



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

October 13, 2016

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: TODD R. BLAND
Deputy Director
Welfare to Work Division

SUBJECT: 2017 INTERNAL REVENUE SERVICE SAFEGUARDS REVIEW

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

The California Department of Social Services (CDSS) is one of several state departments that receive 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 or returned under USC Title 26 IRC Section 6103(p)(4). For this reason, every three years the IRS conducts on-site reviews of entities that receive, handle, process, access, and/or create new 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 IRS will conduct their FTI Safeguard Review of California State departments and CWDs between January 24, 2017, and February 2, 2017. CDSS and two or three CWDs 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. CWDs are expected to cooperate and provide the necessary assistance with any IRS request during the course of the 2017 Safeguard Review.

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