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**A. SYSTEM DESCRIPTION**

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1. Enter the full name and acronym for the system, project, application and/or database. Tax Refund Offset Program, TRO - Legacy Access Provider, LAP

2. Is this a new system? No

2.a. If no, is there a Privacy Civil Liberties Impact Assessment (PCLIA) for this system? Yes

If yes, enter the full name, acronym, and milestone of the most recent PCLIA.

Tax Refund Offset Program, TR, # 901

Enter the approval date of the most recent PCLIA. 12/08/2015

If yes Indicate which of the following changes occurred to require this update (check all that apply).

- No Addition of Personally Identifiable Information (PII) (PII is any information that is linked or linkable).
- No Conversions
- No Anonymous to Non-Anonymous
- No Significant System Management Changes
- No Significant Merging with Another System
- No New Access by IRS employees or Members of the Public
- No Addition of Commercial Data / Sources
- No New Interagency Use
- No Internal Flow or Collection
- Yes Expiring PCLIA

Were there other system changes not listed above? No

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

Bureau of Fiscal Services (BFS)

3.a. Check the current Enterprise Life Cycle (ELC) Milestones (select all that apply).

- No Vision & Strategy/Milestone 0
- No Project Initiation/Milestone 1
- Yes Domain Architecture/Milestone 2
- Yes Preliminary Design/Milestone 3
- Yes Detailed Design/Milestone 4A
- Yes System Development/Milestone 4B
- Yes System Deployment/Milestone 5
- Yes Operations & Maintenance (i.e., system is currently operational)

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

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## A.1 General Business Purpose

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5. 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 Tax Refund Offset (TRO) Program allows for internal tax offsets and external offsets to post to taxpayer accounts. For internal offset: An overpayment from one tax period may be applied to another tax period in debit balance to satisfy the tax liability. For external offsets: Refund files certified by Internal Revenue Service (IRS) to Bureau of Fiscal Services (BFS) for payment may be offset to pay Federal non-tax debts, State income tax obligation or unemployment compensation up to the amount of the debt or the amount of the refund whichever is the lesser amount.

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## B. PII DETAIL

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6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any type of Sensitive but Unclassified (SBU) or Personally Identifiable Information (PII)?

Yes

6.a. If 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

If yes, check all types of tax identification numbers (TIN) that apply to this system:

Yes Social Security Number (SSN)  
Yes Employer Identification Number (EIN)  
Yes Other Taxpayer Identification Number

If SSNs apply, which of the following approved Treasury uses of the SSNs applies:

No Security background investigations  
Yes Interfaces with external entities that require the SSN  
Yes Legal/statutory basis (e.g. where collection is expressly required by statute)  
Yes When there is no reasonable alternative means for meeting business requirements  
No Statistical and other research purposes  
No Delivery of governmental benefits, privileges, and services  
No Law enforcement and intelligence purposes  
Yes Another compelling reason for collecting the SSN

Explain why one or more of the eight authorized uses above support the new or continued use of SSNs.

For offsets that occur from a tax refund overpayment at BFS, BFS provides the following information that will post to the taxpayer's account: Offset transaction record (posts as TC 898) with a memo amount that provides the total offset for a particular refund. Offset reversal transaction record (posts as TC 899, type 1 thru 4) with a memo amount that provides the total amount of the offset that is subsequently refunded to the taxpayer by the creditor agency or by BFS. For data provided by BFS, the IRS does not know if the debt owed is for a Federal non-tax debt, a State income tax obligation or unemployment compensation. The IRS only knows that a debt exists at BFS. IRS employees use this information to accurately calculate Injured Spouse Allocations, determine if funds are available for reversal when processing Identity Theft cases, etc.

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

There is no alternative to the use of the SSN. The SSN is the significant part of the data being processed. There is no planned mitigation strategy to mitigate or eliminate the use of the SSN on the system. The Office of Management and Budget CIRCULAR NO. 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. TRO 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.

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

If yes, specify the information.

<u>Selected</u>	<u>PII Element</u>
Yes	Name
Yes	Mailing address
Yes	Phone Numbers
No	E-mail Address
Yes	Date of Birth
No	Place of Birth
No	Standard Employee Identifier (SEID)
No	Mother's Maiden Name
No	Protection Personal Identification Numbers (IP PIN)
No	Internet Protocol Address (IP Address)
No	Criminal History
No	Medical Information
No	Certificate or License Numbers
No	Vehicle Identifiers
No	Passport Number
No	Alien Number
No	Financial Account Numbers
No	Photographic Identifiers
No	Biometric Identifiers
No	Employment Information
Yes	Tax Account Information
No	Centralized Authorization File (CAF)

6.c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? Yes

If yes, select the types of SBU

<u>Selected</u>	<u>SBU Name</u>	<u>SBU Description</u>
No	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement sensitive data	Contract proposals, bids, etc.
Yes	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.
No	Proprietary data	Business information that does not belong to the IRS
Yes	Protected Information	Information which if modified, destroyed or disclosed in an unauthorized manner could cause: loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government
No	Physical Security Information	Security information containing details of serious weaknesses and vulnerabilities associated with specific systems and facilities
No	Criminal Investigation Information	Information concerning IRS criminal investigations or the agents conducting the investigations.

