

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



October 1, 2008

The Honorable Adrian M. Fenty  
Mayor  
District of Columbia  
Mayor's Correspondence Unit, Suite 316  
1350 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

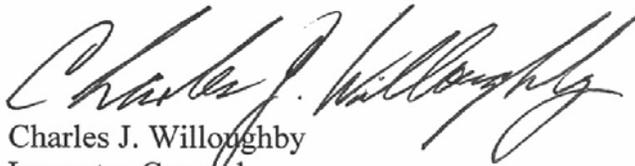
Dear Mayor Fenty:

Enclosed please find a copy of a Management Alert Report (MAR 08-I-008) issued August 29, 2008, to the Alcoholic Beverage Regulation Administration (ABRA) and the Office of Property Management (OPM). The MAR addresses deficiencies in how ABRA maintains and secures sensitive information submitted by applicants for alcoholic beverage licenses. It also points out that ABRA's current office space configuration does not sufficiently protect the identities of ABRA investigators who work undercover. ABRA's response to the MAR, dated September 19, 2008, and OPM's response to the MAR received via e-mail on September 19, 2008, are enclosed.

Although the OIG is conducting an ongoing special evaluation of ABRA for which a report will be completed in fiscal year 2009, we are providing this information to you now so that you are aware of the importance of the issues addressed in the MAR and the corrective actions proposed by ABRA and OPM.

If you have questions, please contact Alvin Wright, Jr., Assistant Inspector General for Inspections and Evaluations, at (202) 727-2540.

Sincerely,



Charles J. Willoughby  
Inspector General

CJW/arg

Enclosures

cc: See Distribution List

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Letter to Mayor Fenty

October 1, 2008

Page 3 of 3

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DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL  
CHARLES J. WILLOUGHBY  
INSPECTOR GENERAL

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INSPECTIONS AND EVALUATIONS DIVISION  
*MANAGEMENT ALERT REPORT*

**ALCOHOLIC BEVERAGE REGULATION  
ADMINISTRATION  
AND  
OFFICE OF PROPERTY MANAGEMENT**

- **SENSITIVE INFORMATION NOT SECURE**
- **INVESTIGATORS' IDENTITIES NOT SUFFICIENTLY PROTECTED**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



August 29, 2008

Maria M. Delaney  
Director  
Alcoholic Beverage Regulation Administration  
941 North Capitol Street, N.E.  
Washington, D.C., 20004

Robin-Eve Jasper  
Acting Director  
Office of Property Management  
441 4<sup>th</sup> Street, NW, Suite 1100  
Washington, D.C., 20001

Dear Ms. Delaney and Ms. Jasper:

This is a Management Alert Report (MAR 08-I-008) to inform you that during our special evaluation of the Alcoholic Beverage Regulation Administration (ABRA), the Office of the Inspector General (OIG) determined that ABRA is not securely maintaining sensitive information submitted by applicants for alcoholic beverage licenses. In addition, ABRA's current office space configuration does not sufficiently protect the identities of ABRA investigators who work undercover. The OIG provides these reports when it believes a matter requires the immediate attention of District government officials.

**Background**

As an independent District government agency, ABRA licenses qualified applicants to serve or sell alcoholic beverages, works to prevent the sale of alcoholic beverages to underage individuals, and takes appropriate enforcement action when a business violates District alcoholic beverage law. Prior to May 3, 2001, ABRA was a division within the D.C. Department of Consumer and Regulatory Affairs (DCRA).

ABRA employs approximately 17 investigators, who conduct investigations and inspections, deliver subpoenas, and work with law enforcement agencies. Investigators perform undercover operations to determine whether licensed establishments are selling alcoholic beverages to minors or selling such beverages after permitted hours. ABRA's investigators do not have law enforcement authority and, therefore, neither carry firearms nor make arrests.

