

Congress of the United States
House of Representatives
Washington, DC 20515

August 30, 2016

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

Dear Chairman Gruenberg:

The Committees on Science, Space, and Technology and Financial Services (Committees) are continuing their oversight of recent cybersecurity breaches at the Federal Deposit Insurance Corporation (FDIC). Based on information obtained through our investigation, we understand that at least 70 FDIC computer stations were penetrated by an advanced persistent threat (APT) attributed to the People's Republic of China in or around October 2010 (2010 Incident).¹ The Committees are examining whether the FDIC has taken the necessary steps to remedy all potential damage to the FDIC's information security controls from the 2010 Incident. Furthermore, the FDIC's apparent efforts to downplay the extent of the 2010 Incident raise serious questions about its candor in response to congressional inquiries, as well as its ability to safeguard sensitive consumer banking information.

According to information obtained by the Committees, the FDIC did not properly respond to the 2010 Incident. First, on August 31, 2011—over ten months after discovering the 2010 Incident—FDIC management sent a “shell” ticket to the US-Computer Emergency Readiness Team that described the breach as a “Category 3 Event,” a mid-level cyber breach category used for less serious viruses.² Second, the FDIC did not notify 17 other entities that may have been affected by the breach, as it was required to do under agreements it had entered into with them.³

Even more troubling, the FDIC did not report the 2010 Incident to its Office of Inspector General (OIG) for nearly three years – even though the OIG had specifically requested information on cyber-attacks.⁴ For example, in response to a March 16, 2012, questionnaire sent out by the OIG in advance of the FDIC's Federal Information Security Management Act (FISMA) audit, the then-Chief Information Security Officer (CISO) did not mention the 2010

¹ See Memorandum from Jon T. Rymer, Inspector Gen., FDIC, to the Hon. Martin J. Gruenberg, Chairman, FDIC, *Investigation of Division of Information Technology Computer Security Incident* (May 24, 2013).

² FDIC Office of Inspector Gen., Investigative Case File (Mar. 26, 2014).

³ *Id.*

⁴ *Id.*

Incident.⁵ Notably, testimony provided to the Committees indicated that the then-Chief Information Officer instructed employees not to report any information to the OIG concerning the 2010 Incident.⁶

To assist the Committees in our continued oversight of the security of the FDIC's information security systems, please provide the following documents and information as soon as possible, but by no later than noon on September 13, 2016. Unless otherwise noted, please provide the requested information for the time frame from January 1, 2009, to the present:

- (1) All documents and communications referring or relating to the 2010 Incident and the FDIC's response, including, but not limited to, all communications between and among Martin Gruenberg, Barbara Ryan, Russell Pittman, Ned Goldberg, and the FDIC Computer Incident Security Response Team (CSIRT) staff.
- (2) A detailed description of the information known to have been potentially accessible to the perpetrators.
- (3) All documents and communications provided to US-CERT regarding the 2010 Incident.

Additionally, by no later than September 6, 2016, please advise Committee staff when the following individuals can be made available for transcribed interviews:

- (1) Russell Pittman, Director, Division of Information Technology;
- (2) Simon Martinez, former Senior IT Specialist, Division of Information Technology;
- (3) Ken Vedaa, Senior Security Specialist;
- (4) Ralph Hofmann, Associate Director, Operation Infrastructure;
- (5) Brian Seborg, Chief, Security Policy and Compliance;
- (6) Jill Padres, Senior Forensic Specialist; and
- (7) Randy Thomas, Counsel, Legal Division.

⁵ *Id.*

⁶ H. Comm. on Science, Space, & Tech., Transcribed Interview of [REDACTED], at 61–62 ([REDACTED], 2016).

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If you have any questions about this request, please contact Drew Colliatie or Caroline Ingram with the Science Committee staff at 202-225-6371 or Katelyn Christ or Elie Greenbaum with the Financial Services Committee staff at 202-225-7502. Thank you for your attention to this matter.

Sincerely,



LAMAR SMITH

Chairman

Committee on Science, Space and
Technology



BARRY LOUDERMILK

Chairman, Subcommittee on Oversight
Committee on Science, Space and Technology



SEAN DUFFY

Chairman, Subcommittee on Oversight and
Investigations
Committee on Financial Services

cc: The Honorable Eddie Bernice Johnson, Ranking Member, U.S. House Committee on
Science, Space, and Technology

The Honorable Don Beyer, Ranking Member, Subcommittee on Oversight, U.S. House
Committee on Science, Space, and Technology

The Honorable Al Green, Ranking Member, Subcommittee on Oversight and
Investigations, U.S. House Committee on Financial Services