



Pension Benefit Guaranty Corporation
Office of Inspector General
1200 K Street, N.W., Washington, D.C. 20005-4026

November 15, 2011

Honorable Jacob J. Lew
Director, Office of Management and Budget
Eisenhower Executive Office Building
725 17th Street, N.W., Room 252
Washington, DC 20503

Dear Mr. Lew:

The Pension Benefit Guaranty Corporation (PBGC) Office of Inspector General (OIG) contracted with Clifton Gunderson LLP, an independent public accounting firm, to perform the independent evaluation and review of PBGC's information technology (IT) security required by the Federal Information Security Management Act (FISMA), Federal Managers' Financial Integrity Act (FMFIA) and the Office of Management and Budget. Under OIG oversight, the review assessed the effectiveness of PBGC's information security program and practices to determine compliance with the requirements of FISMA and related information security policies, procedures, standards, and guidelines. Clifton Gunderson used the Government Accountability Office's Federal Information System Controls Audit Manual as well as guidance issued by the National Institute of Standards and Technology to assess the impact of these controls on PBGC's significant IT systems and operations. Specifically, the areas of review included:

- Entity-wide security program planning and management;
- Access control;
- Configuration management;
- Segregation of duties; and
- Contingency planning.

PBGC's systemic security control weaknesses continued to pose substantial and increased risk to PBGC's ability to carry out its mission during FY 2011. The Corporation continued its implementation of an enterprise multi-year corrective action plan (CAP) to address IT security issues at the root cause level. The extended time and the lack of meaningful progress in PBGC's corrective action plan to correct previously reported deficiencies introduced additional risks. PBGC management has recognized these weaknesses will continue to pose a threat to its environment for several years while corrective actions are being implemented.

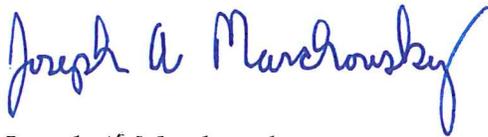
Our primary concern with PBGC's current plan is the agency's ability to implement interim corrective actions to ensure fundamental security weaknesses do not worsen as the CAP is being

implemented. We will continue to assess PBGC's progress in correcting systemic security control weaknesses.

Finally, when we reviewed the FY 2011 PBGC Chief Information Officer's (CIO) FISMA submission we noted that PBGC did not have documentation to support its FIPS 199 categorization for 11 of 15 systems. PBGC's submission for CIO question one, related to system categorizations was not adequately supported by "classification determinations." PBGC only provided support for 4 systems, yet indicated in the CIO submission that 15 systems had a classification of "moderate."

As always, the OIG will continue to support PBGC through our independent reviews and analyses related to the agency's mission and programs, including information assurance and security.

Sincerely,



Joseph A. Marchowsky
Assistant Inspector General for Audit