

NEVADA STATE DIVISION OF WELFARE AND SUPPORTIVE SERVICES

**EMPLOYEE/CONTRACTOR AWARENESS
IRS SAFEGUARD TRAINING CERTIFICATION**

I acknowledge receipt of training/information specific to accessing, viewing and using sensitive IRS Federal tax returns and return information (FTI) interfaced with the system database. Further, I understand and accept:

1. FTI is considered sensitive and shall be held confidential.
2. It is unlawful to access, view, use or disclose FTI for any other purpose than intended by the Division of Welfare and Supportive Services (DWSS) in accordance with established federal or state laws, policy and procedures.
3. The criminal and/or civil penalties I face if I disregard applicable federal or state laws, DWSS policy and/or procedures established safeguarding client FTI and the criminal and/or civil penalties which may be pursued even after termination of employment since the taxpayer has two years from date of discover to file an action. I am aware of the specific IRS penalty codes IRC§ 7213, 7213A and 7431 outlined in Exhibits 4 and 5 referenced below.
4. I cannot accept any item of material value in exchange for FTI.
5. Child support pay record screens with FTI cannot be commingled in the case file and will be kept in a separate section marked FTI. I will shred all FTI upon completion of use. I will not print, fax or e-mail any case records displaying FTI.
6. I am aware of the incident response policy and procedures for reporting unauthorized disclosures and data breaches as outlined in the Child Support Enforcement Manual Section 604.1(B).

Within twenty-four (24) hours of discovering a possible improper inspection or disclosure of FTI, including breeches and security incidents, by a Federal employee, a State employee, or any other person, the individual making the observation or receiving information will contact the DWSS Information Security Officer who will coordinate and assist in contacting the appropriate Special Agent-In-Charge, Treasury Inspector General for tax Administration (TIGTA), which is listed below.

Field Division: Denver
Telephone Number: (303) 291-6102

Mailing Address:
Treasury Inspector General for Tax Administration
Ben Franklin Station
PO Box 589
Washington, DC 20044-0589
Hotline Number: 1-800-589-3718
Website: <http://www.treasury.gov/tigta/>

Child Support Enforcement Manual Section 604.1(B) additionally requires the individual discovering a possible improper inspection or disclosure of FTI to contact their IRS

Coordinator/Office Manager who will contact the CSEP's IRS Safeguard Coordinator in Central Office. CSEP's IRS Safeguard Coordinator will then assist in contacting the appropriate Special Agent-In-Charge, TIGTA.

By signing below, I certify my understanding of IRS safeguard training I received and information provided. I understand and recognize my responsibility to protect and safeguard FTI from unlawful use and disclosure. I further understand and accept the criminal and civil penalties/consequences of my actions, if I disregard such responsibility in the course of my job, including my post-employment with the agency. Lastly, I acknowledge receipt of IRS Exhibits 1, 2, 4, 5, and 7 from the Department of Treasury's *Publication 1075*, incorporated as part of this form.

Print Name

Signature

Office

Date

Supervisor or Designated Trainer Signature

Date

EXHIBIT 1

IRC SEC. 6103. CONFIDENTIALITY AND DISCLOSURE OF RETURNS AND RETURN INFORMATION

- (a) **GENERAL RULE** – Returns and return information shall be confidential, and except as authorized by this title –
- (1) no officer or employee of the United States,
 - (2) no officer or employee of any State, any local law enforcement agency receiving information under subsection (i)(7)(A), any local child support enforcement agency, or any local agency administering a program listed in subsection (l)(7)(D) who has or had access to returns or return information under this section, and
 - (3) no other person (or officer or employee thereof) who has or had access to returns or return information under subsection (e)(l)(D)(iii), paragraph (6), (12), (16), (19), or (20) of subsection (1), paragraph (2) or (4)(B) of subsection (M), or subsection (n), shall disclose any returns or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section. For purposes of this subsection, the term “officer or employee” includes a former officer or employee.
- (b) **DEFINITIONS** – For purposes of this section –
- (1) **RETURN** – The term “return” means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of this title which is filed with the Secretary by, on behalf of, or with respect to any person, and any amendment or supplement thereof, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return, so filed.
 - (2) **RETURN INFORMATION** – The term “return information” means –
 - (A) a taxpayer’s identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments, whether the taxpayer’s return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense,
 - (B) any part of any written determination or any background file document relating to such written determination (as such terms are defined in section 6110(b)) which is not open to the public inspection under 6110,
 - (C) any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement, and
 - (D) any agreement under section 7121, and any similar agreement, and any background information related to such an agreement or request for such an agreement, but such term does not include data in a form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer. Nothing in the preceding sentence, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining such standards, if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws.
 - (3) **TAXPAYER RETURN INFORMATION** – The term “taxpayer return information” means return information as defined in paragraph (2) which is filed with, or furnished to, the Secretary by or on behalf of the taxpayer to whom such return information relates.
 - (4) **TAX ADMINISTRATION** – The term “tax administration” –

