Safeguarding Taxpayer Data

A GUIDE FOR YOUR BUSINESS
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The Need to Safeguard Taxpayer Data

Today’s identity thieves are a formidable enemy. They are an adaptive adversary, constantly learning and changing their tactics to circumvent the safeguards and filters put in place to stop them from committing their crimes. Some of the individuals committing identity theft refund fraud are members of high-tech global rings engaged in full-scale organized criminal enterprises for stealing identities and profiting from that information. As the criminals’ efforts increase in sophistication, so do the number and scope of data breaches, which serves to further expand the network and warehousing of stolen and compromised identity information, and in turn increases the potential for that stolen identity information to ultimately reverberate through the tax system.

In 2015, the IRS called together major players in the tax industry—tax return preparers, software providers, state tax agencies, payroll providers and financial institutions—for a Security Summit to increase the cooperation in place to fight a common enemy—the identity thieves. Tax preparers are critical players in this partnership, and, because of the taxpayer information they store, increasingly a target for data theft.

Safeguarding taxpayer data is a top priority for the IRS. It is the legal responsibility of government, businesses, organizations, and individuals that receive, maintain, share, transmit or store taxpayers’ personal information. Taxpayer data is defined as any information that is obtained or used in the preparation of a tax return (e.g., income statements, notes taken in a meeting, or recorded conversations). Putting safeguards in place to protect taxpayer information helps prevent fraud and identity theft and enhances customer confidence and trust.

This guide will help non-governmental businesses, organizations, and individuals that handle taxpayer data to understand and meet their responsibility to safeguard this information. IRS e-file and paper return preparers, Intermediate Service Providers, Software Developers, Electronic Return Originators, Reporting Agents, Transmitters, their affiliates, and service providers can use this guide to determine their data privacy and security needs and implement safeguards to meet them.
These safeguards will help you:

- Preserve the confidentiality and privacy of taxpayer data by restricting access and disclosure;
- Protect the integrity of taxpayer data by preventing improper or unauthorized modification or destruction; and
- Maintain the availability of taxpayer data by providing timely and reliable access and data recovery.

For a brief description of related laws and regulations, refer to the table in “Safeguarding Taxpayer Data, References to Applicable Laws and Regulations.” For references to standards and best practices, refer to the table in “Safeguarding Taxpayer Data, References to Applicable Standards and Best Practices.”

It is critical that we work in partnership to combat identity theft. Major software providers are required to report data thefts to the IRS. We urge individual tax preparers to notify their local IRS Stakeholder Liaison of any data theft to lessen the impact on clients and the tax system.

As the criminals’ efforts increase in sophistication, so do the number and scope of data breaches, which serves to further expand the network and warehousing of stolen and compromised identity information, and in turn increases the potential for that stolen identity information to ultimately reverberate through the tax system.
Getting Started

If you handle taxpayer information, you may be subject to the Gramm-Leach-Bliley Act (GLB Act) and the Federal Trade Commission (FTC) Financial Privacy and Safeguards Rules. Whether or not you are subject to the GLB Act and the FTC Rules, you could benefit from implementing the general processes and best practices outlined in FTC information privacy and safeguards guidelines.

Financial institutions as defined by FTC include professional tax preparers, data processors, their affiliates and service providers who are significantly engaged in providing financial products or services. They must take the following steps to protect taxpayer information. Other businesses, organizations and individuals handling taxpayer information should also follow these steps because they represent best practices for all.

- Take responsibility or assign an individual or individuals to be responsible for safeguards;
- Assess the risks to taxpayer information in your office, including your operations, physical environment, computer systems and employees, if applicable. Make a list of all the locations where you keep taxpayer information (computers, filing cabinets, bags, and boxes taxpayers may bring you);
- Write a plan of how you will safeguard taxpayer information. Put appropriate safeguards in place;
- Use only service providers who have policies in place to also maintain an adequate level of information protection defined by the Safeguards Rule; and
- Monitor, evaluate and adjust your security program as your business or circumstances change.

The FTC has fact sheets and guidelines on privacy and safeguards for businesses on their Web site at www.ftc.gov. In addition, you may seek outside professional help to assess your information security needs.
To safeguard taxpayer information, you must determine the appropriate security controls for your environment based on the size, complexity, nature and scope of your activities. Security controls are the management, operational, and technical safeguards you may use to protect the confidentiality, integrity and availability of your customers’ information. Examples of security controls are:

1. Locking doors to restrict access to paper or electronic files;
2. Requiring passwords to restrict access to computer files;
3. Encrypting electronically stored taxpayer data;
4. Keeping a backup of electronic data for recovery purposes;
5. Shredding paper containing taxpayer information before throwing it in the trash;
6. Do not email unencrypted sensitive personal information.

