

**HEARING TO REVIEW THE U.S. DEPARTMENT  
OF AGRICULTURE'S RELEASE OF PROGRAM  
BENEFICIARIES' SOCIAL SECURITY NUMBERS  
AND THE DEPARTMENT'S INFORMATION  
SYSTEMS, GENERALLY**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON AGRICULTURE**  
**HOUSE OF REPRESENTATIVES**

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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MAY 2, 2007  
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**Serial No. 110-17**



Printed for the use of the Committee on Agriculture  
*agriculture.house.gov*

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U.S. GOVERNMENT PRINTING OFFICE

41-944 PDF

WASHINGTON : 2008

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WEDNESDAY, MAY 2, 2007

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON AGRICULTURE,  
WASHINGTON, D.C.

The Committee met, pursuant to call, at 1:05 p.m., in Room 1300 of the Longworth House Office Building, Hon. Collin C. Peterson [Chairman of the Committee] presiding.

Members present: Representatives Peterson, Holden, Etheridge, Boswell, Baca, Herseth Sandlin, Salazar, Ellsworth, Boyda, Space, Walz, Pomeroy, Barrow, Donnelly, Goodlatte, Foxx, Moran, Graves, Neugebauer, Conaway, Schmidt, Smith, and Walberg.

Staff present: Tyler Jameson, Rob Larew, John Riley, Sharon Rusnak, Lisa Shelton, April Slayton, Debbie Smith, Kristin Sosanie, Bryan Dierlam, Alise Kowalski, Bill O'Conner, and Jamie Weyer.

**OPENING STATEMENT OF HON. COLLIN C. PETERSON, A  
REPRESENTATIVE IN CONGRESS FROM MINNESOTA**

The CHAIRMAN. The Committee will come to order. I want to start today by welcoming everyone to this hearing of the House Agriculture Committee. I want to especially welcome Charles Christopherson, the USDA's Chief Financial Officer, who will provide testimony and answer the Committee's questions today. I would also like to recognize Boyd Rutherford, USDA's Assistant Secretary for Administration, and Dave Combs, USDA'S Chief Information Officer, who are accompanying Mr. Christopherson.

Information security and accessibility are two very serious issues that must be top priorities for USDA. Farmers, ranchers, small businesses and many others entrust USDA agencies and programs with a great deal of private personal information on a regular basis. The USDA must take their responsibility to protect this information very seriously. The recent announcement that Social Security or tax information numbers of more than 38,000 people were made public on the Internet has called into question the security of private information that USDA has in its possession. I want to commend and very much appreciate Congressman Zach Space, one of our newest Members of the Agriculture Committee, for recog-

nizing the serious implications of this situation and requesting a hearing today on this issue. I hope that we will hear a more complete explanation of how this could happen, what is being done to assist the people whose personal information was compromised, and I also look forward to hearing what is being done to be sure no additional personal information is exposed in this manner.

In addition to this information security breach, accessibility to computer-based systems has been a recurring problem at USDA. Computer failures at the Farm Service Agency have prevented farmers from signing up for programs online and in FSA offices. As a result of the poor performance of FSA computer systems earlier this year, the USDA had to extend the deadline for farmers to sign up for the Direct Encounter Cyclical Payment Programs. Congressman Moran requested a hearing to review the system failures and delays that farmers and ranchers have faced because of the FSA computer problems and I also appreciate his attention to this serious issue.

Data security and reliable computer systems are priorities that USDA must recognize and provide to the many individuals and organizations that do business with the agency every year. Farmers and ranchers must be able to trust that USDA will protect their information and provide consistent access to computer-based applications. Without that trust, USDA cannot accomplish its mission and farmers and ranchers cannot take full advantage of the programs available to them. I am concerned that the Administration's budget request for necessary computer maintenance and improvements at USDA does not reflect the serious needs that have been exposed by these recent computer problems. We are seeing the results of a broken system that should have been fixed long before these problems emerged.

The purpose of this hearing is, however, not to lay blame; although there is certainly plenty of blame to go around with lack of Congressional oversight, the agency's ability to recognize these problems before they reached this crisis level, and the Administration's failure to request and provide resources needed to prevent these problems from happening in the first place. So I am particularly interested to hear from our witnesses what resources USDA needs to assure farmers and ranchers that they can expect secure and reliable access to farm programs. I look forward to the testimony that we will hear today and look forward to working with the Administration to address these serious problems.

Without objection, all Members that wish to make a statement will be made part of the record with the exception of the Ranking Member, who today is Ms. Foxx from North Carolina. We appreciate you being here today and if you want to say a couple brief words?

[The prepared statement of Mr. Walz follows:]

**Statement for the record for Congressman Walz  
Full Committee on Agriculture—hearing to review U.S. Department of  
Agriculture’s release of program beneficiaries’ Social Security numbers and of the  
Department’s information systems, generally  
May 2, 2007**

Mr. Chairman and Ranking Member Goodlatte, thank you for holding this hearing today. Two weeks ago, an individual who had received a USDA loan was looking around on the Internet and discovered something disturbing: her Social Security number—and the numbers of thousands of others—were available on a publicly-searchable database online.

USDA now estimates that more than 38,000 individuals may have had their personal information compromised.

This is unacceptable. Our government agencies ought to be doing everything in their power to make it harder for identity theft to occur; instead, in this case, it facilitated it.

We are here today to hear testimony from USDA about how this happened, how USDA responded, and how the Agency is going to ensure that this never, ever happens again.

I thank the Chairman and the Ranking Member for holding this hearing today.

**OPENING STATEMENT OF HON. VIRGINIA FOXX, A  
REPRESENTATIVE IN CONGRESS FROM NORTH CAROLINA**

Ms. FOXX. Just briefly, Mr. Chairman. I want to say that I know that I and my colleagues share the same concerns that you have expressed, and what I hope we will discover is how problems like these occur but more importantly, how can we establish systems to prevent the problems from occurring again. As you say, there is probably plenty of blame to go around; that doesn't accomplish much. What we need to do is figure out a way to make the system better and to hold the proper people accountable, and I thank you for your focus on that.

The CHAIRMAN. I thank the gentlelady, and I appreciate her presence here and the other Members.

Mr. Christopherson, we appreciate you being with the Committee and your full statement will be made part of the record. We operate here under the 5 minute rule so if you could hit the high points and stick within that and then I think we probably have quite a few questions, so thank you very much.

**STATEMENT OF HON. CHARLES R. CHRISTOPHERSON, JR.,  
CHIEF FINANCIAL OFFICER, U.S. DEPARTMENT OF  
AGRICULTURE, WASHINGTON, D.C.; ACCOMPANIED BY DAVE  
COMBS, CHIEF INFORMATION OFFICER; AND HON. BOYD K.  
RUTHERFORD, ASSISTANT SECRETARY FOR  
ADMINISTRATION, U.S. DEPARTMENT OF AGRICULTURE**

Mr. CHRISTOPHERSON. Thank you, Mr. Chairman.

Mr. Chairman, Ranking Member and the Members of the Committee, I thank you for this invitation to appear before you today to update the Committee on the current events related to the information technology at the U.S. Department of Agriculture. I am joined today by Dave Combs, the Department's Chief Information and Chief Privacy Officer, and Boyd Rutherford, our Assistant Secretary of Administration.

We appreciate the opportunity to discuss the recent discovery of approximately 38,700 Social Security Numbers that have been inadvertently made public through a government-wide website. Our policy states USDA will protect personal, financial and employment information from unauthorized disclosure. Customers and employees should also have the right to expect that USDA will collect, maintain, use and disseminate identifiable personal information and data only as authorized by law and as necessary to carry out our agency's responsibilities. At the outset, let me state that we take full responsibility for this incident. We offer no excuses and we deeply regret the exposure of the sensitive information and the concern that it has caused our citizens that we serve.

By way of background, the USDA is compromised of approximately 100,000 employees and 29 component agencies, with staff offices located at some 7,200 offices around the world. Of our more than 250 IT systems, many date back to the early days of computing before the Internet and before the identify theft challenges of the modern information age. As a result, personal information such as Social Security Numbers were used as customer identifiers and thus were key to accessing records in many of these older systems. These older ways of doing business are no longer acceptable



and we are confronting the significant challenge of removing sensitive data whenever possible.

Let me assure you that we did not wake up to this challenge just last week. Addressing these issues has been a long, ongoing effort. In Fiscal Year 2006 alone, we continued our Federal Information Security Management Act implementation, inventoried our Privacy Act data, scrubbed systems for unnecessary uses of personal identifying information, began encrypting mobile computers, strengthening remote access controls, required Privacy Act training throughout the Department and established incident response protocols.

Regarding the recent incident that brings us here today, on Friday, April 13, USDA learned that a grantee found her company's identifying information posted on a public website. The identifying number was embedded with other numbers in a larger data field known as a Federal Award Identifier Number, or FAIN, in a system known as the Federal Assistance Award Data Systems, or FAADS. Officials in my office immediately recognized the potential sensitivities of this information and that same day the identifying numbers associated with the funding were removed.

Unable to conclude that this was an isolated instance, we continued our analysis of the information and here is what we found. Many years ago, the predecessor agencies to the Farm Service Agency and Rural Development established identifier numbers for borrowers or grantee applicants; but for some, not all, programs they adopted as a unique file identifier a number that included the Social Security Number for an individual recipient or the IRS-issued EIN for business recipient. When the predecessor agencies began providing USDA grant and loan data to FAADS as required in 1982, they simply used the agency-created code as a Federal Award identifier number.

