



UNITED STATES GOVERNMENT  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF INSPECTOR GENERAL

## MEMORANDUM

**DATE:** December 15, 2021

**TO:** Chairwoman

**FROM:** Inspector General *for RM, AIG*

**SUBJECT:** Public Report on the Federal Communications Commission's Fiscal Year 2021 Federal Information Security Management Act Evaluation (Report No. 21-EVAL-06-01)

In accordance with the Federal Information Security Management Act (FISMA), the Federal Communication Commission (FCC) Office of Inspector General (OIG) engaged Kearney and Company, P.C. (Kearney) to evaluate the FCC's progress in complying with the requirements of FISMA. The evaluation also assessed FCC's compliance with Department of Homeland Security reporting requirements, and applicable Office of Management and Budget (OMB) and National Institute of Standards and Technology guidance for a representative subset of FCC's information systems.

Kearney concluded that the FCC's information security program was effective and in compliance with FISMA legislation, OMB memoranda, and other applicable guidance. This is the first year that the agency's information security program has been in compliance, which is a significant accomplishment. Specifically, Kearney noted the FCC has made improvements to processes within its overall information security program since the FY 2020 FISMA evaluation in two areas, Information Security Continuous Monitoring and Incident Response, and maintained its maturity level in five of the six remaining metric domains. Although the FCC's information security program was effective, Kearney and the OIG believe that FCC management should work to fully implement their information security policies and procedures and resolve longstanding deficiencies in the FCC information security program. The FISMA evaluation report includes seven findings and offers 13 recommendations intended to improve the effectiveness of the FCC's information security program controls.

Kearney is wholly responsible for the attached public FISMA evaluation report and the conclusions expressed therein. The OIG monitored Kearney's performance throughout the audit and reviewed their report and related documentation. Our review disclosed no instances where Kearney did not comply, in all material respects, with the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Inspection and Evaluation.

We appreciate the collaboration and courtesies extended to Kearney and the OIG during the evaluation. If you have questions, please contact Robert McGriff, Assistant Inspector General for Audit, at (202) 418-0483 or Sophila Jones, Deputy Assistant Inspector General for Audit, at (202) 210-0976.

cc: Managing Director  
Deputy Managing Director  
Chief Information Officer  
Deputy Chief Information Officer  
Chief Information Security Officer  
Chief Financial Officer  
Deputy Chief Financial Officer



**Fiscal Year (FY) 2021  
Federal Information Security  
Modernization Act of 2014 (FISMA)  
Evaluation for the  
Federal Communications Commission (FCC)**

**Report No. 21-EVAL-06-01**

**December 9, 2021**

**KEARNEY &  
COMPANY**

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## I. Evaluation Purpose

The Federal Information Security Modernization Act of 2014 (FISMA) requires Federal agencies, including the Federal Communications Commission (“the FCC” or “the Commission”), to perform annual independent evaluations of their information security programs and practices and to report the evaluation results to the Office of Management and Budget (OMB). FISMA states that the agency Inspector General (IG) or an IG-determined independent external evaluator must perform the independent evaluations. The FCC Office of Inspector General (OIG) contracted with Kearney & Company, P.C. (defined as “Kearney,” “we,” and “our” in this report) to conduct the FCC’s fiscal year (FY) 2021 evaluation. The objective of this evaluation was to determine the effectiveness of information security policies, procedures, and practices of a representative subset of the FCC’s and the Universal Service Administrative Company’s (USAC) information systems, including compliance with FISMA and related information security policies, procedures, standards, and guidelines. USAC is a not-for-profit corporation designated by the FCC as the administrator of Federal universal service support mechanisms.

## II. Background

To achieve its mission of regulating interstate and international communications, the FCC must safeguard the sensitive information that it collects and manages. Ensuring the confidentiality, integrity, and availability of this information in an environment of increasingly sophisticated security threats requires a strong, agency-wide information security program.

