

3.4 SPECIAL PROCEDURAL REQUIREMENTS

IEVS regulations mandate exceptional requirements for safeguarding IRS information as outlined below.

A. EMPLOYEE AWARENESS

The IRS Code requires that all employees who have access to IRS data be informed of all the penalties for unauthorized disclosure of IRS data. As with all information obtained about applicants and recipients, this information is confidential.

The Supervisor must provide each Worker with a copy of the applicable sections of the IRS Code. In addition, the Worker must sign form DFA-IE-01 to indicate he received the IRS Code Notices. IRS Code Notices are found in Appendix B.

B. CLIENT NOTICE OF IEVS REQUIREMENTS

All applicants and recipients must be notified in writing of the IEVS requirements and the use of information obtained through IEVS. To accomplish this, a statement is included in the Rights and Responsibilities section of Form DFA-RR-1.

C. INDEPENDENT VERIFICATION

Independent verification is necessary in some situations depending upon the program and the source of information. Independent verification is used if there is a discrepancy between information reported from the IEVS sources and that reported by the client.

Independent verification is required for all information received from the IRS and/or Prisoner Match programs. The Worker must not take any case action based only on the IRS and/or Prisoner Match data until it has been independently verified as follows:

- The amount of the income or asset involved; and
- If the client actually has, or had, access to the income or asset; and
- The time period(s) when the individual had the income or asset.

The Worker may request the independent verification by requesting that the client obtain information from the financial institution or source of the unearned income/ asset. The Worker uses form ES-6 or the RAPIDS verification checklist to request that the client obtain the information. The information may be requested by letter directly from the financial institution or source of the income/asset.

Any correspondence to the client, financial institution or other income/asset source which outlines the IRS-provided information must be safeguarded according to the procedures in item D below. Verification provided separately from the financial institution or income/ asset source from its own records, which does not contain any of the IRS-provided information, is independent verification only and does not require the safeguarding procedures in item D below.

EXAMPLE: The Worker receives IRS information about interest on a bank account and completes an ES-6 or RAPIDS request for verification. The verification request contains all the information obtained from the IRS report. The client takes the verification request to the bank and a bank official records that the bank records indicate the same information as the IRS and signs the verification request. The client returns this information to the Worker. Because the IRS-provided information is still shown on the returned verification, it is subject to the safeguarding procedures in item D below.

EXAMPLE: Same situation as the previous example, but the bank official provides and signs a printout from the bank which details the account and all transactions for the last 3 years. The client returns only the bank printout to the Worker. The bank printout is considered independent verification only and is not subject to safeguard procedures.

D. SAFEGUARDING INFORMATION

IRS, Prisoner Match, BENDEX and BEERS regulations require that the Department take the necessary steps to safeguard the data by restricting access to it. Only those Workers/Supervisors in the local office who have been assigned to the case are permitted access. User information is tracked in RAPIDS. The following procedures apply to all sources of Federal Tax Information (FTI), not just information provided through IEVS and includes all documentation provided by the client or on his behalf which includes FTI.

1. Paper Documents

The DFA-FTI-1 coversheet must be attached to all case files which contain FTI to ensure that only authorized personnel view FTI.

Paper documents, such as screen prints from RAPIDS or any documents such as, but not limited to, requests which are sent to financial institutions and when returned, contain IRS information as described in item C above, must be destroyed by shredding. If the office does not have access to a shredder, the documents are sent to the Division of Family Assistance for shredding. Prior to disposal, all printed documents must be maintained in a locked file cabinet to which only a Supervisor has access.

All file cabinets which contain FTI must be labeled. Labels are available upon request from the Division of Family Assistance. All hard copies of FTI must be removed from the case record before archiving.

Any violation related to improper inspection and/or disclosure of Federal Tax Information must to be reported. See Appendix A for contact and/or reporting information.

2. IRS Safeguard Log

Paper documents of RAPIDS screen prints must be attached to an IRS Safeguard Log, DFA-IE-02. These log sheets provide a format to record the date received, document description, employee signature, supervisor signature and distribution date. The IRS Safeguard Log is returned to the Safeguard Manager who maintains a record of the Log sheets and records the destroyed status of all safeguarded documents. The safeguard manager then signs and files the documents.

NOTE: IRS, Prisoner Match, BENDEX and BEERS information in RAPIDS must not be routinely printed. However, if it is necessary to print a screen that contains Federal Tax Information (FTI) or Prisoner Match information, the office must comply with the safeguard instructions for the destruction of printed documents. The document must also be secured as stated in item 1 above.