6.d. Are there other types of SBU/PII used in the system? Yes

If yes, describe the other types of SBU/PII that are applicable to this system.

Federal Tax Information - income amounts from tax returns, filing status, exemptions, fact of filing, injured spouse status, federal tax withheld.

6.e. Cite the authority for collecting SBU/PII (including SSN if relevant)

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

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

No SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

No PII for personnel administration is 5 USC

No PII about individuals for Bank Secrecy Act compliance 31 USC

No Information by CI for certain money laundering cases may be 18 USC

6.f. Has the authority been verified with the system owner? Yes

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## **B.1 BUSINESS NEEDS AND ACCURACY**

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7. 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 SSN is used to accurately post certain transactions related to the internal or external offset that occur. SSNs are the primary key, used by Integrated Data Retrieval System (IDRS) and employees to tie together tax forms relating to a particular taxpayer and is a key component to accurately post offset transactions conducted by BFS. For offsets that occur from a tax refund overpayment at BFS, BFS provides information that posts to the taxpayer's account identifying that an offset occurred; however, the IRS does not know if the debt owed is for a Federal non-tax debt, a State income tax obligation or unemployment compensation. The IRS only knows that a debt exists at BFS. BFS also provides offset reversal transaction records if the offset is subsequently refunded to the taxpayer by the creditor agency or by BFS. IRS employees use this information to accurately calculate Injured Spouse Allocations, determine if funds are available for reversal when processing Identity Theft cases, etc.

8. How is the SBU/PII verified for accuracy, timeliness, and completeness?

Programming ensures that all required data fields are present and correct. Validity and consistency checks are conducted against the data elements provided by BFS. Data elements not meeting established procedures with the Data Master File (DMF) runs are sent to the research files and do not post to the taxpayer account. If the taxpayer questions the information provided by BFS, the taxpayer is instructed to contact BFS or the Creditor agency for correction and the taxpayer account updates upon receipt of corrected information from BFS. On a daily/weekly basis: A. BFS provides IRS with data elements to update: -The debt indicator on Command Code (CC) Information On-Line Entity (INOLE) -Offset and offset reversal transactions, and -Credit Elect processing data. B. IRS provides BFS with offset reversal requests which are based on current information received from the taxpayer as well as information obtained from Individual Master File (IMF) or Business Master File (BMF).

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### C. PRIVACY ACT AND SYSTEM OF RECORDS

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*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.*

9. 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

If yes, enter the SORN number(s) and the complete the name of the SORN(s).

**SORNS Number**

**SORNS Name**

IRS 24.030

Customer Account Data Engine Individual Master File

IRS 24.046

Customer Account Data Engine Business Master File

*IRS is required to have a published Privacy Act system of records in the Federal Register. Please identify the Privacy Act SORN(s) that cover these records. If you need additional assistance identifying the correct SORNs please email \*Privacy.*

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### D. RESPONSIBLE PARTIES

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10. Identify the individuals for the following system roles. ## Official Use Only

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**E. INCOMING PII INTERFACES**

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11. Does the system receive SBU/PII from other system or agencies? Yes

11.a. If yes, does the system receive SBU/PII from IRS files and databases? Yes

If yes, enter the files and databases.

<u>System Name</u>	<u>Current PCLIA</u>	<u>Approval Date</u>	<u>SA&amp;A?</u>	<u>Authorization Date</u>
Integrated Data Retrieval System (IDRS)	Yes	10/01/2018	Yes	10/14/2018

11.b. Does the system receive SBU/PII from other federal agency or agencies? No

11.c. Does the system receive SBU/PII from State or local agencies)? No

11.d. Does the system receive SBU/PII from other sources? No

11.e. Does the system receive SBU/PII from Taxpayer forms? Yes

If yes, identify the forms.