FISMA directs the National Institute of Standards and Technology (NIST) to develop risk-based standards and guidelines to assist agencies in defining security requirements for their information systems. In addition, OMB issues information security policies and guidelines, including annual instructions to the heads of Federal executive departments and agencies for meeting their reporting requirements under FISMA. The Department of Homeland Security (DHS) exercises primary responsibility within the Executive Branch for the operational aspects of Federal agency cybersecurity with respect to the Federal information systems that fall within the scope of FISMA. DHS’s responsibilities include overseeing agency compliance with FISMA and developing analyses for OMB to assist in the production of its annual FISMA report to Congress. Accordingly, DHS provided agency IGs with a set of security-related metrics grouped into nine domains<sup>1</sup> and organized by the five information security functions outlined in the NIST Cybersecurity Framework<sup>2</sup> to address their FISMA reporting responsibilities in the *FY 2021 IG FISMA Reporting Metrics*, dated May 12, 2021. **Exhibit 1** presents the IG FISMA metrics structure and the corresponding nine metric domains.

<sup>1</sup> The nine FISMA IG domains are comprised of Risk Management, Supply Chain Risk Management, Configuration Management, Identity and Access Management, Data Protection and Privacy, Security Training, Information Security Continuous Monitoring, Incident Response, and Contingency Planning.

<sup>2</sup> Per NIST’s *Framework for Improving Critical Infrastructure Cybersecurity*, Version 1.1, dated April 16, 2018: “[The five functions (i.e., Identify, Protect, Detect, Respond, and Recover)] aid an organization in expressing its management of cybersecurity risk by organizing information, enabling risk management decisions, addressing threats, and improving by learning from previous activities.”

**Exhibit 1: Cybersecurity Framework Functions and Associated Metric Domains**

Cybersecurity Framework Function	FY 2021 IG FISMA Metric Domain
Identify	Risk Management
	Supply Chain Risk Management
Protect	Configuration Management
	Identity and Access Management
	Data Protection and Privacy
	Security Training
Detect	Information Security Continuous Monitoring
Respond	Incident Response
Recover	Contingency Planning

Source: Kearney; created from the FY 2021 IG FISMA Reporting Metrics

For FY 2021, DHS provided maturity models<sup>3</sup> for each FISMA metric in all nine domains and five NIST Cybersecurity Framework Function areas. *Exhibit 2* presents the maturity levels within DHS’s maturity model structure and the corresponding definition of each maturity level.

**Exhibit 2: Maturity Levels and Definitions**

Maturity Level	Title	Brief Definition
Level 1	Ad hoc	Program is not formalized. Activities are performed in a reactive manner.
Level 2	Defined	Program is formalized, but policies, plans, and procedures are not consistently implemented organization-wide.
Level 3	Consistently Implemented	Formalized program is consistently implemented across the agency, but measures of effectiveness are not captured and used.
Level 4	Managed and Measurable	Program activities are repeatable, and metrics are used to measure and manage program implementation, achieve situational awareness, and control ongoing risk.
Level 5	Optimized	Program is institutionalized, repeatable, self-regenerating, and updated on a near-real-time basis based on changes in business/mission requirements and a changing threat and technology landscape.

Source: Kearney; created from the FY 2021 IG FISMA Reporting Metrics

Using the maturity model levels, DHS instituted a scoring system to determine the degree of maturity of the agency’s information security program, as well as specific criteria to conclude on the effectiveness of the agency’s programs in each Cybersecurity Framework function. Ratings throughout the nine domains are by a simple majority, where the most frequent level (i.e., the mode) across the questions in each domain serves as the overall domain rating. OMB and DHS ensure that the domain ratings are scored appropriately when entered into DHS’s FISMA

<sup>3</sup> The FISMA maturity models include five levels of program maturity. From lowest to highest, the levels are: 1: *Ad Hoc*; 2: *Defined*; 3: *Consistently Implemented*; 4: *Managed and Measurable*; and 5: *Optimized*.

reporting platform, CyberScope. To achieve an effective level of information security management under the maturity model concept, agencies must reach Level 4: *Managed and Measurable*. While DHS and OMB encourage IGs to utilize the automatically scored domain ratings, IGs have the discretion to determine the overall effectiveness rating and the rating for each function based on their assessment. Although DHS provided maturity models for the Supply Chain Risk Management domain FISMA metrics, the NIST SP 800-53 Rev. 5, *Security and Privacy Controls for Information Systems and Organizations*, is not reportable for FY 2021. To allow agencies sufficient time to fully implement NIST SP 800-53 Rev. 5, DHS instructed that the new metrics for the Supply Chain Risk Management domain are not to be considered for the purposes of the *FY 2021 IG FISMA Reporting Metrics* rating.

