

September 22, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER (ACL) NO. 22-78**

The purpose of this All County Letter is to provide County Welfare Departments (CWDs) with guidance regarding the implementation of updated requirements to safeguard federal tax information. Effective June 30, 2022, the Internal Revenue Service published revisions to Publication 1075.



KIM JOHNSON  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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GAVIN NEWSOM  
GOVERNOR

September 22, 2022

ALL COUNTY LETTER (ACL) NO. 22-78

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY SPECIAL INVESTIGATIVE UNIT CHIEFS  
ALL COUNTY INCOME AND ELIGIBILITY VERIFICATION  
SYSTEM COORDINATORS  
ALL QUALITY CONTROL PROGRAM COORDINATORS  
ALL CALFRESH PROGRAM SPECIALISTS  
ALL CALWORKS PROGRAM SPECIALISTS

SUBJECT: **REVISIONS TO INTERNAL REVENUE SERVICE (IRS)  
PUBLICATION 1075**

REFERENCE: [UNITED STATES CODE TITLE 26 – INTERNAL  
REVENUE CODE \(IRC\) SECTION 6103](#)  
[INTERNAL REVENUE SERVICE PUBLICATION 1075](#)  
[“TAX INFORMATION SECURITY GUIDELINES FOR  
FEDERAL, STATE AND LOCAL AGENCIES” \(“PUB  
1075”\)](#)  
[ALL COUNTY WELFARE DIRECTORS LETTER DATED  
JUNE 21, 2017: REVISION TO INTERNAL REVENUE  
SERVICE PUBLICATION 1075 EFFECTIVE  
SEPTEMBER 30, 2016](#)  
[MANUAL OF POLICIES AND PROCEDURES SECTION  
19-002, 20-006](#)  
[CALIFORNIA PENAL CODE SECTION 11105\(b\)](#)  
[CALIFORNIA GOVERNMENT CODE SECTION 1044](#)

The purpose of this ACL is to provide county welfare departments (CWDs) with notice and guidance for implementation of revisions made to Internal Revenue Service (IRS) Publication 1075 (“Pub 1075”). The IRS published a revised version of Pub 1075 on November 30, 2021, effective June 30, 2022. CWDs will be required to be in compliance with the updated safeguard standards by January 1, 2023.

## **Background**

Federal tax information (FTI) is data originally sourced from federal tax returns that the IRS and the Social Security Administration (SSA) provide to human services agencies under the authority of United States Code Title 26, Internal Revenue Code (IRC) section 6103(l)(7). See [IRS' Publication 1075 Tax Information Security Guidelines](#) for Federal, State, and Local Agencies section 1.4 Key Definitions for more information. However, when a taxpayer provides his or her own information, or a banking institution, or employer provides the information, this information is not FTI.

The CWDs currently receive FTI from the California Department of Social Services (CDSS) Data Stewardship & Integrity Bureau in the form of IRS Asset and Beneficiary Earnings Exchange Record (BEER) matches produced as part of the Income Eligibility Verification System (IEVS). IRS Asset and BEER matches are received in a paper format and CWDs are required to store that information in a secured environment as described in Pub 1075.

All documents and files containing FTI must be protected under IRC §6103(p)(4). These requirements also apply to newly created FTI in paper and electronic media. The IRS issues Pub 1075 to disseminate the requirements for safeguarding FTI. The use of Pub 1075 as a guide for safeguarding FTI is required by [IRC §6103\(p\)\(4\)](#) and the Manual of Policies and Procedures [\(MPP\) Section 20-006.7](#).

## **Scope**

This ACL applies to the FTI provided to CWDs by CDSS, employees of the CWDs, and all FTI created by the CWDs. Any other FTI provided to the counties by other agencies is not covered by this ACL.

This ACL is not intended to supersede the requirements of future versions of Pub 1075. All CWDs must apply all requirements provided in Pub 1075 for the FTI that CDSS provides to CWDs.

## **IRS Pub 1075 Revisions**

In addition to revisions to safeguarding requirements, Pub 1075 has been reformatted, and all sections have been renumbered. Section 1.0 is Federal Tax Information, Reviews and Other Requirements; Section 2.0 is Physical Security Requirements and is numbered to include the applicable IRC § 6103 subsections, the key Safeguarding elements; Section 3.0 is CyberSecurity Requirements; and Section 4.0 is the National Institute of Standards and Technology (NIST) 800-53 Revision 5 Security and Privacy Controls.

