

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

PIA ID Number: **4314**

## **SYSTEM DESCRIPTION**

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

The CBE Group Inc Collection System, PDC-CBE CCS

*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-The CBE Group Inc Collection System 4177

*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)

Significant System Management Changes

Significant Merging with Another System

*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 TPs and provides this convenience by 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 Pioneer Credit Recovery (PCR) 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-PCR is a general purpose, multi-user system used throughout their 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 file (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). Pioneer 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.*

Income Tax forms and communication from taxpayer or third parties that contain PII/SBU.

*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. All information returned to the IRS for their use validated and verified with the taxpayer by them. 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 Account 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 Collections Data Transfer Component

Current PCLIA: Yes

Approval Date: 1/25/2017

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: Skip Tracing Vendor

Transmission Method: Encrypted Email

ISA/MOU No

Organization Name: Skip Tracing Vendo

Transmission Method: Connected SFTP

ISA/MOU No

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: 4 Skip Tracing Vendors

Transmission Method: Secure File Transfer Protocol (SFTP)

ISA/MOU Yes

Organization Name: Skip Tracing Vendor

Transmission Method: Secure Web Portal

ISA/MOU No

*Does the system receive SBU/PII from Taxpayer forms?*

Yes

*Please identify the form number and name:*

Form Number: 941 Form Name: Employer's Quarterly Federal Tax Return

Form Number: 1120 Form Name: U S Corporation Income Tax Return

Form Number: 720 Form Name: Quarterly Federal Excise Tax Return

Form Number: 1040 Form Name: U S Income Tax Return (for Estates and Trusts)



Form Number: 1065	Form Name: U S Return Of Partnership Income (Publicly Traded Partnerships)
Form Number: 8804	Form Name: Annual Return for Partnership Withholding Tax (Section 1446)
Form Number: CT-1	Form Name: Employer's Annual Railroad Retirement Tax Return
Form Number: 940	Form Name: Employer's Annual Federal Unemployment Tax Return
Form Number: 943	Form Name: Employer's Annual Federal Tax Return for Agricultural Employees
Form Number: 1042	Form Name: Annual Withholding Tax Return for US Source Income of Foreign Persons
Form Number: 8278	Form Name: Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests
Form Number: 944	Form Name: Employer's Annual Federal Employment Tax Return
Form Number: 8752	Form Name: Required Payment or Refund Under Section 7519
Form Number: 945	Form Name: Annual Return Of Withheld Federal Income Tax
Form Number: 8288	Form Name: Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests
Form Number: 990T	Form Name: Exempt Organization Business Income Tax Return
Form Number: 1041A	Form Name: U.S. Information Return-Trust Accumulation of Charitable Amounts
Form Number: 5227	Form Name: Split-Interest Trust Information Return
Form Number: 990PF	Form Name: Private Foundation or Section 4947(a)(1) Non-Exempt Charitable Trust
Form Number: 4720	Form Name: Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Intern
Form Number: 709	Form Name: United States Gift (and Generation Skipping Transfer) Tax Return

Form Number: 706,706B, 706NA	Form Name: United States Estate (and Generation Skipping Transfer) Tax Return
Form Number: 2290	Form Name: Heavy Highway Vehicle Use Tax Form
Form Number: 11-C	Form Name: Occupational Tax and Registration Return for Wagering
Form Number: 730	Form Name: Monthly Tax Return for Wagers
Form Number: 990	Form Name: Return of Organization Exempt from Income Tax
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 (100 or more participants)
Form Number: 8955-SSA	Form Name: Annual Return/Report of Employee Benefit Plan (100 or more participants)
Form Number: 5330	Form Name: Return of Initial Excise Taxes Related to Employee Benefit Plans
Form Number: 706GS(T)	Form Name: Estate and Trust- Generation Skipping Transfer Tax Return for Terminations
Form Number: 706GS(D)	Form Name: Trust- United States Additional Estate Tax Return Under Code Section 2057

*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 Transfer

Current PCLIA: Yes

Approval Date: 1/25/2017

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?*

This requires 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: Subscription Services

Transmission Method: Encrypted using SFTP

ISA/MOU No

Organization Name: Print Vendor

Transmission Method: Encrypted using 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?*

There will be Inter-Agency Agreements (ISA) and Memorandum of Understanding (MOU) in place where possible and as needed for the contract. Federal legislation titled Fixing America's Surface Transportation (FAST) Act was enacted in December 2015 and requires 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?*

The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. Notice is provided to individuals and business by other IRS application or through forms that interact directly with the taxpayer at the time of collection. Due Process is provided pursuant to 5 United States Code (USC). Also, a notice CP 40 and or CP140 is sent to the taxpayer advising that their case is being worked by a Private Collection Agency and they may be contacting the taxpayer directly.

*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 the Private Collection Agency to collect taxes owed will be provided an option to opt-out of the PCA 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 Private Collection Agency process and procedures are dictated by the Internal Revenue Service and outlined in the Private Collection Agency Policy and Procedures Guide. The guide directs the Private Collection Agency to allow the taxpayer due process to file 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?*

Access is determined by job title as defined by management. User request form authorized and submitted by department management. Rolls within the system are assigned based on job title. 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. There are currently three types of User Access Request for all systems. Add User, Delete User, and Change User. Access is provisioned by job title, with requests coming from CBE Management with responsibilities for ensuring proper clearances have been obtained. Authorized requests to change access rights of an individual due to a function or position change will be completed within 24 business hours of notification.

## **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.*

PGLD's Records Office has completed a targeted Records Management review of CBE Group 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?*

No

*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 Cyber print vendor review was completed on July 9- July 11, 2019

*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?*

As part of our standard QA/Testing processes, CBE validates that PII data is protected and encrypted in the application and roles granting access to view any PII data are working as designed in compliance with IRS's 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).