



State of Montana

Department of Public Health and Human Services

Child Support Services Division

Title of Policy: Safeguarding Federal Tax and Confidential Child Support Information	SECTION: GENERAL PROGRAM ADMINISTRATION Policy No.: CS 101.1
Supersedes: 07/27/2023	Reviewed/Revised Date: 9/10/2026

I PURPOSE OF POLICY

[PROCEDURE \(INTERNAL\)](#)

The policy in this section is intended to provide guidance for compliance with the Internal Revenue Service (IRS) Security Guidelines on safeguarding Federal Tax Information (FTI) and with the safeguard and security requirements for receiving Federal Parent Locator Service (FPLS) and confidential Child Support (CS) program information. The policy is based on Publication 1075 *Tax Information Security Guidelines for Federal, State and Local Agencies* and section H of *Automated Systems for Child Support Enforcement: A guide for States*.

II APPLICABILITY

This policy is mandatory for all **Child Support Services Division (CSSD)** personnel and any agents with access to agency systems. It governs the management, transmission, and storage of all protected data assets, specifically focusing on information requiring enhanced safeguarding under federal mandates. All CSSD staff are expected to follow all safeguarding and security requirements regardless of in-office or remote work location.

III DEFINITIONS

- A. **Confidential Child Support (CS) program information:** Confidential CS program information includes state CS program/case information, other state and tribal information, and other confidential information. Confidential information means any information relating to a specific individual or an individual who can be identified by reference to one or more factors including but not limited to the individual's Social Security Number (SSN), address, employment information and financial information. Any information obtained during the course of a child support investigation that is confidential at its source must be treated as confidential and safeguarded.
- B. **Federal Parent Locate Service (FPLS):** FPLS information includes information in the National Directory of New Hires (NDNH), the Debtor File and the Federal Case Registry. The NDNH contains new hire, quarterly wage and unemployment insurance information on individuals. The Debtor File contains personal information such as name, SSN, arrearages and other private data. The Federal Case Registry (FCR) contains names, SSNs, state case numbers, dates of birth, sex, abstracts of support orders, and other case information.
- C. **Federal Tax Information (FTI):** The Internal Revenue Code (IRC) § 6103 (b) (2) (A) defines Federal Tax Information in part as, 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. This

includes, but is not limited to the individual's SSN, address, filing status, income, and number of dependents. FTI is also known as "return information".

a. Information that is not considered FTI

If the information is provided by the individual or a third party, it is not return information. Provided means *actually giving the information*, not just verifying and returning a document that includes return information. Verification received from either the payer (financial, government, or other institution, or employer) or the participant, is **not** FTI if there is no reference, either in writing or verbally, to the fact that the information was originally provided to the CSSD by the IRS. This third-party verification can be used in follow-up casework. If the individual or third party subsequently provides return, return information or personally identifiable information, it is not FTI as long as the IRS source information is replaced with the newly provided information.

- D. Safeguard Review:** A Safeguard Review is an evaluation of the use of FTI received from the IRS, the Social Security Administration or other agencies and the measures employed by the receiving agency to protect that data from loss, breach or misuse, and to prevent unauthorized disclosure or access.

IV POLICY

- A. Telework.** The State of Montana authorizes telework for agency employees. Telework is a work arrangement, not a change to employment terms and conditions. Employees must protect agency data and strictly comply with all State of Montana Telework Policies.
- B. Safeguarding Information.** It is the policy of the Child Support Services Division (CSSD) to protect the confidentiality of FTI, FPLS information, and all other confidential child support information, and to comply with the IRS Security Guidelines and other safeguard requirements. As a condition of receiving FTI and participation in the U.S. Department of Treasury offset program, the CSSD is required to meet federal safeguard requirements and to establish and maintain safeguards designed to prevent unauthorized access or disclosure and to maintain the confidentiality of FTI.
- C. Safeguard Review.** The CSSD undergoes an IRS Safeguard Review every three years concerning the security of FTI. Additionally, the CSSD Internal Auditor undertakes an annual inspection and reports the findings to the IRS in the annual Safeguard Security Report. In order to maintain compliance with these reviews the units and regional offices with the CSSD are required to be familiar with IRS standards and expectations for securing FTI and the penalties for unauthorized disclosure.
- D. Federal Parent Locate Services.** In addition to FTI, the CSSD receives FPLS information from the federal Office of Child Support Enforcement (OCSE). It is the policy of the CSSD to comply with the security and privacy requirements for receiving FPLS, and confidential CS program information. FPLS and confidential CS information is confidential and must be safeguarded. Access to and disclosure of this information is limited to authorized CSSD staff that needs the information to perform their job duties in accordance with federal laws and regulations. The

unauthorized use, misuse or modification of information can result in federal and state civil and criminal penalties, as well as individual disciplinary action.

- E. **Penalties for Unauthorized Inspection of FTI.** 26 USC § 7213A—Unauthorized inspection of returns or return information, also known as the Taxpayer Browsing Protection Act, states that any unauthorized inspection of Federal returns or return information 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. Additionally, damages for any civil action brought under IRC § 7431 allows for \$1,000 for each act of unauthorized inspection or the actual damages sustained, whichever is greater, plus possible punitive damages and the cost of the action. Disclosure restrictions and penalties apply even after employment with the CSSD has ended.
- F. **Penalties for Unauthorized Disclosure of FTI.** 26 USC § 7213, states that willful disclosure of Federal returns or return information is 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. Additionally, damages for any civil action brought under IRC § 7431 allows for \$1,000 for each act of unauthorized disclosure or the actual damages sustained, whichever is greater, plus possible punitive damages and the cost of the action. Disclosure restrictions and penalties apply even after employment with the CSSD has ended.
- G. **Employee Disciplinary Action.** If the CSSD proposes an adverse or disciplinary action against an employee for an unauthorized inspection or disclosure of FTI a written notification must be sent to the person whose FTI was impacted. The notification must include the date of the unauthorized inspection or disclosure of FTI, and the taxpayer rights listed in IRC § 7431. The CSSD must inform the Office of Safeguards of the written notification prior to notifying the person impacted.
- H. **Penalties for Unauthorized Access or Use of FPLS or Confidential CS Information.** Unauthorized access, use, or misuse of confidential CS or FPLS information constitutes a violation of 18 USC 1030 and may subject the individual to disciplinary action, criminal and civil penalties. In addition, pursuant to MCA 15-30-2618 it is unlawful to disclose the amount of income, or any particulars set forth or disclosed in any individual report or return, except as otherwise provided by law. Any offense is punishable by a fine not exceeding \$500. An officer or employee of the State must also be dismissed and may not be employed by the State for one year. Confidential information may not be used or disclosed to further a personal interest. A penalty between \$50 and \$1,000 may be imposed per MCA 2-2-104, 2-2-136.

V REFERENCES

[18 U.S.C. § 1030](#); [26 U.S.C. § 6103, 7213](#); [42 U.S.C § 653](#); [45 CFR 307.13](#); [45 CFR 303.21](#); [Publication 1075](#); [MCA 2-2-121, 2-2-136, 2-18-120, Telework_Policy.pdf](#)