OPENING STATEMENT RICHARD H. SHRIVER

ASSISTANT SECRETARY OF THE TREASURY
(ELECTRONIC SYSTEMS AND INFORMATION TECHNOLOGY)

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION, AVIATION AND MATERIALS
HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY

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MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO BE WITH YOU TODAY TO DISCUSS SECURITY
THREATS TO, AND VULNERABILITIES OF, COMPUTER AND
TELECOMMUNICATIONS SYSTEMS. IN MY TESTIMONY, I WILL DISCUSS MY
PERCEPTION OF THE PROBLEM AND THE POSITIVE STEPS TREASURY IS
TAKING TO UNCOVER THREATS TO OUR SYSTEMS AND IMPLEMENT SOLUTIONS
TO NEUTRALIZE THESE THREATS.

WITH ME TODAY ARE DR. BOB CONLEY, MY DEPUTY FOR ADVANCED TECHNOLOGY AND JOE BISHOP, MY DEPUTY FOR PROGRAMS AND RESOURCES MANAGEMENT. ALSO WITH ME IS PAUL TRAUSE, TREASURY'S INSPECTOR GENERAL. WE WILL BE AVAILABLE TO ANSWER ANY QUESTIONS YOU OR THE MEMBERS MAY HAVE AT THE CONCLUSION OF MY TESTIMONY.

# TREASURY'S ASSESSMENT OF THE PROBLEM

THAT TREASURY IS SERIOUSLY WORKING ON THE SAME PROBLEMS YOU

ARE EXPLORING IN THIS HEARING IS DEMONSTRATED BY THE FACT THAT I HAVE BEEN INVITED AS A WITNESS. NO OTHER DEPARTMENT OUTSIDE OF DEFENSE HAS ESTABLISHED AN ASSISTANT SECRETARY-LEVEL POSITION CHARGED SOLELY WITH IMPROVING THE EFFICIENCY, EFFECTIVENESS AND SECURITY OF ITS VITAL COMPUTER AND TELECOMMUNICATIONS SYSTEMS. THE EMPHASIS TREASURY IS NOW PLACING ON SYSTEMS SECURITY IS DIRECTLY ATTRIBUTABLE TO SECRETARY REGAN'S FORESIGHT. UPON TAKING OFFICE, SECRETARY REGAN PERCEIVED THAT TREASURY FUNDS WOULD BE INCREASINGLY TRANSFERRED BY ELECTRONIC MEANS AND THAT MODERN, SECURE SYSTEMS WERE NEEDED. WITH TREASURY NOW HANDLING OVER 800 MILLION FINANCIAL TRANSACTIONS YEARLY, ISSUING OVER 600 MILLION CHECKS AND MAINTAINING ACCOUNTS FOR OVER 100 MILLION TAXPAYERS, THE SECRETARY'S EMPHASIS ON SYSTEM SECURITY AND MODERNIZATION IS WELL PLACED.

UPON MY ARRIVAL AT TREASURY, I COMMISSIONED A PRELIMINARY SURVEY TO DOCUMENT THE EXISTING INVENTORY OF COMPUTER AND TELECOMMUNICATIONS SYSTEMS. INCLUDING THE LARGE SYSTEMS MAINTAINED BY IRS FOR TAX ADMINISTRATION PURPOSES, TREASURY HAS NEARLY 200 AUTOMATED SYSTEMS IN OPERATION TODAY. WE BELIEVE TREASURY IS THE SECOND LARGEST MANAGER OF AUTOMATED SUPPORT SYSTEMS IN THE FEDERAL GOVERNMENT.

IN LOOKING AT THE DATA CONTAINED IN THESE SYSTEMS, WE DETERMINED THE FOLLOWING TYPES OF POTENTIAL THREATS TO TREASURY COMPUTER SYSTEMS:

- 1. THOSE ATTEMPTING TO IMPROPERLY DIVERT GOVERNMENT FUNDS.
- 2. THOSE ATTEMPTING TO GAIN IMPROPER ACCESS TO SENSITIVE FINANCIAL INFORMATION;
- 3. THOSE ATTEMPTING TO GAIN IMPROPER ACCESS TO NATIONAL SECURITY INFORMATION.
- 4. THOSE ATTEMPTING PENETRATION FOR "RECREATIONAL"
  PURPOSES. THESE ARE THE "HACKERS" RECENTLY
  COVERED BY THE MEDIA.
- THOSE ATTEMPTING TO ACCESS TREASURY VOICE (ESPECIALLY RADIO) COMMUNICATIONS SYSTEMS TO AVOID DETECTION OR APPREHENSION BY TREASURY ENFORCEMENT BUREAUS.

