Date of Approval: **August 15, 2019**

PIA ID Number: **4315**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

PDC - ConServe's Collection Management System, PCA, PDC - CCMS

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym and milestone of the most recent PCLIA?

PDC - ConServe's Collection Management System, PDC - CCMS, 06/13/2019

What is the approval date of the most recent PCLIA?

6/13/2019

Changes that occurred to require this update:

Addition of Personally Identifiable Information (PII)

Were there other system changes not listed above?

Yes

What were those changes?

Private Debt Collection is implementing preauthorized direct debit. Taxpayers have expressed that they would like more convenient payment options to make payments or series of payments towards their federal tax debts. Direct debit reduces burden on taxpayers and provides this convenience by having the taxpayer provide bank account information to the PCAs and/or their approved subcontractor to send checks to the IRS lockbox on their behalf.

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

Small Business/Self Employed (SBSE) Private Debt Collection Governance Board

Current ELC (Enterprise Life Cycle) Milestones:

System Development/Milestone 4B

System Deployment/Milestone 5

Operations & Maintenance (i.e. system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

No

General Business Purpose

What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The primary business of ConServe is debt collection. A Private Debt Collector, Conserve utilizes the Collection Management System (PCA-CCMS) which provides for the management of delinquent taxes throughout the collection process. PCA-CCMS provides a medium for the documentation of specific collection activities on taxpayers serviced by ConServe. PCA-CCMS is the major application that enables ConServe to conduct and manage its collection activities for the U.S. Department of the Treasury, Internal Revenue Service (IRS). Phase I of the system implemented collection of Individual Masterfile (IMF) debt collection. The new phase of implementation is for Business Masterfile file (BMF) debt collection IRS provided both virtual and face to face training specifically focused on BMF case processes (i.e. Business Entity overview, BMF Payment Options and Arrangements, BMF Authentication, Form 94X series, BMF Penalties, Reporting Business Income, BMF Transcripts, Securing Business returns, Misc Business Income, etc). ConServe also provided BMF onsite training for their collection staff and management team. IRS updated the Policy and Procedures Guide to provide BMF guidance. The PDC program has received approval to allow the PCAs to utilize preauthorized direct debit. For the purposes of this process this is being referred to as Phase III. Phase III implementation of preauthorized direct debit will offer taxpayers a convenient option to make payments to their federal tax debts while working with the Private Collection Agencies (PCAs). Direct debit reduces burden on taxpayers by providing them the convenience of allowing the PCAs or their approved subcontractor to send checks to the IRS lockbox on their behalf.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

Yes

Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e. last 4 digits, etc.)?

Yes

What types of tax identification numbers (TIN) apply to this system?

Social Security Number (SSN)

List the approved Treasury uses of the SSN:

Interfaces with external entities that require the SSN

Legal/statutory basis (e.g. where collection is expressly required by statute)

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers)

This is required for tax debt collection and due to Federal legislation titled Fixing America's Surface Transportation (FAST) Act was enacted in December 2015.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).

The Office of Management and Budget Circular A-130, Managing Information as a Strategic Resource requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs, which the Service continues to develop strategies to meet. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. PDC-CCMS requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Employer Identification Number

Other Taxpayer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e. names, addresses, etc.)?

Yes

Specify the PII Elements:

Name

Mailing address

Phone Numbers

Date of Birth

Financial Account Numbers

Tax Account Information

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

Yes

Specify the types of SBU from the SBU Types List (SBUList)

Agency Sensitive Information - Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission

Proprietary data - Business information that does not belong to the IRS

Are there other types of SBU/PII used in the system?

Yes

Describe the other types of SBU/PII that are applicable to this system.

