
TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Office of Inspections and Evaluations



Physical Security Controls at the

*****2*****

October 04, 2016

Reference Number: 2017-IE-R001

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Redaction Legend:

2 = Risk Circumvention of Agency Regulation or Statute

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TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 04, 2016

MEMORANDUM FOR CHIEF, AGENCY-WIDE SHARED SERVICES

FROM: Gregory D. Kutz
Acting Deputy Inspector General for Inspections and Evaluations

SUBJECT: Final Inspection Report – Physical Security Controls at the
*****2***** (# IE-16-004)

In March 2016, we conducted a physical security inspection of the Internal Revenue Service (IRS) *****2***** to determine whether selected physical security countermeasures (hereafter referred to as countermeasures) were in place to detect and deter unauthorized entry. The IRS is the primary tenant at the *****2*****,¹ which is a General Services Administration facility. The security criteria for the inspection consisted of the baseline countermeasures established by the Interagency Security Committee (ISC)² for facility security level (FSL)*****2*****.³ The ISC document titled *The Risk Management Process: An Interagency Security Committee Standard* (Standard) defines the criteria and processes that those responsible for the security of a facility should use to determine its FSL and provides an integrated, single source of countermeasures for all nonmilitary Federal facilities. Our criteria also included the minimum countermeasures established by the IRS for *****2*****. Attachment I documents the countermeasures included in our inspection and conclusions related to each countermeasure.

Overall, the countermeasures at the *****2***** either met or exceeded ISC baseline or IRS minimum countermeasures to detect or deter unauthorized entry. ****2****

¹ Other tenants include a child care center, credit union, and snack shop. A *****2***** **2** of the IRS. The *****2*****
*****2*****.

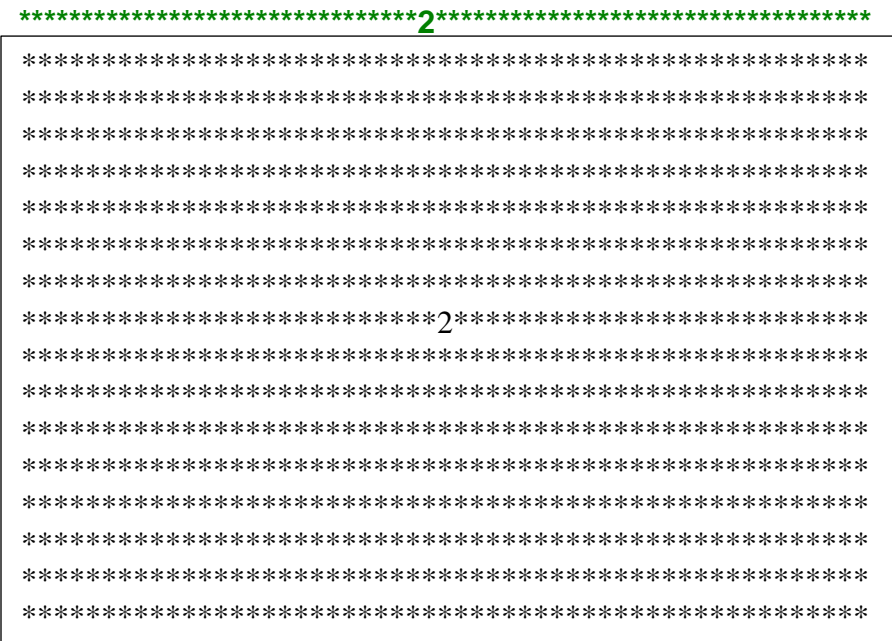
² The ISC, which was established by Executive Order 12977, has authority to establish policies for security in and protection of nonmilitary Federal facilities in the United States whether owned, leased, or managed by the Government.

³ The FSL is a categorization based on the analysis of several security-related facility factors, which serves as the basis for the implementation of physical security countermeasures. The FSL determination ranges from a Level I (lowest risk) to Level V (highest risk).



