

## Customer Case Study: U.S. State Agency Solves IRS Pub 1075 Compliance Challenges with Ironstream for Splunk

### Challenge

Like many other state agencies trying to recover fraudulent or erroneous payments of unemployment benefits, this organization had been struggling to comply with an especially complex IRS regulation, "Tax Information Security Guidelines for Federal, State and Local Agencies", as described in IRS Publication 1075.

This agency provides workforce-development assistance to employers and job seekers, and it is involved in handling unemployment benefit payments. This operation has to be monitored for erroneous or fraudulent payments, and in those cases there are strict procedures for recovery that must be followed. That's where IRS Pub 1075 comes in.

The agency was well on its way to getting its arms around the problem because it had installed the industry-leading Splunk Enterprise analytics platform. Soon, however, the agency found that while Splunk had no problem ingesting all the distributed-systems operational data, it wasn't able to ingest native z/OS data on operations. This was a significant problem because z/OS logs held much of the information needed to ensure IRS compliance. In particular the agency needed to get certain z/OS System Management Facility logs (SMF Records 30, 80, and 102) to meet IRS Pub 1075.

Not only does the state need to recover the funds, but it needs to do so as efficiently as possible.

### Solution

Splunk, after validating specific requirements of the IRS Pub 1075 regulation, called in their counterparts at Precisely for help. Precisely is the developer of Ironstream for Splunk®, the industry-leading solution for accessing, transforming, and moving mainframe operations data into Splunk.

After familiarizing itself with the joint development work between Precisely and Splunk, and with the track record of Ironstream for Splunk in addressing similar challenges, the next step for this agency was clear. They selected Ironstream for Splunk to complete the solution.



This government agency is now better able to recover benefits that should not have been paid, amounting to millions of dollars annually. They also can report effectively on all compliance-related elements of applicable IRS regulations, including IRS Pub 1075.

Going forward, the agency is planning a follow-on project to recover unemployment taxes from company tax returns in cases where companies are not up to date on unemployment insurance premiums.

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