



Security Analysis and Risk Management Association

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SARMA On-line August 2007 Edition

Letter from the President

Dear members and friends of SARMA,

I am pleased to have this opportunity to tell you about the rapid progress SARMA has made since our last newsletter in May. At that writing, we had just marked our first anniversary as a professional organization and we were in the final stages of preparation for SARMA's first annual conference on security risk analysis (held May 22-23rd in Washington, D.C.). At the conference, SARMA members voted for the first time in general elections for the Board of Directors who will take SARMA into the future. The new Board of Directors has since taken office and immediately began meeting to make some major decisions about organization, leadership, and projects which I would like to share with you here.

With regard to the conference, I am pleased to be able to report that it was a resounding success. For me the conference was perhaps the most visible indication of the progress SARMA has made in its first year as an all-volunteer, non-profit, professional trade association. For the first time, many of the leading practitioners from across all levels of government, private sector, and academia came together in one place to exchange ideas about the future of security analysis and risk management in a post-9/11 world. The conference and its sessions were interactive, intellectual and shared a non-commercial focus on information-sharing and problem-solving. All of this is not to imply that we didn't learn a few things we would like to do differently next year, but in the final analysis we learned that practitioners feel there is a definite need for SARMA to address gaps in the fractured and non-standard approaches to applying risk analysis in protective applications across the nation. We learned that this diverse and growing community of professionals recognizes the need to develop the profession's leadership, standards, and best practices in ways the US Government simply cannot do by itself.

Invigorated by the success of the conference the new SARMA board, consisting of three new Directors (*Nancy Renfro*, *Christopher Miller*, and *Kerry Thomas*) and four veterans (*Arion Pattakos*, *Ken Knox*, *Irwin Pikus*, and me), set about the important business of leading and organizing SARMA for the year ahead. The first order of business was to reorganize SARMA's leadership structure to better align mission priorities with leadership expertise and to incorporate some of our energetic new volunteers into the process. The Board also approved a motion to increase the size of the Board of Directors from seven to nine Directors, subsequently approving the nominations of *Richard Roth* and *William Russell*. We also accepted the resignation of board member *Arion Pattakos*, who was replaced by *Chel Stromgren*. With this larger board and increasingly energized leadership structure, I envision great progress on nearly all major initiatives in the year ahead. However, much work still remains to be done.

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Sponsor Notices

SARMA thanks the following organizations for their sponsorship of the **2007 SARMA Conference**.



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Letter from the President (cont.)

With its new leadership and organizational structure, SARMA will now be able to put significantly increased emphasis on the SARMA Common Knowledge Base (CKB) project, as well as on some other important projects in the SARMA strategic plan. The CKB represents not only the cornerstone of SARMA's plan to build the common knowledge required by the profession to train and certify the next generation of security analysts, it also represents a major benefit to the federal government by providing it the broadly-accepted common foundations of standard lexicon and best practices that are missing from current risk-based and risk-informed programs.

Thanks to the collective efforts of numerous dedicated professionals, the security analysis profession has now taken its first bold steps toward organizing with a common goal and the public good in mind. With SARMA's increased leadership resources and our new and energetic volunteers, the future is looking brighter than ever. However, SARMA still needs the help of many more of its members and other interested parties to pull together the information required to build the common knowledge base for the profession and the nation. Individually this represents a big job, but together it is not nearly as imposing. If each member of SARMA committed themselves to add one list of definitions to the Common Lexicon Project, or describe one security analysis methodology in the Encyclopedia of Security Analysis Methods, the CKB could be completed in under a year. Similarly, if each SARMA member joined a committee (such as the Training and Certification Committee) to support its efforts, he or she would be providing a much-needed service to all those who seek to practice security analysis and risk management. I therefore ask you to join SARMA in this great service to our profession and to our nation.

This newsletter and the SARMA website (www.sarma.org) are excellent sources about the activities and volunteer activities available through SARMA. I ask you to take just a few minutes to familiarize yourself with the opportunities available and to seriously consider joining us in shaping the successful future of this noble profession. Please feel free to contact me, or any SARMA officer, at 703-635-7906 to discuss your participation.

