

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



May 26, 2004

CSS LETTER: 04-10

ALL IV-D DIRECTORS  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL BOARDS OF SUPERVISORS

SUBJECT: SAFEGUARDING FEDERAL TAX INFORMATION – DISPOSAL OF  
RETURNS AND RETURN INFORMATION UPON COMPLETION

Internal Revenue Code (IRC) 6103(p)(4)(F) requires users of Federal Tax Information (FTI) to take certain actions upon completion of use to protect its confidentiality. Local child support agencies (LCSAs) must either return the information (including any copies made) to the office from which it was originally obtained or make the information “undisclosable.” LCSAs choosing to return IRS information must use a receipt process and ensure that the confidentiality is protected at all times during transport.

FTI furnished to the user and any material generated from that FTI such as extra copies, photo impressions, computer printouts, carbon paper, notes, stenographic notes, and work papers should be destroyed by burning, mulching, pulping, shredding, or disintegrating. The following precautions should be observed when destroying FTI:

a. Burning Precautions: Burn the materials in an incinerator that produces enough heat to burn the entire bundle or separate the bundle to ensure that all pages are consumed.

b. Shredding Precautions: To make reconstruction more difficult, insert the paper so that the lines of print are perpendicular to the cutting line. The paper should be shredded to 5/16-inch wide or smaller strips; microfilm should be shredded to 1/35-inch by 3/8-inch strips. If shredding is part of the overall destruction of IRS data, strips can be set to the industry standard (currently ½ inch). However, when deviating from

Reason for this Transmittal

- State Law or Regulation Change
- Federal Law or Regulation Change
- Court Order or Settlement Change
- Clarification requested by One or More Counties
- Initiated by DCSS

the IRS 5/16 inch requirement, IRS data, as long as it is in this condition (i.e., strips larger than 5/16 inch), must be safeguarded until it reaches the stage where it is rendered unreadable. As an additional precaution, do not maintain small amounts of shredded paper in the container.

- c. Pulping should reduce all material to particles one inch or smaller.

LCSAs must never disclose FTI to agents or contractors during disposal unless authorized by the IRC. When LCSAs contract for destruction of FTI, an LCSA employee should witness the destruction.

LCSAs must ensure that magnetic tape containing FTI is not made available for reuse by other offices or released for destruction without first being subjected to electromagnetic erasing. If reuse is not intended, destroy the tape by cutting into lengths of 18 inches or less or by burning to complete incineration.

Whenever disk media leaves the physical or systemic control of the LCSA for maintenance, exchange, or other servicing, any FTI on it must be destroyed by:

- a. Completely overwriting all data tracks a minimum of three times using maximum current that will not damage or impair the recording equipment; or
- b. Running a magnetic strip of sufficient length to reach all areas of the disk over and under each surface a minimum of three times. If the information cannot be destroyed as suggested, damage the disk in an obvious manner to prevent use in any disk drive unit and discard.

**Hand tearing, recycling, or burying information in a landfill are not acceptable methods of disposal.**

Please refer to IRS Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies, for additional information on this subject. You may access the publication on the Internet by going to <ftp.fedworld.gov/pub/irs-pd/p1075.pdf>.

If you have any questions or concerns regarding this matter, please contact Melanie Henderson at (916) 464-5519.

Sincerely,



JOAN OBERT  
Deputy Director  
Technology Services Division