Further, Authorized IRS e-file Providers that participate in the role as an Online Provider must follow the IRS six security, privacy, and business standards to better serve taxpayers and protect their individual income tax information collected, processed, and stored. See “Safeguarding IRS e-file” in Publications 1345 for more information.

All Authorized IRS e-file Providers who own or operate a Web site through which taxpayer information is collected, transmitted, processed, or stored must register their Uniform Resource Locator (URL). See instructions for submitting the URL information.

For additional examples of security controls, refer to the National Institute of Standards and Technology (NIST) SP 800-53 publication listed in “Safeguarding Taxpayer Data, References to Applicable Standards and Best Practices.”

Putting Safeguards in Place

The following checklist includes many activities that can be included in an information security program. It can help you put in place security procedures and controls to protect taxpayer information.

It is important to consider all the safeguards that are applicable to your business.
### Administrative Activities

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Complete a Risk Assessment. Identify the risks and potential impacts of unauthorized access, use, disclosure, disruption, modification or destruction of information and information systems that can be used to access taxpayer data. How vulnerable is your customer’s data to theft, disclosure, unauthorized alterations or unrecoverable loss? What can you do to reduce the impact to your customers and your business in such an event? What can you do to reduce vulnerability?

Write and follow an Information Security Plan that:

- Addresses every item identified in the risk assessment.
- Defines safeguards you want affiliates and service providers to follow.
- Requires a responsible person to review and approve the Information Security Plan.
- Requires a responsible person to monitor, revise, and test the Information Security Plan on a periodic (recommended annual) basis to address any system or business changes or problems identified.

Periodically (recommended annually) perform a Self-Assessment to:

- Evaluate and test the security plan and other safeguards you have in place.
- Document information safeguards deficiencies. Create and execute a plan to address them.

Retain a copy of the Self-Assessment and ensure it is available for any potential reviews.

If required by the FTC Privacy Rule, provide privacy notices and practices to your customers.

Specify in contracts with service providers the safeguards they must follow and monitor how they handle taxpayer information.

Ask service providers to give you a copy of their written security policy on safeguarding information.
Checklist 2

Facilities Security

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- Protect from unauthorized access and potential danger (e.g., theft, floods and tornados) all places where taxpayer information is located.
- Write procedures that prevent unauthorized access and unauthorized processes.
- Assure that taxpayer information, including data on hardware and media, is not left un-secured on desks or photocopiers, in mailboxes, vehicles, trash cans or rooms in the office or at home where unauthorized access can occur.
- Authorize and control delivery and removal of all taxpayer information, including data on hardware and media.
- Lock doors to file rooms and/or computer rooms.
- Provide secure disposal of taxpayer information, such as shredders, burn boxes or temporary file areas until it can be securely disposed.

In 2015, the IRS called for a Security Summit to increase the cooperation in place to fight identity thieves.

Tax preparers are critical players in this effort, because of the taxpayer information they store, increasingly a target for data theft.
## Checklist 3

### Personnel Security

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- Create and distribute Rules of Behavior that describe responsibilities and expected behavior regarding computer information systems as well as paper records and usage of taxpayer data. Have all information system users complete, sign, and submit an acknowledgement that they have read, understood, and agree to comply with the rules of behavior. An example of rules of behavior can be found in Appendix A of NIST SP-800 18 Guide for Developing Security Plans for Federal Information Systems.

- Ensure personnel from third-party providers such as service bureaus, contractors, and other businesses providing information technology services meet the same security requirements as those applied to your personnel.

- Address Rules of Behavior for computer system management.

- When interviewing prospective personnel, explain the expected Rules of Behavior.

- When possible, perform a background and/or reference check on new employees who will have contact with taxpayer information. Conduct background screenings that are appropriate to the sensitivity of an assigned position.

- Screen personnel prior to granting access to any paper or electronic data. This will help ensure their suitability for a position requiring confidentiality and trust.

- Have personnel who will have access to taxpayer information sign nondisclosure agreements on the use of confidential taxpayer information.