MY OFFICE HAS WORKED VERY CLOSELY WITH THE TREASURY
INSPECTOR GENERAL, PAUL TRAUSE, AND WITH HIS STAFF TO ANALYZE THE
RESULTS OF OUR INITIAL SURVEY OF TREASURY COMPUTER AND

TELECOMMUNICATIONS SYSTEMS AND, TO ASSESS THE THREAT POTENTIAL OF THE FIVE CATEGORIES JUST ENUMERATED. FROM A SECURITY PERSPECTIVE, TREASURY'S INVENTORY OF AUTOMATED SUPPORT SYSTEMS REPRESENTS A TWO-EDGED SWORD. ON THE ONE HAND THE DEGREE OF CENTRALIZATION IN OUR CURRENT AUTOMATED SYSTEMS MEANS THAT FEWER INDIVIDUALS NOW HAVE ACCESS THAN WOULD BE THE CASE IF MANUAL PROCESSING WERE RELIED UPON. FROM A SECURITY STANDPOINT THIS IS GOOD. AMONG THOSE WITH ACTUAL PHYSICAL ACCESS, FEWER STILL HAVE SUFFICIENT TECHNICAL EXPERTISE TO "BEAT" AUTOMATED SYSTEM SECURITY PRECAUTIONS. ON THE OTHER HAND, IF SOMEONE IS ABLE TO OVERCOME AUTOMATED SYSTEM SECURITY SAFEGUARDS, THE POTENTIAL OF THEIR "BEATING" SYSTEMS IN A BIG WAY IS MUCH HIGHER.

PERHAPS AT TREASURY WE HAVE BEEN FORTUNATE. WE HAVE NOT UNCOVERED ANY BREACHES OF SYSTEM SECURITY THAT COULD BE CLASSIFIED AS A PENETRATION. HOWEVER, WE DO OCCASIONALLY UNCOVER IMPROPER USE OF TREASURY SYSTEMS BY OUR OWN EMPLOYEES. SUCH INSTANCES TEND TO BE INFREQUENT AND ARE DEALT WITH IN SUMMARY FASHION, INCLUDING DISMISSAL AND PROSECUTION. TO DATE, WE HAVE NOT DISCOVERED PENETRATIONS BY OUTSIDERS THROUGH DIAL-UP OR ANY OTHER IMPROPER MEANS OF ACCESS. MONITORING OF OUR TELECOMMUNICATIONS, TELEPHONE, DATA, AND RADIO, IS A SERIOUS AND IMMEDIATE CONCERN, HOWEVER.

### TREASURY'S SYSTEMS SECURITY PROGRAM

THE LACK OF KNOWN PENETRATIONS HAS NOT DIMINISHED IN ANY WAY
THE IMPORTANCE WE ATTACH TO SYSTEM SECURITY, HOWEVER. WHILE
THERE MAY BE LESS HERE THAN MEETS THE EYE AT PRESENT, WE CONTINUE
TO TREAT ALL FIVE CATEGORIES OF POTENTIAL THREATS TO TREASURY
SYSTEMS AS BEING VERY REAL. WITH SECRETARY REGAN'S STRONG
SUPPORT, MY OFFICE, THE INSPECTOR GENERAL'S OFFICE, AND STAFF OF
THE ASSISTANT SECRETARY (ADMINISTRATION) ARE JOINTLY IMPLEMENTING
A THREE POINT PROGRAM TO ENSURE THE CONTINUED SECURITY OF
TREASURY TELECOMMUNICATIONS AND COMPUTER SYSTEMS. THIS PROGRAM
INVOLVES:

- 1. INCREASING SECURITY AWARENESS THROUGHOUT THE DEPARTMENT;
- 2. DESIGNING AND INSTALLING EFFECTIVE SECURITY MECHANISMS INTO BOTH NEW AND EXISTING SYSTEMS; AND,
- 3. MONITORING ADHERENCE TO PROPER SYSTEMS SECURITY PROCEDURES.

I WILL NOW DISCUSS SOME THINGS WE HAVE ACCOMPLISHED AND PLAN FOR THE FUTURE TO FURTHER TREASURY'S SYSTEMS SECURITY PROGRAM.

