A. SYSTEM DESCRIPTION

1.   Enter the full name and acronym for the system, project, application and/or database. <u>Alaska Permanent Fund Dividend Levy Program, AKPFD</u>

2. Is this a new system? <u>No</u>

> 2a. If **no**, is there a PIA for this system?   <u>Yes</u>
>
>> If **yes**, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.
>>
>> <u>PIA 852, Alaska Permanent Fund Dividend Levy Program, AKPFD</u>
>>
>> Next, enter the **date** of the most recent PIA.   <u>April 15, 2015</u>
>>
>> Indicate which of the following changes occurred to require this update (check all that apply).

<u>No</u>	Addition of PII
<u>No</u>	Conversions
<u>No</u>	Anonymous to Non-Anonymous
<u>No</u>	Significant System Management Changes
<u>No</u>	Significant Merging with Another System
<u>No</u>	New Access by IRS employees or Members of the Public
<u>No</u>	Addition of Commercial Data / Sources
<u>No</u>	New Interagency Use
<u>No</u>	Internal Flow or Collection

> Were there other system changes not listed above?   <u>No</u>

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

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

4. Is this a Federal Information Security Management Act (FISMA) reportable system?   <u>No</u>

A.1 General Business Purpose

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.

   To do enforcement action with the use of electronic levy on the Alaska Permanent Fund Dividend (AKPFD) issued to the residents of Alaska to collect overdue federal taxes. A Memorandum of Understanding with the Internal Revenue Service (IRS) is signed to enable the matching process. Qualifying federal tax debts are sent electronically via the Secure Data Transfer (SDT) along with a Notice of Levy (Form 668-A). The individual tax debt is matched against the applicant database and all or a portion of the dividend is sent to the IRS to satisfy the federal tax debt. Due process is provided pursuant to 26 United States Code (USC). Benefit to the IRS: The program/system assists in paying off or paying down on the federal tax liabilities of taxpayers and bringing the taxpayer into compliance. Alaska also utilizes the Electronic Funds Transfer Program to send the levy funds.

B. PII DETAIL

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

   6a. 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 who the SSN (or tax identification number) is collected on.

   Yes   On Primary   Yes   On Spouse   No   On Dependent

   If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

   Yes   Social Security Number (SSN)
   Yes   Employer Identification Number (EIN)
   No   Individual Taxpayer Identification Number (ITIN)
   No   Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
   No   Practitioner Tax Identification Number (PTIN)

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

   None. The Office of Management and Budget Circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. The AKPFD requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) Yes

If **yes**, specify the information.

Selected	PII Element	On Primary	On Spouse	On Dependent
Yes	Name	Yes	Yes	No
Yes	Mailing address	No	No	No
No	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
Yes	Date of Birth	Yes	Yes	No
No	Place of Birth	No	No	No
No	SEID	No	No	No
No	Mother's Maiden Name	No	No	No
No	Protection Personal Identification Numbers (IP PIN)	No	No	No
No	Internet Protocol Address (IP Address)	No	No	No
No	Criminal History	No	No	No
No	Medical Information	No	No	No
No	Certificate or License Numbers	No	No	No
No	Vehicle Identifiers	No	No	No
No	Passport Number	No	No	No
No	Alien (A-) Number	No	No	No
No	Financial Account Numbers	No	No	No
No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
No	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	No

6c. 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

Selected	SBU Name	SBU Description
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.

6d. Are there other types of SBU/PII used in the system?   <u>No</u>

6e. 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

6f. Has the authority been verified with the system owner?   <u>Yes</u>

B.1 BUSINESS NEEDS AND ACCURACY

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.

   <u>The SSN, Name, and Date of Birth (DOB) must match for the record to be complete and available for inclusion in the program</u>

8. How is the SBU/PII verified for accuracy, timeliness, and completeness? Explain how steps are taken to ensure that all information maintained by the system that is used by IRS to make any adverse determination about an individual's rights, benefits, and/or privileges is maintained with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination

   <u>SSN, Name Control and DOB have to be verified as correct through Social Security Administration's Debtor Match (DM1) Validation. Once they are, they are then forwarded for matching with both Individual Master File (IMF) and Business Master File (BMF) Unpaid Balance of Assessments meeting AKPFD Levy Requirements in Internal Revenue Manual (IRM) 5.19.9.4. The PFDD Applicant File is verified against IMF and BMF for accuracy. The SSN, Name, and DOB must match for the record to be complete and available for inclusion in the program.</u>

C. PRIVACY ACT AND SYSTEM OF RECORDS

9. Are 10 or more records containing SBU/PII maintained, stored, and/or transmitted by or through this system?   <u>Yes</u>

   9a. If **yes**, are records in the system retrieved by any personal identifier (e.g., name, SSN, Photograph, IP Address) for an individual?   <u>Yes</u>

      If **yes**, is there a System of Records Notice(s) or SORNs that addresses the PII records in this system?   <u>Yes</u>

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

SORNS Number	SORNS Name
Treasury/IRS 42.021	Compliance Programs and Project Files
Treasury/IRS 26.019	Taxpayer Delinquent Accounts Files

If **yes**, does the System of Records Notice(s) (SORN) published in the Federal Register adequately describe the records as required by the Privacy Act?   Yes

D. RESPONSIBLE PARTIES

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

E. INCOMING PII INTERFACES

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

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

      If **yes**, enter the files and databases.