- Develop and enforce formal compliance policies and processes, including possible disciplinary action, for all personnel who do not comply with the businesses’ established information security policies and procedures.

- Terminate access to taxpayer information (e.g., login IDs and passwords) for those employees who are terminated or who no longer need access.

- For each employee who is terminated, conduct an exit interview and ensure the employee returns property that allows access to taxpayer information (e.g., laptops, media, keys, identification cards and building passes).

- Train staff on Rules of Behavior for access, non-disclosure and safeguards of taxpayer information. Provide refresher training periodically.
Information Systems Security

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Information systems include both automated and manual systems made up of people, machines and/or methods for collecting, processing, transmitting, storing, archiving and distributing data. To help ensure the accuracy, validity, consistency and reliability of taxpayer data, you should manage taxpayer data information systems based on the guidelines below.

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Grant access to taxpayer information systems only on a valid need-to-know basis that is determined by the individual’s role within the business.

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Put in place a written contingency plan to perform critical processing in the event that your business is disrupted. It should include a plan to protect both electronic and paper taxpayer information systems. Identify individuals who will recover and restore the system after disruption or failure.

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Periodically test your contingency plan.

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Back up taxpayer data files regularly (e.g., daily or weekly) and store backup information at a secure location.

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Maintain hardware and software as needed and keep maintenance records.

Taxpayer data is defined as any information that is obtained or used in the preparation of a tax return (e.g., income statements, notes taken in a meeting, or recorded conversations).
## Checklist 5

### Computer Systems Security

- Identify and authenticate computer system users who require access to electronic taxpayer information systems before granting them access.

You can manage user identities by:

- Identifying authorized users of electronic taxpayer information systems and grant specific access rights/privileges.
- Assigning each user a unique identifier.
- Verifying the identity of each user.
- Disabling user identifiers after an organization-defined time period of inactivity.
- Archiving user identities.

Implement password management procedures that require strong passwords.

Require periodic password changes.

Disable and remove inactive user accounts.

Protect electronic taxpayer information systems connected to the Internet with a barrier device (e.g., firewall, router or gateway). Any failure of these devices should not result in an unauthorized release of taxpayer data.

When storing taxpayer information electronically, consider following best practices and store it on separate secure computers or media that are not connected to a network and that are password protected and encrypted.

Encrypt taxpayer information when attached to email.

Encrypt taxpayer information when transmitting across networks.

Regularly update firewall, intrusion detection, anti-spyware, anti-adware, anti-virus software and security patches.

Monitor computer systems for unauthorized access by reviewing system logs.

Lock out computer system users after three consecutive invalid access attempts.

Remove all taxpayer information once the retention period expires by using software designed to securely remove data from computers and media prior to disposing of hardware or media. The FTC Disposal Rule has information on how to dispose of sensitive data.

As recommended by the FTC, reduce risks to computer systems by performing vulnerability scans and penetration tests periodically. You can learn more about this at the FTC Web site in their article “FTC Facts for Business – Security Check: Reducing Risks to Your Computer Systems.”
Checklist 6

Media Security

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Store computer disks, removable media, tapes, compact disks, flash drives, audio and video recordings of conversations and meetings with taxpayers, and paper documents in a secure location, cabinet, or container.

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Secure media storage areas, including rooms, cabinets, and computers by locks or key access. Where appropriate, employ an automated mechanism to ensure only authorized access.

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Restrict authorized access to media storage.

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Limit removal of taxpayer information to authorized persons and perform information access audits regularly.

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Securely remove all taxpayer information when disposing of computers, diskettes, magnetic tapes, hard drives, or any other electronic media that contain taxpayer information. The FTC Disposal Rule has information on how to dispose of sensitive data.

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Shred or burn paper documents before discarding them.

It is critical that we work in partnership to combat identity theft. Major software providers are required to report data thefts to the IRS.
Certifying Information Systems For Use

- Determine if risks are acceptable to certify systems for use.
- Sign an authority to operate.

If you use a certified independent certification company, consider the following:

- On a periodic (recommended annual) basis, have an independent individual or business with relevant security expertise, evaluate the security plans, controls, and any other safeguards implemented in your business against best practices.
- Have a report generated from the audit that certifies that your business follows best practices.
- Ensure the report highlights any deficiencies and provides recommendations for their correction.
- Develop a plan for your business to correct any deficiencies found and to ensure that the plan is successfully executed.
- Retain a copy of the audit report to ensure it is available for any potential reviews.
- Be prepared to show how you mitigate risks.
Reporting Incidents

Safeguarding personally identifiable taxpayer information is of critical importance to retaining the confidence and trust of taxpayers. Appropriately handling information security incidents is also very important to retaining the confidence and trust of taxpayers.