INCREASING SECURITY AWARENESS. FIRST, WE FEEL THAT INCREASING SECURITY AWARENESS IN USING AND MANAGING AUTOMATED SUPPORT SYSTEMS MUST START AT THE TOP. IN TREASURY, WE HAVE NOT ONLY HAD THE SECRETARY'S COMPLETE SUPPORT, BUT THE DEPUTY SECRETARY ALSO IS DIRECTLY INVOLVED IN MANAGING THE DEPARTMENT'S SYSTEM SUPPORT ASSETS. DEPUTY SECRETARY MCNAMAR CHAIRS THE TREASURY SYSTEMS REVIEW COMMITTEE, WHOSE MEMBERSHIP IS MADE UP OF EXECUTIVES DRAWN FROM THE HIGHEST MANAGEMENT LEVELS OF THE DEPARTMENT.

THIS COMMITTEE MEETS BI-MONTHLY. MEETINGS GENERALLY LAST HALF A DAY, DURING WHICH TIME THREE TO FIVE SYSTEMS ARE REVIEWED. SECURITY CONCERNS ARE ROUTINELY DISCUSSED WHEN REVIEWING INDIVIDUAL SYSTEMS. THE SYSTEMS REVIEW COMMITTEE REVIEWS THE RESULTS OF AUDITS CONDUCTED BY THE TREASURY INSPECTOR GENERAL, WHO ATTENDS THESE MEETINGS AS AN OBSERVER. FINALLY, ALL POLICY DIRECTIVES DEALING WITH COMPUTER AND TELECOMMUNICATIONS SYSTEMS, INCLUDING THOSE DEALING WITH SYSTEMS SECURITY, ARE REVIEWED BY THE COMMITTEE. IN SHORT, WE ARE MAKING SYSTEMS PROTECTION AT TREASURY A RESPONSIBILITY OF SENIOR-LEVEL LINE MANAGERS.

IN ADDITION, MY OFFICE IS CHARGED WITH DEVELOPING STANDARDS AND DIRECTIVES TO ENSURE PROPER MANAGEMENT AND UTILIZATION OF SYSTEMS SUPPORT RESOURCES. WE HAVE CLEARED AND ISSUED SEVERAL ALREADY. THE MOST IMPORTANT DIRECTIVE DEALING WITH SECURITY CONCERNS IS OUR DRAFT INFORMATION SYSTEMS RISK MANAGEMENT DIRECTIVE. WHILE THIS COMPREHENSIVE DOCUMENT IS STILL IN THE REVIEW PROCESS, IT SHOULD BE ISSUED SOON AND WILL PROVIDE A FIRM FOUNDATION FOR PROPERLY MANAGING SYSTEMS SECURITY THROUGHOUT THE DEPARTMENT. THE DRAFT DIRECTIVE INCLUDES SUCH TOPICS AS HOW TO ESTABLISH A RISK MANAGEMENT PLAN; CRITERIA FOR REVIEWING AND AUDITING SUCH A PLAN; GUIDELINES FOR MAINTAINING PHYSICAL, TECHNICAL AND PERSONNEL SECURITY; AND A DISCUSSION OF COMPUTER FRAUD AND ABUSE TECHNIQUES. I WOULD BE PLEASED TO FURNISH A COPY OF THIS DRAFT DIRECTIVE TO THE SUBCOMMITTEE IF THE CHAIRMAN SO DESIRES.

ALSO, FROM TIME TO TIME, WE HAVE INVITED THE FBI AND THE NATIONAL SECURITY AGENCY TO PROVIDE THREAT BRIEFINGS TO SENIOR TREASURY PERSONNEL -- BRIEFINGS THAT INCLUDE AMONG OTHER THINGS, THREATS TO OUR TELECOMMUNICATIONS AND OTHER SYSTEMS.

AT TREASURY, WE REALIZE THAT WE ALSO NEED TO STAY ON TOP OF

EMERGING TECHNOLOGIES AND SYSTEM SECURITY DEVELOPMENTS IN THE PRIVATE SECTOR. BANKING AND INSURANCE ARE TWO IMPORTANT INDUSTRIES IN THIS REGARD. WE HAVE ARRANGED TWO INDUSTRY/GOVERNMENT WORKSHOPS TO ASSESS THE FUTURE SCOPE AND MAGNITUDE OF ELECTRONIC FUNDS TRANSFERS (EFT'S).

