House committee passes cyber-security bill

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By Rick Maze
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The House Veterans' Affairs Committee passed a cyber-security bill Thursday that could end up being a model for the entire federal government.

Called the Veterans Identity and Credit Security Act of 2006, the bill establishes federal standards for notifying people when records containing names, Social Security number, birth dates and other personal information are lost or stolen, including requiring an independent risk analysis of the potential for misuse.

The bill is the committee's response to the May 3 theft from the home of a Department of Veterans Affairs employee of personal information about 26.5 million veterans and 2.2 million service members. The computer storage device containing the information was recovered June 28, with FBI and VA officials now saying it appears the personal records were not accessed or compromised.

Because there have been other data losses — the complete list takes up 20 pages according to committee chairman Rep. Steve Buyer, R-Ind. — the bill sets up procedures to be followed that will require faster government action in future breaches or if it appears someone has used VA information to steal someone's identity. This includes providing notification of the security breach to anyone whose information is compromised and to have a procedure for the government to pay if there are any financial losses.

Federal contractors who have access to sensitive personal information would be liable for damages if they are responsible for a security breach, including paying for credit protection services.

"Other agencies should see this as a model," said Rep. Bob Filner of California, the acting ranking Democrat on the committee.

Additionally, the bill tries to make security breaches less damaging by urging the VA to stop using Social Security numbers to identify veterans and to instead create personal identification numbers.

Included in the bill is a proposed reorganization of the VA that creates a new office of the undersecretary for information security with three deputy undersecretaries.

In a move that Buyer said should "get some new blood" into the information technology field at the VA, the bills creates a scholarship program aimed at getting five people who are working on doctoral degrees in information security or cyber-security to work for the

VA. They could receive scholarships of up to $200,000 in return for the promise of working at the VA for two years for every year in school covered by the scholarship.

Four of the five scholarships each year would have to go to people who are not VA employees, with preference going to veterans, especially disabled veterans, and surviving spouses of disabled veteran or spouses of totally disabled veterans.

Buyer said he has little doubt the bill will pass the House of Representatives but it is unclear what the Senate will do. The Senate Veterans' Affairs Committee appears to be waiting for the Bush administration before passing any cyber-security legislation and the administration has opposed most proposed changes, he said.