Physical Security Controls at the *****2*****

*****2*****
*****2***** , which is an IRS requirement for
*****2*****.⁴ According to the security risk assessment for the
*****2***** , the IRS *****2*****
*****2*****
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*****2***** are documented in the security risk assessment for the
*****2***** which is required by the ISC
Standard.⁵ Figure 1 shows the location of the *****2***** and surrounding facilities.



Source: Google Maps (google.com) and pictures taken during Treasury Inspector General for Tax Administration's (TIGTA) inspection.

⁴ Internal Revenue Manual *****2***** . The IRS requirement for an *****2***** exceeds the ISC Standard as it states that a *****2***** .

⁵ According to the ISC Standard, *****2*****
*****2*****
*****2*****
*****2*****

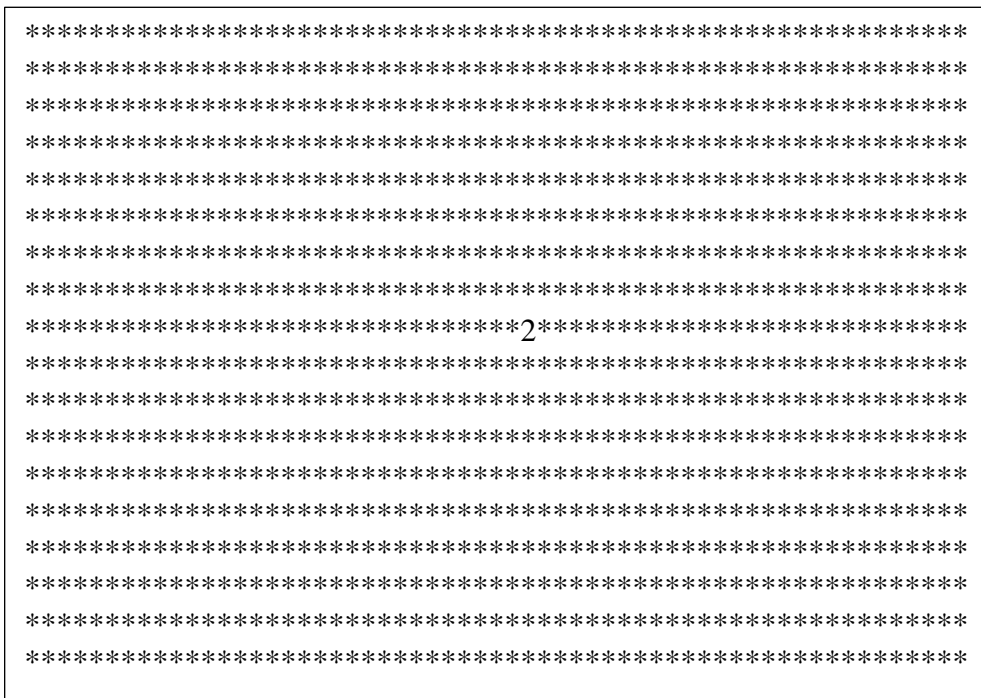


Physical Security Controls at the *****2*****

A small parking lot is attached to the main facility that has 13 parking spaces and is limited to a small number of IRS employees and the Child Care Center’s director. However, the parking lot was not in use at the time of our inspection, because the *****2*****
*****2***** to the parking lot.

The IRS leases parking spaces in a detached public parking garage located off-site and outside of the main building’s perimeter. The main building is separated from the detached parking garage by a one-way public street and a privately owned, non-Government building. TIGTA did not assess the security of the detached parking garage or any measures in place to protect employees when traveling from the detached parking garage to the main building perimeter. Figure 2 illustrates the location of the *****2***** building and the detached parking garage.

*****2*****



Source: Google Maps (google.com).



*Physical Security Controls at the *****2******

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***** *****2*****

Attachment II provides the background information for this inspection. Attachment IV documents IRS management's complete response.

If you have any questions, please contact me or Kevin P. Riley, Director, Office of Inspections and Evaluations.