An information security incident is an adverse event or threat of an event that can result in an unauthorized disclosure, misuse, modification or destruction of taxpayer information. If you believe an information security incident has occurred that affects the confidentiality, integrity, or availability of taxpayer data or the ability for the taxpayer to prepare or file a return, you may need to report the incident. The following table includes examples of types of incidents.

<table>
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<tr>
<th>INCIDENT TYPE</th>
<th>DESCRIPTION</th>
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<tr>
<td>Theft</td>
<td>Unauthorized removal of computers, data/records on computer media or paper files.</td>
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<tr>
<td>Loss/Accident</td>
<td>Accidental misplacement or loss of computers, data/records on computer media or paper files.</td>
</tr>
<tr>
<td>Unauthorized Access</td>
<td>A person or computer gains logical or physical access without permission to a network, system, application, data, or other resource.</td>
</tr>
<tr>
<td>Unauthorized Disclosure/ Usage</td>
<td>A person violates disclosure or use policies such as IRC sections 6713 &amp; 7216. See “Laws and Regulations” for information on IRC sections 6713 &amp; 7216.</td>
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<tr>
<td>Computer System/Network Attack</td>
<td>A virus, worm, Trojan horse, or other code-based malicious entity infects a host and causes a problem such as disclosure of sensitive data or denial of services.</td>
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</table>

Recommended actions for incident reporting are as follows:

- Individuals (e.g., employees and contractors) who detect a situation that may be an information security incident should immediately inform the individual designated by the business to be responsible for handling customer information security.
- The individual responsible for handling customer information security should gather information about the suspected incident.
- If you believe the incident compromises a person’s identity or their personal or financial information, we recommend you refer to the FTC document, Information Compromise and the Risk of Identity Theft: Guidance for Your Business. Among other things, this reference will help you determine when to notify local law enforcement, the Federal Bureau of Investigation, the U.S. Secret Service, the U.S. Postal Inspection Service, affected businesses, and customers. See the “Safeguarding Taxpayer Data, References to Applicable Standards and Best Practices” table for the Internet link to this FTC document.
Laws and Regulations

Many federal, state, city, and local government laws and regulations are in place to safeguard taxpayer data. The following table includes a brief description of some of them and provides references to more detailed information.

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<tr>
<th>TYPE</th>
<th>SUMMARY OF APPLICABLE LAWS AND REGULATIONS</th>
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<tr>
<td>Federal/Security</td>
<td>FTC Standards for Safeguarding Customer Information Rule (16 CFR Part 314) – This Rule (otherwise known as the Safeguards Rule) requires financial institutions, as defined, which includes professional tax preparers, data processors, affiliates, and service providers to ensure the security and confidentiality of customer records and information. It protects against any anticipated threats or hazards to the security or integrity of such records. In addition, it protects against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer. This Rule requires that financial institutions develop, implement and maintain an Information Security Program. The plan should be written in one or more accessible parts and contain administrative, technical, and physical safeguards that are appropriate to the business’ size and complexity, nature and scope of activities, and sensitivity of customer information handled.</td>
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<td>Sarbanes-Oxley Act of 2002 (17 CFR Parts 232, 240 and 249) – Section 404 requirements apply to all Securities and Exchange Commission (SEC) reporting companies with a market capitalization in excess of $75 million. It requires companies to establish an infrastructure to protect and preserve records and data from destruction, loss, unauthorized alteration or other misuse. This infrastructure must ensure there is no room for unauthorized alteration of records vital to maintaining the integrity of the business processes.</td>
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SAFEGUARDING TAXPAYER DATA

