

**Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General**

**Follow-up Review on Disposal of
Computer Equipment and Data
Storage Media**

Metro management initiated appropriate corrective actions to implement three of the six recommendations in our prior audit report. Three recommendations remain open because management has not finalized revisions to the Metro Policy on Records Management.

Report No. 11-AUD-02

August 19, 2010



**Follow-up Review on Disposal of Computer Equipment and Data Storage Media
Report No. 11-AUD-02**

TABLE OF CONTENTS

	Page
INTRODUCTION	1
OBJECTIVES AND SCOPE OF REVIEW	1
BACKGROUND	2
RESULTS OF FOLLOW-UP REVIEW	3
RECOMMENDATION	5
MANAGEMENT COMMENTS	5
EVALUATION OF MANAGEMENT COMMENTS	5
ATTACHMENTS	
A. Copy of Management Response to Draft Report	6
B. Final Report Distribution	7



Metro

Los Angeles County
Metropolitan Transportation Authority

Office of the Inspector General
818 West 7th Street, Suite 500
Los Angeles, CA 90017

213.244.7300 Tel
213.244.7343 Fax

DATE: August 19, 2010

TO: Board of Directors
Chief Executive Officer

FROM: *Jack Shigetomi*
Jack Shigetomi
Deputy Inspector General for Audits

SUBJECT: Follow-up Review on Disposal of Computer Equipment and Data Storage Media (Report No. 11-AUD-02)

Introduction

The Office of the Inspector General (OIG) performed a follow-up review of the status of implementation of six recommendations in our prior report on Disposal of Computer Equipment and Data Storage Media (Report No. 06-AUD-12, issued September 15, 2006). The follow-up review was conducted as part of our ongoing program to assist Metro in improving information security, economy and effectiveness of operations, and deterring fraud, waste, and abuse.

The follow-up review found that Metro management has implemented corrective actions that are responsive to three of the six recommendations in the prior audit report. We cannot evaluate the actions taken on the three remaining recommendations because management has not finalized revisions to Metro Policy GEN 8 (Records Management).

Objectives and Scope of Review

The objectives of this review were to determine whether:

- Management had implemented the corrective action plan provided in response to the prior OIG report on the disposal of computer equipment and data storage media.
- Metro actions corrected the deficiencies cited in the original report.

To accomplish the audit objectives, we performed the following:

- Reviewed the prior audit report and management’s corrective action plan.
- Reviewed the status of revising Metro Policy GEN 8, which was last revised on September 26, 2002.
- Reviewed Information Security Policy IT 1, Information Technology Services (ITS) Standards, and ITS Service and Delivery (SER) 19 on Disposal of Computer Equipment and Data Storage Media.
- Interviewed General Services and ITS staff.
- Obtained an understanding of the controls and procedures implemented to ensure the proper disposal of computer data storage media.
- Inspected General Services and ITS work areas that process, sanitize, and dispose of electronic data storage media.

Our review was performed in accordance with Government Auditing Standards for staff qualifications, independence, and due professional care and included such tests of procedures and records, as we considered necessary.

Background

Prior Audit Report Findings

The following findings were discussed in the prior audit report:

- Written procedures were not established for erasing or “sanitizing” information on hard drives and electronic storage media prior to their disposal or destruction. Such procedures were needed to prevent unauthorized individuals from obtaining sensitive and confidential business and personal information.
- A large quantity of unused/obsolete hard drives were on-hand, increased the risk that disks with recoverable data may be overlooked, misplaced or stolen. Hard drives should be sanitized as soon as possible when removed from the computer as sanitizing a large number of drives can be a lengthy process.
- A conflict existed between Information Technology Services (ITS) Department’s practice of deleting data from hard drives and Policy GEN 8, as to which department should destroy/delete electronic data.

- Four departments we surveyed had not turned in any unneeded or damaged storage media to the Records Management Center as required by GEN 8. We also found electronic storage media in trash bins at the Union Station Gateway Building.

Results of Follow-up Review

The review found that management completed corrective actions to implement recommendations 1, 3, and 6 in our prior audit report. As explained below, recommendations 2, 4, and 5 are still open because GEN 8 has not been revised.

Recommendation 1. (Completed) “*The Chief Information Officer should: Establish written policies and procedures for sanitizing information from computer equipment (hard drives) prior to their disposal.*”

The follow-up review found that the actions taken were adequate to implement the recommendation. The ITS Department adopted Standards on Disposal of Computer Equipment and Data Storage Media (ITS SER-19). The purpose of this standard is “to provide guidelines and procedures for the handling and disposal of computer equipment and data storage media collected by the ITS Department from all LACMTA facilities.”

Recommendation 2. (Not Completed) “*The Chief Information Officer should: In coordination with Records Management, resolve the conflict with Policy GEN 8, which states that only Records Management Center staff are authorized to delete or destroy public records, including erasing data from hard drives.*”

Recommendation 2 is still unresolved. Management informed us that they have drafted revisions to GEN 8, and the revision is being finalized. Records Management did not provide us with a copy of the latest draft of GEN 8. On March 18, 2010, we were informed that they “normally do not provide policy documents that have not yet been approved,” and they expected to finalize the policy shortly.

