



DEPARTMENT OF ENERGY
National Nuclear Security Administration
Los Alamos Site Office
Los Alamos, New Mexico 87544



FEB 03 2009

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Mr. Rueben M. Rafferty
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Dear Messrs:

Reference: Contract Number DE-AC52-06NA25396, Los Alamos National Security, LLC (LANS) and the Department of Energy, National Nuclear Security Administration

Subject: Cyber Security / Property Management Concerns

Los Alamos National Laboratory (LANL) worked diligently over the past year to complete the demanding requirements of the Secretary's Compliance Order, and the National Nuclear Security Administration (NNSA) recently concurred that LANL had made great strides in improving the robustness of cyber security implementation. I feel this process also brought our organizations closer together as we worked toward common goals.

Cyber security requires continuous vigilance, which is evidenced by the unknown and unexpected that become matters of significance. For example, on January 16, 2009, three computers were stolen from a LANS employee's residence in Santa Fe. This incident has revealed several property management, accountability, incident reporting and cyber security concerns.

In treating this initially as only a property management issue, my staff and I, and apparently the cyber security elements of the laboratory, were not engaged in a timely and proactive manner to assess and address potential loss of sensitive information. Perhaps more frustrating is that, when this engagement did occur, significant uncertainty existed as to the state of compliance adhered to within the laboratory. This fueled greater concern as initial laboratory reports, which were reviewed at Headquarters (HQ) and at the Los Alamos Site Office (LASO), used vague terminology and made assertions that suggested significant weaknesses in individual controls, organizational management approval, accountability systems, configuration management, etc.

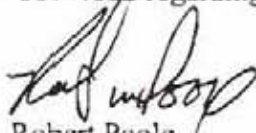
In subsequent follow-up to this and other emergent issues, LANS has reported that 13 computers have been stolen or lost in the past 12 months, and that 67 computers are currently "missing." The

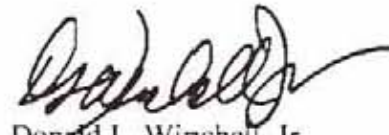
magnitude of exposure and risk to the laboratory is at best unclear as little data on these losses has been collected or pursued given their treatment as property management issues as well.

In recognition of these events and their possible implications and in accordance with clause H-2 entitled performance direction, I am directing you to treat any loss of computer equipment with the capability to store data as a cyber security concern with reporting due to this office as outlined in the NNSA Chief Information Officer's (CIO) memorandum dated January 27, 2009. I am also directing the formal resolution of the status and potential cyber security ramifications of each of the 80 systems noted above be documented in a written report to me by Friday, February 6, 2009 close-of-business. Finally, I direct LANS to work closely with my staff to develop and execute an aggressive program to correct any system deficiencies/weaknesses in computer accountability and configuration management system consistent with the commitments resulting from the recently completed Security Compliance Order.

Please submit evidence packages to this office demonstrating the completion of this direction.

Please do not hesitate to contact me at (505) 667-5105 or Harold Brockelsby, DAA at (505) 667-4662 regarding this issue.


Robert Poole
Contracting Officer


Donald L. Winchell, Jr.
Manager

cc:
H.Brockelsby, CS, LASO
R.Kirkpatrick, SM, LASO
Records Center, LASO
Official Contract File, LASO