

Date of Approval: **December 06, 2019**

PIA ID Number: **4480**

## **SYSTEM DESCRIPTION**

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

Automated Substitute for Return, ASFR

*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?*

Automated Substitute for Return, ASFR, Operations and Maintenance

*What is the approval date of the most recent PCLIA?*

12/1/2016

*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.*

Small Business/Self Employed (SBSE) Governance Board

*Current ELC (Enterprise Life Cycle) Milestones:*

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

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

Yes

## 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 ASFR System is an IRS-developed National Standards Application. It is a batch-processing application that performs complex computations and tax calculations enabling tax examiners to issue accurate notices and assessments based on Information Returns Processing (IRP) information. The ASFR system acquires income information for taxpayers who have not filed tax returns for a given year and calculates their tax liability. This data is received from the Taxpayer Delinquency Investigation (TDI) and IRP systems. Once a case has been created, the ASFR system sends a thirty-day letter to the taxpayer detailing their tax liability and requesting that they file a return. A dummy tax return is then filed by ASFR. If a return is filed by the taxpayer, or proof that a return was not required is presented, the case is considered satisfied and is closed in ASFR. If no response is received, the system sends a ninety-day letter, which is a substitute for return. After the designated suspense period, if the taxpayer has not responded, the tax liability is then assessed, and appropriate transactions are posted to the Individual MasterFile through the End of Day (EOD) programs. After these postings, the ASFR case is closed and is passed to the Automated Collection System (ACS) for further collection activity. Due process is provided outside of the system pursuant to 26 USC.

## 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)*

There is no alternative to the use of the SSN. The SSN is the significant part of the data being processed.

*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.

*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

Employment Information

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*

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

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

No

*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 purpose of this system is to gather tax information about individuals that have not filed tax returns, create the missing returns for them, and generate correspondence requesting the unfiled returns. Information that facilitates the computation of an accurate taxpayer return is needed to complete this task. The name, TIN, and address are required to identify the taxpayer's account.

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

ASFR is a batch-processing application that performs complex computations and tax calculations enabling tax examiners to issue accurate notices and assessments based on IRP information and to resolve return delinquency cases on individual taxpayers. ASFR data is subjected to supervisory and management review and internal control audits in accordance with Office of Management and Budget (OMB) Circular A-123, Internal Control Reviews. ASFR relies on information obtained from other IRS applications for accuracy, timeliness, and completeness. The taxpayer is asked to provide updates and corrections if he or she feels it is in error.

## **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 24.047 Audit Underreporter Case Files

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 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?*

Yes

*Enter the files and databases:*

System Name: Locator Service System-Address Research (LSS-ADR)

Current PCLIA: Yes

Approval Date: 5/9/2018

SA&A: Yes

ATO/IATO Date: 5/7/2018

System Name: Notice Delivery System (NDS)  
Current PCLIA: Yes  
Approval Date: 4/4/2019  
SA&A: Yes  
ATO/IATO Date: 9/4/2019

System Name: Inventory Delivery System (IDS)  
Current PCLIA: Yes  
Approval Date: 12/5/2016  
SA&A: Yes  
ATO/IATO Date: 6/7/2017

System Name: Automated Under Reporter (AUR)  
Current PCLIA: Yes  
Approval Date: 6/12/2019  
SA&A: Yes  
ATO/IATO Date: 11/1/2018

*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?*

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: Individual Data Retrieval System (IDRS)

Current PCLIA: Yes

Approval Date: 10/1/2018

SA&A: Yes

ATO/IATO Date: 10/1/2019

*Identify the authority*

Tax administration Title 26.

*For what purpose?*

Automated Substitute for Return (ASFR) passes the Taxpayer Information Number (TIN) so research is performed and transactions post to the correct accounts. The authority and purpose is to perform research for updated taxpayer account information and to post tax assessment and other transactions to proper taxpayer accounts. Since ASFR is a tax assessment program, issuing taxpayer notices and assessing tax systemically, passing the correct PII information to IDRS is necessary to accomplish a 6020 (b) assessment.