(A) means –

- (i) the administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws and related statutes (or equivalent laws and statutes of a State) and tax conventions to which the United States in a party, and
- (ii) the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes, and tax conventions, and

(B) includes assessments, collection, enforcement, litigation, publication and statistical gathering functions under such laws, statutes, or conventions.

(5) STATE – The term “state” means –

(A) any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and

(B) for purposes of subsections (a)(2), (b)(4), (d)(1), (h)(4) and (p) any municipality –

- (i) with a population in excess of 250,000 (as determined under the most recent decennial United States census data available),
- (ii) which imposes a tax on income or wages, and
- (iii) with which the Secretary (in his sole discretion) has entered into an agreement regarding disclosure.

(6) TAXPAYER IDENTITY – The term “taxpayer identity” means the name of a person with respect to whom a return is filed, his mailing address, his taxpayer identifying number (as described in section 6109), or a combination thereof.

(7) INSPECTION – The terms “inspected” and “inspection” mean any examination of a return or return information.

(8) DISCLOSURE – The term “disclosure” means the making known to any person in any manner whatever a return or return information.

(9) FEDERAL AGENCY – The term “Federal agency” means an agency within the meaning of section 551(1) of title 5, United States Code.

(10) CHIEF EXECUTIVE OFFICER – The term “chief executive officer” means, with respect to any municipality, any elected official and the chief official (even if not elected) of such municipality.

(11) TERRORIST INCIDENT, THREAT, OR ACTIVITY – The term “terrorist incident, threat, or activity” means an incident, threat, or activity involving an act of domestic terrorism (as defined in section 2331(5) of title 18, United States Code) or international terrorism (as defined in section 2331(1) of such title).

26 U.S.C. Section 6103(p)(4)

Any Federal agency described in subsection (h)(2), (h)(5), (i)(1), (2), (3), (5), or (7), (j)(1), (2), or (5), (k)(8), (l)(1), (2), (3), (5), (10), (11), (13), (14), or (17), or (o)(1), the General Accounting Office, the Congressional Budget Office, or any agency, body, or commission described in subsection (d), (i)(3)(B)(i) or (7)(A)(ii), or (l)(6), (7), (8), (9), (12) (15) or (16) or any other person described in subsection (l)(16), (17), (19), or (20) shall, as a condition for receiving returns or return information –

- (A) establish and maintain, to the satisfaction of the Secretary, a permanent system of standardized records with respect to any request, the reason for such request, and the date of such request made by or of it and any disclosure of return or return information made by or to it;
- (B) establish and maintain, to the satisfaction of the Secretary, a secure area or place in which such returns or return information shall be stored;
- (C) restrict, to the satisfaction of the Secretary, access to the returns or return information only to persons whose duties or responsibilities require access and to whom disclosure may be made under the provisions of this title;
- (D) provide such other safeguards which the Secretary determines (and which he prescribes in regulations) to be necessary or appropriate to protect the confidentiality of the returns and return information;
- (E) furnish a report to the Secretary, at such time and containing such information as the Secretary may prescribe, which describes the procedures established and utilized by such agency, body, or commission the General Accounting Office, or the Congressional Budget Office for ensuring the confidentiality of returns and return information required by this paragraph; and
- (F) upon completion of use of such returns or return information –
 - (i) in the case of an agency, body or commission described in subsection (d), (i)(3)(B)(i), or (l)(6), (7), (8), (9) or (16) or any other person described in subsection (l)(16), (17), (19), or (20) return to the Secretary such returns or return information (along with any copies made therefrom) or make such returns or return information undisclosable in any manner and furnish a written report to the Secretary describing such manner,
 - (ii) in the case of an agency described in subsection [5] (h)(2), (h)(5), (i)(1), (2), (3), (5) or (7), (j)(1), (2), or (5), (k)(8), (l)(1), (2), (3), (5), (10), (11), (12), (13), (14), (15), or (17), or (o)(1), [6] the General Accounting Office, or the Congressional Budget Office, either –
 - (1) return to the Secretary such returns or return information (along with any copies made therefrom)
 - (2) otherwise make such returns or return information undisclosable, or
 - (3) to the extent not so returned or made undisclosable, ensure that the conditions of subparagraphs (A), (B), (C), (D), and (E) of this paragraph continue to be met with respect to such returns or return information, and