BOTH OF THE WORKSHOPS HELD THUS FAR WERE WELL ATTENDED BY OTHER FEDERAL AGENCIES AND PROVED TO BE A VALUABLE SOURCE OF INSIGHT. WE FORESEE HOLDING MORE OF THESE FORUMS. TELECOMMUNICATIONS SECURITY WILL LIKELY BE A SUBJECT OF ONE OF OUR UPCOMING INDUSTRY/GOVERNMENT WORKSHOPS.

TREASURY, FOUR COMPLEMENTARY MECHANISMS SERVE TO ENSURE THAT THE OVERALL DIRECTION SET AT SYSTEMS REVIEW COMMITTEE MEETINGS IS CARRIED OUT. THESE MECHANISMS ARE: APPROVAL BY MY OFFICE OF ALL SYSTEMS PROCUREMENTS ABOVE \$250,000; MANAGEMENT OF THE TREASURY TELECOMMUNICATIONS STEERING GROUP BY MY OFFICE; MY STAFF'S INVOLVEMENT WITH THE BUREAUS ON SECURITY ASPECTS OF INDIVIDUAL PROJECTS; AND, THE INSPECTOR GENERAL'S INVOLVEMENT IN SYSTEM REDESIGN EFFORTS. AUDITORS FROM THE INSPECTOR GENERAL'S STAFF REVIEW THE SYSTEMS DESIGN PROCESS TO: ENSURE THAT SUFFICIENT INFORMATION IS DEVELOPED FOR MANAGEMENT TO MAKE CRITICAL DECISIONS; PROVIDE TECHNICAL ASSISTANCE IN DEVELOPING PROPER

INTERNAL CONTROL; AND, TO ENSURE THAT APPROPRIATE AUDIT TRAILS ARE ESTABLISHED.

BEFORE ACCEPTING MY CURRENT POSITION, I WANTED TO ENSURE
THAT MY OFFICE WOULD HAVE SUFFICIENT AUTHORITY TO GET THINGS
ACCOMPLISHED AT ALL LEVELS IN THE DEPARTMENT. NOT FORGETTING THE
WAYS AND WILES OF WASHINGTON FROM MY PRIOR GOVERNMENT SERVICE AS
AN ASSISTANT SECRETARY OF DEFENSE DURING THE FORD ADMINISTRATION,
I HAD A STRONG BUDGET ROLE CLEARLY LAID OUT IN THE MISSION
STATEMENT FOR MY CURRENT POSITION. JOE BISHOP, OUR DEPUTY FOR
PROGRAMS AND RESOURCES MANAGEMENT, REVIEWS ALL BUREAU SYSTEMS
BUDGET PLANS BEFORE THEY ARE SUBMITTED TO OMB, AND AS PREVIOUSLY
MENTIONED, REVIEWS PROPOSED SYSTEMS PROCUREMENTS IN EXCESS OF
\$250,000. IN ANALYZING BUREAU COMPUTER AND TELECOMMUNICATIONS
SYSTEMS PLANS, WE KEEP THE NEED FOR PROPER SYSTEMS SECURITY IN
CLEAR FOCUS.

MY STAFF ALSO INTERACTS WITH THE BUREAUS AT MIDDLE
MANAGEMENT LEVELS TO ENSURE THAT SYSTEMS POLICY DECISIONS ARE
IMPLEMENTED PROPERLY. DR. BOB CONLEY, OUR DEPUTY FOR ADVANCED
TECHNOLOGY, CHAIRS THE DEPARTMENT'S TELECOMMUNICATIONS STEERING
GROUP. THIS GROUP STAYS ON TOP OF TECHNOLOGICAL DEVELOPMENTS IN

THE MARKETPLACE AND IDENTIFIES BUREAU TELECOMMUNICATIONS
REQUIREMENTS THAT WILL BE IMPACTED BY THESE DEVELOPMENTS. DR.
CONLEY'S STAFF IS ALSO DEEPLY INVOLVED IN SEVERAL KEY PROJECTS,
INCLUDING: VOICE PRIVACY TACTICAL COMMUNICATIONS SYSTEMS FOR OUR
TREASURY ENFORCEMENT BUREAUS; A PROPOSAL FOR A LARGE, NATIONWIDE
TELECOMMUNICATIONS NET TO SERVICE ALL TREASURY BUREAUS AT A
REDUCED OVERALL COST; AND A MEANS OF PROVIDING AUTHENTICATOR
SYSTEMS TO ALLOW SIMPLER, YET MORE SECURE SYSTEMS ACCESS FOR
TREASURY PERSONNEL OPERATING IN THE FIELD.

