

November 19, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY WELFARE DIRECTORS LETTER

This letter is to inform the 58 counties of the upcoming IRS Safeguard Review in January 2020 and to remind counties of the requirement to cooperate with the IRS.



KIM JOHNSON
DIRECTOR

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

November 19, 2019

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: TODD R. BLAND
Assistant Director
Automation, Integrity, and Client Initiatives Branch

SUBJECT: 2020 INTERNAL REVENUE SERVICE SAFEGUARDS REVIEW

The California Department of Social Services (CDSS) receives federal tax information (FTI) from the Internal Revenue Service (IRS) and a secondary entity, the Social Security Administration (SSA). CDSS receives FTI under [United States Code Title 26 Internal Revenue Code \(IRC\) Section 6103\(l\)\(7\)](#) and provides this FTI to County Welfare Departments (CWDs) in the IRS Asset and Beneficiary Earnings Exchange Record matches. The IRS remains responsible for the protection of the FTI from the time it is provided to CDSS throughout processing by CWDs until destroyed under [USC Title 26 IRC Section 6103\(p\)\(4\)](#). For this reason, every three years the IRS conducts on-site reviews of entities that handle, store, or access FTI in order to ensure the FTI is safeguarded per IRS guidelines in [Publication 1075 Tax Information Security Guidelines for Federal, State, and Local Agencies \(Pub 1075\)](#). [Pub 1075](#) may be accessed at <http://www.irs.gov/pub/irs-pdf/p1075.pdf>.

The relevant CDSS guidance can be found in:

- [All County Information Notice \(ACIN\) I-26-07 IRS Safeguard Requirements](#),
- [ACIN I-62-08 Confidential Tax Information Safeguard Requirements](#) (and [ACIN I-62-08E](#)),
- [ACIN I-63-10 Safeguard Compliance](#),
- [ACIN I-39-11 FTI Safeguard Email and Fax Protocol](#),
- [All County Letter \(ACL\) 15-56 Information Security Incident Reporting Protocol for FTI and Personally Identifying Information](#),
- [ACL 16-106 Re-Disclosure Restriction of FTI to Contractors](#),
- [ACL 18-51 FTI Access Background Investigation](#),
- [ACL 19-07 Safeguard Requirements for Voice Over Internet Protocol and FTI](#),

- [ACL 19-28 FTI and Contracted Interpreters and Offshore Restriction](#), and
- [ACL 19-83 Audit Requirements for Systems Containing FTI](#).

The IRS will conduct their FTI Safeguard Review of California State departments and CWDs between January 28-30, 2020. The CDSS and two or three CWD offices will be selected by the IRS and the CDSS as part of the review. Selected CWDs can expect one to three months advance notice prior to the review. In addition, the IRS, if they deem necessary, may request to visit any CWD office under the authority of [IRC 6103\(p\)\(1\)](#) with little or no advance notice in order to review the safeguards protecting the FTI at the location. The CWDs are expected to cooperate and provide the necessary assistance with any IRS request during the 2020 Safeguard Review.

If you have any questions or need additional information please contact Nancy Cronin, Analyst, Program Integrity Bureau, at Nancy.Cronin@dss.ca.gov or (916) 651-5007.