



13 December 2024

[Redacted]
[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 18 November 2024. You requested the following:

Inland Revenue custom audience lists: Terms of Agreements between IRD and Social Media and trading platforms, IRD data leak I am requesting the following information:

- 1. The terms of the agreements for the customer audience lists from 2013 to November 2024 between Inland Revenue and the social media platforms including but not limited to Meta, LinkedIn, Trade me, Twitter/ X*
- 2. The number of taxpayers identified to date who's information was shared in its raw form with these organizations.*
- 3. A copy of all the work IRD has done during the course of the review into un-hashed information being provided by IRD to these organizations including the evidence that no customer details have ever been used by social media platforms for anything other than the purpose intended.*
- 4. Details of all unintended disclosures occurred at the Inland Revenue end that have been reported to the Office of the Privacy Commissioner*
- 5. The number of involved taxpayers IRD has written to explaining how it happened, and telling them what details were shared.*
- 6. The taxpayer information that has been shared*
- 7. Prior to the privacy breach what work had been done by Inland Revenue to ensure the security of customer details within the hashing and custom-list creation process.*
- 8. What additional layers of security did the social media platforms have which IRD believed was sufficient to keep customer information safe and secure.*
- 9. The Commissioner said in a media release that the purpose of those lists was to help IRD more accurately target individual taxpayers with information. How did IRD understand the individual taxpayers could be targeted if all the information IRD provided to the organizations was hashed and therefore unidentifiable?*
- 10. What investigations is Inland Revenue undertaking in relations to breaches of the IRD code of conduct and the data/ privacy breach to the organizations*

Part 1: The terms of the agreements with social media platforms

Social media platforms are legally obliged to comply with the policies and terms and conditions under which they provide paid services to Inland Revenue. Before using social media, we reviewed these policies and terms and conditions. The links are provided below for the social media platforms Inland Revenue has engaged with:

- [Google Terms of Service – Privacy & Terms – Google](#)
- [Google Ad Manager](#)
- [Google Platform Services Terms and Conditions](#)
- [Google Ads Data Processing Terms](#)
- [Matched Audiences - Custom Targeting for LinkedIn Ads](#)
- [LinkedIn Data Processing Agreement](#)
- [Facebook Terms of Service](#)
- [Instagram Terms of Use](#)
- [Facebook Customer List Custom Audiences Terms](#)
- [Facebook Data Processing Terms](#)

As it may be of interest to you, Inland Revenue also has information sharing agreements with various agencies. These can be found on our website, as well as our published summaries of Memoranda of Understanding about information sharing that Inland Revenue conducts with various other government agencies. The links are as follows:

- [Approved information sharing agreements \(ird.govt.nz\)](#)
- [Memoranda of Understanding summaries \(ird.govt.nz\)](#)

Parts 2, 5 and 6: Details of the Meta and LinkedIn unintended disclosures

The information you have requested is publicly available on our website as part of our internal review, *Review and Analysis of Social Media Usage for Custom Audiences* (www.ird.govt.nz/customaudiencelists).

Therefore, parts 2, 5 and 6 of your request are refused under section 18(d) of the OIA, as the information requested is publicly available.

Part 3: A copy of all the work IRD has done during the course of the review into un-hashed information being provided by IRD to these organizations including the evidence that no customer details have ever been used by social media platforms for anything other than the purpose intended.

I have interpreted your request for "A copy of all the work IRD has done during the course of the review into un-hashed information being provided by IRD to these organizations" to be a request for the documents relating to the internal review of the use of custom audience lists. The full report, as well as the independent review of our report, can be found on our website: www.ird.govt.nz/customaudiencelists. This part of your request is refused under section 18(d) of the OIA.

It is important to be aware that Inland Revenue has mature privacy practices and takes extensive measures to protect personal information. However, no agency can be absolutely sure there are no instances of unauthorised sharing. Even with stringent controls, human error can lead to unintentional data breaches, some incidents may not be detected immediately, and with cyber threats constantly evolving new vulnerabilities can be exploited before they are identified.

Inland Revenue monitors for breaches and encourages staff to report incidents. Robust security measures, and a culture of transparency help minimise risks and improve detection. This unintended disclosure was an isolated incident, and Inland Revenue has not experienced a breach of this scale previously.