BILL CROWELL, OUR DEPUTY FOR FINANCIAL SYSTEMS, HAS HEADED UP OUR WORK IN THE AREA OF CASH MANAGEMENT SYSTEMS. BILL'S STAFF HAS HELPED APPLY THE TREASURY FINANCIAL COMMUNICATIONS SYSTEM AND VARIOUS OTHER SYSTEM APPROACHES TO IMPROVING THE DEPARTMENT'S CASH MANAGEMENT PRACTICES. WE HAVE GIVEN SPECIAL ATTENTION TO INCORPORATING PROPER SECURITY MEASURES IN ALL OUR NEW CASH MANAGEMENT SYSTEMS.

3. MONITORING ADHERENCE TO PROPER SECURITY PROCEDURES. MY STAFF AND THE INSPECTOR GENERAL'S STAFF EACH HAVE A ROLE TO PLAY IN MAKING SURE THAT PROPER SECURITY PROCEDURES ARE CARRIED OUT.

THE INSPECTOR GENERAL IS NOW HIRING A TEAM OF DATA PROCESSING
SYSTEMS AUDITORS WHO ARE DEVELOPING, AND WILL CARRY OUT, A
COMPREHENSIVE AUDIT PLAN FOR ALL THE DEPARTMENT'S MAJOR SYSTEMS.
MY STAFF ALSO CONDUCTS BUREAU SYSTEM REVIEWS, WHICH STRESS
APPROPRIATE USE OF TECHNOLOGY AND CONFORMANCE WITH POLICY
DIRECTIVES ESTABLISHED BY MY OFFICE. WE ARE ALSO WORKING WITH
PAUL TRAUSE'S STAFF TO JOINTLY PROMOTE THE CONCEPT OF BUILDING
MAJOR NEW SYSTEMS WITH INTEGRATED TEST FACILITIES, A PROCEDURE
THAT WILL ALLOW QUICKER, MORE COMPREHENSIVE SYSTEM AUDITS IN THE
FUTURE. FINALLY, TREASURY MONITORS SYSTEM SECURITY BY USING
INNOVATIVE COMPUTER MATCHING TECHNIQUES. FOR EXAMPLE, TREASURY
RECENTLY MATCHED REVENUE SHARING DISBURSEMENTS AGAINST A FILE OF
ELIGIBLE STATE AND LOCAL GOVERNMENTS TO IDENTIFY POSSIBLE
QUESTIONABLE PAYMENTS. IN THIS PARTICULAR EXERCISE, NONE WERE
FOUND.

## NEED FOR ADDITIONAL MEASURES

AT TREASURY, WE HOPE THAT OUR THREE POINT SYSTEMS SECURITY
PLAN WILL ENABLE THE DEPARTMENT TO STAY AHEAD OF CURRENT THREATS
AND POSITION US TO NEUTRALIZE FUTURE THREATS. ALL GOVERNMENT

SYSTEMS MANAGERS MUST ALSO KEEP UP TO DATE WITH TECHNOLOGY TRENDS
THAT WILL IMPACT ON SECURITY THREATS. MAINTAINING EFFECTIVE
LIAISON WITH OUR PRIVATE SECTOR COUNTERPARTS IS ONE APPROACH WE
HAVE USED AT TREASURY. WE ALSO TRY TO KEEP CHANNELS OF
COMMUNICATION OPEN WITH THE VENDOR COMMUNITY.

I DO NOT FEEL THE COMPUTER AND TELECOMMUNICATIONS SECURITY PROBLEM IS PRIMARILY ONE OF INADEQUATE LAWS. WHAT DOES DISTURB ME ARE THE TRENDS WE HAVE OBSERVED IN THE SENTENCING OF THOSE CONVICTED OF COMPUTER FRAUD. SOME STATISTICS I RECENTLY RAN ACROSS INDICATE THAT AN AVERAGE BANK ROBBERY NETS AROUND \$20,000. IF CAUGHT, BANK ROBBERS ARE PROSECUTED AROUND 90% OF THE TIME AND, IF CONVICTED, WILL ON THE AVERAGE BE SENTENCED TO 4-6 YEARS IN PRISON. THE AVERAGE CRIME INVOLVING ELECTRONIC FUNDS TRANSFER IS SOMEWHERE AROUND \$500,000. IF CAUGHT, PERPETRATORS OF SUCH THIEVERY ARE PROSECUTED ONLY 15-20% OF THE TIME AND, IF CONVICTED, CAN EXPECT TO SPEND ONLY 4-6 MONTHS IN PRISON. GIVEN THIS DISPARITY, I QUESTION THE EXTENT TO WHICH OUR JUDICIAL SYSTEM IS HELPING TO DETER COMPUTER CRIME.