We evaluated the effectiveness of the FCC's information security program and practices by designing procedures to assess consistency between the Commission's security controls and FISMA requirements, OMB policy and guidelines, and applicable NIST standards and guidelines in the areas covered by the DHS metrics. Additionally, we followed up on findings reported in previous FISMA evaluations to determine whether the FCC had taken appropriate corrective actions and properly mitigated the related risks. We provided the results of our evaluation to the FCC OIG for their use in submitting the IG responses to the DHS metrics through CyberScope by the October 29, 2021 deadline. We also issued a detailed report to FCC management, the non-public FISMA report, which contains sensitive information concerning the FCC's information security program. Accordingly, the FCC OIG does not intend to release that report publicly.

Our evaluation methodology met the Council of Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* and included inquiries, observations, and inspection of FCC and USAC documents and records, as well as direct testing of controls.

### III. Evaluation Results

We found that the FCC made improvements to processes within its information security program since the FY 2020 FISMA evaluation in the area of Incident Response (i.e., enhanced qualitative and quantitative performance metrics). As a result of these efforts, the Commission’s information security posture improved and we concluded the FCC’s information security program was effective, as defined in the *FY 2021 IG FISMA Reporting Metrics*. Although the FCC’s information security program was effective, FCC management must fully implement their information security policies and procedures and resolve longstanding deficiencies in the FCC information security program.

Overall, we found deficiencies and instances of noncompliance in four of the eight domains that were reportable for FY 2021. We grouped the deficiencies and instances of noncompliance from those four domains into seven findings, which we issued in a non-public FISMA evaluation report. In combination, Kearney considered one of the seven findings to be high-risk and classified that area as a significant deficiency based on the definition from OMB Memorandum M-14-04.<sup>4</sup> Significant deficiencies require the attention of agency leadership and immediate or near-immediate corrective actions. As shown in *Exhibit 3*, the FCC’s information security program was effective in three of the five function areas and in compliance with FISMA legislation, OMB guidance, and applicable NIST Special Publications as of August 2021 (i.e., the end of our fieldwork). Therefore, we concluded that the Commission’s overall information security program was scored as effective and in compliance due to the *FY 2021 IG FISMA Reporting Metrics* ultimately scoring agencies at the Function level.

***Exhibit 3: FCC Security Control Effectiveness***

NIST Cybersecurity Framework Function	FY 2021 IG FISMA Metric Domain	FY 2020 Maturity Level	FY 2021 Maturity Level	Effective?	Severity of Noted Exceptions
Identify	1.1 Risk Management	Level 3 – Consistently Implemented	Level 3 – Consistently Implemented	No	Control Deficiency
Identify	1.2 Supply Chain Risk Management	N/A – New for FY 2021	Level 1 – Ad Hoc	No <sup>5</sup>	Not Applicable
Protect	2.1 Configuration Management	Level 3 – Consistently Implemented	Level 3 – Consistently Implemented	No	Control Deficiency
Protect	2.2 Identity and Access Management	Level 3 – Consistently Implemented	Level 2 – Defined	No	Significant Deficiency

<sup>4</sup> Per OMB Memorandum M-14-04, a significant deficiency is: “a weakness in an agency’s overall information systems security program or management control structure, or within one or more information systems, that significantly restricts the capability of the agency to carry out its mission or compromises the security of its information, information systems, personnel, or other resources, operations, or assets.”

<sup>5</sup> Although we did not consider Supply Chain Risk Management in the IG reporting metrics, Kearney included test results for the Supply Chain Risk Management program throughout this report.

NIST Cybersecurity Framework Function	FY 2021 IG FISMA Metric Domain	FY 2020 Maturity Level	FY 2021 Maturity Level	Effective?	Severity of Noted Exceptions
Protect	2.3 Data Protection and Privacy	Level 3 – Consistently Implemented	Level 3 – Consistently Implemented	No	Not Applicable
Protect	2.4 Security Training	Level 4 – Managed and Measurable	Level 4 – Managed and Measurable	Yes	Not Applicable
Detect	3.1 Information Security Continuous Monitoring	Level 2 – Defined	Level 4 – Managed and Measurable	Yes	Control Deficiency
Respond	4.1 Incident Response	Level 3 – Consistently Implemented	Level 4 – Managed and Measurable	Yes	Not Applicable
Recover	5.1 Contingency Planning	Level 4 – Managed and Measurable	Level 4 – Managed and Measurable	Yes	Not Applicable

Source: Kearney; created from the results of the FY 2021 FCC FISMA evaluation

The FCC made improvements to processes within its information security program since the FY 2020 FISMA evaluation in the area of Incident Response; however, our assessment of the overall maturity of each metric area remained relatively consistent with the prior year. The Incident Response domain is the one area that improved from the prior year, resulting in an overall rating of an effective information security program during FY 2021. FCC management should continue efforts to implement their information security policies and procedures with particular focus in the significant deficiency domain of Identity and Access Management.