Federal Tax Information

Cite the authority for collecting SBU/PII (including SSN if relevant

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

SSN for tax returns and return information is Internal Revenue Code Section 6109

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

ConServe uses the SBU/PII information received from the IRS, together with additional PII information received from the taxpayer and other third parties during the ordinary course of ConServe's collections activities, in order to contact the taxpayer and increase the recovery of IRS tax debts and resolve IRS tax receivables by collection or other case resolutions. ConServe only collects that PII (including SSN, which is used by the IRS and/or other third parties to assist in uniquely identifying a taxpayer) which is necessary for those purposes. Social Security Numbers (SSN) are required to identify individual accounts and Employee Identification Numbers (EIN) are required for related business accounts to meet the needs of the mission and relevant to cases worked by Private Collection Agencies. All information received from the IRS is used for the sole purpose of contacting the taxpayer or responsible party and collecting owed funds on behalf of the IRS. ConServe will utilize the information to (1) facilitate the payment of the delinquent taxes, (2) identify the current status of the taxpayer, and/or (3) qualify the taxpayer for an administrative resolution. Phase III implementation of preauthorized direct debit will offer taxpayers a convenient option to make payments to their federal tax debts while working with the Private Collection Agencies (PCAs). Direct debit reduces burden on taxpayers by providing them the convenience of allowing the PCAs or their approved subcontractor to send checks to the IRS lockbox on their behalf. This process will entail the taxpayer providing financial account information to the PCA or their subcontractor to facilitate making payment on their behalf to the IRS lockbox.

How is the SBU/PII verified for accuracy, timeliness and completion?

The ConServe Collection Management System (CCMS) utilizes multiple data feeds with the IRS to ensure the accuracy, timeliness, and completeness of records within the CCMS system. Weekly files received from the IRS's System of Record include new and updated information on primary taxpayers, secondary taxpayers, Power of Attorneys, transactional payment information, and account status information (i.e. account holds). The data files from the IRS are verified against the current records within CCMS and updates to CCMS are applied. PCAs are authorized to accept payments from a taxpayer via preauthorized debit only with the express verbal authorization that confirms the taxpayer's consent. The taxpayer must clearly state their verbal authorization for the PCAs to draft checks on their behalf. This verbal authorization must be audio recorded and made available upon request to the taxpayer or the IRS.

The verbal authorization must include all of the following information: Date(s) the debit(s) will be submitted for payment; Amount(s) of each debit; Taxpayer's name; Taxpayer's billing information; Bank account information. Written confirmation of the transaction will be provided to the taxpayer via first class mail within 1-business day of the verbal authorization. The written confirmation letter should list the bank account information in masked format (Bank Name and last 4 digits of account and routing numbers) and include all the information provided during the verbal authorization.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

Yes

Identify the Privacy Act SORN(s) that cover these records.

IRS 24.030   Customer Account Data Engine Individual Master File

IRS 24.046   Customer Account Data Engine Business Master File

IRS 26.019   Tax Delinquent Account Files

IRS 34.037   Audit Trail and Security Records System

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

For Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: Private Debt Collection Data Transfer Component (PDTC)

Current PCLIA: Yes

Approval Date: 1/27/2017

SA&A: No

Does the system receive SBU/PII from other federal agency or agencies?

No

Does the system receive SBU/PII from State or local agency (-ies)?

No

Does the system receive SBU/PII from other sources?

Yes

Identify the source that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: 4 Skip Tracing Vendors

Transmission Method: SFTP

ISA/MOU   Yes

Organization Name: Print Vendor

Transmission Method: SFTP

ISA/MOU   Yes

Organization Name: Skip Tracing Vendor

Transmission Method: Secure Web Portal on Vendor Side

ISA/MOU   Yes

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 941   Form Name: Employer's Quarterly Federal Tax Return

Form Number: 1120   Form Name: U.S. Corporation Income Tax Return

Form Number: 720   Form Name: Quarterly Federal Excise Tax Return

Form Number: 1040   Form Name: U.S. Income Tax Return (for Estates and Trusts)

Form Number: 1065   Form Name: U.S. Return of Partnership Income (Publicly Traded Partnerships)

Form Number: 8804   Form Name: Annual Return for Partnership Withholding Tax (Section 1446)

Form Number: CT-1   Form Name: Employer's Annual Railroad Retirement Tax Return

Form Number: 940   Form Name: Employer's Annual Federal Unemployment Tax Return

Form Number: 943   Form Name: Employer's Annual Federal Tax Return for Agricultural Employees

Form Number: 1042   Form Name: Annual Withholding Tax Return for US Source Income of Foreign Persons

Form Number: 8278   Form Name: Computation and Assessment of Miscellaneous Penalties

Form Number: 944   Form Name: Employer's Annual Federal Employment Tax Return

Form Number: 8752   Form Name: Required Payment or Refund Under Section 7519

Form Number: 945   Form Name: Annual Return Of Withheld Federal Income Tax

Form Number: 8288   Form Name: Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests

Form Number: 990T   Form Name: Exempt Organization Business Income Tax Return

Form Number: 1041A   Form Name: U.S. Information Return-Trust Accumulation of Charitable Amounts

Form Number: 5227   Form Name: Split-Interest Trust Information Return

Form Number: 990PF   Form Name: Private Foundation or Section 4947(a)(1) Non-Exempt Charitable Trust

Form Number: 4720   Form Name: Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Intern

Form Number: 709   Form Name: United States Gift (and Generation Skipping Transfer) Tax Return

Form Number: 706, 706B, 706NA   Form Name: United States Estate (and Generation Skipping Transfer) Tax Return

Form Number: 2290   Form Name: Heavy Highway Vehicle Use Tax Form

Form Number: 11-C   Form Name: Occupational Tax and Registration Return for Wagering

Form Number: 730   Form Name: Monthly Tax Return for Wagers

Form Number: 990   Form Name: Return of Organization Exempt from Income Tax

Form Number: 3520   Form Name: Annual Return to Report Transactions with Foreign Trusts and Receipt of Foreign Gifts

Form Number: 5500   Form Name: Annual Return/Report of Employee Benefit Plan (100 or more participants)

Form Number: 8955-SSA   Form Name: Annual Registration Statement Identifying Separated Participants with Deferred Vested Benefits

Form Number: 5330   Form Name: Return of Initial Excise Taxes Related to Employee Benefit Plans

Form Number: 706GS(T)   Form Name: Estate and Trust- Generation Skipping Transfer Tax Return for Terminations

Form Number: 706GS(D)   Form Name: Trust- United Sates Additional Estate Tax Return
Under Code Section 2057

Does the system receive SBU/PII from Employee forms (e.g. the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

Yes

Does this system disseminate SBU/PII to other IRS Systems?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: Private Debt Collection Data Transfer Component (PDTC)

Current PCLIA: Yes

Approval Date: 1/27/2017

SA&A: No

Identify the authority

Federal legislation titled Fixing America's Surface Transportation (FAST) Act was enacted in December 2015.

For what purpose?

The purpose is to require the U.S. Department of the Treasury, Internal Revenue Service (IRS) to proceed with a Private Debt Collection initiative. The IRS began implementing this initiative in a phased approach which began in Fiscal Year 2017. Pursuant to section 6103(h)(1) of the Internal Revenue Code (IRC). IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

Does this system disseminate SBU/PII to other Federal agencies?

No

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

Does this system disseminate SBU/PII to other Sources?

Yes

Identify the other source(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: 4 Skip Tracing Vendors

Transmission Method: SFTP

ISA/MOU   Yes

Organization Name: Skip Tracing Vendor

Transmission Method: Secure Web Portal on Vendor Side

ISA/MOU   Yes

Organization Name: Print Vendor

Transmission Method: SFTP

ISA/MOU   Yes

Identify the authority

Federal legislation titled Fixing America's Surface Transportation (FAST) Act was enacted in December 2015.

Identify the Routine Use in the applicable SORN (or Privacy Act exception)

There will be Inter-Agency Agreements (ISA) and Memorandum of Understanding (MOU) in place where possible and as needed for the contract.

For what purpose?

The purpose of this legislation is to require the U.S. Department of the Treasury, Internal Revenue Service (IRS) to proceed with a Private Debt Collection initiative. The IRS implemented this initiative in a phased approach beginning in Fiscal Year 2017 with IMF workstreams and is now including BMF workstreams. Pursuant to section 6103(h)(1) of the Internal Revenue Code (IRC). IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

Yes

How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?

Notice is provided to individuals or businesses by other IRS applications or through forms (i.e. 1040, 94X forms) that interact directly with the taxpayer at the time of collection. Due Process is provided pursuant to 5 USC. Also, IRS sends Notice CP40, and/or CP 140 to the taxpayer or business advising that their case is being worked by a Private Collection Agency (ConServe) and they may be contacted directly by that agency.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

Yes

Describe the mechanism by which individuals indicate their consent choice(s):

Taxpayers assigned to this Private Collection Agency to collect taxes owed will be provided an option to opt-out of the Private Debt Collection Private Collection Agency process. If taxpayer exercises their right to opt-out the case(s) will be recalled and worked by IRS.