### LAW ENFORCEMENT SECURITY NEEDS

A MAJOR PROJECT MY OFFICE IS CURRENTLY INVOLVED WITH IS HELPING OUR TREASURY LAW ENFORCEMENT FUNCTIONS (SECRET SERVICE: ALCOHOL, TOBACCO AND FIREARMS; CUSTOMS; IRS CRIMINAL INVESTIGATION; AND, IRS INSPECTION) ACQUIRE SECURE MEANS OF COMMUNICATION. CURRENTLY, TACTICAL LAW ENFORCEMENT OPERATIONS HAVE TO RELY ON OUTDATED RADIO GEAR THAT DOES NOT INCORPORATE NEEDED PRIVACY FEATURES. IT IS NOT ONLY FRUSTRATING BUT IS INDEED DANGEROUS TO SEND OUR LAW ENFORCEMENT AGENTS OUT INTO THE FIELD WITH COMMUNICATIONS EQUIPMENT THAT CAN BE MONITORED BY VIOLATORS USING NOTHING MORE SOPHISTICATED THAN OFF-THE-SHELF SCANNERS. WITH TREASURY NOW WORKING CLOSELY WITH MANY OTHER GOVERNMENT AGENCIES TO CONTROL DRUG SMUGGLING, WE HAVE EVEN MORE NEED FOR SECURE MEANS OF TACTICAL ENFORCEMENT COMMUNICATION. CONLEY IS WORKING CLOSELY WITH ALL THE TREASURY ENFORCEMENT BUREAUS AND WITH THE ENTIRE FEDERAL LAW ENFORCEMENT COMMUNITY TO DEFINE PRIVACY AND SECURE COMMUNICATIONS STANDARDS AND, IF POSSIBLE, TO ARRANGE FOR COORDINATED PROCUREMENTS TO SAVE THE GOVERNMENT MONEY. OUR PLANS AT THIS TIME ARE TO START PROCURING NEEDED EQUIPMENT FOR TREASURY IN FISCAL YEAR 1985. WE ARE ALSO STARTING TO INSTALL SECURE TELEPHONE EQUIPMENT FOR TOP TREASURY POLICY OFFICIALS AND FOR CERTAIN LAW ENFORCEMENT PURPOSES.

#### MEETING SECURITY NEEDS THROUGHOUT GOVERNMENT

AS YOU MIGHT EXPECT, I FEEL STRONGLY THAT COMPUTER AND TELECOMMUNICATIONS SECURITY AWARENESS NEEDS STRENGTHENING THROUGHOUT GOVERNMENT. WHILE EVERY DEPARTMENT IN THE FEDERAL GOVERNMENT MAY NOT NEED AN ASSISTANT SECRETARY-LEVEL POSITION, EVERY GOVERNMENT AGENCY EMPLOYING COMPUTER AND TELECOMMUNICATIONS SYSTEMS DOES NEED STRONG EMPHASIS FROM THE TOP ON IMPROVING SYSTEMS SECURITY.

## CONCLUSION

MR. CHAIRMAN, I HAVE ATTEMPTED TO COVER IN MY BRIEF
STATEMENT SOME OF THE THINGS WE ARE TRYING TO DO AT TREASURY TO
KEEP AHEAD OF THE SYSTEMS SECURITY PROBLEM. WE RECOGNIZE THAT WE
DON'T HAVE ALL THE ANSWERS AND THAT NO MATTER HOW MUCH WE HARDEN
OUR SYSTEMS, WE WILL NEVER BE ABLE TO DEVELOP TOTALLY
IMPENETRABLE SYSTEMS. OUR STRATEGY IS TO MAINTAIN A

COMPREHENSIVE PROGRAM THAT NOT ONLY FOCUSES ON TECHNOLOGICAL SOLUTIONS, BUT ALSO STRESSES PEOPLE SOLUTIONS. MY OFFICE WOULD CERTAINLY BE PLEASED TO SHARE OUR SECURITY KNOWLEDGE AND EXPERIENCE WITH OTHER FEDERAL GOVERNMENT AGENCIES.

MY ASSOCIATES AND I WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU OR THE MEMBERS MAY HAVE.