Recommendation 3. (Completed) “*Establish standards for sanitizing hard drives and develop a method for destroying damaged drives that would preclude the recovery of any data on the drives. Consider establishing a policy of destroying all hard drives that will not be used or sold.*”

The follow-up review found that adequate action has been taken to implement the recommendation. Specifically, we found that:

- Section 8.23 of ITS SER-19 (Disposition of Storage Media Devices) states: “Storage media will be held for a period of sixty (60) days prior to reissuing for disposal. This period allows for the last user’s department to retrieve data from the media storage device, if necessary.” Section 8.3 (Sanitization of Reusable Storage Media Devices) states: “After the sixty (60) days of storage has transpired and prior to reassignment of any storage media, ITS staff will sanitize, also known as over writing, the storage media.”
- ITS staff use specialized equipment to replace previously stored data on a hard drive or disk by overwriting the data with random patterns of meaningless series of binary ones and zeros. This process renders the data unrecoverable. The ITS Department has two Image MASSter 4008i drive duplicators that are used for sanitizing hard drives. We reviewed the hard drive tracking log maintained by ITS. Our review found that the sanitization procedure was generally performed between 3 to 4 months after the hard drives were removed from the computers. We concluded that the requirements in SER-19 were being followed.
- Section 8.4 of ITS SER-19 states that: “Hard drives and other storage media that are deemed obsolete will be rendered unrecoverable by ITS staff prior to being sent to the Records Management Department for destruction according to Metro’s Records Retention Policy.” We inspected the Records Management Center Direct Destruction of Inactive Records Forms that documented the transfer of sanitized hard drives from ITS to Records Management. We confirmed with Records Management that they are receiving unusable electronic storage media from ITS. The hard drives and other storage media are collected in a separate bin and an outside vendor has been contracted to shred them.

Recommendation 4. *(Not Completed)* “The Director, General Services should: In coordination with ITS, revise Policy GEN 8 to establish specific procedures for destroying unneeded or damaged electronic storage media.”

Recommendation 4 is unresolved pending finalization of the revisions to Policy GEN 8.

Recommendation 5. *(Not Completed)* “The Director, General Services should: Revise Policy GEN 8 to include a definition of the term “public records” cited in the policy.”

Recommendation 5 is unresolved pending finalization of the revisions to Policy GEN 8.

Recommendation 6. (Completed) *“The Director, General Services should: Inform MTA departments and staff of the requirement in Policy GEN 8 to turn in applicable electronic storage media to the Records Management Center.”*

The follow-up review found that management took adequate action to implement the recommendation. General Services issued an e-mail on May 8, 2007, and an Interoffice Memo on September 21, 2009, reminding employees of their responsibility to comply with the requirements of Policy GEN 8 and to turn in unnecessary electronic storage devices to the Records Management Center. Records Management Center staff stated that they have worked with Marketing to develop e-mail templates to inform and remind all staff of their responsibility to properly dispose of records and electronic media. The e-mail is ready to send out as soon as both GEN 8 and IT-1 are posted online.

Recommendation

We recommend that management finalize the revisions to Metro Policy 8 and incorporate recommendations 2, 4, and 5 made in the prior audit report issued on September 15, 2006.

Management Comments

In response to our draft report, Metro management stated that the draft report of the revised GEN 8 policy has been signed off by the Chief Administrative Services Officer and County Counsel. Adoption of the revised GEN 8 policy should occur before the end of calendar year 2010. The full text of Metro’s response is included in the final audit report. See Attachment A for the full text of management comments.

Evaluation of Management Comments

Metro management provided an adequate corrective action plan to implement the recommendation in the report. Therefore, we consider all issues related to the recommendation resolved based on the corrective action planned. Staff should follow up on the open recommendation until the corrective action is completed. This requirement is set forth in Management Audit Services Audit Report Follow-up & Resolution Policy (MAS 1).

Copy of Management's Response to Draft Report



Metro

Interoffice Memo

Date	July 30, 2010
To	Karen Gorman Acting Inspector General
Through	Arthur T. Leahy <i>ATL</i> Chief Executive Officer
From	Michelle Caldwell Interim Chief Administrative Services Officer <i>Michelle Caldwell</i>
Subject	Response to OIG Follow up on Disposal of Computer Equipment and Data Storage Media, Report No. 11-AUD-02

OVERVIEW

We have reviewed the results of the subject draft report and we concur with the findings in the report regarding the final adoption and approval of the revised GEN 8, General Management Records Management policy.

PROPOSED CORRECTIVE ACTIONS

The final draft of the revised GEN 8 policy has been signed off by the Chief Administrative Services Officer and County Counsel. Adoption of the revised GEN 8 policy should occur before the end of the calendar year of 2010.

Should you have any questions, please call Michelle Caldwell at ext. 22452.

FINAL REPORT DISTRIBUTION

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