

## ATTACHMENT 2

### AGREEMENT LANGUAGE FOR GENERAL SERVICES

#### I. PERFORMANCE:

In performance of the Agreement, the Service Provider agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- A. All work will be done under the supervision of the Service Provider or the Service Provider's employees.
- B. Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of the Agreement. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the Agreement. Disclosure to anyone other than an officer or employee of the Service Provider will be prohibited.
- C. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- D. The Service Provider certifies that the data processed during the performance of the Agreement will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Service Provider at the time the work is completed. If immediate purging of all data storage components is not possible, the Service Provider certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- E. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Service Provider will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- F. All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

- G. No work involving Federal tax information furnished under the Agreement will be subcontracted without prior written approval of the IRS.
- H. The Service Provider will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- I. The agency will have the right to void the Agreement if the Service Provider fails to provide the safeguards described above.
- J. (Include any additional safeguards that may be appropriate.)

**II. CRIMINAL/CIVIL SANCTIONS:**

- A. Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- B. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Agreement. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Agreement. Inspection by or disclosure to anyone 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. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

C. Additionally, it is incumbent upon the Service Provider to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to subcontractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a subcontractors, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

**III. INSPECTION:**

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the Service Provider for inspection of the facilities and operations provided for the performance of any work under the Agreement. On the basis of such inspection specific measures may be required in cases where the Service Provider is found to be noncompliant with Agreement safeguards.