Security Controls  
2005-S-71

Dear Mr. Madison:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we audited selected aspects of the security controls in place over the Department of Transportation's computer network. Our audit covered the period October 24, 2005 through May 16, 2006.

**A. Background**

The Department of Transportation (Department) has created a computer network (Network) to help carry out its duties. The Network facilitates access to applications the Department uses to manage the State's transportation system. Such applications include the Construction Management, Fleet Management, Electronic Bidding, Highway Sufficiency Planning, Bus Inspection (BUSNET), Highway Performance Monitoring, Capital Planning, and Highway and Bridges systems. Department employees also use the Network to access the Internet and e-mail, as well as shared files. The Department's Office of Information Systems maintains the Network. This includes supporting all servers, providing network connectivity for all business units, and managing network devices.

The Department maintains a central office in Albany along with 11 regional offices, 62 "Transportation Maintenance Residencies," (a location with an office, a garage, Department trucks, and equipment), 11 equipment maintenance offices, and 25 additional remote locations such as salt distribution centers. In addition, there are between 300 and 500 construction sites throughout the State. The Department's 11 regional offices are connected to its central office Network by dedicated communication lines. The Department uses a mixture of leased lines, dial-up, and cable broadband to connect its residencies and other remote locations to the Network.

The Department must comply with the New York State Office of Cyber Security and Critical Infrastructure Coordination's Cyber Security Policy that defines a set of minimum information security requirements that all State entities must meet related to securing systems and data. In addition, the Security Policy requires that each agency establish a framework to initiate and control the implementation of information security within the State entity.

**B. Audit Scope, Objective and Methodology**

We audited selected aspects of the security controls in place over the Network. Our audit covered the period October 24, 2005 through May 16, 2006. The objective of our performance audit was to determine whether the Department has instituted appropriate controls and security measures over its Network to minimize the risks of unauthorized access to its data and resources. Our audit provided a snapshot of the Network's security controls at a particular point in time.

To accomplish our objective, we reviewed Department policies and procedures relating to computer networks, equipment and applications. We interviewed Department technical and facility staff responsible for administering Network security and operations. We also examined Department records and reports pertinent to our audit scope. In addition, in coordination with Department officials, we performed external and internal vulnerability assessments of the Network. In performing these assessments, we used various tools and techniques to proactively identify Network vulnerabilities and to determine how these vulnerabilities could be exploited.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those Department operations that are included within the audit scope. Further, these standards require that we understand the Department's internal control structure and compliance with those laws, rules and regulations that are relevant to the operations that are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State, several of which are performed by the Division of State Services. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

**C. Results of Audit**

Detailed results of our audit were provided to Department officials during the conduct of our audit. The details of our findings and recommendations are not included here due to the sensitivity of the information and the potential risk associated with the release of such information. As part of our audit, we identified certain areas in which the controls needed to be improved. We presented this information to Department officials, and they stated that they have begun to make improvements in these areas.

**Recommendation**

*Implement the specific recommendations for strengthening the Department's Network security that were provided to Department officials during the audit.*

Copies of the matters contained in this report were provided to Department officials for their review and comment. Their comments were considered in preparing this report. Their comments were considered in preparing this report, and are included as Appendix A.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Transportation shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

Major contributors to this report include Brian Reilly, Nadine Morrell, Mark Ren, James Edge, Matthew Hesse, Kevin Sadvari, and Susan DiFiore. We wish to thank the management and staff of the Department of Transportation for the courtesy and cooperation extended to our auditors during this audit.

Very truly yours,

Carmen Maldonado  
Audit Director

cc: Lisa Ng, Division of Budget  
John Samaniuk, Department of Transportation



State of New York  
Department of Transportation  
Albany, N.Y. 12232  
<http://www.dot.state.ny.us>

Thomas J. Madison, Jr.  
Commissioner

George E. Pataki  
Governor

October 20, 2006

Ms. Carmen Maldonado, Director  
Office of the State Comptroller  
State Audit Bureau  
110 State Street, 11th Floor  
Albany, New York 12236

Subject: Network Security Controls  
2005-S-71

Dear Ms. Maldonado:

In response to your draft audit report concerning the Department of Transportation's network security controls, we are providing the following response.

**Recommendation:** *Implement the specific recommendations for strengthening the Department's Network security that were provided to Department officials during the audit.*

**DOT Response:** We agree with the recommendations. As acknowledged in the report, we have already begun to make improvements and will continue to implement the remaining audit recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Lisa C. Wright".

Lisa C. Wright  
Chief Administrative Officer

cc: Lisa Ng, Division of the Budget