- (iii) in the case of the Department of Health and Human Services for purposes of subsection (m)(6), destroy all such return information upon completion of its use in providing the notification for which the information was obtained, so as to make such information undisclosable;

except that the conditions of subparagraphs (A), (B), (C), (D), and (E) shall cease to apply with respect to any return or return information if, and to the extent that, such return or return information is disclosed in the course of any judicial or administrative proceeding and made a part of the public record thereof. If the Secretary determines that any such agency, body, or commission, including an agency or any other person described in subsection (l)(16), (17), (19), or (20), or the General Accounting Office or the Congressional Budget Office has failed to, or does not, meet the requirements of this paragraph, he may, after any proceedings for review established under paragraph (7), take such actions as are necessary to ensure such requirements are met, including refusing to disclose returns or return information to such agency, body, or commission, including an agency or any other person described in subsection (l)(16), (17), (19), or (20), or the General Accounting Office or the Congressional Budget Office until he determines that such requirements have been or will be met. In the case of any agency which receives any mailing address under paragraph (2), (4), (6) or (7) of subsection (m) and which discloses any such mailing address to any agent, or which receives any information under paragraph (6)(A), 12(B) or (16) of subsection (l) and which discloses any such information to any agent, or any person including an agent described in subsection (l)(16), this paragraph shall apply to such agency and each such agent or other person (except that, in the case of an agent, or any person including an agent described in subsection (l)(16), any report to the Secretary or other action with respect to the Secretary shall be made or taken through such agency). For purposes of applying this paragraph in any case to which subsection (m)(6) applies, the term "return information" includes related blood donor records (as defined in section 1141(h)(2) of the Social Security Act).

EXHIBIT 5

IRC SEC. 7213 and 7213A UNAUTHORIZED DISCLOSURE OF INFORMATION

(a) RETURNS AND RETURN INFORMATION –

- (1) **FEDERAL EMPLOYEES AND OTHER PERSONS** – It shall be unlawful for any officer or employee of the United States or any person described in section 6103(n) (or an officer or employee of any such person), or any former officer or employee, willfully to disclose to any person, except as authorized in this title, any return or return information [as defined in section 6103(b)]. Any violation of this paragraph shall be a felony punishable upon conviction by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution, and if such offense is committed by any officer or employee of the United States, he shall, in addition to any other punishment, be dismissed from office or discharged from employment upon conviction of such offense.
- (2) **STATE AND OTHER EMPLOYEES** – It shall be unlawful for any person [not described in paragraph (1)] willfully to disclose to any person, except as authorized in this title, any return or return information [as defined in section 6103(b)] acquired by him or another person under subsection (d), (i)(3)(B)(i), (1)(6), (7), (8), (9), (10), (12), (15) or (16) or (m)(2), (4), (5), (6), or (7) of section 6103. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.
- (3) **OTHER PERSONS** – It shall be unlawful for any person to whom any return or return information [as defined in section 6103(b)] is disclosed in a manner unauthorized by this title thereafter willfully to print or publish in any manner not provided by law any such return or return information. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.
- (4) **SOLICITATION** – It shall be unlawful for any person willfully to offer any item of material value in exchange for any return or return information [as defined in 6103(b)] and to receive as a result of such solicitation any such return or return information. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.
- (5) **SHAREHOLDERS** – It shall be unlawful for any person to whom return or return information [as defined in 6103(b)] is disclosed pursuant to the provisions of 6103(e)(1)(D)(iii) willfully to disclose such return or return information in any manner not provided by law. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution.

SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION

(a) PROHIBITIONS –

- (1) **FEDERAL EMPLOYEES AND OTHER PERSONS** – It shall be unlawful for –

 - (A) any officer or employee of the United States, or
 - (B) any person described in section 6103(n) or an officer willfully to inspect, except as authorized in this title, any return or return information.

(2) STATE AND OTHER EMPLOYEES – It shall be unlawful for any person [not described in paragraph (1)] willfully to inspect, except as authorized by this title, any return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

(b) PENALTY –

(1) IN GENERAL – Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding \$1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

(2) FEDERAL OFFICERS OR EMPLOYEES – An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

(c) DEFINITIONS – For purposes of this section, the terms “inspect”, “return”, and “return information” have respective meanings given such terms by section 6103(b).

