



February 12, 2024

The Honorable Joni Ernst
United States Senate
260 Russell Senate Office Building
Washington, DC 20510

Dear Senator Ernst,

I am writing in follow-up to your August 28, 2023, letter asking that my office initiate a review of the U.S. Department of Housing and Urban Development (HUD) to answer several questions regarding use and oversight over telework; locality pay; guidance for or incentivizing workforce return to the office; and office space utilization and associated costs. Thank you for the letter and the opportunity to discuss these issues.

In response to your request, my office has initiated an evaluation to assess HUD employees' utilization of remote and telework programs and HUD's administration of locality payments to remote and telework employees. The evaluation will focus on (1) telework and remote work between April 25, 2022, when HUD ended its Maxiflex Telework status, and January 13, 2024; and (2) locality pay for a subset¹ of HUD employees for the period between October 1, 2023, and December 31, 2023.

Additionally, you requested related outstanding recommendations OIG has made to the Department. HUD should act on the following Priority Open Recommendations to improve the information security programs that support HUD information technology environment, including telework and remote work.²

HUD Fiscal Year 2019 Federal Information Security Modernization Act of 2014 (FISMA) Evaluation Report, 2019-OE-0002 (June 25, 2020), recommendation 16

Recommendation: Fully implement the capability for the HUD security operations center to monitor all inbound and outbound traffic and all HUD network devices.

¹ For example, the assessment of locality pay will not include within scope employees for whom telework is a reasonable accommodation or employees serving in positions whose work is characterized by routine and regular travel to conduct work in customer or other varying worksites as opposed to a single authorized agency or alternative worksite.

² HUD Office of Inspector General Priority Open Recommendations for Fiscal Year 2024, available at: <https://www.hudoig.gov/reports-publications/memorandum/priority-open-recommendations-fiscal-year-2024>



Status: HUD has taken positive steps to monitor inbound and outbound traffic; however, full implementation of this recommendation will result in an enterprise-wide monitoring capability to detect and respond to potential malicious activity on all HUD network devices.

HUD Fiscal Year 2020 Federal Information Security Modernization Act of 2014 (FISMA) Evaluation Report, 2020-OE-0001 (November 30, 2020), recommendations 15 and 16

Recommendations: Implement multifactor authentication mechanisms for all nonprivileged³ and privileged⁴ users who access information systems that process, store, or transmit PII.

Status: As of February 2024, OCIO has stated that these recommendations are a priority and that it is dedicating resources to the effort of implementing its strategy for Identity, Credential, and Access Management (ICAM). HUD OCIO has begun integrating an authentication solution into systems and completed 9 of 10 systems in an initial phase with more planned for fiscal year 2024. HUD anticipates the full ICAM solution implementation to occur in early to mid-fiscal year 2025. Implementation of these recommendations will result in an enterprise-wide identity and access management solution. Users will be required to use multifactor authentication methods to access HUD data, networks, and devices.

My team and I are always available to discuss our oversight work or provide additional information. If you or your staff have other questions about this matter, please do not hesitate to contact Chris Fontanesi, Senior Counsel to the Inspector General, at cfontanesi@hudoig.gov.

Sincerely,

Rae Oliver Davis
Inspector General

³ Recommendation 15

⁴ Recommendation 16