Pursuant to the direction from the Office of the Chief Information Officer last year, USDA agencies searched for the presence of Social Security Numbers in their systems but the FAINs eluded the attention because the sensitive information was not readily apparent when viewing the aggregated data. After extensive evaluation of approximately three million records spanning a period of 26 years, we were able to determine that the public website in question contained sensitive information relating to approximately 35,000 individuals from FSA programs and 3,700 from Rural Development programs.

Our immediate first steps were to confine and fix the problem while at the same time making sure that we did not take any actions that would make the problem worse. To date, there is no evidence that this information has been misused. Nonetheless, we are offering 12 months of services to help affected persons monitor and protect their credit. USDA funding recipients whose personal information was exposed have been notified by mail and are being provided with instructions for setting up the credit monitoring.

As a result of this recent incident, we have initiated additional actions consistent with the recommendations included in the recently released strategic plan to the President on identity theft. The written testimony provides additional details but in brief summary, these actions include re-inventorying all of our data collec-

tions, expanding reviews to include external entities, updating our Privacy Act and awareness efforts, and integrating information protected in our annual internal controls assessment.

While this incident focuses our attention on protecting sensitive data, USDA is also redoubling its efforts in the area of overall IT security. To emphasize how seriously that we have taken our role as data stewards, we are focused on improving our logical and physical access controls, our software change controls and our disaster recovery capabilities.

In closing, I again want to state that we regret the incident that has occurred. We are committed to taking care of the individuals who are affected and we will fix the problems which led to this issue.

Mr. Chairman, we would be pleased to take any questions from the Committee.

[The prepared statement of Mr. Christopherson follows:]

**Written Statement of the Honorable Charles R. Christopherson, Jr.  
Chief Financial Officer  
U.S. Department of Agriculture**

**Before the  
Agriculture Committee  
The U.S. House of Representatives  
May 2, 2007**

Mr. Chairman, Ranking Member Goodlatte, and members of the Committee, thank you for your invitation to appear before you today to update the Committee on current events related to information technology at the United States Department of Agriculture (USDA).

I am Charles Christopherson, Chief Financial Officer at USDA. My role with respect to information technology is to ensure that the financial systems throughout the Department work together and protect the security of financial information. I am joined today by Dave Combs, the Department's Chief Information Officer (CIO) and Senior Agency Official for Privacy; and Bpyd Rutherford, our Assistant Secretary for Administration.

We are here today primarily because of the recent discovery that approximately 38,700 Social Security Numbers (SSNs) had been inadvertently made public through a government-wide system known as the Federal Assistance Awards Data System (FAADS). This information was also reposted by other commercial or non-profit websites. At the outset, let me state that we take full responsibility for this incident and offer no excuses. We regret the exposure of this sensitive information (by sensitive information we mean personally identifiable information about individuals) and the concern it has caused the citizens we serve.

In my testimony today, I would like to achieve four principal goals. First, to provide the context for this incident, I would like to provide some basic information about USDA's information technology portfolio and our ongoing efforts to protect sensitive information. Second, I will brief the Committee on the facts of the incident. Third, I will describe for the Committee exactly how we are taking responsibility and implementing corrective action, in light of this incident. Finally, I will take a few moments to update the committee on our ongoing efforts to further bolster our overall information security.

#### **Background on Protection of Sensitive Information**

USDA is comprised of Departmental headquarters, 17 component agencies, and 12 staff offices. We have approximately 100,000 employees located in some 7,200 offices throughout the world. Each of the 17 agencies has a Chief Information Officer who oversees IT systems and processes; many of which have evolved over many years. Many of our systems date back to the early days of computing, before the internet, and before the identity theft challenges of the modern information age. As a result, more than 250 IT systems were developed over the course of several decades. Personal information, such as SSNs, were used as customer identifiers, and thus were key to accessing records in many of these older, legacy systems.

In this new era, where individuals must guard themselves against the risks of identity theft, these old ways of doing business are no longer acceptable. Unfortunately, our complex tapestry of systems cannot be unwound by pulling on a single thread. Rather, it

requires a sustained and coordinated effort that simply takes more time than we would like, as well as substantial resources.

Let me assure you, that we did not just wake up to this challenge last week. Addressing these issues has been an ongoing effort. For the past several years, we have been working on implementation of the Federal Information Security Management Act (FISMA). FISMA is a law which provides a framework to protect all Federal information – including sensitive and personally identifiable information. In USDA's most recent quarterly Federal Information Security Management Act (FISMA) report, a total of 56 systems were identified as containing sensitive information. These information systems are secured based on the type of information which they contain. When a system is found to be maintaining or transmitting personally identifiable information – we protect it using a set of security controls developed specifically for high and/or moderate impact information systems. In Fiscal Year (FY) 2006, we took several important steps. Let me provide a few examples. On June 22, 2006, OCIO issued a memo entitled "Management of Privacy Act Data" to all USDA agencies requiring a complete inventory of all systems that store or process data protected under the Privacy Act, and directing a review of all operations to determine compliance with Department policy. While this memo did not explicitly address the use of embedded SSNs, it did set into motion a process to identify and thoroughly scrub all improper and unnecessary uses of personally identifying information. This was followed by a July 13, 2006, directive to implement the recommendations of OMB Memorandum 06-16, including actions to encrypt all mobile computers and to install two-factor authentication for remote access to

USDA systems. In addition, all USDA employees and contractors were required to complete a "USDA Privacy Basics" course between July 18, 2006, and September 15, 2006.

In response to a recommendation from the President's Taskforce on Identity Theft, Mr. Rutherford and I sent a memorandum to the users of the financial and human capital systems explaining the breadth of their responsibilities concerning information protected under the Privacy Act. The memorandum states: "To be clear, safeguarding people's sensitive information is not an option, it is a responsibility engrained into every financial and human resources position." Since August 2006, USDA organizations including the Office of the Chief Financial Officer have held additional privacy information training sessions and worked to remove social security information from reports.

On October 5, 2006, we amended Standard Operating Procedure (SOP) to assist the United States Department of Agriculture (USDA), Computer Incident Response Team (CIRT) in processing reports of computer security events. This SOP is designed to assist the security analyst in determining which events should be elevated to incidents, and which events should be escalated to United States Computer Emergency Readiness Team. The document also outlines procedures for dealing with different types of events and incidents, the requirements for escalating incidents to senior officials, and for facilitating CIRT interactions with other organizations, both internal and external to the Department.

On April 6, 2007, the Department added to the Senior Executive Service (SES) Performance Standard the requirement that “ensures 100 percent of the workforce (Federal and contractors) have successfully completed the Computer Security Awareness and Privacy Refresher training. All new employees/contractors with access to Information Technology (IT) systems receive a security briefing prior to access being granted.” Each of our SES leaders provides an important management role in protecting privacy information.

Prior to the recent incident, the three of us (the Chief Financial Officer, the Chief Information Officer, and the Assistant Secretary for Administration) had already commenced working on eliminating unnecessary usage of SSNs as an identifier at USDA. To date, this project has eliminated unnecessary usage for approximately 29,500 individuals. We also initiated a requirement that each employee and contractor with access to information technology systems or personal privacy information take Privacy Act training. The continuing training program is used to reinforce the fact that every person is responsible for protecting sensitive information.

On October 26, 2006, under the guidance of the Office of Management and Budget (OMB), USDA established its Identity Core Response Group led by the Chief Information Officer, and consisting of the Chief of Staff, General Counsel, Assistant Secretary for Administration, Assistant Secretary for Congressional Relations, the Director of the Office of Communications, the Inspector General, and other members as needed on an incident basis. The idea motivating the creation of this group was that, notwithstanding best efforts to mitigate the risks of disclosure of sensitive information,

we needed to be prepared for any unforeseen incidents that might arise. Having this structure in place was essential in allowing us to respond as swiftly as we did to the incident that brings us here today.

**The Recent Incident:**

On Friday, April 13, 2007, USDA learned that a grantee was surfing the internet and noticed that her company's identifying information was posted on the website [fedspending.org](http://fedspending.org) (a data base created and maintained by the OMB Watch organization which draws grant and contract information from two federal data bases: the Federal Assistance Award Data System and the Federal Procurement Data System). The number was not identified as a SSN or Employer Identification Number (EIN), but was instead embedded as nine numbers within a larger data field in a database known as the Federal Assistance Award Data System (FAADS).

FAADS was established pursuant to the Consolidated Federal Funds Report Act of 1982. That Act and successor laws require Federal agencies to report domestic Federal financial assistance award information with particular data elements and to make that information available to Congress, States, and the public. *See* 31 U.S.C. § 6101 *et seq.* The United States Bureau of the Census (Census) serves as the executive agent for the FAADS. One of the required data elements for reporting to FAADS is the Federal Award Identifier Number (FAIN). Originally, Census released Federal assistance award information reported to the FAADS in the form of a CD-ROM. In 1996, Census began making the



data available through an internet website as well as through continued CD-ROM distribution.