System Name	Current PIA?	PIA Approval Date	SA & A?	Authorization Date
Individual Masterfile IMF	Yes	03/06/2017	Yes	11/06/2017

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

    11c. Does the system receive SBU/PII from State or local agencies?   Yes

    If **yes**, for each state and local interface identify the organization 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	Transmission method	ISA/MOU
Alaska Department of Revenue	SDT	Yes

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

    11e. Does the system receive SBU/PII from **Taxpayer** forms?   No

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

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII?   Yes

    12a. Does this system disseminate SBU/PII to other IRS Systems?   No

12b. Does this system disseminate SBU/PII to other Federal agencies?   No

12c. Does this system disseminate SBU/PII to State and local agencies?   Yes

If **yes**, identify the full names of the state and local agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name	**Transmission method**	**ISA/MOU**
Alaska Department of Revenue	SDT	Yes

Identify the authority and for what purpose?   IRC 6103. In order for the participation in levy matching process, the taxpayer's SSN, name, DOB, and/or address and federal tax liability information is needed by the program/system. Alaska applicants are required to be matched on the SSN, name control and DOB before deducting the money from the taxpayer's AKPFD. The federal liability information is need by the AKPFD so the payments can be applied to the correct taxpayer's account. The Commissioner's Annual Report/Statutory Reports (CARSR) system disseminates requested and approved portions of extracted data to other federal and state agencies. This process enables the IRS to collect millions of dollars in delinquent taxpayer revenue.

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors?   No

12e. Does this system disseminate SBU/PII to other Sources?   No

G. PRIVACY SENSITIVE TECHNOLOGY

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, RFID, etc.?   No

15. Does the system use cloud computing?   No

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

H. INDIVIDUAL NOTICE AND CONSENT

17. Was/is notice provided to the individual prior to collection of information?   No

   17b. If **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.
   Notice, consent and due process are provided in the tax forms instructions filed by the taxpayer 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

   18b. If no, why not?   Notice, consent and due process are provided in the tax forms instructions filed by the taxpayer and pursuant to 5 USC.

19. How does the system or business process ensure due process regarding information access, correction and redress?
Notice, consent and due process are provided in the tax forms instructions filed by the taxpayer and pursuant to 5 USC.

I. INFORMATION PROTECTION

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

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

Contractor Employees?   No

21a. How is access to SBU/PII determined and by whom? The users must submit a special request to access the CARSR data, via Online 5081. The request must be approved by the user's manager before being forwarded to the CARSR business unit (BU). The CARSR BU is responsible for reviewing the request and ensuring the user is added to the appropriate access control list in order for the user to receive proper access to the CARSR data.

21b. If computer matching occurs, can the business owner certify that it meets requirements of IRM 11.3.39 Disclosure of Official Information, Computer Matching & Privacy Protection Act? Yes

I.1 RECORDS RETENTION SCHEDULE

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?   No

22b. If **no**, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.

A request for records disposition authority for AKPFD and associated records is currently being requested. When approved, disposition instructions will be published under (Job No. N1-58-09-xx) in IRS Document 12990 under Records Control Schedule 19 for the Enterprise Computing Center - Martinsburg.

I.2 SA&A OR ECM-R

23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)?   No

    23c. 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.   Audit trail is not needed because CARSR performs read-only extracts of IMF/BMF data and relies on the audit systems that are already in place for accessing taxpayer data, transmitting taxpayer data through SDT, and receiving payments via Electronic Funds Transfer Payment System.

J. PRIVACY TESTING

24. Does the system require a System Test Plan? Yes

    24b. If **yes**, Is the test plan in process or completed: Completed

        24.3 If **completed/ or in process,** 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?
        The CARSR area performs the testing. The program testing and validation is performed in a secured environment using quality data to ensure the integrity and privacy accountability of any test inputs and outputs. Limited amounts of data are used to further minimize risk of access to personally identifiable information.

        24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?   Testing is conducted by the CARSR area. Test results and documentation are found in the IRS Document Management System.

        24b.2. If **completed**, were all the Privacy Requirements successfully tested?   Yes

        24.2 If **completed**, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?   No

K. SBU Data Use

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

L. NUMBER AND CATEGORY OF PII RECORDS

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

    26a. IRS Employees: Not Applicable
    26b. Contractors: Not Applicable
    26c. Members of the Public: 100,000 to 1,000,000
    26d. Other: No

M. CIVIL LIBERTIES

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 9/11 Commission Recommendations 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

N. ACCOUNTING OF DISCLOSURES

30. 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

If **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

   30b. If **N/A**, explain the Exemption and/or Disclosure s response.   Disclosures under IRC §6103(k)(6) do not require accounting.

End of Report