As noted above, social media platforms are legally obliged to comply with the policies and terms and conditions under which they provide paid services to Inland Revenue. Those policies, terms and conditions generally state that the information supplied will be kept securely, will not be used for any other purpose, and will subsequently be destroyed. Inland Revenue does not hold any evidence that any of the social media platforms have failed to comply with the policies, and terms and conditions in relation to the use of Inland Revenue's information.

Therefore, your request for evidence from social media platforms that no customer details have ever been used by social media platforms for anything other than the intended purpose is refused under section 18(e) of the OIA, as the documents alleged to contain the information do not exist.

Part 4. Details of all unintended disclosures occurred at the Inland Revenue end that have been reported to the Office of the Privacy Commissioner

Apart from the unintended disclosure to Meta and LinkedIn, Inland Revenue has not experienced any other unintended disclosures that have been reported to the Office of the Privacy Commissioner.

Part 7. Prior to the privacy breach what work had been done by Inland Revenue to ensure the security of customer details within the hashing and custom-list creation process.

A privacy impact assessment helps identify whether a project will impact on people and their information, how any risk can be reduced and ensures the project complies with the Privacy Act 2020. Inland Revenue conducted a privacy impact assessment on the use of custom audience lists in 2016. In September 2024, we updated the assessment.

The privacy impact assessments are publicly available in our response to the following OIA on our '2024 responses to OIA requests' website page (www.ird.govt.nz):

- <https://www.ird.govt.nz/-/media/project/ir/home/documents/oia-responses/october-2024/2024-10-07-privacy-impact-assessment-on-use-of-custom-audience-lists-for-advertising-campaigns.pdf?modified=20241113213843&modified=20241113213843>

Inland Revenue's legal team also assessed the use of hashing and use of social media in terms of the Tax Administration Act 1994. The legal advice is contained in three internal memoranda,

as mentioned in the OIA response linked above. I have decided to withhold these three documents in full under section 9(2)(h) of the OIA, to maintain legal professional privilege.

A report conducted by PwC, titled *Facebook Custom Audience Product: Report on Management's Assertion over Custom Audiences security controls as of August 21, 2013*, is also publicly available on our '2024 responses to OIA requests' website page:

- <https://www.ird.govt.nz/-/media/project/ir/home/documents/oia-responses/october-2024/2024-10-08-pwc-report-on-managements-assertion-over-custom-audiences-security-controls-aug-21-2013.pdf?modified=20241113204241&modified=20241113204241>

Part 8. What additional layers of security did the social media platforms have which IRD believed was sufficient to keep customer information safe and secure.

Please refer to section 7.0 in our internal review, *Assurance from Social Media Platforms*, and the PwC report (linked above) for details on the security assurance reports from the Social Media platforms.

Some information in scope of your request refused under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of section 18(3) of the Tax Administration Act 1994 (TAA). The Commissioner of Inland Revenue is not required to disclose any item of revenue information if the release of the information would adversely affect the integrity of the tax system or prejudice the maintenance of the law.

Additionally, I refer you to the policies and terms and conditions social media platforms are legally obliged to comply with, mentioned above in our response to part 1 of your request.

Part 9. How did IRD understand the individual taxpayers could be targeted if all the information IRD provided to the organizations was hashed and therefore unidentifiable

A "custom audience list" is uploaded to a secure platform after a procedure called hashing, which scrambles raw data into a fixed-size string of seemingly random characters. Inland Revenue's hashed data is matched with the platform's hashed data relating to its users. If someone didn't have an account on the platform, the data wouldn't match and would be deleted. More information about how hashing works can be found on page 11 onwards in our internal review.

Part 10: What investigations is Inland Revenue undertaking in relations to breaches of the IRD code of conduct and the data/ privacy breach to the organizations

We have done an internal review into the circumstances surrounding the unintended disclosures including whether this was a Code of Conduct matter. Any actions taken as a result, including any employment related outcomes, are confidential. I am refusing this part of your request under section 9(2)(a), to protect the privacy of natural persons. We have taken steps to make certain that such disclosures won't happen again, including stopping the use of custom audience lists.

As required by section 9(1) of the OIA, I have considered whether the grounds for withholding the information requested is outweighed by the public interest. In this instance, I do not consider that to be the case.

Right of review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: commissionerscorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (www.ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, will be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



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