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# INVESTIGATIVE MEMORANDUM ON MANAGEMENT ISSUES

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November 15, 2007

**To:** Diego T. Ruiz  
Corey Booth  
Brian Cartwright

**From:** Nelson Egbert



**Re:** Internet Use Policies and Rules (No. 443)

During investigations recently conducted by our office, we found evidence that employees accessed pornography or other inappropriate material through the Internet from their Commission computers, despite the Internet filter.

We noted that Commission policies regarding prohibited Internet use need to be updated, clarified, and made more accessible and consistent. For example, SECR 24-4.3, Use of SEC Office Equipment (March 8, 2002), does not specifically include downloading or accessing pornography, or sexually explicit or suggestive material, from the Internet as an "inappropriate personal use" of government office equipment. A related memorandum from the Executive Director, also issued on March 8, 2002, does state that employees are not allowed to "access materials related to illegal or prohibited activities, including sexually explicit materials." A July 2, 2003 memorandum from the Executive Director on the proper use of the Internet states, "The SEC considers inappropriate use of the Internet to be an extremely serious matter." It further provides that misuse or inappropriate use of government equipment includes, among other things, "accessing sexually explicit materials." These memoranda, however, are not available on the Commission's Insider website and have not been updated.<sup>1</sup>

Similarly, the relevant language in the Office of Information Technology's Rules of the Road (which govern employee and contractor use of information technology resources) could be consolidated and clarified. Rule of the Road #2, "Don't Abuse the Privilege of Using the Internet/Intranet," prohibits (in two separate places) the downloading of pornographic material.<sup>2</sup> The Rule does not mention the downloading of sexually explicit

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<sup>1</sup> The Insider has a link to an outdated memorandum to all SEC employees from the Executive Director titled Internet Usage Policy (February 28, 1998).

<sup>2</sup> One prohibited use under Rule #2 states, "DO NOT engage in any activity that would discredit the SEC, including: seeking, transmitting, collecting, downloading, viewing, or storing pornographic material," while another prohibited use provides, "DO NOT create, download, view, store and/or transmit inappropriate material or material related to illegal activities (e.g., pornography, gambling, terrorist activities)."

or suggestive material, however. Such material, while inappropriate for the workplace, is not necessarily pornographic.

We also noted that the warning message to Commission users attempting to access Internet websites blocked as pornography should be improved. The current message states: "The URL is blocked as per SEC OIT Security policy due to its categorization as the following: 'Pornography.' If you feel this site is relevant to your work at the SEC, please contact Customer Care at x14357 for any questions or clarifications . . . ." The message does not notify the user that accessing or downloading pornography or sexually explicit materials is prohibited and violates Commission policies and rules. Also, the message does not mention the possible penalties for attempting to access such materials using SEC resources.

#### **Recommendation A**

The Office of the Executive Director (OED), in consultation with the Office of the General Counsel (OGC) and the Office of Information Technology (OIT), should update, consolidate and clarify the Internet usage policies, including SECR 24-4.3, to specifically prohibit the accessing or downloading of pornography or sexually explicit materials. Such policies should be easily accessible from the Insider web page.

#### **Recommendation B**

The OED, in consultation with OGC and OIT, should (a) clarify what is meant by pornographic materials and sexually explicit materials and (b) send reminders to all employees and contractors that accessing or downloading pornographic materials from Commission computers is strictly prohibited and may result in appropriate discipline.

#### **Recommendation C**

OIT, in consultation with the OED and OGC, should revise the language of Rule of the Road #2, which prohibits the accessing and downloading of pornography, to make it clearer, more inclusive and consistent with other policies.

#### **Recommendation D**

OIT, in consultation with the OED and OIT, should revise the warning message to users for blocked attempts to access pornography from Commission computers. The message should refer to the specific Commission policies and rules that may have been violated and warn of possible penalties for such conduct.

cc: Deborah Balducci  
Richard Humes  
Joseph Gerrity  
David Pinansky  
Darlene Pryor  
Peter Uhlmann