Officials in the Office of the Chief Financial Officer immediately recognized the potential sensitivities of what had been learned on Friday, April 13 and that same day had the identification numbers associated with the USDA funding removed from the Federal FAADS website so that they could further investigate the situation. In addition, at the request of the Office of Management and Budget (OMB), OMB Watch removed all FAIN numbers for all entities on its FedSpending.org website. The Office of the Chief Information Officer obtained a list of entities that received the CDs from Census, and has been actively contacting these entities to request destruction of the CDs. Here is what they learned by the first of last week:

Many years ago the predecessor agencies to the Farm Service Agency (FSA) and Rural Development (RD) established identification numbers for borrower or grantee applicants and loan files. For some, but not all programs, they adopted as the unique file identifier a number that consisted of a combination of the SSN of the recipient or borrower and other agency assigned values. In some cases, it is possible that individual borrowers or recipients functioning in an entrepreneurial capacity used a SSN instead of an Internal Revenue Service (IRS) issued EIN. Federal law has long required that Federal agencies collect the SSN or EIN of entities and individuals receiving financial awards from the Federal government to report income to the IRS or perform debt collection activities.

When the predecessor agencies to the Farm Service Agency (FSA) and Rural Development (RD) began providing USDA grant and loan award data to FAADS as required in 1982, they simply used the Agency created code as the Federal Award Identification Number (FAIN) for FAADS. Pursuant to the direction from OCIO last summer, USDA agencies searched for the presence of SSNs in their systems, but the FAINs eluded attention because the sensitive information was not readily apparent when viewing the aggregated data.

During the week of April 16th the week immediately following the discovery on Friday, April 13, USDA first analyzed the potential breadth of the problem. After evaluation of approximately 3 million detailed original award and award modification records spanning a period of 26 years, it was determined that the information provided by the Farm Service Agency (FSA) and Rural Development (RD) to the public website in question contained sensitive information relating to approximately 38,700 persons.

Approximately 35,000 of the individuals participated in one of the following FSA programs:

- Seed Loans;
- Emergency Loans;
- Farm Ownership Loans;
- Apple Loans; and
- Soil and Water Loans and Horse Breeder Loans.

Approximately 3,700 of the affected individuals participated in one of the following RD programs:

- Business and Industry Loans;
- Community Facilities Loans and Grants;
- Single Family Housing Guaranteed Loans Natural Disaster;
- Rural Rental Assistance Payments;
- Rural Rental Housing Loans;
- Rural Rental Housing Guaranteed Loans;
- Farm Labor Housing Loans and Grants; and
- Renewable Energy Systems and Energy Efficiency Improvements Program.

Our team was very deliberate in designing reconciliation between FAADS and our internal USDA files to make sure we considered all recipients, whose records were sent to the system, going back to the inception of the system in 1981.

The initial universe of potential transactions summarized by Recipient Name, Recipient Type, Federal Award Identification Number, State, Catalog of Federal Domestic Assistance Number, and other fields (including each award and subsequent modification for non aggregated transactions) exceeded 700,000 records. Using a combination of the Recipient Type and Recipient Name fields, the USDA team was able to eliminate all transactions that were not made to small businesses or individuals and that contained nine or more numeric digits. This narrowed the potential universe to approximately 189,000 recipients.

USDA's agencies then matched the record sets against their program systems and eliminated an additional number of records as not containing SSNs. Through this methodology, we determined that approximately 38,700 unique SSNs were posted publicly. The design and execution of this methodology took approximately 9 days to complete. Upon completion USDA began mailing letters to the affected individuals on April 23, 2007. We expect all affected individuals received notification by May 1, 2007.

#### **USDA's Response**

USDA's response to this incident is twofold. First, we took immediate steps to protect the individuals whose sensitive information has been exposed. Second, we are stepping up our system wide efforts to protect sensitive data and to further reduce the possibility of a similar incident.

Our immediate first steps were to confine and fix the problem, while at the same time making sure not to take any actions that would make the problem worse. To date, there is no evidence that this information has been misused. USDA is offering 12 months of credit monitoring services to help affected persons monitor their personal accounts. This includes:

- Availability of live customer service agents 24 hours, 7 days a week;
- Subscription for credit monitoring by phone, U.S. Mail, fax, or internet;
- Daily alerts and unlimited reports via internet, or quarterly reports by U.S. Mail;
- Assistance if individuals identity is stolen or misused;

- \$20,000 insurance policy for identity theft (Except for the State of New York, where companies are currently unwilling to underwrite identity theft insurance coverage until New York State Legislators pass a bill affirming the legality of identity theft insurance coverage.)

USDA funding recipients whose sensitive information was exposed are being notified via mail and are being provided with instructions on how to register for credit monitoring. In addition, we established a toll free line for recipients with questions to call. They can also visit [USA.gov](http://USA.gov), which has a question and answer page on this incident.

As a result of the recent incident, we have initiated the following additional actions consistent with the recommendations included in the recently submitted report to the President by the Identity Theft Task Force, titled "Combating Identity Theft: A Strategic Plan":

- 1) We have directed all agencies to re-inventory all the data they collect, either electronically or via paper, to ensure that we have full knowledge at the agency and Department-level of any documents, files, or databases that contain sensitive information;
- 2) We have directed that all USDA agencies identify to us all Federal and non-Federal entities to which they provide data, the source of that data, whether any sensitive information is included, and the justification for its inclusion. The provision of data to external entities was not assessed in our 2006 inventory data gathering effort;
- 3) We are undertaking a review of our current Privacy Act training program and will assess its adequacy in communicating the stewardship role USDA has over personal

information, whether or not the data is covered by the Privacy Act, and make the changes required;

4) We have added the safeguarding of sensitive information as control items to be routinely evaluated as part of our Departmental level annual internal control assessment. These controls have historically been assessed at the agency level. Our implementation of a standard Departmental approach to assessing controls over financial reporting has shown that a Departmental adoption of a standard methodology for documenting controls, defining test criteria, and evaluating test results moves us to a scientific measurement of effectiveness thus improving our ability to rely upon these controls.

We believe these actions will get to the root cause of this recent data incident and prevent further occurrences. We will do what is needed to track the results of these efforts and provide the leadership needed to ensure that we provide appropriate protections for sensitive data.

While this incident focuses our attention on protecting sensitive data, USDA is also redoubling its efforts in the area of overall IT Security to emphasize how seriously we take our role as data stewards.

#### **Overall IT Security Initiatives**

Of course protection of individuals' sensitive information is just one component of an agency's overall IT security program. USDA has had an ongoing challenge related to IT Security. Annually we review and identify material weaknesses in our internal controls

over information technology. A material weakness is a condition in which internal controls do not reduce the risk that significant errors or fraud may occur or not be detected in a timely manner. These weaknesses which were detailed in our Performance and Accountability Report, previously sent to the Congress, include:

- 1) Access controls, logical – Insufficient controls over access to systems and databases, e.g., weak password parameters;
- 2) Access controls, physical – Insufficient controls over physical access to locations where systems are housed, e.g., mission critical systems operated outside of controlled data centers;
- 3) Software Change Controls – Insufficient controls over changes made to software, e.g., changes made to software without testing;
- 4) Disaster Recovery – Lack of timely recovery capabilities for mission critical systems.

These material weaknesses were previously identified, and although progress has been made, they remain on the list. To bring additional senior oversight to the resolution of the information technology problems, we assigned the Deputy Chief Financial Officer and the Deputy Chief Information Officer to coordinate and oversee all USDA agencies efforts to remedy these IT weaknesses. In areas where full remediation of a weakness will take an extended period of time, e.g., when only a full system replacement will completely fix the underlying weakness, they are ensuring that the USDA agencies implement immediate short-term solutions to ensure that our IT resources and data cannot be compromised.

In closing, I want to again state we regret the incident occurred and are committed to taking care of the individuals affected and to fix the problems which led to this issue. We would be pleased to report back to the Committee on our progress and IT issues. We know it is important and the responsibility of everyone to protect the information of individuals with whom the Department does business.

Mr. Chairman, we would be pleased to respond to any questions from the Committee.



The CHAIRMAN. I thank the gentleman, and the other two gentlemen are just here for backup?

Mr. CHRISTOPHERSON. Yes, sir.

The CHAIRMAN. All right. We thank you very much for that testimony, and I think we have a number of Members that have some questions, but I am going to give my time to Mr. Space to start the questioning because he is the one that was on top of this before anybody else, so we appreciate, Mr. Space, your diligence and hard work, and I will yield to you for 5 minutes or maybe give you a little bit of leeway.

Mr. SPACE. Thank you, Mr. Chairman, for deferring your time to me as well as for agreeing to this hearing, and I would like to thank you, Mr. Christopherson, for testifying today.

All of the Members of this Committee remember the situation that occurred with the Department of Veterans Affairs, and while that situation was disturbing, this security breach is in some ways worse. The Department put this personal information online through an overt act which is very difficult, it not impossible, to retrieve. These information security problems are nothing new at the USDA, unfortunately. The OMB, National Institute of Standards and Technology, and the USDA's Inspector General have all documented in numerous reports the history of poor performance when it comes to information security. The agency lost, I understand, 95 computers with access to personal information, according to the USDA's IG report a few months ago. The reason this latest security breach is so troubling is that farmers and ranchers live and die by their credit. If the agency put one of them at risk for identity theft, that would be potentially devastating to their businesses. I believe many farmers and ranchers already distrust the government, frankly, and this fiasco will prevent the USDA from accomplishing its mission to assist these producers.

