

110TH CONGRESS  
1ST SESSION

# H. R. 4791

To amend title 44, United States Code, to strengthen requirements for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2007

Mr. CLAY (for himself, Mr. TOWNS, and Mr. WAXMAN) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

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## A BILL

To amend title 44, United States Code, to strengthen requirements for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Federal Agency Data Protection Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.  
 Sec. 2. Purpose.  
 Sec. 3. Definition of personally identifiable information.  
 Sec. 4. Authority of Director of Office of Management and Budget to establish information security policies and procedures.  
 Sec. 5. Responsibilities of Federal agencies for information security.  
 Sec. 6. Protection of government computers from risks of peer-to-peer file sharing.  
 Sec. 7. Annual independent audit.  
 Sec. 8. Privacy impact assessment of Federal agency use of commercial information services containing personal information.  
 Sec. 9. Prohibition on certain contracts with data brokers.  
 Sec. 10. Authorization of appropriations.  
 Sec. 11. Implementation.

1 **SEC. 2. PURPOSE.**

2       The purpose of this Act is to protect personally iden-  
 3 tifiable information of individuals that is maintained in or  
 4 transmitted by Federal agency information systems.

5 **SEC. 3. DEFINITION OF PERSONALLY IDENTIFIABLE INFOR-**  
 6 **MATION.**

7       Section 3542(b) of title 44, United States Code, is  
 8 amended by adding at the end the following new para-  
 9 graph:

10           “(4) The term ‘personally identifiable informa-  
 11 tion’, with respect to an individual, means any infor-  
 12 mation about the individual maintained by an agen-  
 13 cy, including information—

14                   “(A) about the individual’s education, fi-  
 15 nances, or medical, criminal, or employment  
 16 history;

17                   “(B) that can be used to distinguish or  
 18 trace the individual’s identity, including name,

1 social security number, date and place of birth,  
2 mother's maiden name, or biometric records; or  
3 "(C) that is linked or linkable to the indi-  
4 vidual."

5 **SEC. 4. AUTHORITY OF DIRECTOR OF OFFICE OF MANAGE-**  
6 **MENT AND BUDGET TO ESTABLISH INFORMA-**  
7 **TION SECURITY POLICIES AND PROCEDURES.**

8 Section 3543(a) of title 44, United States Code, is  
9 amended—

10 (1) by striking "and" at the end of paragraph  
11 (7);

12 (2) in paragraph (8)—

13 (A) by striking "and" at the end of sub-  
14 paragraph (D);

15 (B) by striking the period and inserting ";  
16 and" at the end of subparagraph (E); and

17 (C) by adding at the end the following new  
18 subparagraph:

19 "(F) a summary of the breaches of infor-  
20 mation security reported by agencies to the Di-  
21 rector and the Federal information security in-  
22 cident center pursuant to paragraph (10);"; and  
23 (3) by adding at the end the following:

1           “(9) establishing minimum requirements re-  
2           garding the protection of information maintained in  
3           or transmitted by mobile digital devices, including—

4                   “(A) requirements for the protection of  
5                   personally identifiable information; and

6                   “(B) requirements for—

7                           “(i) the encryption of such informa-  
8                           tion consistent with standards promulgated  
9                           under section 11331 of title 40; or

10                           “(ii) the use of other commercially  
11                           available technologies that efficiently and  
12                           effectively render information unusable by  
13                           unauthorized persons;

14           “(10) establishing minimum requirements re-  
15           garding agency action following a breach of informa-  
16           tion security resulting in the disclosure of personally  
17           identifiable information, including requirements  
18           for—

19                   “(A) timely agency reporting of such  
20                   breach to the Director and the Federal informa-  
21                   tion security incident center required under sec-  
22                   tion 3546; and

23                   “(B) timely agency notification to individ-  
24                   uals whose personally identifiable information  
25                   may have been compromised or accessed during

1 such breach, based on government-wide risk  
2 categories established by the Director after con-  
3 sultation with agencies and the public that in-  
4 clude exemptions from notification requirements  
5 where such information can be reasonably de-  
6 termined to be unusable by unauthorized per-  
7 sons; and

8 “(11) requiring agencies to comply with mini-  
9 mally acceptable system configuration requirements  
10 consistent with best practices, including checklists  
11 developed under section 8(e) of the Cyber Security  
12 Research and Development Act (Public Law 107-  
13 305; 116 Stat. 2378) by the Director of the Na-  
14 tional Institute of Standards and Technology.”.