## Observations

### **Sensitive information is not properly secured.**

According to page 3 of ABRA's Ethics Policy (April 27, 2005), "Maintaining accurate and secure records is crucial to the accomplishment of the agency's mission and to maintaining the trust of members of the public and government to whom ABRA is responsible." According to ABRA, this policy was first distributed to ABRA employees in May 2005 and is distributed to all new employees. In addition, ABRA's Enforcement Division has developed a draft Code of Conduct stating the same policy regarding records security. ABRA plans to issue this Code of Conduct as part of its Standard Operating Procedures in September 2008. The U.S. Government Accountability Office Internal Control Management and Evaluation Tool states that an agency should ensure, "Access to resources and records is limited and accountability for their custody is assigned."<sup>1</sup>

Through on-site observations, our inspector learned that ABRA does not secure all sensitive information from unauthorized access. The inspector observed approximately 100 boxes stored openly in ABRA hallways (see Attachments 1 and 2). Several of these boxes contained sensitive applicant and other information. For instance, in one box, the inspector observed a completed application for an alcoholic beverage license that contained the applicant's home address, social security number, date of birth, and results of criminal history record checks (see Attachments 3 and 4). In another box, the inspector saw photocopies of District learner's driver permits.<sup>2</sup> Another box held reports of Alcoholic Beverage Control Board<sup>3</sup> hearings and testimony. The inspector also learned through an interview with a senior manager that file cabinets containing inactive investigative files are not locked during or after business hours.<sup>4</sup>

ABRA shares office space with DCRA personnel and, according to senior ABRA officials, ABRA has insufficient work space. The inspector observed many of these boxes in hallways used by DCRA employees (see Attachment 2).

ABRA does not have written policies and procedures that specify how its employees are to safeguard sensitive information. The inspector reviewed three records management policies provided by ABRA. The policies give guidance on file organization, retention, and disposal, but not on safeguarding sensitive information. The Chief of Enforcement stated that ABRA does not have written procedures for securing investigative files. He stated that the development of such procedures is underway and the draft is due September 30, 2008.

ABRA indicated that records are stored in boxes in the hallways because the agency did not have a retention policy from 2002 to 2005. Prior to sending files to storage, they must be reviewed;

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<sup>1</sup> GOVERNMENT ACCOUNTABILITY OFFICE, INTERNAL CONTROL MANAGEMENT AND EVALUATION TOOL, GAO-01-1008G, 42 (Aug. 2001).

<sup>2</sup> Upon speaking with ABRA's Chief of Enforcement, we were informed that the learner's permits are actual licenses belonging to participants of the National Capital Coalition to Prevent Underage Drinking. The licenses are used to test establishments' compliance with the prohibition against sales to minors.

<sup>3</sup> The Alcoholic Beverage Control Board is an independent adjudicatory body responsible for overseeing ABRA.

<sup>4</sup> Active investigations, however, are locked in an office or file cabinet.

however, ABRA does not have a records manager and is currently seeking to fill the vacancy. In addition, ABRA has made only one shipment of documents to storage since 2002. However, an Office of Property Management (OPM) employee informed the OIG that OPM has warehouses for District agencies to store items, even if only for temporary storage.

Although those ABRA senior managers interviewed were not aware that any sensitive information had been accessed or taken by unauthorized personnel, this information is still vulnerable to unauthorized access and theft. For example, cleaning staff enter ABRA's offices unescorted, and ABRA shares office space with another District agency. This issue is of particular concern because, according to the Social Security Administration, "identity theft is one of the fastest growing crimes in America."<sup>5</sup>

**ABRA's current office space configuration does not sufficiently protect investigators' identities.**

The inspector learned through interviews and observation that ABRA's current space configuration does not protect the identities of undercover investigators from ABRA customers. Senior managers stated that ABRA's investigative staff offices are located in close proximity to the hearing room, a conference room, and common areas that are frequented by customers. They cited a need for a secure location so that investigators' identities will be protected.

ABRA has been working with OPM to find new office space since 2002 and has communicated these needs with the Office of the City Administrator. ABRA planned to move to a new office location in 2005, 2006, and 2007 and, therefore, pending the move, ABRA is reluctant to spend funds to reconfigure its existing office space. An OPM employee informed the inspector that OPM focuses on addressing space needs of agencies with expiring leases. The employee added that OPM was not addressing ABRA's space problems because ABRA's current office space arrangement is a component of DCRA's lease agreement and will not expire until 2011. Another OPM employee indicated that the target year for moving ABRA was 2009.