Mr. Christopherson, in your written testimony that had been delivered to the Committee prior to this hearing, you indicate at page five that before the revelations that occurred on April 13 of this year, the USDA had already commenced working on eliminating unnecessary usage of Social Security Numbers as identifiers. The project of eliminating SSNs as identifiers had resulted in identifying over 29,000 people who had previously been identified with their Social Security Numbers, and the question I have for you is, when was that project started to start to eliminate Social Security Numbers as identifiers?

Mr. CHRISTOPHERSON. What I will do is, I will actually defer part of this question to our Chief Information Officer that actually led that initiative. We have actively for this last year moved through a process to identify the areas of USDA and the systems that have this information in it. We are—

Mr. SPACE. My question is, when was that project begun? When was it? I would like a date within a month or two when the project to eliminate Social Security Numbers as identifiers was begun by the USDA.

Mr. CHRISTOPHERSON. Okay. I know this was within the June time frame, and—

Mr. SPACE. I would like to know when it was begun. Your testimony indicates that prior to this event occurring, the USDA, you

as well as the other gentlemen with you today had already commenced working on eliminating unnecessary usage of SSNs as an identifier at USDA. Simple question: When was that project started?

Mr. COMBS. I found my information, sir. It was June of last year that we began this process following the tremendous publicity, as you are aware, with the Veterans Administration incident that certainly raised the awareness of everyone about this particular issue. We initiated this, basically a re-review of all of our systems and looking where we use Social Security Numbers, with the view of eliminating unnecessary use back then. It is such a pervasive, broadly-found issue throughout the Department that it is not a short exercise to do that and so even today we continue to try to find places where these are unnecessarily used.

Mr. SPACE. So it would have been about 10 months before April 13 that a process was begun to eliminate Social Security Numbers as an identifier?

Mr. COMBS. Yes, sir.

Mr. SPACE. And apparently during that process over 29,000 people's identifying information was changed from their Social Security Number to something else?

Mr. COMBS. Yes.

Mr. SPACE. All right. Were any of those individuals posted on the Internet?

Mr. CHRISTOPHERSON. No, not that we are aware of. None of those individuals were actually posted to the Internet. This is the first occurrence that we know about.

Mr. SPACE. And your testimony indicates that upon discovery of the use of the SSNs on April 13, you immediately recognized that there was a problem and you were able to remove all 37,800 numbers in 1 day from the Internet. Is that a correct reflection of your testimony?

Mr. CHRISTOPHERSON. Actually we actually removed those from what is called the FAADS database, which is a public access database, and it was all the records for USDA at that time.

Mr. SPACE. Okay. So you were able to accomplish that in 1 day?

Mr. CHRISTOPHERSON. For the FAADS database, which is actually held by the Census there, the executive group that manages that system, yes.

Mr. SPACE. Right. So here is a question that I have for you, Mr. Christopherson. How or why is it that when you are aware of the problem but that knowledge is internal and not available to the general public, you are not able to identify and remove Social Security Numbers that are listed on the Internet over a course of 10 months from the time that you recognized that that may be a problem? Those names stayed on the Internet for 10 months. As soon as the problem gets disclosed to Congress and the general public at large, you are able to do that in 1 day. I have serious concerns about the oversight and the lack of prioritization and the lack of commitment to the Privacy Act that the USDA has displayed, not just with this but with the loss of 95 computers that contained non-encrypted information of a sensitive nature. I guess I am looking for answers as to why the only time the USDA seems to get serious about protecting people's privacy is when they get called.

Mr. CHRISTOPHERSON. Actually, we are very serious about protecting people's information. The reason why this was not detected was, it was actually embedded in a 15 digit number. You know, if it was a nine digit number, we would have picked it up right away. However this information actually was exposed for a longer period of time. We did go through and were actively checking for information that contained Social Security Numbers but it was embedded in a 15 digit number and was just not readily apparent.

Mr. SPACE. But—

Mr. CHRISTOPHERSON. Now, we are moving back to actually look at those factors again to make sure that we find all this information.

Mr. SPACE. Mr. Chairman—

The CHAIRMAN. Well, I will tell you what, the Ranking Member is here now and he has a statement, so we will give you some more time here in a little bit.

Mr. SPACE. If there is time for that, Mr. Chairman. I do thank you deferring your time.

The CHAIRMAN. There will be time, and we will recognize you.

Mr. SPACE. Thank you, Mr. Christopherson.

The CHAIRMAN. I want to recognize, right now, the distinguished Ranking Member for a statement, and I am also going to let him ask a couple of questions, and maybe we just won't even run that thing right now so that it doesn't beep. It can be a useful thing that this is kind of like the *Gong Show* or something here to intimidate people but anyway, we are pleased to have the Ranking Member, Mr. Goodlatte, here. I will recognize him at this time.

**OPENING STATEMENT OF HON. BOB GOODLATTE, A  
REPRESENTATIVE IN CONGRESS FROM VIRGINIA**

Mr. GOODLATTE. Thank you, Mr. Chairman. Thank you for holding this hearing.

The discovery that the Social Security and tax identification numbers of more than 38,000 USDA customers has been posted to a publicly accessible Internet site is disturbing on many levels. This event is only one of several in which the personal identification information of farmers, other clients or employees has escaped the control of the USDA. In this case, however, the numbers were actually placed on the Internet where anyone could access them. Perhaps the worst aspect of this episode is that the original error occurred in 1981 and that the data has been on the World Wide Web since 1996. The number of questions that this raises is staggering. For example, is there any reason to believe that if a farmer in Missouri had not stumbled across her personal identification in a general search of references to her farm would USDA have ever found this problem? Does the Department know all the locations of information that they have officially shared or publicly made available? Do they know whether there are any other instances where personal identification information has been released? What steps are being taken to ensure that this does not happen again? These are the types of questions that our Committee will want answered in today's hearing. We should all take note that this event occurred in the midst of a major debate over producers surrendering large amounts of sensitive business and personal information in the live-

stock industry. The performance of the USDA in this episode certainly lends significant credibility to those who fear that their information will not be protected from release while in the hands of the USDA.

Mr. Chairman, I hope that this hearing will provide some sense of reassurance to the millions of customers of the Department that episodes like this are not the *status quo* at the USDA; and that the U.S. Department of Agriculture is making a concerted effort to ensure in the future customers won't have to worry that their personal information will be showcased on the Internet.

Mr. Christopherson, if I might ask you, I understand there are 250 information technology systems that have been developed at the Department over the years. How many of them contain Social Security Numbers as an identifier?

Mr. CHRISTOPHERSON. That is approximately 56 of those systems contain that information.

Mr. GOODLATTE. Have all of these systems been evaluated to determine whether or not they contain a Social Security Number as an identifier? I take it from your answer to my first question that you have done that.

Mr. CHRISTOPHERSON. That is correct.

Mr. GOODLATTE. And in your opinion, are any of these numbers at risk of release at this point?

Mr. CHRISTOPHERSON. The only numbers that we show that have been released are these approximately 29,000.

Mr. GOODLATTE. And how long will it take to remove these remaining Social Security Numbers from these systems to ensure that events like this do not happen again?

Mr. CHRISTOPHERSON. There are a couple of factors with the Social Security Numbers. Being a large loan and grant-making agency, we are required to pull in this information both for debt collection and various other reasons. This will take numerous years on some of these older systems to basically remediate and contain the information. Now, we do have plans associated with that, *et cetera*, but a lot of this information USDA will have for the life of its agency.

Mr. GOODLATTE. Well, what is the process for removing the numbers from the system? Do you have some other identifier that you can use to replace that with?

Mr. CHRISTOPHERSON. We will be using other identifiers as we modernize these systems or as we adjust them to change.

Mr. GOODLATTE. How many unnecessary uses of Social Security Numbers as an identifier currently exist in the USDA system today?

Mr. CHRISTOPHERSON. We don't fully understand or know exactly how many are actually unnecessary. These are old systems. In the 1980s, these were key indicators. What is important for us today is that we actually wrap internal controls around this information to make sure that it does stay in the systems and does not get exposed to the outside.

Mr. GOODLATTE. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman, and those are good questions. I have got a couple questions but I will go down the line here first a little bit.

Mr. Etheridge from North Carolina.

Mr. ETHERIDGE. Thank you, Mr. Chairman, and thank you for holding this hearing.

It is quite obvious from the questions thus far, Mr. Christopherson, that there is concern certainly on this side of the table, and I hope you can clear up some confusion. According to a report and your answer thus far relating to this incident, the numbers were found of course as you already said by a farmer on the website, *federalspending.org*, which really is a nonprofit group who sort of keeps an eye on OMB. So was this not actually a USDA website conveying this information or was it linked to a USDA website? Can you clear that up?

Mr. CHRISTOPHERSON. Yes. *Federalspending.org* is actually a public website or an awareness website for the public. It is a not-for-profit or private website.

Mr. ETHERIDGE. So it was linked to USDA?

Mr. CHRISTOPHERSON. It receives its information from what is called the FAADS information, which is actually held by Census and we feed that information into this public database to make it available.

Mr. ETHERIDGE. Okay. With that answer then, this was a private website that—

Mr. CHRISTOPHERSON. It was a private website.