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<td>Federal/Privacy</td>
<td><strong>FTC Privacy of Consumer Financial Information Rule (16 CFR Part 313)</strong> – This Rule (otherwise known as the Financial Privacy Rule) aims to protect the privacy of the consumer by requiring financial institutions, as defined, which includes professional tax preparers, data processors, affiliates, and service providers to give their customers privacy notices that explain the financial institution’s information collection and sharing practices. In turn, customers have the right to limit some sharing of their information. Also, financial institutions and other companies that receive personal financial information from a financial institution may be limited in their ability to use that information. The FTC Privacy Rule implements sections 501 and 502(b)(2) of the GLB Act requirements.</td>
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<td><strong>Title 26: Internal Revenue Code (IRC) § 301.7216.1</strong> – This provision imposes criminal penalties on any person engaged in the business of preparing or providing services in connection with the preparation of tax returns who knowingly or recklessly makes unauthorized disclosures or uses of information furnished to them in connection with the preparation of an income tax return.</td>
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<td><strong>Title 26: Internal Revenue Code (IRC) § 6713</strong> – This provision imposes monetary penalties on the unauthorized disclosures or uses of taxpayer information by any person engaged in the business of preparing or providing services in connection with the preparation of tax returns.</td>
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<td><strong>Internal Revenue Procedure 2007-40</strong> – This procedure requires Authorized IRS e-file Providers to have security systems in place to prevent unauthorized access to taxpayer accounts and personal information by third parties. It also specifies that violations of the GLB Act and the implementing rules and regulations promulgated by the FTC, as well as violations of the non-disclosure rules contained in IRC sections 6713 and 7216 or the regulations promulgated there under are considered violations of Revenue Procedure 2007-40, and are subject to penalties or sanctions specified in the Revenue Procedure.</td>
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<tr>
<td>State/Privacy and Security</td>
<td><strong>State Laws</strong> – Many state laws govern or relate to the privacy and security of financial data, which includes taxpayer data. They extend rights and remedies to consumers by requiring individuals and businesses that offer financial services to safeguard nonpublic personal information. For more information on state laws that your business must follow, consult state laws and regulations.</td>
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Standards and Best Practices

Federal and state governments as well as private industry provide many information security standards and best practice guidelines to safeguard consumer information such as personal tax data. The National Institute of Standards and Technology (NIST) provides security guidelines and practices for federal agencies that nongovernmental organizations may also use. Below is a list of references on a variety of information safeguard topics that can help you understand and comply with laws, regulations and best practices that may apply to your business.

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<tr>
<th>TYPE</th>
<th>REFERENCES TO APPLICABLE STANDARDS AND BEST PRACTICES</th>
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<tr>
<td>Federal/Privacy</td>
<td>“Getting Noticed: Writing Effective Financial Privacy Notices”</td>
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<td>“Information Compromise and the Risk of Identity Theft: Guidance for Your Business”</td>
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<td>Federal/Security</td>
<td>“FTC Facts for Business: Financial Institutions and Customer Information: Complying with the Safeguards Rule”</td>
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<td>“Security Check: Reducing Risks to Your Computer Systems”</td>
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<td>NIST SP 800-53, Recommended Security Controls for Federal Information Systems and Organizations</td>
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<td>NIST SP 800-61 Revision 2, Computer Security Incident Handling Guide</td>
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<td>NIST SP 800-30 Revision 1, Guide for Conducting Risk Assessments</td>
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<tr>
<td>Private Industry/Security</td>
<td>Industry Standards and Best Practices – Many private industry companies provide best practice advice on protecting information systems and safeguarding customer data. You can get more information on industry standards and best practice by researching the Internet and other resources.</td>
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Glossary

Adware
Computer advertising software that may or may not monitor computer use to target ads.

Authorized IRS e-file Provider
A business authorized by the IRS to participate in IRS e-file as an Electronic Return Originator, an Intermediate Service Provider, a Reporting Agent, a Software Developer, an Online Provider, or a Transmitter.

Confidentiality
Restrictions placed on information access and disclosure, including means for protecting personal privacy and proprietary information.

Denial of Service
An attack that prevents or impairs the authorized use of networks, systems or applications by exhausting resources.

Electronic Return Originator (ERO)
Authorized IRS e-file Provider that originates the electronic submission of returns to the IRS.

Encrypt
To convert plain text to unintelligible text using a cryptographic algorithm.

Identity Theft
Misuse of someone else’s personal information to obtain new accounts or loans or commit other crimes.

Information Resources
Information and related resources, such as staffing, funding and information technology.

Information Security
The process that ensures the protection of information and information systems from unauthorized access, use, disclosure, disruption, modification or destruction.

Information System
A set of information resources designated for the organization of data for the collection, processing, maintenance, use, sharing, dissemination or disposition of information.