Ed Jopeck
SARMA President

SARMA Projects Update: Taking the First Steps

During the recent SARMA Conference, there was consensus among the attendees that, while we cannot currently call ourselves a profession, we must strive towards this goal. As I spoke about then, one of the ways we can do this is to create a common base of knowledge that is documented, generally agreed upon and available to be taught to others. The SARMA Common Knowledge Base (CKB) project is intended to address these issues.

As discussed at the Conference, the initial focus of CKB project will be threefold: 1) establishing the common lexicon for security risk analysis; 2) documenting the efforts of the profession to date; and, 3) developing badly

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SARMA Projects Update: Taking the First Steps (cont.)

needed standardized approaches to key security risk analysis issues. To that end, I am pleased to announce that three specific projects have been formally initiated:

- The Common Lexicon project will focus on developing a broad-based, consensus solution to the "language barrier".
- The Wiki of Security Analysis Methods will capture the current state of the profession in a virtual encyclopedia.
- The Generally Accepted Risk Assessment Principles project, or GARAP, will identify and promulgate generally accepted principles to bring rigor and standardization to the process of assessing security risks.

Building on the momentum from the Conference, a kick-off meeting for the three projects was held on June 22. During the kick-off, attendees learned more about the vision for each of the projects and received detailed training in the use of the Wiki software that will be used to support their implementation.

More importantly, the project teams that will oversee the three projects have begun to take shape and a number of SARMA members have volunteered to play key roles in implementing these important initiatives. First, Nancy Renfro has agreed to assume the position of Vice President for Projects in addition to her role as a SARMA Director. Nancy will oversee the broader CKB project and provide support and guidance to the project teams. In addition, Nancy will lead the Common Lexicon Project Team, and Nancy will team with Chris Miller as co-leads on the Wiki Project Team. Chel Stromgren and I will share duties as the co-leads for the GARAP.

This is tremendous progress in a short amount of time. However, there is still much to be done and many needs remain if these projects are to realize their full potential as consensus solutions. What this means is that the active participation of the broadest possible cross-section of the SARMA membership is needed. Therefore, I encourage you to consider becoming involved. This can take many forms - becoming a member of one of the project teams, providing input as a practitioner, recruiting new members to broaden the diversity of the organization and its knowledge base. All are important and welcome contributions.

I look forward to working with Nancy and the team leads to continue to provide regular updates on the CKB project and other SARMA initiatives. In the interim, I would also like to encourage you to learn more about these projects and how to become involved by visiting the SARMA website at www.sarma.org.

With best regards,

Kerry L. Thomas
SARMA Executive Vice President

EVENTS

An Invitation From the CFIUS/FOCI Committee

The SARMA Committee on Foreign Investment in the US/ Foreign Ownership, Control and Influence (CFIUS/FOCI) would like to invite you to attend our next meeting on 12 September to further discuss the lexicon associated with CFIUS/FOCI risk assessments. The SARMA CFIUS/FOCI Committee focuses on addressing the analytical needs

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of those involved in assessing the risk of foreign ownership, control, and influence of US technology, companies and infrastructure in the nation's efforts to protect the US economic prosperity, homeland and national security. The location and time for the next meeting are: 3434 Washington Blvd. Arlington, VA. 22201 in conference room 1123 beginning at 2PM and adjourning by 3:30. Parking is available in the SRA building garage. For those who can't attend, you can dial in via conference call at 1-888-283-05324, conference code - 5341416982. On behalf of the committee, we look forward to your joining us and contributing to the discussions and issues associated with the application of Risk Analysis as it applies to Technology Transfer and Diversion.

REPORTS

SARMA Review: General Accounting Office (GAO) report (June 2007) entitled, "DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges".

The report addressed the following four questions:

1. What is the profile of DHS's real property portfolio?
2. What challenges, if any, does DHS face in managing its real property portfolio and what actions has it taken in response to the administration's real property initiative?
3. What challenges do DHS and GSA face in consolidating DHS's headquarters in Washington, DC?
4. What actions has DHS taken to help ensure the physical security of facilities where it is located?

The findings from the fourth question should be of particular interest to SARMA members. According to the report, DHS has taken some actions to improve security on a building by building basis. These actions include installation of access control measures, active bollards, and bullet resistant glazing. In addition, DHS has established a Chief Security Officer position and a Chief Security Officer Council to evaluate security issues. DHS also formed a Facility Security Commodities Council which meets every two months to share information about security issues.