Mr. ETHERIDGE. All right. That USDA had been working with to provide information about program users ought to be a concern to all of us and should have been a flag to USDA all along. We have seen from time to time again how the rush to privatize federal workers at USDA and hire contractors often results in the work just not getting done in a timely manner. I know this is an ongoing problem with our FSAs because their websites tend to be down quite often. Can you enlighten me as to how much of the IT functions at USDA are being farmed out to private contractors at this time?

Mr. CHRISTOPHERSON. First I want to clear up something here. The information that is on this private website is actually requested and is by law available to them by what is called the Federal Award Assistance Data System. I want to make sure that is very clear that they have access to this, lawfully, to request this data. On the question when it comes to how much of our IT function is by contractors, I will be happy to actually submit that to the record. I don't have that full information here today.

Mr. ETHERIDGE. Do you have any idea what that number might be?

Mr. CHRISTOPHERSON. I don't. I don't have any idea exactly what that number is and I would hate to actually throw out an estimate for this Committee.

Mr. ETHERIDGE. That is troubling in itself for someone who is in charge of finances and does not know in dealing with the IT how much of it might or might not be. I think this ought to be a cause for concern for this Committee and you ought to be concerned yourself and the Members seated adjacent to you if you have no idea

how much of it we are putting out on private contract. But I hope you will provide that to this Committee in writing.

Mr. CHRISTOPHERSON. I would be happy to.

Mr. ETHERIDGE. I will make that request, Mr. Chairman, because I think that is important for us to have.

Mr. CHRISTOPHERSON. And the complexity behind this answer is actually dealing with, we actually have contractors in-house that supplement our employee base. We have contractors that are actually contracted out under a formal contract as a section of this information where we have very clear and distinct requirements for these contractors. So this is actually a complex question and will require a fairly lengthy answer to actually address this.

Mr. ETHERIDGE. Well, you have gotten a little bit deeper into it then. As you give that answer, would you divide that up so we can know how many are in-house contractors, how many outside contractors, how many of them are under contract and how those contracts are drawn, whether they are open-ended contracts or whether they are contracts that are for definite periods of time with open bids and their bid contracts.

Mr. CHRISTOPHERSON. We would be happy to provide that.

Mr. ETHERIDGE. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman. Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman.

Gentlemen, I appreciate you being here today. I compliment you on your forthrightness. I appreciate that. Looking at the USDA's response as shown on page 10, it looks to me like you have done everything you need to do to protect anybody who might have been harmed by this. Any evidence that over the 11 years this information was on the Web that anybody was harmed as a result of these 15 digit numbers being available to the public?

Mr. CHRISTOPHERSON. No, we do not have any evidence of that.

Mr. CONAWAY. Okay. Anybody make any claims? Anybody call in on the 24 hour hotline yet, questioning USDA?

Mr. CHRISTOPHERSON. No, nobody has actually made any claims that that—

Mr. CONAWAY. So the 39,000 folks out there that got a letter saying that their embedded nine digit Social Security Number was in a bigger 15 digit number had been available for 11 years, those 39,000 so far, they have been relatively calm about their response?

Mr. CHRISTOPHERSON. Right. Actually what happened is, we had very little response up until they actually started to receive the letters. Even with the press information that had been released—

Mr. CONAWAY. No, but until they get a letter though, they don't know that their name was on the list.

Mr. CHRISTOPHERSON. Right.

Mr. CONAWAY. But they now have it? You are managing those responses?

Mr. CHRISTOPHERSON. We are. We have set up an 800 number for them and allowed them to call in and have ample questions and—

Mr. CONAWAY. All right. Who is providing the \$20,000 insurance policy? Is that self-insured by the agency or did you buy those policies somewhere else?

Mr. CHRISTOPHERSON. No, that was actually part of the service that we are providing these people so we are not self-insuring. It is actually part of the fee that we pay into the service.

Mr. CONAWAY. Okay. The response service?

Mr. CHRISTOPHERSON. Right.

Mr. CONAWAY. Let me ask you something else. On all of your systems, I would suspect you would have had various levels of backup copies, and is it part of your overall review since June as well as the review on this system, are you confident that you have purged all of the backup systems the same way you have purged the current operating system that you are using?

Mr. CHRISTOPHERSON. This information, as we have gone out to assess this information previously, it does address the full system, including backups of this information.

Mr. CONAWAY. All right. Again, I compliment you on your response and the level of attention you have given to it on a go-forward basis.

Mr. Chairman, I yield back. Thank you.

The CHAIRMAN. I thank the gentleman.

I recognize Mr. Boswell.

Mr. BOSWELL. Thank you, Mr. Chairman.

You have briefly covered some of this; but in your testimony you stated the information provided to the Farm Service Agency and Rural Development to the public website contained the 38,000 individuals. Is that an isolated event?

Mr. CHRISTOPHERSON. That is an isolated event according to this, you know, these Social Security Numbers that are in this 15 digit number.

Mr. BOSWELL. How do you know that this information was not offered to other public websites?

Mr. CHRISTOPHERSON. We do not know that it has not been offered to other public websites but let me tell you what we have done pertaining to this. We have actually pulled the information on those that actively receive this as a mailer, or have actively received this as a link, or have actively received this as a download. Those people have been contacted. We haven't been able to fully contact all of them but we have actively tried to contact them. We will continue to try to contact them. It is approximately 92 different groups. We will make sure that we will—

Mr. BOSWELL. So you have got an ongoing process trying to contact the affected individuals?

Mr. CHRISTOPHERSON. We have an ongoing process to try to work with—

Mr. BOSWELL. Would you say you are 75 percent complete?

Mr. CHRISTOPHERSON. On the actual 92 different groups, we probably have contacted and actually spoken to I think the number is around 38 at this point.

Mr. COMBS. It is over half of them.

Mr. CHRISTOPHERSON. Right, and the rest of them we actually have messages. Anyway, that is about where we are at.

Mr. BOSWELL. You mentioned that the affected individuals can opt into identity theft protection and will be insured. Will this be retroactive?

Mr. CHRISTOPHERSON. This will be based on the policy that we have actually received from the vendor. I believe—

Mr. BOSWELL. So what is—

Mr. CHRISTOPHERSON.—it is actually retroactive. I think it is actually for the period of time that they are opting in and setting themselves up, but we will actively, for a period of time, try to pull in as many as we can of these farmers and continue our outreach efforts to sign up as many as we can.

Mr. BOSWELL. Since this information has been available for quite some time, say someone has been a victim of identify theft and can trace it back to information that USDA provided, will they be covered by this policy?

Mr. CHRISTOPHERSON. I think as those instances come up, we will have to look at them as each independent instance. This issue of identity theft is a broad issue right now. Like I said, we regret that this happened and that it has been out there for a period of about 26 years that people could actually either by CD or by public website pull this information in, but we will look at those independently if they actually do—

Mr. BOSWELL. Have you had any requests for that yet?

Mr. CHRISTOPHERSON. We have not had any requests for that as of yet.

Mr. BOSWELL. Okay. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman.

Mr. Walberg.

Mr. WALBERG. Thank you, Mr. Chairman.

Just one basic question. I appreciate you being here and testifying and I appreciate the efforts you are taking now. This is something that has gone on for some time. It goes back a number of years but the impact is now and into the future. My office was contacted by one of these recipients and after receiving the letter that you sent out, which was appreciated by my constituent, however, he was very much concerned when he called the number and he got the answer that he would have to wait for a couple weeks until they came up with a process. It seems to me like it is not a good thing to send out a letter informing of the issue if the process isn't in place to handle it. Ultimately he was contacted back after our office made contact with the Department. So do you have a response to that? Is this just one strange experience that took place or you have had other indications that people who do use your 800 number and call now are receiving information that we are not ready to deal with it, wait a couple weeks and we will provide the information?

Mr. CHRISTOPHERSON. Well, let me tell you a little bit about the process. We actually—this was a conscious decision to notify these people as soon as we possibly could. One of the things that we wanted to do was to make sure that those who are not affected individuals fully understood that they were not affected. We wanted to make sure that the pool of those affected understood that they were affected. Now, the procurement process for these services takes a little bit of time and we were able to do that fairly fast but it was important that we actually did notify these people. Those letters went out approximately a little over a week ago. Now, the letters pertaining to the service and the setup, *et cetera*, have been



drafted. They are in the process of moving out. They have started the process of moving out. It takes about 3 days to send this number of letters out. So those of your constituents in your area will receive those letters shortly and it will be very detailed with the information to say this is how you set it up, this is the code that you use and these are the services that you will be provided including if something was to happen to your identity or that information was actually compromised, here is a group that will help you get that back.

Mr. RUTHERFORD. Excuse me. Can I add something?

Mr. WALBERG. Sure.

Mr. RUTHERFORD. I believe I actually spoke to your constituent on Monday evening and explained pretty much what Mr. Christopherson just said, but also that we were starting the process of mailing the second batch of letters which would explain the process for enrolling in the credit monitoring service. In terms of the difficulties that he had with the 800 number, it is the communications challenges that we have been working out. We think we have gotten those corrected as far as the information that is passed on and they are making sure that the number is updated on everything that we are doing.

Mr. WALBERG. Thank you. Thanks for your answer.

The CHAIRMAN. I thank the gentleman.

Mr. Salazar.

Mr. SALAZAR. Thank you, Mr. Chairman.

Mr. Christopherson, you talked about notifying these individuals who had been affected and you talked about sending out a letter 15 days ago or 2 weeks ago. Did you notify these individuals immediately or how quickly did you notify them when you found out what the problem was?