IRC SEC. 7431 CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE OF RETURNS AND RETURN INFORMATION

- (a) **IN GENERAL** –
- (1) **INSPECTION OR DISCLOSURE BY EMPLOYEE OF UNITED STATES** – If any officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103, such taxpayer may bring a civil action for damages against the United States in a district court of the United States.
 - (2) **INSPECTION OR DISCLOSURE BY A PERSON WHO IS NOT AN EMPLOYEE OF UNITED STATES** – If any person who is not an officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103, such taxpayer may bring a civil action for damages against such person in a district court of the United States.
- (b) **EXCEPTIONS** – No liability shall arise under this section with respect to any inspection or disclosure –
- (1) which results from good faith, but erroneous, interpretation of section 6103, or
 - (2) which is requested by the taxpayer.
- (c) **DAMAGES** – In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of –
- (1) the greater of –
 - (A) \$1,000 for each act of unauthorized inspection or disclosure of a return or return information with respect to which such defendant is found liable, or
 - (B) the sum of –
 - (i) the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure, plus
 - (ii) in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus
 - (2) the cost of the action.
- (d) **PERIOD FOR BRINGING ACTION** – Notwithstanding any other provision of law, an action to enforce any liability created under this section may be brought, without regard to the amount in controversy, at any time within 2 years after the date of discovery by the plaintiff of the unauthorized inspection or disclosure.
- (e) **NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE** – If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of –
- (1) paragraph (1) or (2) of section 7213(a),
 - (2) section 7213(a), or
 - (3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code, the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure.

- (f) **DEFINITIONS** – For purposes of this section, the terms “inspect”, “inspection”, “return” and “return information” have the respective meanings given such terms by section 6103(b).
- (g) **EXTENSION TO INFORMATION OBTAINED UNDER SECTION 3406** – For purposes of this section –
 - (1) any information obtained under section 3406 (including information with respect to any payee certification failure under subsection (d) thereof) shall be treated as return information, and
 - (2) any inspection or use of such information other than for purposes of meeting any requirement under section 3406 or (subject to the safeguards set forth in 6103) for purposes permitted under section 6103 shall be treated as a violation of section 6103.

For purposes of subsection (b), the reference to section 6103 shall be treated as including a reference to section 3406.

The agency should include the Exhibit 7 language for either General Services or Technology Services, as appropriate and include the language below to the greatest extent possible, applicable to the specific situation.

CONTRACT LANGUAGE FOR GENERAL SERVICES**I. PERFORMANCE**

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be performed under the supervision of the contractor or the contractor's responsible employees.
- (2) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor is prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
- (4) No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (5) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (6) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.
- (7) (Include any additional safeguards that may be appropriate.)

II. CRIMINAL/CIVIL SANCTIONS

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the

greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

I. PERFORMANCE

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

(1) All work will be done under the supervision of the contractor or the contractor's employees.

(2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.

(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

(4) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

(5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the

spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

(6) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

(7) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.

(8) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

(9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

(10) (Include any additional safeguards that may be appropriate.)

II. CRIMINAL/CIVIL SANCTIONS:

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy

and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

INSTRUCTIONS FOR FORM 6115-AT (5/15), "EMPLOYEE/CONTRACTOR AWARENESS
IRS SAFEGUARD TRAINING CERTIFICATION"

PURPOSE

Each manager/trainer will ensure the IRS FTI safeguard awareness training is provided to all system user's.

At the end of training, system user's will be asked to certify their participation and understanding of the information presented.

INSTRUCTIONS

At the conclusion of the training, the manager/trainer will distribute the form to each system user for completion and return to the manager/trainer.

Each system user will:

- Read the form.
- Print their name.
- Sign their name, identify office, and date the form.
- Retain for reference the attached IRS *Publication 1075*, Exhibits 1, 2, 4, 5, and 7.
- Return the signed form to the supervisor/trainer.

Supervisor/Trainer will:

- Collect all completed forms from system users.
- Sign and date the form.
- Provide system user's with a copy of their signed form and ensure the system user has printed copies of the IRS *Publication 1075* Exhibits 1, 2, 4, 5, and 7 for their reference and use.
- IV-D: The QC Specialist will collect the original during the office review.
All Other Programs: File the original in the employee's personnel folder in your office.

(Instr)