Department of Energy
Washington, DC 20585

JM Chronology
JM RECEIVED – 10/4/2013
OUT FOR REVIEW – 10/7/2013
DRB DISCUSSION – 10/17/2013

MEMORANDUM FOR INGRID KOLB
DIRECTOR
OFFICE OF MANAGEMENT

THROUGH: KEVIN T. HAGERTY
DIRECTOR
OFFICE OF INFORMATION RESOURCES

FROM: GLENN S. PODONSKY
CHIEF HEALTH, SAFETY AND SECURITY OFFICER
OFFICE OF HEALTH, SAFETY AND SECURITY

SUBJECT: DOE O 470.X ~~DOE O 207.1~~ Notice of Intent to develop a New DOE Order to Implement E.O. 13587, *Structural Reforms to Improve the Security of Classified Networks and the Responsible Sharing and Safeguarding of Classified Information*, dated *October 2011*

PURPOSE: This memorandum provides justification for a new order establishing a Department of Energy (DOE) Insider Threat Program in accordance with the requirements of Executive Order (EO) 13587, *Structural Reforms to Improve the Security of Classified Networks and the Responsible Sharing and Safeguarding of Classified Information*.

BACKGROUND: On October 7, 2011, President Obama signed E.O. 13587 which established new requirements for agencies with access to classified information. Among other actions, this E.O. established an Interagency Insider Threat Task Force charged with the development of policies, objectives, and priorities for establishing and integrating security, counterintelligence, user audits and monitoring, and other safeguarding capabilities and practices within agencies.

To further advance this initiative, the President issued a memorandum in November 2012 to the heads of all executive departments and agencies transmitting the National Insider Threat Policy and the Minimum Standards for Executive Branch Insider Threat Programs. Requirement D.2 of the Minimum Standards states: "*Develop and promulgate a comprehensive agency insider threat policy to be approved by the agency head within 180 days of the effective date of the National Insider Threat Policy. Agency policies shall include internal guidelines and procedures for the implementation of the standards contained herein.*"

Rec'd 10/4/2013 C Belen

The Department has performed a number of actions to provide interim operational capability under this E.O., but a DOE Order is needed to formally meet the requirement above. The national-level Information Security Oversight Office is also preparing a modification to 32 C.F.R. 2004, *National Industrial Security Program,* which will require all agencies to establish requirements to implement an insider threat program under each classified contract, therefore this order should include appropriate contractor requirements consistent with the pending changes to 32 C.F.R. 2004.

Summary of Development Process: The Deputy Secretary has designated Larry D. Wilcher, Director of the Office of Security, in the Office of Health, Safety and Security (HSS), to lead the development of the Department's insider threat program. Mr. Wilcher's responsibility as DOE's Senior Official is to implement the National Policy and Minimum Standards. He will lead the effort to coordinate the activities of HSS, National Nuclear Security Administration (NNSA), Office of the Chief Information Officer, and the Office of Intelligence (IN) in establishing the departmental structure, plans and capabilities to gather, integrate, analyze and respond to key threat-related information, and provide the DOE workforce with insider threat awareness training while protecting the civil liberties and privacy of all personnel.

In the development of this order, HSS will work with the above named offices, as well as the Office of General Counsel, the Program Offices, and other stakeholders to develop appropriate requirements and responsibilities. An ERM Risk Identification and Assessment has been performed, in accordance with applicable standards, and is included in this package.

Applicability: The order will apply to all elements of DOE including NNSA, and to all contractors having the DEAR security clauses in their classified contracts.

Major Changes: This order will establish new requirements and responsibilities as required by the President and will involve new responsibilities and authorities for IN and HSS, in accordance with the Secretary's decision to have HSS lead this effort.

IMPACT: No conflicts with other directives have been identified. However, establishing a program consistent with the minimum standards will require additional resources. The resource requirements will range from additional duties for some Federal and contractor staff to the potential for significant investments in specialized computer software, depending on the methodologies and schedules of those responsible for program implementation.

WRITER: Larry D. Wilcher, Office of Security, (301) 903-5217

OPI: Larry D. Wilcher, Office of Security, (301) 903-5217

DECISION: Ingrid Kolb, Director, Office of Management

Concur: _____ Nonconcur: _____ Date: 10-18-13

Unless otherwise determined by Directives Review Board, writers will have up to 60 days in which to develop their first draft and submit to the Office of Information Resources, MA-90.

Timeline: Schedule for Directives Development

Standard Schedule for Directives Development	Days
Draft Development	60
Review and Comment (RevCom)	30
Comment Resolution	30
Final Review	30
Total	150

Attachment:
Risk Identification and Assessment

The writer will work closely w/ the programs regarding costs of any new requirements.

All members support the effort but want to be involved in the drafting of the directive. MA-90 recommended that DRB Chair approve the JM contingent on HS providing members with more information regarding costs during the directive's development.

