

Analysis of Proposed Consent Order to Aid Public Comment

In addition, the complaint alleges that TaxSlayer engaged in a number of practices that, taken together, failed to provide reasonable and appropriate security for sensitive information from consumers, in violation of the GLB Act Safeguards Rule. First, TaxSlayer failed to have a written information security program until November 2015. Second, TaxSlayer failed to conduct a risk assessment, which would have identified reasonably foreseeable risks to the security, confidentiality, and integrity of customer information, including risks associated with inadequate authentication. Third, TaxSlayer failed to implement information safeguards to control the risks to customer information from inadequate authentication.

The proposed order contains provisions designed to prevent TaxSlayer from engaging in practices similar to those alleged in the complaint. Part I prohibits TaxSlayer from violating any provision of the GLB Act Privacy Rule and Safeguards Rule. Part II of the proposed order requires TaxSlayer to obtain, within the first one hundred eighty (180) days after service of the order and on a biennial basis thereafter for a period of ten (10) years, an assessment and report from a qualified, objective, independent third-party professional, certifying, among other things, that: (1) it has in place a security program that provides protections that meet or exceed the protections required by Part I.B of the order, and (2) its security program is operating with sufficient effectiveness to provide reasonable assurance that the security, confidentiality, and integrity of sensitive consumer information has been protected.

Parts III through VII of the proposed order are reporting and compliance provisions. Part III requires dissemination of the order now and in the future to all current and future principals, officers, directors, and LLC managers and directors, and to persons with managerial or supervisory