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REQUIREMENTS FOR YOU TO SECURE TAXPAYER INFORMATION



The Laws/Rules

- Gramm-Leach-Bliley-Act (1999)
 - Privacy and Safeguards Rules
- IRS Disclosure & Use
- IRS *e-file* rules
- Sarbanes-Oxley Act (SOX)
- State laws

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GLBA & FTC Rules Apply to YOU if:

- “Significantly engage” in providing financial products or services to customers for compensation OR
- Receive or share information with other financial institutions or affiliates
- The GLBA affects businesses, regardless of size

You Are a Financial Institution if

You are paid to:

- Receive
- Prepare
- Process
- Store or
- Transmit non-public customer, financial and tax information

FTC Privacy and Safeguards Rules

Financial Institutions Must:

- Provide privacy of nonpublic customer information
- Provide annual privacy policy notices to customers
- Safeguard customer information

How to Comply

- Safeguarding Taxpayer Data, a Guide for Businesses, Pub. 4557 at www.irs.gov
- IRS regulations and e-file provider rules at www.irs.gov
- FTC guidelines for businesses on privacy, safeguards, and identity theft at www.ftc.gov

Required Safeguards

- Assess risks in your office
- Write security plan to cover
 - Employees – management & training
 - Office, systems
 - Detection & managing/mitigation
- Implement your plan
- Test, monitor, adjust it

Managing Employees

- Check employee references
- Require employee agreements
- Train employees periodically
- Limit employee and others access
- Impose disciplinary measures

Physical Safeguards

- Lock rooms and cabinets
- Store records in secured area
- Protect against destruction & damage
- Inventory hardware
- Dispose of information & hardware securely

System Safeguards

- Protect passwords
 - Use strong passwords-8 alphanumeric
 - Change passwords periodically
 - Use timed password-activated screen savers
 - Don't post or share passwords
- Encrypt sensitive data when:
 - Transmitting over networks
 - Storing on servers or media
- Encrypt entire computers, media

More System Safeguards

- Don't store sensitive data on a machine with Internet connection
- Backup system periodically on secure media
- Maintain updated firewalls, anti-virus software updates, security patches, anti-spy ware, anti-ad ware
- Provide central management of security tools and password/security protections

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If You Have a Security Breach

- Notify local law enforcement
- Notify FTC – www.ftc.gov – email and phone numbers available
- Notify customers and business partners
- Take corrective actions
- Prevent other breaches