Risk Identification and Assessment

Proposed Order Implementing EO 13587

Risk, Probability, Impact, and Risk Level Under Current Requirements

Risk	Probability	Impact	Risk Level
People			
The President has, under E.O. 13587, required Executive Branch Departments to implement new policies to address the insider threat. While the Department has long had elements within its safeguards and security program to address insider threats, they do not meet all the objectives of the Executive Order. Since there is a national level body requiring quarterly reports on Departmental efforts to establish this policy, among other aspects of the insider threat program, it is essential that an order be prepared as quickly as possible to ensure Departmental compliance.	Likely	Medium	Significant
Mission			
The Department, as an agency requiring classified information to perform its mission, cannot be effective in completing its mission if it is not compliant with this E.O.	Likely	High	Extreme
Assets			
Precursors to unauthorized actions involving Special Nuclear Material, Restricted Data, and other classified information may be overlooked, resulting in compromise or disclosure of the asset..	Unlikely	High	Significant
Financial	NA	NA	NA
Customer and Public Trust			
Failure to address E.O. requirements for an insider threat program will reduce customer and public trust in the Department's ability to protect national security assets.	Possible	Medium	Significant

Gap Analysis of Existing Risks and Controls

Type of Control	Control	Gap Analysis
Legislative	Atomic Energy Act	The AEA requires that the Department subject those requiring access to SNM and Restricted Data to a background.
Executive Orders	E. O. 12968	Establishes requirements for access to classified information.
	E.O. 13587	Establishes the requirement for an insider threat policy establishing an insider threat program in compliance with the national Insider Threat Policy and Minimum Standards.
External Regulations:	32 CFR 2004, *National Industrial Security Program*	Being revised by Information Security Oversight Office to require Cognizant Security Agencies to implement an insider threat program for each contractor.
DOE Regulation	No Requirement	N/A
DOE Orders	None	There is no order requirement to establish an insider threat program in compliance with EO 13587 and the associated policy and standards; therefore compliance with Presidential direction is less likely.
Contract Controls	None	CRD needs to be added to a new order to establish contractor requirements in conformance to the expected revision to 32 CFR 2004..

Risk Mitigation Techniques

Risk Assessment for Adding Procedures to Address Dual Citizenship to the Personnel Security Order					
Risk/Opportunity	**Risk Level**	**Potential Cost/Benefit**	**External Control(s)**	**Proposed Mitigation Technique**	**Internal Control)if Needed)**
The President has, under E.O. 13587, required Executive Branch Departments to implement new policies to address the insider threat. While the Department has long had elements within its safeguards and security program and cyber security program to address insider threats, they do not meet all the objectives of the Executive Order. Since there is a national level body requiring quarterly reports on Departmental efforts to establish this policy, among other aspects of the insider threat program, it is essential that an order be prepared as quickly as possible to comply with Presidental direction to create an insider threat policy.	Significant	It is of significant benefit to the Department to be in compliance with Presidential directives, especially if an insider similar to Manning or Snowden should be discovered in DOE/NNSA. In addition, the opportunity to combine pre-event identification with the existing response and mitigation programs will enhance the protection of classified information in the Department. The cost will be the establishment of an additional program within the Department with associated costs in additional duties for some personnel and potential budget impact.	Executive Order	Ensure, through specific policy requirements, that an insider threat program is established in conformance with national-level direction.	As mandated in the minimum standards, a mechanism for an annual internal review of the program will be established in the order.

The Department, as an agency requiring classified information to perform its mission, cannot be effective in completing its mission if it is not compliant with this E.O.	Extreme	The Department will benefit from both pre-event alerts and from an integration of existing programs. The cost will be the creation of a pre-event issue identification system.	Review of DOE programs by the National Insider Threat Task Force and the Information Security Oversight Office.	Ensure, through specific policy requirements, that an insider threat program is established in conformance with national-level direction.	As mandated in the minimum standards, a mechanism for an annual internal review of the program will be established in the order.
Precursors to unauthorized actions involving Special Nuclear Material, Restricted Data, and other classified information may be overlooked, resulting in compromise or disclosure of the asset..	Significant	The cost to national security of the disclosure of certain information to unauthorized persons is extreme, while the benefit of precursors to unauthorized actions has the potential for significant savings of staff time and effort.	Various controls exist to protect individuals' rights to privacy, which will serve as a control to ensure data is collected, retained, and analyzed with due regard to individual rights.	Ensure, through specific policy requirements, that an insider threat program is established in conformance with national-level direction.	As mandated in the minimum standards, a mechanism for an annual internal review of the program will be established in the order.
Failure to address E.O. requirements for an insider threat program will reduce customer and public trust in the Department's ability to protect national security assets.	Significant	Both Departmental and U.S. government credibility is at risk if there is not an effective insider threat program.	Review of DOE programs by the National Insider Threat Task Force and the Information Security Oversight Office.	Ensure, through specific policy requirements, that an insider threat program is established in conformance with national-level direction.	As mandated in the minimum standards, a mechanism for an annual internal review of the program will be established in the order.