

Amend Section 1653.5 of the Vehicle Code to allow the Board to access the social security number data maintained by the Department of Motor Vehicles.

Source: Sales and Use Tax Department

Under existing law, the Department of Motor Vehicles (DMV) maintains a database of social security numbers (SSN) for the purposes of the administration of their programs. Under existing law, the Franchise Tax Board (FTB) has access to the DMV's database. However, current law does not grant the Board of Equalization (Board) that same access.

This proposal would enable designated employees of the Board to obtain social security number information from the DMV for the purpose of tax administration. Social security numbers are a valuable tool used by Board compliance staff in preventing identity theft, ensuring collection activity is against the proper person should it become necessary, locating assets, facilitating Inter-agency offsets with other state agencies and processing refunds. Currently the Board tries to locate a tax debtor's social security number by searching FTB's data. Once a social security number is obtained, it can also be used to help locate assets by searching Employment Development Department records for wages or Internal Revenue Service (IRS) third party reporting data for interest, dividends, royalties, out of state income, etc. of the tax debtor.

A social security number is also useful for skip tracing efforts. If the Board has a social security number for the tax debtor, the Board can obtain IRS and FTB address history. A social security number search of FTB records also helps determine that a tax debtor is really who he or she claims to be. This is one method to determine whether or not an application has been fraudulently prepared.

If all tax debtors resided in California and filed FTB returns, then the need to access DMV's data would be reduced. Unfortunately, many tax debtors no longer reside in California nor do all tax debtors file FTB returns.

By providing the designated employees of the Board access to DMV's social security number data, staff would have an alternate and more complete database for finding a person's social security number. The result should be more tax debtors and assets being located, which should increase program compliance and reduce the number of fraudulently prepared applications being processed.

Due to the sensitive nature of social security number privacy, the Board uses the following safeguards to protect against the misuse of confidential information:

- Annually all employees are provided the *Confidentiality Statement* (form BOE-4) and are required to read and sign that they understand the contents of the statement.
- Board staff is required to attend security awareness training.
- Policy statements on protecting confidential information, including SSN' s, are contained in numerous sections of the Board of Equalization Administrative Manual, the Compliance Policy and Procedure Manual, the Compliance Policy Management Guidelines, the Audit Policy and Management Guidelines, and Operations Memo 1009, Security of Information Requests.
- Confidentiality and information security requirements are discussed at staff meetings.
- IRS audits the Board annually regarding tax returns received from that agency.

Social security number information for taxpayers registered with the Board is maintained through the Integrated Revenue Information System (IRIS) and Automated Compliance Management System (ACMS). IRIS information relative to SSN and California Drivers License (CDL) information resides in and is accessed through the Client Taxpayer System (CTS) which is maintained at the TEALE Data Center. CTS access is granted to Board employees who are assigned a unique USER ID by the Board s User Security Coordinator of each department. This USER ID does not change. The user in turn has to enter a password in order to gain entry into the system. The password supplied by the user must be refreshed with a new one every 35 days. The user must log on directly to, and is authenticated by, the mainframe. Users can not log on externally (e.g., from the Internet) unless the user is granted remote access. The approval process form remote access considers each users job requirements to access confidential information and security level.

ACMS is a program that receives collection data from TEALE/IRIS on an overnight batch process. This batch process receives the information through IRIS. Information within IRIS and ACMS is secured in the following manner:

- ACMS stores the information on a remote, secure server located at the TEALE Data Center,
- IRIS can not access ACMS, nor can ACMS be accessed externally or remotely,
- The ACMS program must be loaded on each user' s personal computer thereby limiting access to only employees with a business need,

- Access to IRIS is granted using the unique USER ID and user supplied password to gain entry to the IRIS mainframe,
- Only employees with business needs to view confidential information are provided access to ACMS.

Part of the data ACMS receives is the SSN and CDL of each taxpayer associated with the account. Once in the ACMS program, every action taken is automatically recorded and can not be erased. This process creates a permanent record of what actions were performed or what information the user accessed. For security purposes the current program provides that any access to an external agency database to obtain a SSN or CDL create a permanent record of the employee's USER ID.

Many documents related to taxpayers generated or maintained by the Board may contain SSN's. Collection documents such as levies and wage garnishments contain an SSN to ensure correct identification of taxpayers. Similar documents prepared by both the IRS and FTB also contain the SSN.

As part of the Board's policy to protect confidential taxpayer information, any documents containing confidential information, including SSN, are redacted before being copied and released by the Board through any public records request, unless released to the taxpayers themselves.

To address the security concern of employee access to a SSN database, the following proposed language to limit access to DMV information to obtain SSN may be added to the Compliance Policy and Procedure Manual:

Only identified staff in the Headquarters Centralized Collection and Consumer Use Tax Sections are authorized to access the DMV database to obtain social security numbers. Requests for social security numbers from the DMV database should be sent to the attention of the Supervisor, Centralized Collection Section. Any such request must include the valid business reason for needing the social security number.

This proposal would enable designated employees of the Board to obtain social security number information from the DMV for the purpose of tax administration. If access to the DMV information were granted to employees who currently have access to third party information approximately 1,430 employees would have access. If access were limited to only authorized employees of the Centralized Collection and Consumer Use Tax Sections approximately 150 employees would have access.

Section 1653.5 of the Vehicle Code is amended to read:

1653.5. (a) Every form prescribed by the department for use by an applicant for the issuance or renewal by the department of a driver's license or identification card pursuant to Division 6 (commencing with Section 12500) shall contain a section for the applicant's social security account number.

(b) Every form prescribed by the department for use by an applicant for the issuance, renewal, or transfer of the registration or certificate of title to a vehicle shall contain a section for the applicant's driver's license or identification card number.

(c) Any person who submits to the department a form that, pursuant to subdivision (a), contains a section for the applicant's social security account number, or pursuant to subdivision (b), the applicant's driver's license or identification card number, if any, shall furnish the appropriate number in the space provided.

(d) The department shall not complete any application that does not include the applicant's social security account number or driver's license or identification card number as required by subdivision (c).

(e) An applicant's social security account number shall not be included by the department on any driver's license, identification card, registration, certificate of title, or any other document issued by the department.

(f) Notwithstanding any other provision of law, information regarding an applicant's social security account number, obtained by the department pursuant to this section, is not a public record and shall not be disclosed by the department except for any of the following purposes:

(1) Responding to a request for information from an agency operating pursuant to, and carrying out the provisions of, Part A (Aid to Families with Dependent Children), or Part D (Child Support and Establishment of Paternity), of Subchapter IV of Chapter 7 of Title 42 of the United States Code.

(2) Implementation of Section 12419.10 of the Government Code.

(3) Responding to information requests from the Franchise Tax Board for the purpose of tax administration.

(4) Responding to information requests from employees designated to receive such information by the executive director of the Board of Equalization for the purpose of tax administration.