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**Data Security, Client Confidences and Ethics Rules
Applicable to the Protection of Client Information**

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Data Security, Client Confidences and Ethics Rules Applicable to the Protection of Client Information

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Introduction

- Tax practitioners - attorneys, certified public accountants and IRS enrolled agents - hold some of their clients' most sensitive personal and financial information. Protecting this information has always been of paramount concern for tax practitioners and for the Internal Revenue Service.
- These presenters will consider the issues and risks faced by attorneys including the ethical as well the contractual, regulatory and tax risks and offer recommendations on mitigating risks associated with potential breaches of data security and client confidences.

2

Hypothetical 1

- A group of tax litigation attorneys meet once a month to discuss items of general interest to their professional practices. Among other things, they provide each other with courtesy copies of pleadings and other documents that are in the public record, and engage in “shop talk” about pending or past cases.

3

Hypothetical 1 Notes

- Alaska Ethics Opinion 95-1, 1995 WL 928995
- “A literal application of the rule [Rule 1.6] would undoubtedly prohibit the exchange of pleadings and opinions that related in any manner to a lawyer’s representation of a client, as well as forbidding “shop-talk,” “war stories,” and other such informal exchanges of information between lawyers. ... [I]nformal communication has been traditionally employed in Alaska to educate new lawyers, to circulate information about important developments in the law, and to maintain courteous relations between learned practitioners of our sometimes fractious profession. Literal application of Rule 1.6 would ban these valuable routes of intra-professional communication.”

4

Hypothetical 1 Notes

- “The committee’s view is not meant to endorse idle gossip nor to grant license to lawyers to indiscriminately disclose client information for purposes of “titillation or braggadocia.”
- In a footnote: “The Committee believes that a cautious lawyer should delete from documents and discussions all information that might identify the client and that is not relevant for purposes of disclosure.”

5

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6

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