<u>Form Number</u>	<u>Form Name</u>
Form 8379	Injured Spouse Allocation
Form 1040	US Individual Income Tax Return

11.f. Does the system receive SBU/PII from Employee forms (such as the I-9)? No

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**F. DISSEMINATION OF PII**

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12. Does this system disseminate SBU/PII? No

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**G. PRIVACY SENSITIVE TECHNOLOGY**

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13. Does this system use social media channels? No

14. Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, Radio Frequency Identification (RFID), etc.? No

15. Does the system use cloud computing? No

16. Does this system/application interact with the public? No

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**H. INDIVIDUAL NOTICE AND CONSENT**

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17. Was (or is) notice provided to the individual prior to collection of information? Yes

17.a. If yes, how is notice provided? Was the individual notified about the authority to collect the information, whether such is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects, if any, if they decide not to provide any of the requested information?

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. Notice, consent and due process are provided in the tax forms instructions, and pursuant to 5 USC.

18. Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information? No

18.b. If individuals do not have the opportunity to give consent, why not?

The IRS has the legal right to ask for information per IRC sections 6001, 6011, and 6012(a), and their regulations. The regulations state that "taxpayers must file a return or statement with IRS for any tax they are liable for". Their response is mandatory under these sections.

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

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. The system will allow affective parties the opportunity to clarify or dispute negative information that could be used against them. Notice, consent and Due process is provided pursuant to 5 USC.

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## **I. INFORMATION PROTECTION**

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20. 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

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

IRS Employees? Yes

<u>IRS Employees?</u>	<u>Yes/No</u>	<u>Access Level (Read Only/Read Write/ Administrator)</u>
Users	Yes	Read and Write
Managers	Yes	Read and Write
Sys. Administrators	Yes	Administrator
Developers	Yes	Administrator

Contractor Employees? No

21.a. How is access to SBU/PII determined and by whom? The PII information is accessed thru the Integrated Data Retrieval System (IDRS). Customer Service Representatives (CSR) with IDRS access will be able to obtain some of the information concerning an internal tax offset and delinquent Federal non-tax debt, State income tax obligation or unemployment compensation conducted by BFS. A potential user will request access via the (Online) OL5081 system. This request must be approved by the potential user's manager based on a user's position and need-to-know.

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## I.1 RECORDS RETENTION SCHEDULE

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22. Are these records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule (RCS) for the retention and destruction of official agency records stored in this system? Yes

22.a. If yes, how long are the records required to be held under the corresponding RCS and how are they disposed of? In your response, please include the complete IRM number 1.15.XX and specific item number and title.

Document 12990, Records Control Schedule for Tax Administration, RCS 29 (Items #55 and #56): Both paper and electronic documents (Form 8379) filed by the taxpayer, documents destroyed on or after January 16, six years after the end of the processing year. o Document 12990, Records Control Schedule for Enterprise Computing Center - Martinsburg, RCS 19 (Item # 29 and #30): For data received from BFS (via electronic transmissions - NDM), the transmitted data will be scratched after successful completion of third update cycle. This system is part of the IMF and BMF (feeds through CADE). Not a standalone and does not need to be scheduled separate from the Master Files.

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## I.2 SA&A OR ASCA

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23. Has the system been through Security Assessment and Authorization (SA&A) or Annual Security Control Assessment (ASCA)? No

23.c. If no, is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements? Yes

23.1 Describe in detail the system's audit trail. Customer Service Representatives (CSR), with Integrated Data Retrieval System (IDRS), will be able to obtain some of the information concerning a tax debt offset as well as delinquent Federal non-tax debt, State income tax obligation or unemployment compensation. Audit trails for the CSRs will be captured through IDRS. IDRS audit trail captures employee sign-on/sign-off and every command code accessed by employee number, taxpayer TIN and MFT/tax period if applicable. Other variable data will be captured depending on the command code accessed. The audit trail captures are standard operating procedures through-out the Service for all IDRS users.

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## J. PRIVACY TESTING

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24. Does the system require a System Test Plan? No

24.b. If no, please explain why. All the customer configurable security controls are implemented as intended and documented in the TRO System Security Plan (SSP).

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## K. SBU Data Use

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25. Does this system use, or plan to use SBU Data in Testing? No



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**L. NUMBER AND CATEGORY OF PII RECORDS**

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

- |                              |                     |
|------------------------------|---------------------|
| 26.a. IRS Employees:         | Not Applicable      |
| 26.b. Contractors:           | Not Applicable      |
| 26.c. Members of the Public: | More than 1,000,000 |
| 26.d. Other:                 | No                  |

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**M. CIVIL LIBERTIES**

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27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment? No

28. Is the system information used to conduct data-mining as defined in the *Implementing the Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804*? No

29. Will this system have the capability to identify, locate, and monitor individuals or groups of people? No

30. Does Computer matching occur? No

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**N. ACCOUNTING OF DISCLOSURES**

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31. 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

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**End of Report**

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