How does the system or business process ensure 'due process' regarding information access, correction and redress?

Conserve's Collection Management System is only a repository of taxpayer information submitted directly to the IRS through other IRS applications. The CCMS System does not interact with taxpayers directly and thus "due process" is addressed by other IRS applications that directly interact with taxpayers. Any issues that are identified by these other means will submit changes to ConServe through automated methods, so an auditable record may be maintained. Due Process is provided to 5 USC & Title 26.

INFORMATION PROTECTION

Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated)

Contractor Owned and Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Only

Managers: Read Only

IRS Contractor Employees

Contractor Users: Read Write

Contractor Managers: Read Only

Contractor System Administrators: Read Only

Contractor Developers: Administrator

How is access to SBU/PII determined and by whom?

Vendor's employees go through a moderate risk level background check and are not allowed to work on work related to the contract until they have received interim access and have completed all required training. This is determined by ConServe management.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

PGLD's Records Office has completed a targeted Records Management review of ConServe as of March 28, 2019 to ensure recordkeeping compliance with 44 U.S. Code, 36 Code of Federal Regulations (CFR), and other Records Management policies, including those in Private Debt Collection Records Control Schedule (RCS) Job No. DAA-0058-2017-0016 and the current Policy and Procedures Guide. ConServe is contracted with the IRS to provide tax collection services in support of the IRS Small Business/Self Employed (SB/SE) organization's Private Debt Collection Program. The Records Management requirements are analyzed to determine compliance with all applicable Records Management laws and regulations for the work performed under the contract. ConServe is adhering to Records Management requirements, including actions to protect federal records throughout their lifecycle. Records and Information Management performed a Private Collection Agency site visit for assessment on March 28, 2019. The system was checked with NARA to determine if policy is followed and data storage is secure. Information ages off (is deleted from) the database at varying intervals. All records housed in the PDC system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to affect data disposition. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6 and will be destroyed using IRS Records Control Schedule (RCS) 28 for Tax Administration-Collection, PART VII - PRIVATE DEBT COLLECTION (PDC) PROGRAM RECORD; and as coordinated with the IRS Records and Information Management (RIM) Program and IRS Records Officer.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

No

Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?

Yes

Describe the system's audit trail.

ConServe's CCMS utilizes FICO's Debt Manager system to maintain account information. Debt Manager tracks audit information at the request level and the data instance level to provide robust auditing and traceability throughout the system. As requests are made to the Debt Manager mid-tier, upsert (update and insert) information is captured and bound for the life of the request to the thread of execution. This information includes the user Id of the requestor, the date and time at which the request was made, the software component that the request was made through, and a version sequence (in the case of an update) used for optimistic locking. An interceptor captures this information in an application audit table that persists the requests that are made by every user on the system over time. Another interceptor is responsible for stamping this upsert information on every entity data modification or addition within the system, just before the call to persist is made. Upsert columns capture this information on every table within the database, providing the ability to see when, how, and by whom all changes were made. In addition, Debt Manager has a registry of tables to maintain complete histories on over time.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

IRS Contractor Cyber Security Assessment team DCI and final report based on March 28, 2019 PCA onsite review. ConServe's System Test Plan results are stored in ConServe's IT Service Desk platform (Track-II). IRS Cyber print vendor review to be completed on site 07/29/2019-08/02/2019.

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?

ConServe conducts an annual review and assessment of the PCLIA and related privacy controls. The results of the review and assessment are reviewed annually during the IRS Contractor Security Assessments and during assessments/reviews conducted by IRS PGLD.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

No

NUMBER AND CATEGORY OF PII RECORDS

Identify the number of individual records in the system for each category:

IRS Employees: Not Applicable

Contractors: Not Applicable

Members of the Public: 100,000 to 1,000,000

Other: Yes

Identify the category of records and the number of corresponding records (to the nearest 10,000).

Businesses 50,000 - 100,000

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax or Privacy Act consent?

Yes

Does the system have a process in place to account for such disclosures in compliance with IRC §6103(p) (3) (A) or Subsection (c) of the Privacy Act? Contact Disclosure to determine if an accounting is required.

Not Applicable

Explain the Exemption and/or Disclosure's response.

Per IRC §6103(n) and IRC §6103(k)(6) investigative disclosures are exempt from accounting requirements as defined in IRC §6103(p)(3)(A).