*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.*

The purpose of this system is to gather tax information about individuals that have not filed tax returns, create the missing returns for them, and generate correspondence requesting the unfiled returns. This information must be acquired to analyze and determine if there is a tax responsibility and if contact with the taxpayer is required.

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

No

*Why not?*

Letters are sent to the taxpayer to request unfiled return(s) and to inform the taxpayer that the Service will assess tax per the included proposed assessment if no return is filed. Letters also include contact information, including person to contact, time to contact and telephone number. After the first notice is sent to the taxpayer, they are given 30 days to respond before any action is taken. If no response is received from the first notice, a Statutory Notice of



Deficiency is sent to inform taxpayers of their right to petition the Tax Court prior to Assessment by the Service. Both letters also include Appeal rights.

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

If no response is received from the first notice, a Statutory Notice of Deficiency is sent to inform taxpayers of their right to petition the Tax Court prior to Assessment by the Service. Both letters also include Appeal rights.

## **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?*

Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a user be added via the OL5081 system. Each employee must be granted access to ASFR in writing. Specific permissions (Read, Write, Modify, Delete, and Print) are defined via OL5081 and set (activated) by the Database Coordinator (DBC) prior to the employee being allowed operating system and ASFR access. A user's access to the data terminates when it is no longer required. The DBC oversees and reviews all user access.

## **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.*

ASFR record keeping data and associated records are approved for destruction after 3 years under NARA Job No. N1-58-97-13, item 39, and published under IRM 1.15.35 Tax Administration Systems - Electronic, item 39. However, in reviewing ASFR recordkeeping practices for completion of this PIA, system owners and the IRS Records Office determined that a re-evaluation is in order. SBSE and the Records Office will work together to validate and potentially update ASFR dispositions to better fit current data collection activities and maintenance needs. Programs have been incorporated into the ASFR system, which are executed on a weekly basis to identify data that should be eliminated. As cases progress through ASFR, if the cases are closed and closing transactions are posted on IDRS, cases will be eliminated from ASFR. ASFR processes the "current" tax year and four prior tax years. For any case prior to the current and four prior tax years, ASFR posts a closing transaction on IDRS and then eliminates the case from ASFR after confirmation of the transaction posting. ASFR's archive database has been active since 2005. At this time no data has been deleted.

## **SA&A OR ASCA**

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

Yes

*What date was it completed?*

7/15/2019

*Describe the system's audit trail.*

ASFR will monitor (through the Audit Trail) the actions of User Groups as defined by ASFR. Also, an Employee Trace Program is run on ASFR, as deemed necessary by the Treasury Inspector General for Tax Administration (TIGTA) audits. The program is run to obtain data about specific employees. The development team sends instructions to the Systems Administrators (SA) on how to run the program. The program requires a unique environment to run in (set up by the developers). ASFR protects data by assigning system attributes and resources to pre-defined user groups. The action of each user is monitored by the ASFR audit functions.

## 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)?*

Treasury FISMA "Federal Information Security Management Act" Inventory Management System (TFIMS)

*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?*

ASFR complies with the requirements of IRM 10.8.1 regarding developer security testing. ASFR utilizes the IRS standard Rational Team Concert (RTC) for configuration management on the Unix based Tier II server which controls and stores source code. All application source code must be associated with an authorizing document such as a UWR (Business change request) or a KISAM ticket (Production problem change). No code can be transmitted to production unless justified by a UWR or KISAM ticket. A program change is assigned to a developer who accesses the code from RTC for editing and testing. Testing is checked by a team leader. All ASFR UWRs are subjected to a central AD review process. They are then reviewed and costed by impacted developers, reviewed and approved by BCMS Branch Change Control Board (CCB) and reviewed by the AD CCB for final approval. UWR changes are traced from requirements through testing using the Rational Collaborative Lifecycle Management (CLM) tool. Standard walk-through reviews are performed on the system by a team representing the business and developers.

## **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: More than 1,000,000

Other: No

## **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