

Thomas P. DiNapoli
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 10, 2009

Mr. David A. Hansell
Commissioner
New York State Office of Temporary and Disability Assistance
40 North Pearl Street
Albany, NY 12243

Re: Report 2009-F-29

Dear Commissioner Hansell:

The following is a report of the actions taken by officials of the Office of Temporary and Disability Assistance (Office) to implement the recommendations contained in our audit report, *National Directory of New Hires Data Security* (2008-S-49). The follow up audit was done according 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.

Background, Scope and Objective

The Federal Office of Child Support Enforcement (Child Support Enforcement) operates the Directory database. The purpose of the Directory is to provide a national database of employment and unemployment insurance information. The Directory contains employment, unemployment insurance, and wage data from State and Federal agencies.

Certain state agencies can submit a list of names to Child Support Enforcement to see if there are matches with the Directory. When agencies want to do this, they must enter into a written Computer Matching Agreement (Agreement) with Child Support Enforcement. The Agreement includes security requirements for the administrative, physical and technical safeguarding of the Directory data once it is given to the agencies. Further, the Agreement requires agencies to comply with the February 2007 Security Requirements for Receiving Federal Parent Locator Service Data (Security Requirements).

Since May 2006, the Office has been requesting matches between its database of New York Adult Temporary Assistance for Needy Families benefit recipients and the Directory. The matches help the Office identify recipients with unreported employment and income when it is verifying their eligibility for benefits.

Our initial audit report, which was issued on June 25, 2008, examined how the Office handles and secures Directory data, as outlined in the Security Requirements. We found the Office met a majority of the Federal Security Requirements. However, there were a few requirements that

were only partially implemented or not implemented, putting the Directory data at risk. The objective of our follow up was to assess the extent of implementation as of August 12, 2009 of the three recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that Office officials have made significant progress in correcting the problems we identified. All three prior audit recommendations have been implemented.

Follow-up Observations

Recommendation 1

Update the Plan using NIST Special Publication 800-18 as guidance.

Status - Implemented

Agency Action - Office management updated its System Security Plan to accurately define how their systems and networks currently handle Directory data. They will periodically revisit the Plan and make revisions as needed.

Recommendation 2

Implement a risk management program, including defining responsibilities and processes for all personnel, systems, networks, data, and facilities that handle Directory data.

Status - Implemented

Agency Action - Office management developed a risk assessment document which identifies risks; impact, probability, and priority ratings; existing and planned controls; and new ratings subsequent to these controls being put in place. Potential risks and control effectiveness will be reassessed annually.

Recommendation 3

Implement the technical recommendations contained in our preliminary audit report.

Status - Implemented

Agency Action - Office technical staff implemented the technical recommendations in our preliminary audit report.

Major contributors to this report were Nadine Morrell and Jennifer Van Tassel.

We thank the management and staff of the Office for the courtesies and cooperation extended to our auditor during this process.

Yours truly,

Brian Reilly
Audit Manager

cc: Thomas Lukacs, Division of the Budget
Ms. Christine Unson, Office of Temporary and Disability Assistance