15 **SEC. 5. RESPONSIBILITIES OF FEDERAL AGENCIES FOR IN-**  
16 **FORMATION SECURITY.**

17 Section 3544(b) of title 44, United States Code, is  
18 amended—

19 (1) in paragraph (2)(D)(iii), by striking “as de-  
20 termined by the agency” and inserting “as required  
21 by the Director under section 3543(a)(11)”;

22 (2) by striking “and” at the end of paragraph  
23 (7);

24 (3) by striking the period at the end of para-  
25 graph (8) and inserting “; and”; and

1 (4) by adding at the end the following:

2 “(9) plans and procedures for ensuring the ade-  
3 quacy of information security protections for sys-  
4 tems maintaining or transmitting personally identifi-  
5 able information, including requirements for—

6 “(A) maintaining a current inventory of  
7 systems maintaining or transmitting such infor-  
8 mation;

9 “(B) implementing information security re-  
10 quirements for mobile digital devices maintain-  
11 ing or transmitting such information, as re-  
12 quired by the Director (including encryption or  
13 the use of other commercially available tech-  
14 nologies rendering data unusable by unauthor-  
15 ized persons);

16 “(C) timely reporting of information secu-  
17 rity breaches involving such information to the  
18 Director and the Federal information security  
19 incident center required under section 3546;

20 “(D) timely notification to individuals  
21 whose personally identifiable information may  
22 have been compromised or accessed during an  
23 information security breach, consistent with  
24 policies and procedures issued by the Director;  
25 and

1           “(E) developing, implementing, and over-  
2           seeing remediation plans to address  
3           vulnerabilities in information security protec-  
4           tions for such information.”.

5 **SEC. 6. PROTECTION OF GOVERNMENT COMPUTERS FROM**  
6 **RISKS OF PEER-TO-PEER FILE SHARING.**

7           (a) **PLANS REQUIRED.**—As part of the Federal agen-  
8           cy responsibilities set forth in sections 3544 and 3545 of  
9           title 44, United States Code, the head of each agency shall  
10          develop and implement a plan to protect the security and  
11          privacy of computers and networks of the Federal Govern-  
12          ment from the risks posed by peer-to-peer file sharing.

13          (b) **CONTENTS OF PLANS.**—Such plans shall set forth  
14          appropriate methods, including both technological (such as  
15          the use of software and hardware) and nontechnological  
16          methods (such as employee policies and user training), to  
17          achieve the goal of protecting the security and privacy of  
18          computers and networks of the Federal Government from  
19          the risks posed by peer-to-peer file sharing.

20          (c) **IMPLEMENTATION OF PLANS.**—The head of each  
21          agency shall—

22                 (1) develop and implement the plan required  
23                 under this section as expeditiously as possible, but in  
24                 no event later than six months after the date of the  
25                 enactment of this Act; and

1           (2) review and revise the plan periodically as  
2           necessary.

3           (d) REVIEW OF PLANS.—Not later than 18 months  
4 after the date of the enactment of this Act, the Comp-  
5 troller General shall—

6           (1) review the adequacy of the agency plans re-  
7           quired by this section; and

8           (2) submit to the Committee on Government  
9 Reform of the House of Representatives and the  
10 Committee on Governmental Affairs of the Senate a  
11 report on the results of the review, together with any  
12 recommendations the Comptroller General considers  
13 appropriate.

14           (e) DEFINITIONS.—In this section:

15           (1) PEER-TO-PEER FILE SHARING.—The term  
16 “peer-to-peer file sharing” means the use of com-  
17 puter software, other than computer and network  
18 operating systems, that has as its primary function  
19 the capability to allow the computer on which such  
20 software is used to designate files available for  
21 transmission to another computer using such soft-  
22 ware, to transmit files directly to another such com-  
23 puter, and to request the transmission of files from  
24 another such computer. The term does not include  
25 the use of such software for file sharing between,



1 among, or within Federal, State, or local government  
2 agencies.

3 (2) AGENCY.—The term “agency” has the  
4 meaning provided by section 3502 of title 44, United  
5 States Code.

6 **SEC. 7. ANNUAL INDEPENDENT AUDIT.**

7 (a) REQUIREMENT FOR AUDIT INSTEAD OF EVALUA-  
8 TION.—Section 3545 of title 44, United States Code, is  
9 amended—

10 (1) in the section heading, by striking “**eval-**  
11 **uation**” and inserting “**audit**” ; and

12 (2) in paragraphs (1) and (2) of subsection (a),  
13 by striking “evaluation” and inserting “audit” both  
14 places it appears.