Mr. CHRISTOPHERSON. What we did is, it actually happened about 7 days ago, so that we are clear. As soon as we could actually narrow it down to the people that were actually affected and that took some time to get through these three million records, we did have a letter that was ready to go. We merged those in and we sent those right away. So we sent that as soon as we possibly could so that those who would be concerned over this and they were not affected would know as well as those who were affected would also know.

Mr. SALAZAR. Okay. And are you able to pinpoint where the problem actually occurred and did you do any kind of disciplinary action with the individuals who would ultimately be responsible, whether your IT people or—

Mr. CHRISTOPHERSON. This exposure was over a long period of time, about 26 years. This was an embedded number that was in a larger field. As we look back through the scenario, this was a 15 digit field that wasn't easily recognizable as an issue and that that information was sitting out there. It had been undetected for years and years and years. Now, as my testimony shows we did issue a number of directives in this last year to address these type of situations where we said, "You need to go through your systems and look for this and this and this and this." We are reevaluating obviously those directives that we sent out. We will look to see how this

problem made it through and we will make sure that we don't have this issue again.

Mr. SALAZAR. Okay. And for those who weren't affected on this one specific instance, if someone was to call your office, say myself as a member who participates in some of your programs, could you definitely be able to tell people that my information has not been compromised?

Mr. CHRISTOPHERSON. As you call in and you give your name, then we actually will go through and say you are not on the list.

Mr. SALAZAR. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Moran.

Mr. MORAN. Mr. Chairman, thank you very much. First of all, in my absence you mentioned my request for a hearing in regard to IT services at FSA-USDA, and I just would like to reiterate the importance of us providing necessary oversight and the Department of Agriculture making certain that the computer systems, particularly the servers, are adequate for meeting the needs of farmers, their customers. I continue to have significant concerns that the difficulties we are experiencing at FSA in regard to, at the moment, advanced direct payments is only the tip of the iceberg. I am worried that some catastrophic event may occur in which USDA is incapable of providing necessary services in any reasonable amount of time for farmers and ranchers across the country.

The CHAIRMAN. Will the gentleman yield?

Mr. MORAN. Absolutely.

The CHAIRMAN. We have been undertaking a considerable amount of background work, some of which I have been given today, but as soon as we get a little more of that pulled together, we will be proceeding to some kind of a hearing. But I want to make sure I know enough background before we get to that point.

Mr. MORAN. I thank the Chairman and I know that you have expressed to me you have concerns about the computer capabilities at the Department of Agriculture and again reiterate that I think the issues may turn out to be very serious.

In regard to the hearing today, the specifics of the release of information, I just want to make certain I understand what it is that USDA has done wrong. My understanding is that the mistake made was the inclusion of the Social Security Numbers identifying individuals within that larger number and that was the error on the part of USDA. USDA has not, as I understand the testimony or understand the facts regarding this, has not disclosed this information inappropriately. In fact, by law you are required to provide that information to the Census Bureau and it is only through access to Census Bureau information this website has been able to obtain this information. Is my understanding correct?

Mr. CHRISTOPHERSON. We are required to provide to Census Bureau information concerning the grants and loans at the Department of Agriculture. This number was embedded into a 15 digit number. Disclosing the Social Security Number wasn't appropriate for our policy. Now, we do need to provide information and have people have the ability to access that information in question through FOIA and other things that information concerning grants and loans.

Mr. MORAN. This instance, the website did not obtain the information from the Department of Agriculture but from the U.S. Census Bureau which USDA was required to disclose to the Census Bureau. Is that true?

Mr. CHRISTOPHERSON. We are required to disclose the information to the Census Bureau. The Census Bureau is actually the group that handles it for the government-wide initiative.

Mr. MORAN. And no problems would have arisen here but for the Social Security Numbers being inappropriately embedded? That is not the right way of saying that. Inappropriately discoverable in this embedded number. Had that not occurred, then the problems that we are describing today would not have occurred?

Mr. CHRISTOPHERSON. That is actually correct. Having the Social Security Numbers embedded is the issue that is incorrect, actually sending the information to the Census Bureau is not. We are required to do that.

Mr. MORAN. Thank you very much, and I yield back, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

I am now going to recognize Mr. Space for his own time. I gave him my time earlier.

Mr. SPACE. Thank you again, Mr. Chairman.

Mr. Christopherson, I want to ask you a couple quick questions about the letter that went out. When did that letter go out? Do we have a date that that letter went out to those affected?

Mr. CHRISTOPHERSON. Those affected, it actually went out a week ago Monday.

Mr. SPACE. Did they go out by certified mail? Was there any indication that we will have or that your agency will have concerning who was noticed and who wasn't?

Mr. CHRISTOPHERSON. They actually went out first-class mail. The address service was requested so that if it is not deliverable, then the post office will provide us with a slip that says this is not deliverable, or if it was forwarded to a new address, they will provide us with a slip saying that this is the person's new address so we can track them.

Mr. SPACE. All right. Do you have any idea as to the percentage of people on that list that you have received a response indicating it was undeliverable because they have changed addresses?

Mr. CHRISTOPHERSON. Right now we have approximately 25 people that it has been returned saying that we need either additional information or they have changed addresses.

Mr. SPACE. And I want to clarify something in response to a question asked earlier. You indicated that you are still working on eliminating these numbers from, we will call it an account number. I guess my question is, is there still public access in one means or another out there to these embedded account numbers?

Mr. CHRISTOPHERSON. I don't believe that there is public access out there, and like I said, these systems are very old. They have been designed where the Social Security Number was a primary field in these, just like in the 1980s even into the 1990s. I can remember at the grocery store having the Social Security Number on my checkbook to provide to the cashier. Now our world has changed and we are working to adjust these systems but no, we do

not know of any other instance where this information has been disseminated out to the public.

Mr. SPACE. And is your office investigating the possibility that that has happened through, for example, encryption on a mortgage? I know a lot of these accounts had to do with loan payments. Has your office begun investigating whether there are unintended releases of information out there that you haven't even given consideration to?

Mr. CHRISTOPHERSON. We have actually done that evaluation in the past and we are going back again to reevaluate to make sure that any and all information that is going out is clean information. We don't know of any information that we have sent out in this form.

Mr. SPACE. In this case, it is not a situation where you didn't know that these problems were out there, and you fixed them when you found out. Based on the testimony that you have offered as well as the audits by these other agencies, my impression is the USDA has known about these problems for years, certainly should have known about them, has not taken security as seriously as it should. It has not developed a commitment to adherence with the Privacy Act. And my question for you is this: Does the USDA need additional authority from this Congress, tools or resources from this Congress that will ensure the security of our farmers' and our ranchers' personal information and make sure that the USDA does in fact or is in fact able or willing to comply with the privacy laws?

Mr. CHRISTOPHERSON. We are actively addressing this issue. Over this last—as my testimony actually says—we have actually sent out about seven directives to our agencies to both evaluate the information that they have as well as address information when it comes to their desktop, to provide training in that information. That is a very key step to make sure that this information is contained.

Mr. SPACE. Are you getting the resources from Congress that you need to ensure that the privacy of these individuals is being protected?

Mr. CHRISTOPHERSON. At the current time, I believe that they are. The President's budget amply lays out the funds needed for this type of a project.

Mr. SPACE. Thank you, Mr. Christopherson.

Thank you again, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman.

Mr. Graves.

Mr. GRAVES. No questions.

The CHAIRMAN. Ms. Herseth Sandlin, you are next if you—

Ms. HERSETH SANDLIN. Thanks. I didn't know it was so close to me asking questions.

I have a question for Mr. Combs. You know, Mr. Christopherson, you mentioned in response to an earlier question the situation of what happened with the VA and the loss of records that were on a laptop. A few of us on this Committee also serve on the Veterans Affairs Committee, and during all of the oversight that we did on that issue; not just once the laptop was retrieved, was the information accessed and used for identity theft purposes; which thankfully there was no evidence to that effect, but what type of information

security measures have been undertaken at our various agencies. In the case of the VA, and one of the things that we found was that past chief information officers at the VA were very frustrated with the bureaucratic barriers that they encountered in the agency to actually implement certain controls and other security measures over the past few years, and there was reference made earlier about these are old systems and this was a number embedded in a field. Mr. Combs, has there been any instance in which you feel that you could have been able to identify it rather than someone out viewing this public website that there was a problem with one of the older programs or the older system with a Social Security Number being embedded in the field because of any barriers that you have faced in implementing your recommendations and various security measures at USDA?

Mr. COMBS. That is a very good question. USDA and my office and the network of security folks that I work with throughout the Department, as you may know, is a federated approach where there are 29 agencies and offices and we now have a very close working relationship with all of these agency CIOs. Even though they don't report to me we have a very close working relationship. My office issues policies and requirements to survey systems, to comply with FISMA and all of these aspects of security. I will have to say that I have really experienced no resistance from the cadre of folks that I deal with throughout the Department. Even though they don't report to me, that is not really an issue. We are working as a team. They are a very good group of people who are as concerned about IT security as I am, and it is just a very complex problem and we are very sorry that we did not pick up this one particular kind of exposure here. It just slipped through the net that we put out. But we are doing many, many things to tighten up our security. We are putting in system, what we call defense in depth where there are many layers of security so that people can't get into our systems. Just yesterday we had almost 20,000 people attempt to hack into USDA systems. Well, our defense caught that and blocked it. But I really can't say that I have had any resistance to these many directives and efforts that we are making. It is a pretty complex process to try to corral all of these problems because, as you know, Social Security Number is used in almost every financial system in the Federal Government because of the reporting requirements. So the bottom line is, no, I have not really seen the, "bureaucratic resistance" to what we need to do at USDA.