**Recommendations**

We recommend that the Director, ABRA:

1. Take immediate steps to identify all sensitive information and ensure that it is secure from unauthorized access. As necessary, work with OPM to obtain secure storage space for sensitive information. Also, obtain additional work space or reconfigure existing work space to protect the identity of ABRA's undercover investigators.
2. Issue policies and procedures promptly that detail the actions employees should take to secure and store sensitive information.

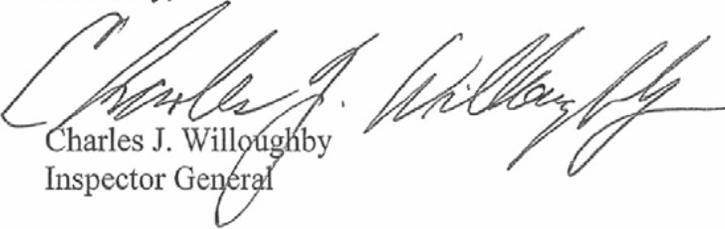
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<sup>5</sup> U.S. SOCIAL SECURITY ADMINISTRATION, IDENTITY THEFT AND YOUR SOCIAL SECURITY NUMBER, available at <http://www.ssa.gov/pubs/10064.html> (last visited Aug. 1, 2008).

Please provide your comments on this MAR by September 19, 2008. Your response should include actions taken or planned, dates for completion of planned actions, and reasons for any disagreements with the concerns and recommendations presented. Please distribute this MAR only to those who will be directly involved in preparing your response.

Should you have any questions prior to preparing your response, please contact [REDACTED], Director of Planning and Inspections, at [REDACTED].

Sincerely,



Charles J. Willoughby  
Inspector General

CJW/ag

Attachments

cc: The Honorable Adrian M. Fenty, Mayor, District of Columbia  
Mr. Daniel M. Tangherlini, City Administrator and Deputy Mayor  
The Honorable Vincent C. Gray, Chairman, Council of the District of Columbia  
The Honorable Carol Schwartz, Chairperson, Committee on Workforce Development and Government Operations  
The Honorable Jim Graham, Chairperson, Committee on Public Works and the Environment

Attachment 1: Photo of Boxes Containing Sensitive Information Next to ABRA's Rear Access Door



Attachment 2: Photo of Boxes Containing Sensitive Information Sitting in an ABRA Passageway Adjacent to DCRA Personnel



Attachment 3: Photo of Sensitive Information in an Unsecured Location  
Next to ABRA's Rear Access Door

**INFORMATION RELEASE AUTHORIZATION**

CAREFULLY READ THIS AUTHORIZATION TO RELEASE INFORMATION ABOUT YOU, THEN SIGN AND DATE IN INK.

I authorize any agent from the Alcoholic Beverage Regulation Administration, to obtain any information, relating to my activities, from employers, criminal justice agencies, financial or lending institutions, credit bureaus, consumer reporting agencies and retail business establishments, or individuals. This information may include, but is not limited to, my residential, personal, or criminal history record, and financial and credit information.

I further authorize release of my criminal history from criminal justice agencies for the purpose of determining my eligibility for a liquor license as either a licensee and/or investor. I understand that the information released is for official use by the Alcoholic Beverage Regulation Administration, and that these users may redisclose this information as authorized by law.

I release any individual, including records custodians, from all liability for damages that may result to me because of compliance, or any attempts to comply, with this authorization. This release is binding, now and in the future, on my heirs, assignees, associates and personal representative(s) of any nature. Copies of this authorization that show my signature are as valid as the original release signed by me.

Failure to complete this form may result in delays of obtaining your license and may result in the license being denied if this information cannot otherwise be obtained.

Signature _____	_____
Other names used _____	Full name type or printed _____
Other names used _____	_____
_____	Social security number _____
Current address _____	Other names used _____
_____	_____
_____	Home Telephone _____
_____	Date _____

I hereby certify under penalty of perjury that the foregoing information is true and correct to the best of my knowledge and belief. I further, hereby, authorize the Alcoholic Beverage Control Board or its employees to investigate any and all of the information provided by me in this application for an ABC license.