15 (b) ADDITIONAL SPECIFIC REQUIREMENTS FOR AU-  
16 DITS.—Section 3545(a) of such title is amended—

17 (1) in paragraph (2)(A), by striking “subset of  
18 the agency’s information systems;” and inserting the  
19 following: “subset of—

20 “(i) the information systems used or  
21 operated by the agency; and

22 “(ii) the information systems used,  
23 operated, or supported on behalf of the  
24 agency by a contractor of the agency, any

1 subcontractor (at any tier) of such a con-  
2 tractor, or any other entity;” and

3 (2) by adding at the end the following new  
4 paragraph:

5 “(3) Each audit under this section shall conform to  
6 generally accepted government auditing standards.”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Each of the following provisions of section  
9 3545 of title 44, United States Code, is amended by  
10 striking “evaluation” and inserting “audit” each  
11 place it appears:

12 (A) Subsection (b)(1).

13 (B) Subsection (b)(2).

14 (C) Subsection (c).

15 (D) Subsection (e)(1).

16 (E) Subsection (e)(2).

17 (2) Section 3545(d) of such title is amended by  
18 striking “the evaluation required by this section”  
19 and inserting “the audit required by this section”.

20 (3) Section 3545(f) of such title is amended by  
21 striking “evaluators” and inserting “auditors”.

22 (4) Section 3545(g)(1) of such title is amended  
23 by striking “evaluations” and inserting “audits”.

24 (5) Section 3545(g)(3) of such title is amended  
25 by striking “Evaluations” and inserting “Audits”.

1           (6) Section 3543(a)(8)(A) of such title is  
2           amended by striking “evaluations” and inserting  
3           “audits”.

4           (7) Section 3544(b)(5)(B) of such title is  
5           amended by striking “evaluation” and inserting  
6           “audit”.

7   **SEC. 8. PRIVACY IMPACT ASSESSMENT OF FEDERAL AGEN-**  
8                           **CY USE OF COMMERCIAL INFORMATION**  
9                           **SERVICES CONTAINING PERSONAL INFORMA-**  
10                          **TION.**

11           (a) IN GENERAL.—Section 208(b)(1)(A) of the E-  
12   Government Act of 2002 (44 U.S.C. 3501 note) is amend-  
13   ed—

14           (1) by striking “or” at the end of clause (i);  
15   and

16           (2) in clause (ii), by striking the period at the  
17   end of subclause (II) and inserting “; or”; and

18           (3) by inserting after clause (ii) the following:

19                           “(iii) purchasing or subscribing for a  
20                           fee to information in identifiable form from  
21                           a data broker.”.

22           (b) DEFINITIONS.—Section 208(d) of such Act (44  
23   U.S.C. 3501 note) is amended to read as follows:

24           “(d) DEFINITIONS.—In this section:

1           “(1) IDENTIFIABLE FORM.—The term ‘identifi-  
2           able form’ means any representation of information  
3           that permits the identity of an individual to whom  
4           the information applies to be reasonably inferred by  
5           either direct or indirect means.

6           “(2) DATA BROKER.—The term ‘data broker’  
7           means a business entity that, for monetary fees or  
8           dues, regularly engages in the practice of collecting,  
9           transmitting, or providing access to sensitive infor-  
10          mation in identifiable form on more than 5,000 indi-  
11          viduals who are not the customers or employees of  
12          that business entity or affiliate primarily for the  
13          purposes of providing such information to non-  
14          affiliated third parties on an interstate basis.”.

15          (c) STUDY.—Not later than 2 years after the date  
16          of the enactment of this Act, the Comptroller General of  
17          the United States shall submit a report to the Congress  
18          regarding Federal agency compliance with the require-  
19          ments established by the amendments made by this sec-  
20          tion.

21       **SEC. 9. PROHIBITION ON CERTAIN CONTRACTS WITH DATA**  
22                               **BROKERS.**

23          Section 208 of the E-Government Act of 2002 (44  
24          U.S.C. 3501 note) is amended—

1           (1) by redesignating subsection (d) as sub-  
2           section (e); and

3           (2) by inserting after subsection (c) the fol-  
4           lowing:

5           “(d) PROHIBITION ON CERTAIN CONTRACTS WITH  
6 DATA BROKERS.—

7           “(1) PROHIBITION.—Notwithstanding any other  
8           provision of law, beginning 1 year after the date of  
9           the enactment of this subsection, no Federal agency  
10          may enter into a contract with a data broker, or  
11          issue a task or delivery order under a contract with  
12          a data broker, to access for a fee any database con-  
13          sisting primarily of information in identifiable form  
14          concerning United States persons (other than a  
15          database consisting of news reporting or telephone  
16          directories) unless the head of such agency imple-  
17          ments the requirements specified in paragraph (2).