**IV. Recommendations**

We issued 13 recommendations in the non-public FY 2021 FISMA evaluation report intended to improve the effectiveness of the FCC’s information security program controls in the areas of Risk Management, Configuration Management, Identity and Access Management, and Information Security Continuous Monitoring. Of the 13 recommendations we issued, 10 are either repeats or updates from prior FISMA evaluations, and 3 address deficiencies identified in FY 2021. For comparison, we issued 17 recommendations in the FY 2020 FISMA evaluation report.

We noted that the FCC was in the process of implementing policies and procedures to strengthen security controls in several areas during our evaluation. The FCC should continue to prioritize and implement its documented security policies and procedures, as well as establish ongoing monitoring over all five NIST Cybersecurity Functions to continue to achieve an effective maturity Level 4: *Managed and Measurable* for its information security program.

## V. Management Comments

On November 29, 2021, FCC management provided a written response to a draft of the non-public FY 2021 FISMA evaluation report, which we included as **APPENDIX A: MANAGEMENT’S RESPONSE TO DETAILED FISMA REPORT**. We did not subject the response to evaluation procedures, and accordingly, we do not provide conclusions on it.

## APPENDIX A: MANAGEMENT'S RESPONSE TO DETAILED FISMA REPORT



*Office of the Managing Director*

MEMORANDUM

**DATE:** November 29, 2021

**TO:** David L. Hunt, Inspector General

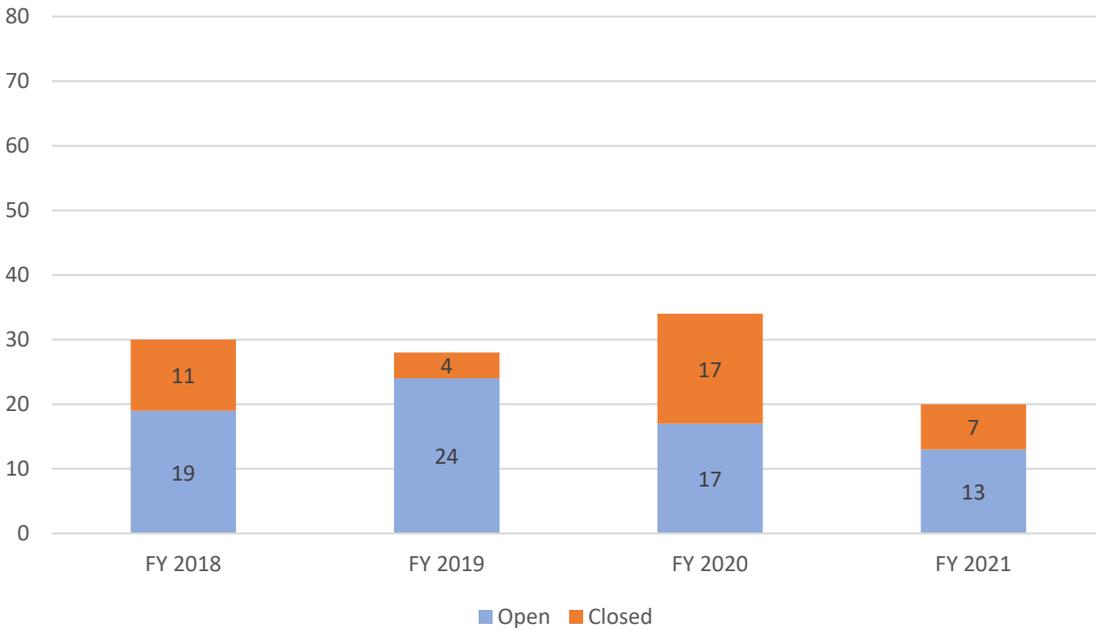
**FROM:** Mark Stephens, Managing Director  
Shaun Costello, Acting Chief Information Officer

**SUBJECT:** Management's Response to the Fiscal Year 2021 Federal Information Security Modernization Act of 2014 (FISMA) Evaluation for the Federal Communications Commission

