

Larry's Tax Law

## **Is Your Personal Information Safe with the Internal Revenue Service? Maybe Not!**

By Larry Brant on 4.16.14 | Posted in Internal Revenue Service

On March 18, 2014, the Internal Revenue Service announced that one of its employees had taken home a computer thumb drive containing unencrypted data relating to 20,000 agency workers. The employee then plugged the thumb drive into an unsecure home computer network. While the thumb drive did not contain any data relating to persons outside the Internal Revenue Service, it still put 20,000 individuals at risk of theft of identity and/or financial assets.

Commissioner John Koskinen described the data breach as an “isolated event.” Isolated or not, his statement likely does not give any solace to the 20,000 affected IRS workers. This data breach may have been narrower in scope than the recent Target Corp. data breach, but it nevertheless illustrates how vulnerable we are to data breaches and potential theft of identity and/or financial assets in this electronic era.

We have to constantly safeguard the personal information we receive from our clients, as well as our own personal information. Loss of client information could easily lead to liability.

**Tags:** Data Breaches, Identity Theft, unencrypted data