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IRS Interface

B. Security Guidelines

Internal Revenue Service regulations require that all people having access to IRS data be informed at least annually in writing of the penalties for unlawful disclosure of these data. The purpose of these procedures is to provide you with this information.

DSW runs monthly matches of new ANFC, Food Stamp, and Medicaid applicants and recipients against the IRS 1099 file; once per year, when the prior year's tax return information is available, all applicants and recipients contained in the ACCESS data base are matched against this file. Discrepant information revealed through this match is stored in ACCESS and is displayed in three places:

- (1) In the Interface (INFC) function on the IRS Discrepancy Screen.
- (2) On the BANK screen in the STAT (if information has been reported on a bank account).
- (3) On the STOK screen on the STAT (if information has been reported on stocks or bonds).

If any IRS data appear on these screens, they must be carefully safeguarded according to IRS security guidelines. On-line access to these screens must be restricted to those staff members who need to use them for eligibility determination purposes; this is handled through role assignment and passwording procedures in ACCESS. In addition, no hard copies of these screens must be made for any reason whatsoever. It is not permitted to print these screens and file them in case records. If you find copies of these screens in case records, you should destroy them.

Should any IRS data be disclosed to someone who is not authorized to receive it, there are both civil and criminal penalties that may be applied to the person responsible for the disclosure. Section 7213 of the IRS code states:

"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 his 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 costs of prosecution."

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P-2119 IRS Interface (Continued)

B. Security Guidelines (Continued)

In addition, Section 7431 of the code permits a taxpayer to bring suit for civil damages in a United States district court for unauthorized disclosure of return information. This section allows for punitive damages in case of willful disclosure or gross negligence, as well as the cost of the action. These civil and criminal penalties apply even if the unauthorized disclosure is made after employment with DSW has terminated.

If you discover a possible improper disclosure of Federal tax information, you should report it to your District or Division Director immediately, or you may report it to the Internal Revenue Service Regional Inspector at 212-264-9130.