Ms. HERSETH SANDLIN. And how long have you been the Chief Information Officer at USDA

Mr. COMBS. Since October of 2004, I believe.

Ms. HERSETH SANDLIN. And I am pleased to hear that you haven't experienced that kind of resistance that your counterparts in other agencies perhaps have. The other part of my question was, is there anything then as a matter of resources that could have been done, not so much in protecting the existing systems but going back to older systems that seem to be part of the reason why this problem eluded the agency for 11 years in terms of detecting it, you and your cadre of folks. Where could you have identified this problem had you had sufficient resources or other authorization that you need from this Committee?

Mr. COMBS. I believe that one of the processes that we used in the past was one that was a very detailed questionnaire, but in hindsight now we see there were some questions that we needed to ask. It is called a Privacy Impact Assessment and there are some specific questions that we will now be adding to that so that something cannot be misinterpreted or just treated as general. So we will be tightening that up, and that process is one of education and learning from our mistakes or our issues that we run into.

Ms. HERSETH SANDLIN. Thank you, Mr. Chairman.

Thank you for the testimony.

The CHAIRMAN. I thank the gentlelady.

Does the gentlelady from North Carolina have any questions?

Ms. FOXX. No, sir.

The CHAIRMAN. Mr. Walz?

Mr. WALZ. Thank you, Mr. Chairman, and thank you, Mr. Christopherson, and gentlemen for coming today and I appreciate the complexity of the issue you are dealing with and your striving for excellence is appreciated. I know it is a tough job. The issue is with personal information security. It is pretty much a zero-sum game though. If you lose it, you lose it and it causes problems and we all know that. My question is somewhat I guess segueing with the gentlewoman from South Dakota's question. I also sit on the Veterans Affairs Committee and we have been through this numerous times. I am one of the people who received one of those 26 million letters last year, and to sit in there several weeks ago and listen to the people from the VA tell us that since that time the incident that lost 26 million, we have had in excess of 100 such breaches of security that lost personal data. This was after all the scrutiny had been brought down on them. It had been when their resources were reallocated and everything. We are still having that.

My question is maybe a little broader and to ask you with your experience on this, is there any sharing of lessons learned and best practices amongst agencies in the U.S. Government, or are you convinced that the systems technology that you have is so vastly different from the VA that the protocols they are following or not following would not apply to you? I am just wondering what type of sharing happens amongst agencies when it comes to IT.

Mr. CHRISTOPHERSON. Well, I will let Mr. Combs answer a piece of that because obviously the CIO's organization has the ability to share information and I know that they do. As well as the information between the CIOs, I can tell you that we read reports and information from various aspects of the government to understand where this information actually gets disclosed, *et cetera*. This is a learning game obviously. These people out there are smart that look at these systems. We are constantly on the educational phase of this to make sure that we can stay ahead of the game.

Mr. WALZ. And who does your internal audits and oversees internal IT? What is the entity that does that internally inside USDA?

Mr. CHRISTOPHERSON. That is our OIG, the Inspector General group.

Mr. WALZ. Okay. And you think they are fully funded? The problem we had in the VA system was that they told us when we asked them, "Do you have the resources to do all the inspections you

need,” they said no point blank. And then we asked them, “If they were seen as a part of the solution or if they were seen as a watchdog to keep at arm’s length,” and the answer wasn’t quite as I would have liked it to be. How do you think the IG is viewed inside USDA?

Mr. CHRISTOPHERSON. I can tell you, we work closely with IG and they have a high-quality group. Some of our audits and those type of functions are actually procured on the outside with large firms because we are a large agency. We have a lot of work that has to be accomplished when it comes to the audit functions but our Inspector General’s group is a very high-quality group. They seem to be very knowledgeable. They actually bring a lot to the plate as we have these discussions and we are actively moving forward with them.

Mr. WALZ. Super. I appreciate your time and your answers. I yield back, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Donnelly.

Mr. DONNELLY. Thank you, Mr. Chairman.

During the testimony, we are looking at completing inventory of the systems, memos are dated back to June of 2006, and I guess the question I have is, is how did we miss it when somebody found it on Google?

Mr. CHRISTOPHERSON. This was actually, it was embedded in this 15 digit number. Unfortunately it was the one area that was missed. This information as we look back at it was an automated function. It sent out the information. We looked, we didn’t see any other areas inside of USDA where we had this issue. Now, that being said, we are going to go back and re-evaluate all the information that we send outside as well as the systems again. We are not happy that this happened. I realize that Congress is not happy but we are very unhappy. We have worked hard over this last year to try to make sure that we had the regulations, the training to make sure from the systems to the process to the desk procedures, that everybody understood what their responsibility was and that this information was evaluated.

Mr. DONNELLY. The IT services, are any of them contracted to a private company at this time? Because I am on the Veterans Committee as well. One of the things we saw in Walter Reed that there were private contracting issues in a lot of the difficulties there. I was wondering if we are doing private contracting of our IT services at the USDA.

Mr. CHRISTOPHERSON. We do do some private contracting of IT services and we have agreed that for the record we would actually disclose information concerning those contracts. In some aspects and especially this is one of them, to have actually contractors that specialize in this is very important. Part of my background is actually as an executive responsible for a private entity that was specialized basically for our customers trying to break into their systems. It is very specialized. It is very expensive labor who does this and it is very important that we have services like that retained. So there are instances where this becomes very important in a skill set in order to have it contracted and available.

Mr. DONNELLY. So it is not a skill set that we went private to save a few bucks, it is that they have some skills that we may not have internally in the USDA?

Mr. CHRISTOPHERSON. That is correct. So in other words, what would happen would be that because this is ever changing, it takes a breadth of experience, they learn things by working with multiple customers. It is important at times that we do have these groups that are available to provide this service *versus* having our internal groups that see the same thing day in and day out.

Mr. DONNELLY. When I go home this weekend and talk to some of the farmers back home in Indiana, how do I restore their faith in this system when they say, "Joe my information is right there online," how do we rebuild that confidence?

Mr. CHRISTOPHERSON. Like I said, we regret that this happened. I realize that regret doesn't actually help out the producers out there but we are taking all the steps that are available to us in order to take care of this.

Mr. DONNELLY. So we tell them we are in full speed on fixing that?

Mr. CHRISTOPHERSON. We are on full speed on fixing that.

Mr. DONNELLY. My last question would be, one of these loans that comes through and it happens today, and I apologize if I missed this earlier but what would I find on the computer today for one of these loans or disclosures that is out there?

Mr. CHRISTOPHERSON. We have actually redacted that field out of the system at this time and we are looking at what kind of a numbering system we are going to use to replace that.

Mr. DONNELLY. Okay. So everything, if you go on that site now, they are all gone?

Mr. CHRISTOPHERSON. They are all gone.

Mr. DONNELLY. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

I am going to invoke the chair's prerogative here to ask one question because the Ranking Member and I have kind of the same question. In your statement here, you say that pursuant to the direction from OCIO last summer, that USDA agencies searched for the presence of Social Security Numbers in the system but the FAINs eluded attention because the sensitive information was not readily apparent when viewing the aggregated data. It is hard for me to understand how you could have looked at this and not seen it. Is it because you had the computers look and the computer couldn't figure this out? If somebody, if an actual person would have looked at this, it would have probably jumped out at you if you would have seen it. You know, how did that happen? How could you be actually looking for this since last summer and it gets missed?

Mr. CHRISTOPHERSON. Well, during our reviews we were actually fairly specific in the way that we asked for the information in the questions. We may have been too specific.

The CHAIRMAN. But was it just done by computer?

Mr. CHRISTOPHERSON. No, it was actually just done by computer. It was actually accomplished by our IT professionals.



The CHAIRMAN. No, but I mean, did anybody actually look at any of this stuff or did you just run a computer program trying to identify it?

Mr. CHRISTOPHERSON. No, people actually did look at the stuff, but it just was not in the format that if you were to look at it that it was very apparent. It took a number of years. This has been out there for a long period of time and obviously personal information—

The CHAIRMAN. But how could it be in a format so this person whoever discovered this could figure it out and you guys couldn't?

Mr. CHRISTOPHERSON. Because this person actually knew their number and so as they were looking, they saw their number in there and they alerted us. You know, once again, like I said, we are going back to look at our procedures and we are addressing this as we look to go forward. We will review, we will look, we will review again and look again.

The CHAIRMAN. Well, so, because there were numbers ahead of the Social Security Number and numbers after the Social Security Number, it just looked like one big long 15 digit number? Is that basically what the deal is?

Mr. CHRISTOPHERSON. That is actually correct. There are numbers in this field. There are 15 digit numbers and by just looking at it blankly, if you didn't know, if it wasn't your number that was in there, it is not necessarily fully apparent.

The CHAIRMAN. I guess I can see that, although being a CPA and having looked at Social Security Numbers on thousands and thousands of tax returns, I probably would have figured it out, but there might not be many people like that.