Attachments



Attachment I

Inspection Checklist

MINIMUM SECURITY REQUIREMENTS (*****2*****)					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
1	*****2***** *****2***** *****2***** ****2**** Internal Revenue Manual (IRM) ¹ *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2*****
2	*****2***** *****2***** *****2***** IRM *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2*****
3	*****2***** *****2***** *****2***** *****2***** ****2****. Please explain.	****2****			*****2***** *****2***** *****2***** *****2***** *****2*****

¹ The IRM is the IRS’s primary official source of instructions to staff relating to the administration and operations of the IRS. It contains the directions employees need to carry out their operational responsibilities.



Physical Security Controls at the *****2*****

MINIMUM SECURITY REQUIREMENTS (*****2*****)					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
4	*****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** ****2**** IRM *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2*****
5	*****2***** *****2***** IRM *****2***** *****2*****	****2****			
6	*****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2***** *****2*****
7	*****2***** *****2***** *****2***** ****2**** IRM *****2***** *****2*****	****2****			
8	*****2***** *****2***** *****2***** ****2**** IRM *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2*****



Physical Security Controls at the *****2*****

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
11	*****2***** *****2***** *****2***** *****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2*****
12	*****2***** *****2***** *****2***** *****2*****	****2****			
13	*****2***** *****2*****	****2****			
14	*****2***** *****2***** *****2***** *****2*****	****2****			
15	*****2***** *****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2*****
16	*****2***** *****2***** *****2***** *****2*****	****2****			
17	*****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2*****



Physical Security Controls at the *****2*****

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
18	*****2***** *****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2***** *****2*****

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
19	*****2***** *****2***** *****2***** *****2*****	****2****			
20	*****2***** *****2***** *****2*****	****2****			

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
21	*****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2*****



Physical Security Controls at the *****2*****

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
22	*****2***** *****2***** *****2*****	****2****			
23	*****2***** *****2***** *****2*****	****2****			
24	*****2***** *****2***** *****2*****	****2****			
25	*****2***** *****2***** *****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2***** *****2*****



Physical Security Controls at the *****2*****

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
30	*****2***** *****2***** *****2*****	****2****			

*****2*****					
#	Inspection Question (Baseline Security Measures)	Does the security measure meet the baseline or minimum criterion? (Yes/No/Not Applicable)	If no, was a deviation or alternate countermeasure justified and risk acceptance documented?		Comment
			IRS Justification	IRS Acceptance	
31	*****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2*****
32	*****2***** *****2***** *****2***** *****2***** *****2***** *****2*****	****2****			*****2***** *****2***** *****2***** *****2*****
33	*****2***** *****2*****	****2**** ****2****			
34	*****2***** *****2***** *****2***** *****2*****	****2****			

Source: *The Risk Management Process: An Interagency Security Committee Standard*; IRM *****2*****, and observations made during the TIGTA inspection.



Attachment II

Background

Executive Order 12977 established the Interagency Security Committee (ISC) after the Oklahoma City bombing of the Alfred Murrah Federal Building in 1995. The ISC has authority to establish policies for security in and protection of nonmilitary Federal facilities in the United States whether owned, leased, or managed by the Government. The ISC document titled *The Risk Management Process: An Interagency Security Committee Standard* (Standard) defines the criteria and processes that those responsible for the security of a facility should use to determine its facility security level (FSL) and provides an integrated, single source of physical security countermeasures (hereafter referred to as countermeasures) for all nonmilitary Federal facilities. The Standard also provides guidance for customization of the countermeasures for Federal facilities.

Each Internal Revenue Service (IRS) facility has been designated an FSL I through V in accordance with the ISC Standard. In accordance with ISC security standards criteria, the IRS has established minimum physical security standards and requirements for the protection of IRS facilities, personnel, and information. These standards are based on possible threats and identified countermeasures that could minimize the impact of an occurrence. Per the Treasury Security Manual, security-in-depth shall be implemented for all facilities designated as Levels IV and V. Security-in-depth is defined as layered and complementary security controls sufficient to deter and detect unauthorized entry, movement, and activity within a facility. Examples include, *****2*****
*****2*****
*****2*****

The ISC Standard has defined 86 security criteria that should be used to implement security countermeasures to effectively protect nonmilitary Federal Government facilities, information, employees and visitors, and assets. In addition to the security criteria, the ISC has defined 33 undesirable events which security professionals should consider when conducting a facility risk assessment in order to customize the necessary level of protection and associated security countermeasures to be implemented in and around a facility. In all cases in which the necessary level of protection cannot be achieved or implemented, documentation must clearly reflect the reasons why and the rationale for accepting associated risk as a result of implementing a lower level of protection and security countermeasures.

