Date of Approval: **March 10, 2020**

PIA ID Number: **4481**

SYSTEM DESCRIPTION

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

Bankruptcy Refund Turnover - Chapter 7 Standardize, N/A

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?

Bankruptcy Refund Turnover - Chapter 7 Standardized Form Pilot, PIA #2022

What is the approval date of the most recent PCLIA?

12/20/2016

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

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

SBSE IT Governance Board

Current ELC (Enterprise Life Cycle) Milestones:

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.

Employees in the Centralized Insolvency Operation (CIO) receive refund turnover requests from Chapter 7 bankruptcy trustees in several different manners. Some requests are mailed to the unit through regular mail (US Postal Service), while others are sent via eFax, which delivers the information to an Outlook mailbox address. Other trustees are using this Pilot process to send the requests in electronically. In an effort to standardize the way in which Chapter 7 refund turnover requests are delivered to the Service, Technology Solutions is testing the receipt of a standardized form that is sent to an Outlook mailbox established specifically for this pilot. During the pilot, software vendors who serve Chapter 7 bankruptcy trustees will be sending trustee turnover requests for their client trustees to a designated IRS Outlook mailbox using SecureZip encrypted email and password protection. The PII taxpayer and trustee information will be attached to the email on an Excel spreadsheet that serves as a standardized form. This will provide the ability for the form to be "read" by the Automated Insolvency System (AIS) that processes trustee turnovers. Receiving the data in this electronic format is the first step in being able to automate the upload of the information directly to the AIS database, eliminating the need for costly and time-consuming manual input of trustee turnover requests.

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:

When there is no reasonable alternative means for meeting business requirements

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

The collection of PII and SSN information is needed to be able to comply with turning over qualifying tax refunds to US Bankruptcy Trustees in lieu of generating the refunds to the taxpayers who are in bankruptcy. The information is needed to evaluate the request, including verification of current Integrated Data Retrieval System tax account information and preparation of the required forms to generate a manual refund to be issued to the trustee.

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 memorandum circular A-130 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.

Employer 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

Tax Account Information

Centralized Authorization File (CAF)

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

Official Use Only (OUO) or Limited Official Use (LOU)   Information designated as OUO or LOU is information that: is exempt under one of the statutory Freedom of Information Act exemptions; is prohibited by other laws or regulations; would significantly impede the agency in carrying out a responsibility or function; or would constitute an unwarranted invasion of privacy.

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.

Bankruptcy Case Numbers; Bankruptcy Trustee Name, Address, and Phone; Attorney Name, Address, and Phone; Estimated Refund Amount; Filing Status; Tax Year of requested refund.

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.

The collection of PII and SSN information is needed to be able to comply with turning over qualifying tax refunds to US Bankruptcy Trustees in lieu of generating the refunds to the taxpayers who are in bankruptcy. The information is needed to evaluate the request, including verification of current Integrated Data Retrieval System tax account information and preparation of the required forms to generate a manual refund to be issued to the trustee.

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

Each submission will contain no more than 25 turnover requests from one trustee, and it will be accompanied by a certification form that requires the trustee to certify that he or she will disperse the refund proceeds according to current law. CIO employees will perform a cursory review to verify that the forms are completed in their entirety. Forms that are incomplete will be sent back to the software vendor for perfection via email with SecureZip encrypted or password protected attachments.

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 26.019   Taxpayer Delinquent Account Files

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

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?

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: Stretto
Transmission Method: email with encrypted password-protected attachment
ISA/MOU: No

Organization Name: Financial Software Solutions LLC
Transmission Method: email with encrypted password-protected attachment
ISA/MOU: No

Organization Name: Axos Fiduciary Services
Transmission Method: email with encrypted password-protected attachment
ISA/MOU: No

Organization Name: IQ7 Technology Inc
Transmission Method: email with encrypted password-protected attachment
ISA/MOU: No

Organization Name: KCC, LLC
Transmission Method: email with encrypted password-protected attachment
ISA/MOU: No

Does the system receive SBU/PII from Taxpayer forms?

No

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: Automated Insolvency System (AIS)
Current PCLIA: Yes
Approval Date: 2/18/2020
SA&A: Yes
ATO/IATO Date: 7/15/2019

Identify the authority

IRS has the obligation to turn over Chapter 7 debtor refunds to authorized bankruptcy trustees when requested.

For what purpose?

The data must be uploaded to the Automated Insolvency System in order to flag the refunds to be sent to the trustees instead of the taxpayers.

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?

No

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?

No

Why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.

In Chapter 7 bankruptcy cases, trustees have the right to request pre-petition tax refunds be sent to the trustees in lieu of the taxpayers, because the pre-petition refunds are the property of the bankruptcy estate and do not belong to the taxpayer.

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

No

Why not?

Because the pre-petition refunds are the property of the bankruptcy estate and do not belong to the taxpayer.

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

CIO employees respond to "due process" concerns from taxpayers on a case by case basis in the normal course of their business operations.

INFORMATION PROTECTION

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

IRS Owned and Operated

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

IRS Employees

Users: Read Write

Managers: Read Write

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

This pilot is a test, so access to the mailbox will be limited to those employees in the Centralized Insolvency Operation (CIO) who work refund turnover requests. The CIO department manager will determine which employees will have access to the mailbox, in addition to the Collection Policy Analyst, Senior Tax Analysts from Technology Solutions, and the CIO Technical Advisor who are all part of the pilot project team.

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.

All records housed in the Outlook mailbox will be erased or purged from the system in accordance with approved retention periods. AIS 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 Internal Revenue Manual (IRM) 1.15.1 and 1.15.6, and will be destroyed using Document 12990 under RCS 32, Item 35, for Electronic Tax Administration and as coordinated with the IRS Records and Information Management 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.

This process was reviewed and approved by IT Cyber Security on 1/12/2017, as we are using IRS-approved transmission and encryption methods. All records housed in the Outlook mailbox will be erased or purged from the system in accordance with approved retention periods.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

We are using an existing system and IT-approved encryption technology that does not require new testing.

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: Under 100,000

Other: Yes

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

Bankruptcy Trustees - approximately 100; Attorneys - approximately 100

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?

No