18          “(2) REQUIREMENTS.—For purposes of para-  
19          graph (1), the requirements specified in this para-  
20          graph are the following:

21                  “(A) COMPLETION OF PRIVACY IMPACT AS-  
22                  SESSMENT.—With respect to any database pro-  
23                  posed to be accessed, the head of the agency  
24                  shall complete a privacy impact assessment  
25                  under this section. The assessment shall, sub-

1           ject to the provisions in this section pertaining  
2           to sensitive information, include a description  
3           of—

4                   “(i) such database;

5                   “(ii) the name of the data broker  
6                   from which it is proposed to be obtained;  
7                   and

8                   “(iii) the amount of the contract or  
9                   task or delivery order proposed to be en-  
10                  tered into or issued.

11                  “(B) PROMULGATION OF REGULATIONS.—

12                  The head of the agency shall promulgate regu-  
13                  lations that specify—

14                   “(i) the personnel permitted to access,  
15                   analyze, or otherwise use databases of the  
16                   type described in paragraph (1);

17                   “(ii) standards governing the access,  
18                   analysis, or use of such databases;

19                   “(iii) any standards used to ensure  
20                   that the information in identifiable form  
21                   accessed, analyzed, or used is the minimum  
22                   necessary to accomplish the intended legiti-  
23                   mate purpose of the Federal agency;

1           “(iv) standards limiting the retention  
2           and redisclosure of information in identifi-  
3           able form obtained from such databases;

4           “(v) procedures ensuring that such  
5           data meet standards of accuracy, rel-  
6           evance, completeness, and timeliness;

7           “(vi) the auditing and security meas-  
8           ures to protect against unauthorized ac-  
9           cess, analysis, use, or modification of data  
10          in such databases;

11          “(vii) applicable mechanisms by which  
12          individuals may secure timely redress for  
13          any adverse consequences wrongly incurred  
14          due to the access, analysis, or use of such  
15          databases;

16          “(viii) mechanisms, if any, for the en-  
17          forcement and independent oversight of ex-  
18          isting or planned procedures, policies, or  
19          guidelines; and

20          “(ix) an outline of enforcement mech-  
21          anisms for accountability to protect indi-  
22          viduals and the public against unlawful or  
23          illegitimate access or use of databases.

24          “(C) INCLUSION OF PENALTIES AND  
25          OTHER REQUIREMENTS IN LARGER CON-

1 TRACTS.—With respect to any contract or task  
2 or delivery order proposed to be entered into or  
3 issued in an amount greater than \$500,000, the  
4 head of the agency shall include in the contract  
5 or order the following provisions:

6 “(i) Provisions providing for pen-  
7 alties—

8 “(I) for failure to implement a  
9 comprehensive personal data privacy  
10 and security program that includes  
11 administrative, technical, and physical  
12 safeguards appropriate to the size and  
13 complexity of the business entity and  
14 the nature and scope of its activities;  
15 or

16 “(II) for the provision to the  
17 Federal agency of inaccurate informa-  
18 tion in identifiable form, if the entity  
19 knows or has reason to know that the  
20 information being provided is inac-  
21 curate.

22 “(ii) Provisions requiring a data  
23 broker that retains service providers for re-  
24 sponsibilities related to information in  
25 identifiable form to—



1           “(I) exercise appropriate due dili-  
2           gence in selecting those service pro-  
3           viders for responsibilities related to  
4           such information;

5           “(II) take reasonable steps to se-  
6           lect and retain service providers that  
7           are capable of maintaining appro-  
8           priate safeguards for the security, pri-  
9           vacy, and integrity of such informa-  
10          tion; and

11          “(III) require such service pro-  
12          viders, by contract, to implement a  
13          comprehensive personal data privacy  
14          and security program that includes  
15          administrative, technical, and physical  
16          safeguards appropriate to the size and  
17          complexity of the business entity and  
18          the nature and scope of its activities.

19          “(3) LIMITATION ON PENALTIES.—The pen-  
20          alties under paragraph (2)(C)(i) shall not apply to  
21          a data broker providing information in identifiable  
22          form that is accurately and completely recorded  
23          from a public record source.”.

1 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 3548 of title 44, United States Code, is  
3 amended by striking “2007” and inserting “2012”.

4 **SEC. 11. IMPLEMENTATION.**

5 Except as otherwise specifically provided in this Act,  
6 implementation of this Act and the amendments made by  
7 this Act shall begin not later than 90 days after the date  
8 of the enactment of this Act.

○