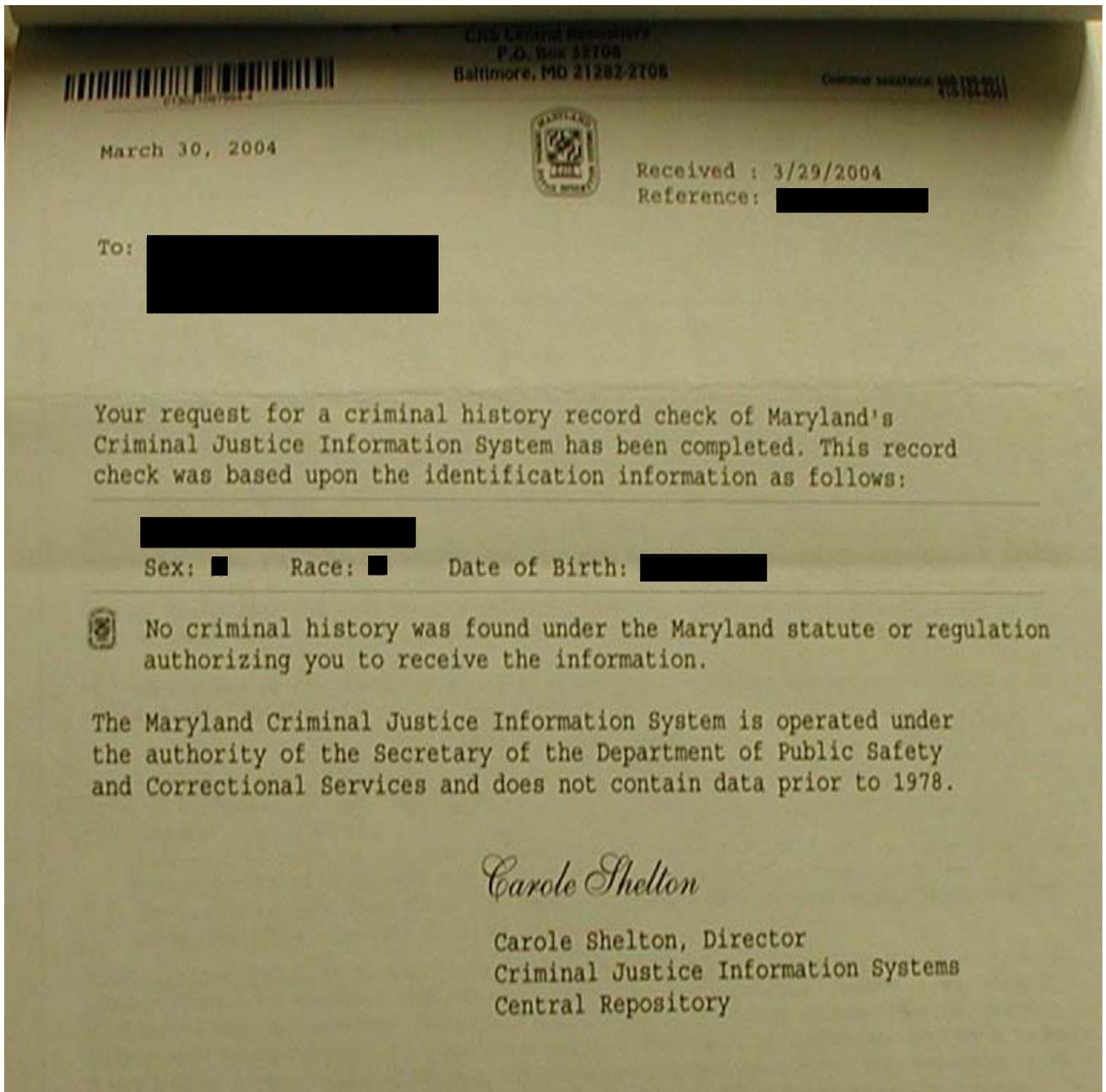
Signature _____	Title _____
Print Name & Title _____	_____

SUBSCRIBED AND SWORN TO BEFORE ME THIS 10<sup>th</sup> DAY OF June, 2008

NOTARY PUBLIC Juliet Schneider JULIET SCHNEIDER  
Notary Public, District of Columbia  
My Commission Expires June 30, 2011

**Note:** The OIG redacted the applicant's confidential information, such as the social security number, from the photograph.