Information Technology
Equipment, system or subsystem of equipment that is used in the handling of data. Information technology includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services) and related resources.

Integrity
The authenticity or unimpaired condition of information; including reliability for non-repudiation of origin.

Intermediate Service
Provider receives tax information from an ERO (or from a taxpayer who files electronically using a personal computer, modem, and commercial tax preparation software), processes the tax return information, and either forwards the information to a Transmitter or sends the information back to the ERO (or taxpayer for Online Filing).
Intrusion Detection
The act of detecting actions that attempt to compromise the confidentiality, integrity or availability of a resource.

IRS e-file
The brand name of the electronic filing method established by the IRS.

Management Safeguards
The security safeguards or countermeasures for an information system that focus on the management of risk and the management of information system security.

Non-repudiation
The process in which there is assurance that the sender of information is provided with proof of delivery and the recipient is provided with proof of the sender’s identity for future validation purposes.

Online Provider
An Online Provider allows taxpayers to self-prepare returns by entering return data directly into commercially available software, software downloaded from an Internet site and prepared off-line, or through an online Internet site.

Operational Safeguards
Security for an information system that is primarily implemented and executed by people rather than by a system.

Reporting Agent
originates the electronic submission of certain returns for its clients and/or transmits the returns to the IRS. A Reporting Agent must be an accounting service, franchiser, bank, or other entity that complies with Rev. Proc. 2012-32, 2012-34 I.R.B. 267, and is authorized to perform one or more of the acts listed in Rev. Proc. 2012-32 on behalf of a taxpayer. Reporting Agents must submit Form 8655, Reporting Agent Authorization, to the IRS prior to or at the same time that they submit an IRS e-file Application.

Risk
The likelihood that the unwanted impact of an incident will be realized.

Risk Assessment
The process of identifying risks and determining the probability of occurrence, the resulting impact and additional security controls that would mitigate this impact.

Risk Management
The process of managing risks through risk assessment; cost-benefit analysis; the selection, implementation, and assessment of security controls; and the formal authorization to operate the system. The process includes consideration of effectiveness, efficiency and constraints due to laws, directives, policies, or regulations.

Safeguard
Protective measures prescribed to meet the security requirements specified for an information system. Safeguards may include security features, management constraints, personnel security and security of physical structures, areas, and devices.

Security Controls
Safeguards designed to protect the confidentiality, integrity and availability of a system and its information.

Security Plan
Formal document that provides an overview of the security requirements for the information system and describes the security controls in place or planned for meeting those requirements.
Security Requirements
Requirements that are derived from laws, policies, instructions, regulations or business (mission) needs to ensure the confidentiality, integrity and availability of the information being processed, stored or transmitted.

Service Provider
Any individual or business that maintains, processes, or is given access to customer information through the provisions of a service agreement with another individual or business.

Software Developer
develops software for the purposes of formatting electronic return information according to IRS e-file specifications and/or transmitting electronic return information directly to the IRS.

Spyware
Software installed into an information system to gather information on individuals or organizations without their knowledge.

Tax Preparer
Any person who is engaged in the business of preparing or assisting in preparing tax returns.

Technical Safeguards
Controls for a system that are primarily implemented and executed by the information system through mechanisms contained in the hardware, software or firmware components of the system.

Threat
Any circumstance or event with the potential to adversely impact operations, assets or individuals through an information system via unauthorized access, destruction, disclosure, modification of information and/or denial of service.

Transmitter
transmits electronic tax return information directly to the IRS. EROs and Reporting Agents may apply to be Transmitters and transmit return data themselves, or they may contract with accepted Third-Party Transmitters that will transmit the data for them. A Transmitter must have software and computers that allow it to interface with the IRS.

Trojan Horse
A computer program used to attack a computer system by secretly allowing, among other things, unauthorized access or alteration of data or software.

User
Individual or system process authorized to access an information system.

Virus
A computer program used to compromise a computer system by performing functions that may be destructive. A virus may alter other programs to include a copy of itself and execute when the host program or other executable component is executed.

Vulnerability
Weakness in a system through procedures, internal controls or implementation that could be exploited or triggered by a threat source.

Worm
A computer program used to compromise a computer system by impacting performance. A worm can travel from computer to computer across network connections replicating itself.
NOTE: The Internal Revenue Service prepared this guide as an outreach educational effort for all tax preparers, transmitters, and software developers. If you have any comments or suggestions for future updates, please send an e-mail to:

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