Mr. CHRISTOPHERSON. There actually is a copy of what the number would look like, Mr. Chairman.

Mr. COMBS. Mr. Chairman, if I may, let me show you an example of—I don't know whether you can read it there or not but this is a 15 digit number and can you see the numbers in there, Mr. Space? Do you recognize anything in there?

The CHAIRMAN. That is too far away for me to see.

Mr. COMBS. Let me show it to you again. Here is the same number but I have highlighted in yellow. In the middle of this number is the telephone number of the switchboard for the House of Representatives, and those of us who have called that number would probably look at that say, "Oh, that is the switchboard number." But if you didn't know that, this is just 15 digits. And so that is the theory. If it is not your Social Security Number, it is just 15 digits.

The CHAIRMAN. I can see that, but like in my part of the world, I suppose you have to look at four or five of them but the Social Security Numbers, the first three digits are all the same generally. They are within a range. And so people that deal with it a lot probably would see it after looking at four or five of them. I suppose if you were sitting out here in Washington and looking at Social Security Numbers in some states, you would not correlate it. So that is why the eyes on didn't come up with anything. And the computer, you didn't run any computer programs to see if you could identify any Social Security Numbers? Why wasn't that done?

Mr. COMBS. The embedded nature of this is the issue.

The CHAIRMAN. You wouldn't have been able to pull it up?

Mr. COMBS. There are programs that in hindsight now you can search, there are ways to search for embedded information but we did not have that tool available to us, no, sir.

Mr. GOODLATTE. I just want to clarify. So in other words, the woman who I cited in my opening statement who looked on the Internet, did a search in her name and her name showed up with a number after it, she was looking at a 15 digit number, not a nine digit number?

Mr. CHRISTOPHERSON. She was looking at a 15 digit number without any dashes or anything like that in it.

Mr. GOODLATTE. And noticed that her Social Security Number was contained within those 15 digits?

Mr. CHRISTOPHERSON. That is correct.

Mr. GOODLATTE. Do you know what the other six digits represented?

Mr. CHRISTOPHERSON. It had to do with the county offices and the state number.

Mr. GOODLATTE. Thank you, Mr. Chairman.

Ms. FOXX. Mr. Chairman?

Mr. CHAIRMAN. The gentelady from North Carolina.

Ms. FOXX. I have thought of a question I wanted to ask. Did I hear you all say that the creation of these numbers first occurred 11 years ago? Is that what you said?

Mr. CHRISTOPHERSON. I believe it actually occurred, from what my staff has briefed me on, about 26 years ago, if not before that.

Ms. FOXX. So there have been several Administrations since this number was created?

Mr. CHRISTOPHERSON. It has been several years since this number has been created.

Ms. FOXX. Okay. Thank you.

The CHAIRMAN. I thank the gentelady.

The gentleman from North Dakota, Mr. Pomeroy.

Mr. POMEROY. Mr. Chairman, I thank you for this hearing and I appreciated your line of questioning.

This isn't something that maybe would have come to light at 30,000 feet but somewhere in USDA someone is in charge of these databases. That is their job, their job is to make sure that you are not revealing taxpayers' sensitive information in any way and so it is not really a matter, Mr. Combs, of looking at a number on a page and whether a layman in 2 seconds is going to draw anything from it or not. Someone didn't do their job. You pay someone to make sure these databases are appropriately maintained and to protect the public information concealed behind those databases and somebody didn't do their job, and I trust that USDA feels bad about it. I know the professionalism of the men and women that work there, but it is completely unacceptable, and I tell you, there is a lot of concern out there about just who and what is going after these numbers. Now, I understand you have a universe of 92 people that have taken these numbers, some set of folks that have these numbers, downloaded them. I would like to know a little more about your investigation into who has these numbers and why they have them and are you getting them back without them having been copied in the meantime.

Mr. CHRISTOPHERSON. This database actually—people who have these numbers, one of them is obviously the watch group that we had discussed earlier. A lot of them have to do with states and universities that have this information. We have actively contacted them.

Mr. POMEROY. I want to know, is the number 92?

Mr. COMBS. I will be happy to answer that.

Mr. POMEROY. Sure, Mr. Combs.

Mr. COMBS. The number of entities that were on a distribution list from the Bureau of Census for the FAADS database of which I believe even Congress, states and a lot of them were government entities, but there were 92 of those who subscribe to a regular distribution every quarter of this FAADS database from the Bureau of Census, and it is those people and entities that we have contacted. We have attempted to contact all 92 of them. Some of them are from years and years ago so they are bad numbers and so forth. But every one of those to a person and an entity that we have contacted has agreed to destroy or certainly redact the information that they had received. They appreciated the problem. And on the other side, the concern is, are there other websites or entities that may have gotten this information, and my organization has contacted all of the major search engine companies, every entity we can think of that might have had a reason to download this same database and put it up someplace. I have personally contacted about eight senior executives within these major corporations and they have gone back and searched and came back to me and affirmed that they did not or they could not find any reference to where this data was available. So as we discover new places to look and ask, we are not just assuming, we are picking up the phone or e-mailing or every means we can to contact these people and make sure it is not there.

Mr. POMEROY. I appreciate that and I think that we would appreciate, I would put in a request that you submit to the Committee a follow-up based on the universe of 92 and what has been the conclusion. I don't even care if you name the 92 or not but just how many, has this been resolved, how many are still in discussion, how many haven't been contacted.

Mr. COMBS. We will be happy to do that, sir.

Mr. POMEROY. Now, where are you on the project with the 92?

Mr. COMBS. At the current time, we have basically attempted to contact all of them and have sent out some—some of them we had e-mail addresses for and we have not heard back from. I would say our activity on the contacting, the proactive part is finished. We have done every possible method of communicating with these folks that we can. It is the hearing back from some of them that we have—we need to close the book on that at some point.

Mr. POMEROY. My own thought is, the sensitivity of this information is of a high enough concern to where personnel ought to get on airplanes and go fly down and track some of these people down or however you might work it though offices in the states. Let us get that completed.

Mr. CHRISTOPHERSON. We agree. As of our briefing this morning, about 65 percent of these people were actually contacted, and just to set the record straight, it wasn't this person's actual Social Secu-

rity Number that was embedded that has contacted us. It was actually their employer ID number that is actually assigned by the IRS.

Mr. POMEROY. So it is not their Social Security Number, it is the employer ID number?

Mr. CHRISTOPHERSON. For the person who actually contacted us.

Mr. POMEROY. What about the information of the taxpayers that has been disclosed? It is my understanding that Social—

Mr. CHRISTOPHERSON. Those are Social Security Numbers. I just wanted to make sure that that was clear between the two for the record.

Mr. POMEROY. I appreciate that. You said 65 percent of the 92 have been contacted?

Mr. CHRISTOPHERSON. That is correct.

Mr. POMEROY. That is not very good. I mean, you have testified that you understand this is of the highest concern. Well, then let us get 100 percent nailed down now. This is a mistake that shouldn't have happened and I believe the book needs to be closed on getting ahold of each group to whom the inappropriate distribution was made quickly.

Mr. CHRISTOPHERSON. I understand your concern, and we will adequately attempt to make sure that we contact these people.

Mr. POMEROY. I would like to see a little more urgency on getting that 65 percent to 100 percent, to be frank. Thank you.

The CHAIRMAN. I thank the gentleman.

The gentlelady from Ohio, we have about a minute or 2.

Mrs. SCHMIDT. I am going to be very quick. This isn't the first time we are going to have this kind of a problem. When I was in college many, many years ago, we had to put our Social Security Number on every test and every booklet. With the age of the Internet and mass communication, we are going to see more and more of this issue. What kind of ideas do you have to go forward not from just the USDA but any other department that has to keep track of who we are, how to identify, and allow other agencies to figure out you are working with the same person other than a Social Security Number? I know that is a lot and you have got about 30 seconds to answer and you can call me later if you need to.

The CHAIRMAN. All right. I thank the gentlelady. You will submit that answer in writing?

Mr. CHRISTOPHERSON. We will submit that for the record.

The CHAIRMAN. And we may have some other questions that we will be asking for you to answer in writing. We appreciate you being with us today and I look forward to you keeping us updated on how you are doing.

Mr. CHRISTOPHERSON. Thank you, Mr. Chairman.

The CHAIRMAN. I thank everybody, and the Committee stands adjourned.

[Whereupon, at 2:30 p.m., the Committee was adjourned.]

QUESTIONS FOR THE U.S. DEPARTMENT OF AGRICULTURE\*

**Questions Submitted by Hon. Bob Etheridge, a Representative in Congress  
From North Carolina**

*Question 1.* How much information technology at USDA is contracted out to the private sector? Please distinguish between in-house and outside contractors.

*Question 2.* How many are under contract?

*Question 3.* How are the contracts drawn up? Are they open ended or within a definitive time?

*Question 4.* Are contracts conducted by open bids? If not, how are they conducted?

**Question Submitted by Hon. Earl Pomeroy, a Representative in Congress  
From North Dakota**

*Question.* Please report the progress and results of your attempts to contact all 92 of the entities who subscribe to the FAADS site. Names are not necessary.

**Question Submitted by Hon. Jean Schmidt, a Representative in Congress  
From Ohio**

*Question.* Please outline your plans for identifying clients without the use of Social Security Numbers. How will duplication between agencies be avoided?



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\*At the time this hearing went to press the responses were not submitted.