



Washington State Auditor's Office

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Safe Data Disposal Protecting Confidential Information

In the last two years, state government organizations decommissioned almost 20,000 computers using the Department of Enterprise Services (DES) surplus program. Some are redistributed to other state agencies, school districts or non-profit organizations. The rest are sold to the public through the surplus program website or at the DES Surplus Store in Tumwater, WA. The revenue collected from the sale of these computers is used to fund the surplus program and to purchase new equipment for state organizations.

Before state organizations release computer equipment for disposal, state laws require them to erase all data, including confidential information such as Social Security numbers and personal medical information, as well as Information Technology (IT) system and security data from their hard drives. State standards also require state organizations to document their computer disposal procedures. Leaving confidential data on computers can expose both individuals and organizations to identity theft and fraud, and violates state and federal law.

We wanted to assess how well state organizations comply with statutes and employ best practices as identified in the Office of the Chief Information Officer (OCIO) Security Standard 141.10. The OCIO is responsible for the state's IT security standards. We also wanted to identify opportunities to improve computer disposal operations and minimize the risk of confidential data being released.

We designed our performance audit to determine if state organizations remove confidential data stored in their data processing equipment before releasing them for surplus or destruction, and if their data processing disposal policies, procedures and actual processes comply with state requirements and employ best practices.

Not all state organizations removed confidential data stored in their computers before releasing them for surplus or destruction.

Four of the 13 organizations whose surplus computers we tested had released equipment containing confidential data. They were the:

- Department of Ecology
- Department of Health
- Department of Labor & Industries
- Department of Social and Health Services

The State Auditor's Office created a stratified statistical sample of all surplus computers and inspected computers from 13 state organizations sent to the surplus program over a six-week period. We estimate that 9 percent, or 109, of the 1,215 computers scheduled for surplus during our review period contained confidential information.

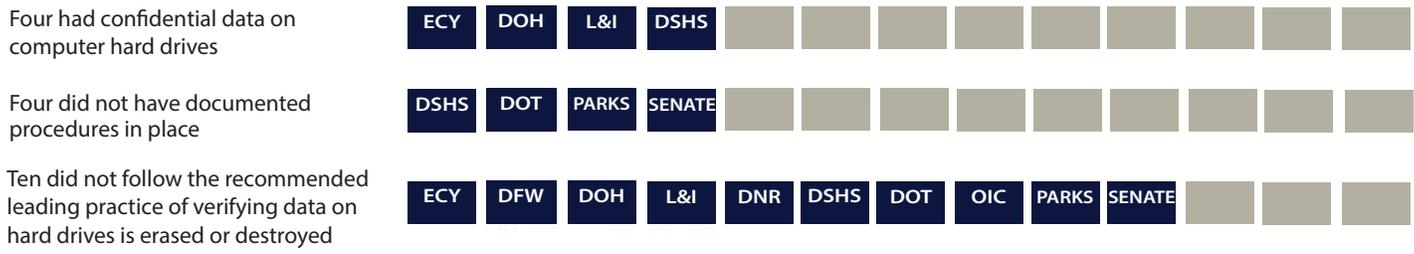
We recovered files from the computers' hard drives. With the right knowledge of data retrieval, the confidential information we found could be obtained in a few minutes. Had these computers been sold, the presence of confidential information on their hard drives posed a risk of harm to individuals and the state.

Confidential data found on state surplus computers included:

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|--------------------------------------|-------------------|---------------------------------|
| ▶ Applications for public assistance | ▶ Medical records | ▶ Personal financial statements |
| ▶ Employee performance evaluations | ▶ IRS tax forms | ▶ Social Security numbers |
| ▶ IT security and system information | ▶ Claims records | ▶ Employment applications |

Not all state organizations' data processing disposal policies, procedures, and processes were in compliance with state requirements and followed best practices.

Of the 13 state organizations whose surplus computers and data disposal processes and policies we examined...



We also compared the OCIO Security Standards to guidance published by the National Institute of Standards and Technology (NIST). The OCIO's standards refer to the NIST guidance as "best practices," but we found that the standards did not clearly require state organizations to employ those best practices. The NIST best practices specifically include steps to verify and document data is properly deleted.

Two state organizations did employ best practices by including a step in their procedures to verify that data was removed from their computer hard drives, as recommended by NIST. Those organizations were the Employment Security Department and the Department of Enterprise Services.

The state responded swiftly to our audit test findings

After we shared our audit test results with the state organizations and the OCIO, the state organizations reacted swiftly to address the problem.

The OCIO immediately quarantined computers at the surplus store, halted sales, and provided additional guidance to state organizations and is in the process of evaluating its computer disposal policies. The organizations that we found had confidential data on their computers took immediate steps to resolve the problems and are reviewing their procedures.

Summary Recommendations

We recommend that the OCIO:

- Engage state IT and security leaders to modernize the methods available to organizations to meet the OCIO Standards (destruction and recycling services)
- Revise the OCIO Standards to require verification and documentation of confidential data removal
- Monitor all state organizations to ensure their data disposal procedures meet the OCIO Standards
- Halt the release of end-of-life digital media storage devices for organizations whenever the OCIO has reason to doubt their compliance with OCIO Standards

We recommend that state organizations:

1. The following organizations establish documented procedures to ensure safe and secure disposal of sensitive and confidential information. The procedures should align with the OCIO Security Standards:

- Parks and Recreation • Social and Health Services • State Senate • Transportation

2. As a best practice, the following organizations should include in their procedures a step to verify and record that confidential data is appropriately removed from computer hard drives before releasing to surplus:

- Ecology
- Fish and Wildlife
- Health
- Insurance Commissioner
- Labor and Industries
- Natural Resources
- Parks and Recreation
- Revenue
- Social and Health Services
- State Senate
- Transportation