In March 2016, we conducted a physical security inspection of the *****2***** building to determine whether selected countermeasures were in place to detect and deter unauthorized entry. The IRS is the primary tenant at the *****2*****, which is a General Services



*Physical Security Controls at the *****2******

Administration facility.¹ The countermeasures selected were consistent with the ISC countermeasures for a baseline level of protection for the determined FSL of the IRS facility inspected.² Our criteria also included the minimum countermeasures established by the IRS for *****2*****. If available, the Treasury Inspector General for Tax Administration (TIGTA) reviewed the documentation or justification for all deviations from the standards (unimplemented countermeasures or countermeasures that provide a lower level of protection).

The IRS requires security risk assessments for its facilities every two years for FSL IV and V facilities, every three years for FSL III facilities, and every four years for FSL I and II facilities.³ Prior to arriving at the facility, TIGTA reviewed the *****2***** security risk assessment for the facility to gain a general understanding of the facility, its occupants, and any site specific risks, vulnerabilities, and implemented or recommended countermeasures. TIGTA did not evaluate the findings, decisions, and recommendations made in the facility's security risk assessment. This inspection is included in the Office of Inspections and Evaluations Fiscal Year 2016 Program Plan. We conducted this inspection in accordance with the Council of the Inspectors General for Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

¹ Other tenants include a child care center, credit union, and snack shop. A *****2***** of the IRS. *****2*****

² The baseline level of protection and associated security countermeasures can be customized (lowered or increased) depending on the results of the facility's security risk assessment.

³ The IRS requires risk assessments at more frequent intervals than the ISC Standard, which is every three years for FSL III through V facilities and every five years for FSL I and II facilities.



Attachment III

Report Distribution List

Commissioner
Office of the Commissioner – Attn: Chief of Staff
Deputy Commissioner for Operations Support
Assistant Deputy Commissioner for Operations Support
Director, Facilities Management and Security Services
Director, Office of Audit Coordination



Attachment IV

Management's Response

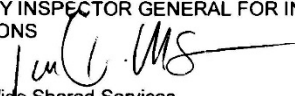


CHIEF
AGENCY-WIDE
SHARED SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

July 19, 2016

MEMORANDUM FOR GREGORY D. KUTZ
ACTING DEPUTY INSPECTOR GENERAL FOR INSPECTIONS
AND EVALUATIONS

FROM: Kevin Q. McIver 
Chief, Agency-Wide Shared Services

SUBJECT: Draft Inspection Report – Physical Security Controls at the
*****2***** (# IE-16-004)

Thank you for the opportunity to respond to the subject Draft Inspection Report. ***2***
*****2*****
*****2*****

As the report notes, the *****2***** has several layers of security
countermeasures *****2*****
*****2***** Additionally, we will reevaluate potential
enhancements to security at this site as part of our periodic security assessment
process.

We appreciate the continued support and assistance provided by your office. If you
have any questions, please contact me at (202) 317-7500, or a member of your staff
may contact Steve Artise, Acting Director, FMSS at (470) 639-3550. For matters
concerning audit procedural follow-up, please contact Steven Scheer, Resource &
Operations Management, Agency-Wide Shared Services, at (901) 546-4515.

Attachment



*Physical Security Controls at the *****2******

Attachment

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RESPONSIBLE OFFICIAL:
Chief, Agency-Wide Shared Services

*****2*****.
*****2*****
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Or Write:

Treasury Inspector General for Tax Administration
P.O. Box 589
Ben Franklin Station
Washington, D.C. 20044-0589

Information you provide is confidential and you may remain anonymous.