Attachment 4: Photo of Sensitive Information in an Unsecured Location  
Next to ABRA's Rear Access Door



**Note:** The OIG redacted the applicant's confidential information, such as the applicant's date of birth, from the photograph.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION



September 19, 2008

Charles Willoughby  
Inspector General  
District of Columbia  
717 14<sup>th</sup> Street, N.W.  
Washington D.C. 20005

Dear Mr. Willoughby:

This is in response to your Management Alert Report dated August 29, 2008 wherein the Office of the Inspector General determined that the Alcoholic Beverage Regulation Administration (ABRA) is not securely maintaining sensitive information submitted by applicants for alcoholic beverage and other licenses. Specifically, through on-site observations and personal interviews, your investigator determined that ABRA does not have written policies and procedures that specify how its employees are to safeguard sensitive information.

ABRA takes the obligation of safeguarding confidential and personal information very seriously and is committed to protecting sensitive information from unauthorized use or disclosure. ABRA recognizes that whether through employee neglect or simple ignorance, it is always a serious matter when confidential, sensitive or proprietary information is left unsecured.

To that end, ABRA is undertaking steps to effectively secure confidential and sensitive information by developing a clearly defined, written policy setting forth guidelines on the treatment, securing, and storage of confidential information by ABRA employees. ABRA has begun initiation of a policy to address this issue, which will be implemented by October 10, 2008. A copy of this policy will be provided to your Office by this date. In the interim, ABRA has removed all boxes containing sensitive and confidential information that were previously located in the hallway and other open spaces. These files have been moved to a secure locked office which is accessible only by ABRA senior management. ABRA is also working jointly with the Office of Property Management (OPM) to develop an immediate solution to the long term storage issue.

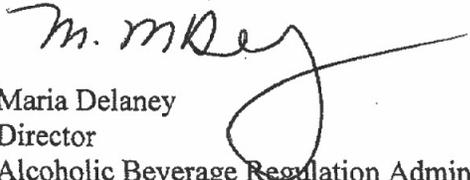
Additionally, ABRA has recently hired a new Supervisory Records and Data Manager who will be responsible for enforcing the new written policy. He has already been instructed that as ABRA's chief records custodian, he shall exercise due caution to ensure that the information is not available to individuals who have no need for it. Be assured however, that it is ABRA's position that it is the responsibility of all employees to protect against the unauthorized

disclosure of confidential information. ABRA has also recently hired a new Project Manager who will supervise the Licensing Division. She has been instructed to ensure that her staff exercise caution to ensure that files containing sensitive information are not left on their desks but rather, are returned to file cabinets at the end of their tour of duty.

With regard to the issue of office space configuration and the disclosure of investigators' identities, ABRA is working with OPM to identify new space for ABRA's relocation in the next year. OPM has recently completed space programming for ABRA and that will assist in the relocation requirements.

If you have any questions regarding this matter or would like to discuss it further, please call me at 202-442-4353.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Delaney", with a long horizontal stroke extending to the right.

Maria Delaney  
Director  
Alcoholic Beverage Regulation Administration

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF PROPERTY MANAGEMENT



Office of the Director

Charles J. Willoughby  
Inspector General  
717 14<sup>th</sup> Street, NW  
Washington, DC 20005

Re: **OPM Response to OIG Management Alert Report (MAR-08-I-008)**

Dear Mr. Willoughby:

This correspondence is in response to the Office of the Inspector General's (OIG) Management Alert to the Alcoholic Beverage Regulation Administration (ABRA) and the Office of Property Management (OPM) dated August 29, 2008. Within a period of 90 days OPM will work with ABRA to identify suitable storage facilities to secure sensitive documents. Additionally, prior to the end of FY 2009, OPM will work with ABRA to identify suitable office space to meet ABRA's specific needs.

Please do not hesitate to contact me if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin-Eve Jasper", is written over the word "Sincerely,".

Robin-Eve Jasper  
Acting Director