## Revisions Affecting CWDs and Implementation Guidelines

IRS Pub 1075 Section	Revision	CWD/CDSS Implementation
Section 2.A.2, Logs of FTI and Section 2.B.3.1, Visitor Access Logs	Updated for clarity and adds retention requirement. The requirement for inspection of physical access logs has moved from annually to monthly.	CDSS will provide updated log templates (Attachment 1) to all CWDs. Updated logs must be in use by January 1, 2023 following provision by CDSS.
Section 2.B.3.2, Authorized Access List	Updated for clarity. The Authorized Access List must be reviewed monthly or upon occurrence or potential indication of an event such as a possible security breach or personnel change.	CWD FTI policies and procedures must be updated to reflect updated requirement for Authorized Access List review, to be implemented by January 1, 2023.
Section 2.B.3.3, Controlling Access to Areas Containing FTI	Updated for clarity. The agency must maintain a policy addressing issuance of appropriate authorization credentials, including badges, identification cards or smart cards. This policy must include proper use and accountability requirements.	CWD FTI policies and procedures must reflect requirements for controlling access to areas containing FTI.
Section 2.B.4.1, Security During Office Moves	New addition to Pub 1075.	CWDs should refer to this section when planning and executing office moves involving FTI to maintain safeguard controls.
Section 2.C.2, Policies and Procedures	New addition to Pub 1075. Includes required policies and procedures related to physical controls. New policies and procedures include Access Control, Audit and Accountability, Media Protection, Privacy Authorization, Physical and Environmental Security, and Personnel Security. Insider Threat Program and Privacy Program plans have also been included.	CWDs must update FTI policies and procedures wherever applicable to include required sections, to be implemented by January 1, 2023. Policies and procedures must be updated or revalidated every three years. If no updates have been provided by CDSS or IRS, counties must maintain a record of revalidation.
Section 2.C.3, Background Investigation Minimum Requirements	Updated requirement for reinvestigations to be conducted every five years (previously 10 years).	CWDs must update Background Investigation policy to reflect updated reinvestigation frequency requirement. CWDs are required to report on the status of their policy update as a component of the annual Safeguard Activity Report.

Section 2.C.4, Personnel Actions	New addition to Pub 1075. Includes subsections: Section 2.C.4.1, Personnel Transfer; Section 2.C.4.2 Personnel Sanctions; and Section 2.C.4.3, Personnel Terminations.	CWD FTI policies and procedures must include Personnel Actions section, including but not limited to: fines and penalties, accountability for system-related property, and client notification of unauthorized FTI access or disclosure. To be implemented by January 1, 2023.
Section 2.D.2.1, Disclosure Awareness Training	Updated to include the prohibition of real FTI in training and a requirement to add role-based training and practical exercises. Training must also include security and privacy updates at least quarterly in addition to annual awareness. The Safeguards' Disclosure Awareness Training video can be used to supplement training but is not intended to fulfill all training requirements.	CDSS will provide updated training to all CWDs in November 2022, to be utilized beginning with the January 2023 annual training cycle.

Non-compliance with safeguards outlined in Pub 1075 will result in a corresponding finding on the CWD's triannual IEVS review report and must be reported on a quarterly basis in the form of a Corrective Action Plan.

If you have any questions or need additional guidance regarding the information in this letter, contact the Data Stewardship and Integrity Bureau FTI Safeguards Coordinator at (916) 653-1826 or email [IEVSReviewUnit@dss.ca.gov](mailto:IEVSReviewUnit@dss.ca.gov).

Sincerely,

***Original Document Signed By***

RYAN GILLETTE, Chief Data Officer  
Deputy Director  
Research, Automation and Data Division

Attachment

FTI Match Case Review Log														
Tax Year	Run Date	Date Received (AOR Date)	Retrieved By	Case Number	Name	CF/CW	Active During Run Date(y/n)	IRS/BEER	Date Processed	Discrepant (yes/no)	Worked By	Location of Abstract	Disposition Date	Disposition Method

Visitor Access Log								
Date	Name	Organization	Form of ID	Purpose of Visit	Escort	Time IN	Time OUT	Signature of Visitor