



CDSS

JOHN A. WAGNER  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • [www.cdss.ca.gov](http://www.cdss.ca.gov)



ARNOLD SCHWARZENEGGER  
GOVERNOR

August 18, 2010

ALL-COUNTY INFORMATION NOTICE NO. I-63-10

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY SPECIAL INVESTIGATIVE UNIT CHIEFS  
ALL COUNTY INCOME AND ELIGIBILITY VERIFICATION SYSTEM  
COORDINATORS  
WELFARE INTERCEPT COORDINATORS

SUBJECT: SAFEGUARD COMPLIANCE

REASON FOR THIS TRANSMITTAL	
<input type="checkbox"/>	State Law Change
<input type="checkbox"/>	Federal Law or Regulation Change
<input type="checkbox"/>	Court Order
<input type="checkbox"/>	Clarification Requested by One or More Counties
<input checked="" type="checkbox"/>	Initiated by CDSS

The purpose of this All County Information Notice (ACIN) is to remind counties of the upcoming deadline for completion of the Annual County Internal Inspection and Safeguard Activity Report.

To ensure confidential information safety protocols are followed, federal law requires agencies receiving confidential federal tax information (FTI) to complete the County Internal Inspection and Safeguard Activity Report (attachment 1 for Welfare Intercept System (WIS) and attachment 2 for Beneficiary Earnings Exchange Record (BEER) and Internal Revenue Service (IRS) Asset Match) on an annual basis per 26 USC § 6103 (p)(4). According to Internal Revenue Service directions, sub-contractors only have to read and sign the sub-contractor agreement when the sub-contractor accesses spaces where he or she may encounter FTI when no county staff persons are present. If sub-contractors only have access when staff are present, then simply signing in and out of a log is considered a sufficient safeguard. The California Department of Social Services' Fraud Bureau also recommends counties maintain copies of the signed confidentiality agreements on file.

For further information regarding county confidential information handling requirements, please refer to ACIN No. I-62-08. Counties can receive training on confidential information safety protocols and update their certification for staff by visiting [http://www.tax.gov/sbv\\_dat/](http://www.tax.gov/sbv_dat/).

Counties must perform the internal inspection, fill out the report, and send the report to the California Department of Social Services (CDSS) Fraud Bureau by **September 20, 2010**.

ALL COUNTY INFORMATION NOTICE No. I-63-10  
Page Two

Please mail completed reports to:

ATTN: IRS Coordinator  
California Department of Social Services  
Fraud Bureau  
744 P Street, MS 19-26  
Sacramento, CA 95814

If you have questions concerning this letter or attachments, please contact Nancy Cronin, Analyst, CDSS Fraud Bureau at (916) 263-5700.

Sincerely,

***Original Document Signed By:***

YVONNE L. LEE, Chief  
Program Integrity Branch

Attachments

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

**Annual County Internal Inspection  
 and Safeguard Activity Report**

This report must be completed annually by each county’s tax offset coordinator or an employee designated by the tax offset coordinator. Send the original to:

CDSS Fraud Bureau  
 744 P Street, MS 19-26  
 ATTN: IRS Coordinator  
 Sacramento, CA 95814

- Save a copy in the file the county uses for IRS Safeguard activity.
- Welfare Intercept System (WIS): WIS is the State – moderated program which connects county collections with the federal Treasury Offset program (TOP). Accessing federal tax return and benefit data through TOP requires adherence to federal data security guidelines.
- Resources:
  - IRS Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities.
  - IRS Publication 3373 (5-2007) Disclosure of Information to Federal, State, and Local Agencies.
  - NIST FIPS PUB 200, Minimum Security Requirements for Federal Information and Information Systems.

\_\_\_\_\_ County \_\_\_\_\_ Date

**WIS**

1.	Who receives IRS data from CDSS Fraud Bureau? Include name and contact phone number.
2.	How is receipt of the data documented and maintained?
3.	Where are the documents stored?

4.	How is IRS information access granted to employees?
5.	Do employees receive annual IRS security training and is signed certification by the employee on file regarding the penalties associated with unauthorized disclosure?
6.	Does the county conduct an awareness program to ensure employees remain alert to all security requirements and penalties for unauthorized disclosure of IRS data (bulletin boards, newsletters, posters, videos)?
7.	Has there been any change to the person(s) authorized to access federal tax information (FTI)? If yes, who is the new person(s) authorized?
8.	Does the county have security procedures and instruction for employees?
9.a.	What are the facility's security procedures?
9.b.	Describe the county's external building security.
9.c.	Describe the county's internal area security where the IRS data is used (type of lock, alarm, safe, container).
9.d.	Describe the county's after hours security.

10.	Who has access to the safe or other secure storage container in which IRS data is stored?
11.	Who is responsible for changing keys or safe combinations?
12.	What measures are taken to ensure that IRS data is not co-mingled with the continuing eligibility case records, both in case files and in computer data systems?
13.	What are the county procedures for disposing of IRS data? Shredding? Burning? If contracted out, is the data medium shredded prior to pickup? If contracted out, provide a copy of the contract that includes language specifying the minimum 5/16" requirement. No shredding by a contractor is to take place unless observed and documented by an authorized "welfare" agency staff person. A 5/16" criss-cross shredder is applicable for in-house shredding. Provide a copy of the disposal log.
14.	What activities occur in the area where IRS data is secured?
15.	Describe the county's computer security for system equipment, data receipt and storage, and accessibility with regard to the handling and storage of FTI.
16.	Has any FTI been disclosed to any State, County, or other external auditor? If yes, explain:
17.	Have there been any changes since submission of the county's last Annual Internal Inspection/Safeguard Activity Report? If so, what are they?

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18.	If deficiencies are noted in the above areas, what corrective action will be taken by the county to ensure that all IRS safeguard procedures are met?
19.	Name(s) and title(s) of county personnel completing this report:

\_\_\_\_\_  
Signature of Inspector

\_\_\_\_\_  
Date

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

**Annual County Internal Inspection  
and Safeguard Activity Report**

This report must be completed annually by each county's IEVS coordinator or an employee designated by the IEVS coordinator. Send the original to:

CDSS Fraud Bureau  
744 P Street, MS 19-26  
ATTN: IRS Coordinator  
Sacramento, CA 95814

- Save a copy in the file the county uses for IRS Safeguard activity.
- IEVS: The BEER and IRS Asset IEVS matches utilize federal wage and benefit information. Accessing federal wage and benefit information requires adherence to federal data security guidelines.
- Resources:
  - IRS Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities.
  - IRS Publication 3373 (5-2007) Disclosure of Information to Federal, State, and Local Agencies.
  - NIST FIPS PUB 200, Minimum Security Requirements for Federal Information and Information Systems.

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County

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Date

**IEVS BEER and IRS Asset Matches**

1.	Who receives IRS data from CDSS Fraud Bureau? Include name and contact phone number.
2.	How is receipt of the data documented and maintained?
3.	Where are the documents stored?

4.	How is IRS information access granted to employees?
5.	Do employees receive annual IRS security training and is signed certification by the employee on file regarding the penalties associated with unauthorized disclosure?
6.	Does the county conduct an awareness program to ensure employees remain alert to all security requirements and penalties for unauthorized disclosure of IRS data (bulletin boards, newsletters, posters, videos)?
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8.	Does the county have security procedures and instruction for employees?
9.a.	What are the facility's security procedures?
9.b.	Describe the county's external building security.
9.c.	Describe the county's internal area security where the IRS data is used (type of lock, alarm, safe, container).
9.d.	Describe the county's after hours security.



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Signature of Inspector

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Date