DHS Management Directive 11001 requires DHS components to meet the Interagency Security Committee (ISC) standards. Compliance reporting will begin in 2008. DHS recently developed a compliance checklist which provides a baseline for physical security considerations. DHS components can utilize this checklist to determine facility protection activities they need to undertake.

The report points out, however, that many DHS components have not implemented risk management programs to facilitate protection of component assets. DHS officials indicate it is the responsibility of each component to develop risk management methodologies to support their individual mission requirements. Some components, like the Department of the Interior and the Coast Guard, have developed a risk management and asset ranking methodology. Other components are in the process of developing risk management methodologies to assist in prioritizing asset protection and allocating resources.

Given the wide variety of security requirements across DHS components, the work currently being undertaken by the risk management community could be very valuable to DHS. By identifying generally accepted risk analysis principles (GARAP) DHS components will have a metric for evaluating their risk management methodologies. Independent peer review to provide recommendations for improving specific methodologies should also be undertaken.

Another need identified by GAO is the requirement for consistent risk management training across DHS. Initially, our community should seek to provide an outline of topics to be included in risk management training. In the future, SARMA might offer training modules and/or materials to support training in the application of the GARAP.

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The very fact that DHS, which has a prominent role in facility protection government wide, is struggling with the implementation of risk management methodologies demonstrates the complexity of the issues and supports the need for SARMA. SARMA can provide the opportunity for security professionals to share information and learn a common language that will facilitate communication across all DHS components, other federal, state and local government agencies and the private sector and should help provide independent advice and resources.

The full GAO report can be found at www.gao.gov/cgi-bin/getrpt?GAO-07-658.

Contributed by Nancy Renfroe

White Paper: "Using Risk Management Principles to Effectively Protect Critical Infrastructure and Key Resources: The Road to Operational Resilience"

For discussion and comment, SARMA's Executive Vice President, Kerry Thomas, contributes a discussion paper prepared by PricewaterhouseCoopers (PwC) that addresses many of the challenges DHS faces with security risk analysis. Please go to <http://www.sarma.org/news/newsarticlesbytopi/whitepaperonusingr> to access the white paper.

GAO Report: Critical Infrastructure Protection: Sector Plans and Sector Councils Continue to Evolve

This report discusses (1) the extent to which the sector-specific plans meet NIPP and DHS requirements, (2) the government and sector coordinating council members' views on the value of the plans and DHS's review process, and (3) the key success factors and challenges that sector representatives reported they encountered in establishing and maintaining their councils. Go to <http://www.sarma.org/news/newsarticlesbytopi/gaoreportcriticali> to download the report.

National Intelligence Estimate: The Terrorist Threat to the US Homeland

The Director of National Intelligence has released an unclassified version of a recent National Intelligence Estimate on "The Terrorist Threat to the US Homeland." Please go to <http://www.sarma.org/news/newsarticlesbytopi/nationalintelligen> to download the NIE.

News Item: Homeland Security Bill Approved-5-year Deadline Set for Port of Origin Air, Sea Cargo Screening

Washington -- Congress gave final approval Friday to legislation that requires tighter screening of air and sea cargo, and shifts more federal anti-terrorism grants to high-risk areas such as New York and Washington, delivering on a pledge by Democrats last fall to implement additional recommendations of the commission that investigated the Sept. 11, 2001, attacks. Go to <http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2007/07/28/MNGMAR8KLI1.DTL> for the rest of the story.

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HELP WANTED

SARMA is looking to hire the part-time services of an administrative assistant to support the full range of SARMA activities. This includes the preparation of newsletters and member correspondence, membership list management, conference planning, light editing, etc.. Location of work is primarily at the employee's home, with occasional local travel for meetings and other logistical tasks. Pay is commensurate with experience and negotiable. Please send a resume to Ed Jopeak at ed.jopeak@sarma.org to apply, or contact by phone at 703-349-1600.

MISCELLANEOUS

Do you know of an item you would like to see included in the SARMA Newsletter? Do you have ideas for new and interesting features for future editions? If so, please contact the newsletter staff at newsletter@sarma.org.

END