



Report in Brief

SEPTEMBER 30, 2016

Background

Executive Order (order) 13526, "Classified National Security Information" prescribes a uniform system effective June 27, 2010, for classifying, safeguarding, and declassifying national security information. In addition to controlling the amount and duration of classification and sharing classified information more freely, order 13526 outlines mandatory training requirements for those with classification authority. The Department of Commerce is responsible for both implementing national policies and establishing Departmental policies to ensure that such information is adequately safeguarded when necessary and appropriately shared whenever possible.

Why We Did This Review

The Reducing Over-Classification Act of 2010 (Public Law 111-258) mandates that each inspector general with an officer or employee authorized to make original classification decisions conduct two evaluations to promote the accurate classification of information. The first evaluation was completed by September 30, 2013; a second, to be completed by September 30, 2016, must review progress made after the first. Our audit objective was to determine whether the Department took appropriate corrective actions on recommendations made in OIG's 2013 report.

OFFICE OF THE SECRETARY

Follow-up Audit on Recommendations from Audit Report No. OIG-13-031-A, *Classified Information Policies and Practices at the Department of Commerce Need Improvement*

OIG-16-048-A

WHAT WE FOUND

In our September 30, 2013, report, we issued the following recommendations to the Director, OSY:

1. ensure that the document custodian take action to finalize the disposition of the three documents identified with expired declassification dates;
2. require container custodians to be responsible for the classified documents in the container(s) they control;
3. amend the Security Manual to align with the language in Executive Order 13526 regarding markings on derivatively classified documents, as well as update annual refresher training on classification markings for derivatively generated documents
4. improve the process for entering accurate data into Security Manager and develop guidance addressing the processes to be followed for annual classified information inventory reviews; and
5. incorporate any relevant changes made as a result of recommendations in this report as part of OSY's annual reviews of the Department's classified information.

We found that OSY satisfactorily implemented corrective actions for recommendations 3 and 5, but either did not fully implement or address recommendations 1, 2, and 4:

- Recommendation 1: We found that the National Telecommunications and Information Administration custodian had not disposed of the three classified documents with expired declassification dates as OSY stated in its Action Plan.
- Recommendation 2: We found that OSY partially implemented this recommendation as it related to bi-annual inspections.
- Recommendation 4: We found that the Director, OSY, partially implemented this recommendation as it related to developing guidance addressing the processes to be followed to conduct and document annual classified information inventory reviews.

WHAT WE RECOMMEND

We recommend that the Director, OSY, fully implement recommendations 2 and 4 as agreed to in OIG report number OIG-13-031-A. Specifically:

1. Promote and enforce user reviews of classified documents.
2. Ensure custodians are trained and understand their responsibilities to account for, control, and purge classified materials.
3. Establish controls to ensure that accurate data is entered into Security Manager Database system.