Thank you for the opportunity to review and comment on the draft report entitled *Fiscal Year (FY) 2021 Federal Information Security Modernization Act (FISMA) Evaluation for the Federal Communications Commission*. We appreciate the efforts of your team and the independent evaluation team, Kearney and Company, to work with the Federal Communications Commission (FCC or Commission) throughout the FY 2021 evaluation. The results of this year's evaluation are due to the commitment and professionalism demonstrated by both of our offices as well as the independent evaluation team. During the entire evaluation, the Commission worked closely with your office and the independent evaluation team to provide the requested information in a timely manner to assist the evaluation process.

The FCC is committed to continually strengthening its information security program as shown by the declining number of open FISMA recommendations from year to year in *Exhibit 1* below. The Commission's information technology (IT) team continued to work throughout FY 2021 to make improvements and to resolve findings from previous years. The auditors recognized that the FCC made improvements to processes within its information security program since the FY 2020 FISMA evaluation in the areas of: Risk Management (i.e., completing ATO for the Genesis system), Identity and Access Management (i.e., completing the Genesis audit logging and monitoring), Information Security Continuous Monitoring (i.e. improving the maturity level), and, Incident Response (i.e. improving the maturity level). However, the FCC recognizes that the auditors also concluded that some aspects of the Commission's information security program were ineffective and not in compliance with FISMA legislation, Office of Management and Budget (OMB) guidance, and applicable National Institute of Science and Technology (NIST) Special Publications (SPs) as of the end of the auditors' FY 2021 evaluation.

**Exhibit 1: FCC FISMA RECOMMENDATIONS FROM FY 2018 to FY 2021**



In FY 2021, the FCC Chief Information Officer (CIO) and the FCC Chief Information Security Officer (CISO) continued their focus on improving the Commission’s cybersecurity posture. Through these ongoing efforts, the CIO and CISO have built upon work completed in prior fiscal years to close 42% of the Commission’s overall number of open FISMA recommendations from FY 2020 to FY 2021. The Commission will continue to work diligently to resolve the remaining open findings.

In FY 2021, the FCC continued to remediate recommendations to the Government Accountability Office’s (GAO) evaluation of the FCC’s Electronic Comment Filing System. The FCC has been able to remediate 92% of GAO’s recommendations from that study as of the date of this letter. Some of the recommendations that were remediated will likely help in remediating FISMA findings and will also help in strengthening the FCC’s cybersecurity posture.

**Steps Forward**

The FY 2021 FISMA evaluation report identifies one finding as a significant deficiency in IT security. This finding is related to the Identity and Access Management (IAM) domain. The Commission will continue to address each of the findings identified by the auditors. Specifically, the FCC IT team will:

- Complete the implementation of its ISCM Strategy and Plan. Reduce system vulnerabilities through an integrated risk-based vulnerability-management effort and continue to modernize the FCC’s legacy applications.
- Refine the current process of provisioning and managing user access to the FCC’s information systems. Evaluate potential options for the implementation of the requirements of Homeland Security

Presidential Directive 12 (HSPD-12) for Personal Identity Verification (PIV) cards for logical access to the FCC's facilities and systems.

- Continue to evaluate risks and potential corrective actions related to Risk Management and Configuration Management domains.
- Continue cloud-based modernization efforts, which, along with strengthened processes and oversight, will eliminate a considerable number of the remaining weaknesses associated with legacy systems.

In partnership with the Bureaus and Offices across the Commission, we remain committed to strengthening the FCC's IT security controls. We look forward to working in this coming fiscal year to resolve the FY 2021 audit findings while continuing to enhance the cybersecurity posture of the Commission.

Respectfully submitted,

**Mark  
Stephens**  Digitally signed by  
Mark Stephens  
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Mark Stephens  
Managing Director  
Office of Managing Director

## APPENDIX B: ACRONYM LIST

<b>Acronym</b>	<b>Definition</b>
Commission	Federal Communications Commission
DHS	Department of Homeland Security
FCC	Federal Communications Commission
FISMA	Federal Information Security Modernization Act of 2014
FY	Fiscal Year
IG	Inspector General
Kearney	Kearney & Company, P.C.
NIST	National Institute of Standards and Technology
OIG	Office of Inspector General
OMB	Office of Management and Budget
USAC	Universal Service Administrative Company