

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

PIA ID Number: **4312**

SYSTEM DESCRIPTION

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

PDC-Performant Recovery Collections, PDC-PRC

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-Performant Recovery Collections, PDC-PRC, 4170, 06/13/19

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 the taxpayer providing their bank account information and having the PCAs and/or their approved subcontractor 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.

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 Performant Recovery Collections (PRC) Inc. is debt recovery. They contact taxpayers on behalf of the IRS and collect on defaulted tax amounts. A Private Debt Collector (PDC) provides a portfolio of debt collection functions to support debt collection operations. This system includes both debt collections and debt accounting. PDC-PRC is a general purpose, multi-user system used throughout four regional locations. It provides electronic services such as: Debt Collection, Debt Accounting, Electronic forms, Databases, Call recording services and letter processing services (through third party- Communications). Phase I of the system implemented collection of Individual Masterfile (IMF) debt collection. Phase II of the system was the implementation of Business Masterfile (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). Performant 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-PRC 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

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

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, Communication from taxpayer which could possibly contain SBU/PII information for debt collection.

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.

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. They use 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 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. They only collect 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. 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 collection system is designed with logic checks to ensure data accuracy and integrity. Data from third party vendor is used to verify and enrich the client's data. In addition, protection of the integrity and availability of Personally Identifiable Information is reviewed at least every quarter by a series of automated and manual review processes. Databases are updated and validated and are redundant allowing for the availability of the information. The security controls for the database is constantly reviewed to ensure safeguards are in place to protect the data. 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 Taxpayer Delinquent Accounts 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: Yes

ATO/IATO Date: 3/10/2017

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 No

Organization Name: 3 Skip Tracing Vendors

Transmission Method: SFTP

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Encrypted Email

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Secure Web Portal

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Connected SFTP

ISA/MOU No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 1040 Series	Form Name: Individual Income Tax Forms
Form Number: 943	Form Name: Employers Annual Federal Tax Return for Agricultural Employees
Form Number: 945	Form Name: Annual Return of Withhold Federal Income Tax
Form Number: 990T	Form Name: Exempt Organization Business Income Tax Return
Form Number: 1041A	Form Name: US Information Return Trust Association of Charitable Amounts
Form Number: 990PF	Form Name: Private Foundation or Section 4947(a)(1) Non Exempt Charitable Trust
Form Number: 709	Form Name: United States Gift Tax Return
Form Number: 706, 706B, 706NA	Form Name: United States Estate (and General Skipping Transfer) Tax Return
Form Number: 2290	Form Name: Heavy Highway Vehicle Use Tax Form
Form Number: 990 Series	Form Name: Return of Organizations Exempt from Income Tax
Form Number: 706GS(T)	Form Name: Estate and Trust Generation Skipping Transfer Return for Terminations
Form Number: 706GS(D)	Form Name: Trust United States Additional Estate Tax Return Under Code Section
Form Number: 941	Form Name: Employer's Quarterly Federal Income Tax Return
Form Number: 1120	Form Name: US Corporate Income Tax Return
Form Number: 720	Form Name: Federal Excise Tax Return

Form Number: 1065	Form Name: US Return for Partnerships
Form Number: 8804	Form Name: Annual Return for Partnership Withholding Tax
Form Number: CT-1	Form Name: Employers Annual Railroad Retirement Tax
Form Number: 940	Form Name: Employers Annual Federal Unemployment Tax
Form Number: 1042S	Form Name: Annual Withholding Tax Return for Foreigners with US Source Income
Form Number: 8278	Form Name: Computation and Assessment of Miscellaneous Penalties
Form Number: 944	Form Name: Employers Annual Federal Employment Tax Return
Form Number: 8752	Form Name: Payment of Refund Under Section 7519
Form Number: 8288	Form Name: Statement of Withholding for Disposition of Foreign Persons of US Real Property Interests
Form Number: 5227	Form Name: Information Return for Split Interest Trust
Form Number: 4720	Form Name: Return of Certain Excise Taxes on Charities and other Persons Chapter 41 and 42
Form Number: 11C	Form Name: Occupational Tax and Registration for Wagering Return
Form Number: 730	Form Name: Monthly Tax Return for Wagers
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

Form Number: 8955

Form Name: SSA 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

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: Yes

ATO/IATO Date: 3/10/2017

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: 3 Skip Tracing Vendors

Transmission Method: SFTP

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Secure Web Portal

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Secure Web Portal on Vendor Site

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Encrypted Email

ISA/MOU No

Organization Name: Skip Tracing Vendor

Transmission Method: Connected SFTP

ISA/MOU No

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 (Performant) 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?

The entire Performant - Private Collection Agency process and procedures are dictated by the Internal Revenue Service and outlined in the Private Collection Agency Policy and Procedures guide. This guide directs the Private Collection Agency to allow the taxpayer due process to file a tax return, the right to opt-out of working with the Private Collection Agency, directs the Private Collection Agency to offer the taxpayer right to appeal, offers guidance to accept disputes to allow appropriate determinations to be made and covers privacy and policy statements to ensure due process for the taxpayer.

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

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?

Non-privileged access is based off the user's role and responsibility. This access is then verified by the user's manager and sent to the Performant Help Desk to implement access. If the access requested is privileged based, then a ticket is submitted to internal Security for review and approval. Once the approval has been accepted a ticket is generated to the Help Desk for implementation. Access is reviewed monthly. Automatic scripts deactivate users after 60 days of nonuse.

RECORDS SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) archivist 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.

Privacy Governmental Liaison and Disclosure Records Office has completed a targeted Records Management review of Performant Corporation as of April 11, 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. Performant 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. Performant is adhering to Records Management requirements, including actions to protect federal records throughout their lifecycle.

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.

All system audit logs are sent to a centralized auditing system this is a Security Events and Information Monitoring (SEIM) system at the PCA location. This system logs correlates, monitors and alerts on all activity across all platforms that have any connectivity received IRS data files. All access audit logs connected to information received from the IRS data file information will be monitored and sent to PCA's centralized audit log system. This system can show all activity from when the PCA user or IRS PDC employee accessed data or a system and what was done with said data or access. Additionally, administrative access to the audit system is only allowed for authorized PCA individuals. This helps to ensure proper separation of duties and no collusion between individuals or groups.

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 May 7-8, 2019 PCA onsite review. Print vendor review to be completed onsite July 30-08/01/2019 results pending.

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?

Performant performs “anti-browsing” measures that deter collectors from searching and looking up tax payers and all files, once received, are stored encrypted at rest while being processed. All activities performed by system users are logged and stored in a tamper proof central log repository and archived for 7 years. All logged activities are included in a report that is reviewed on an ongoing basis to ensure the adherence to the Privacy Requirements.

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).

Business 50,000 to 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 Internal Revenue Code (IRC) §6103(n) and IRC §6103(k)(6) investigative disclosures are exempt from accounting requirements as defined in IRC §6103(p)(3)(A).