

NOTE: The following reflects the information entered in the PIAMS website.

A. SYSTEM DESCRIPTION

Authority: Office of Management Budget (OMB) Memorandum (M) 03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 & PVR #10- Privacy Accountability and #21-Privacy Risk Management

Date of Approval: 7/22/15

PIA ID Number: **1113**

1. What type of system is this? Appeals Centralized Database System, ACDS

2. Is this a new system? No

2a. If **no**, is there a PIA for this system? Yes

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

Appeals Centralized Database System, ACDS

Next, enter the **date** of the most recent PIA. 12/18/2014 12:00:00 AM

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

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

Were there other system changes not listed above? No

If yes, explain what changes were made.

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

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

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

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.

ACDS is a mission critical system supporting the activities of the Appeals organization. ACDS is a web-based application with no external interfaces. ACDS is only accessible from the Internal Revenue Service (IRS) intranet. ACDS supports and captures information on many of the core business activities, including inventory and statute control, tracking case status, tracking case actions and issues, assigning employees to cases, creating and maintaining employee timesheets, and documenting case reviews. ACDS records case time and monitors the progress of the Appeals workload. Additionally, ACDS is used for all Appeals management information statistics and produces management information reports. The reports generated by ACDS are used to improve the quality of service and to provide IRS executives with timely and accurate metrics on how well the Appeals organization is meeting its strategic goals and supporting IRS and Treasury goals. ACDS is comprised of the following three subsystems: - ACuServ - Art Valuation - e-Case. ****We are revising the PCLIA for ACDS on advisement from Privacy due to the recent change in the method of transmission of data by Art Valuation; the change is in the procedure for the Commissioner's Art Advisory Panel so that art valuation information is sent using encrypted drives instead of on paper. The encryption method has been approved as adequate by Dave Farley of IRS Cybersecurity. The Appeals Art Appraisal Service (AAS) is changing our mail procedure to the Commission's Art Advisory Panel. Current process: The AAS conducts 2 to 4 meeting a year with the Art Advisory Panel. The purpose of these meetings is to fix a value on art objects. In preparation for these meetings, the AAS staff prepares a data sheet on each art object. They collect the data sheets from the six appraisers. Then they copy, collate, and package these documents for mailing. The mail out package for a single panel member can equal a ream of paper. What is changing? AAS is changing from a paper mail out to an electronic mail out using Jump Drives. Panel member return the Jump Drives during the panel meeting. We view this as change in the method of delivery and not in content. The information contained in the Data Sheets is NOT transmitted via ACDS nor is the information contained in or extracted from ACDS. There is no taxpayer information contained in the data sheets, only art object information. ****This seems the only location that is appropriate to provide an explanation for the revision of PIA #540.

B. PII DETAIL

6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information, 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 variations of SSN s (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or SSN variation) is collected on.

Yes On Primary Yes On Spouse No On Dependent

If **yes**, check all types SSN s (or variations of SSN s) that apply to this system:

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

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

We use Work Unit numbers (WUNO) as an alternative to identifying taxpayer records. We mask SSNs in APGolf.

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

If **yes**, specify the information.

<u>Selected</u>	<u>PII Element</u>	<u>On Primary</u>	<u>On Spouse</u>	<u>On Dependent</u>
Yes	Name	Yes	Yes	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
Yes	E-mail Address	No	No	No
No	Date of Birth	No	No	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
Yes	Live Tax Data	Yes	Yes	No

6c. Does this system contain SBU information the system that it uses, collects, receives, displays, stores, maintains, or disseminates? No

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

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

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

<u>Yes</u>	PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
<u>Yes</u>	SSN for tax returns and return information is Internal Revenue Code Section 6109
<u>No</u>	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? Yes

If the answer to 6f is **No**, verify the authority is correct with the system owner and then update the answer to 6f.

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 variations) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The business need for collection of PII is tax administration. ACDS supports and captures information on many of the core business activities, including inventory and statute control, tracking case status, tracking case actions and issues, assigning employees to cases, creating and maintaining employee timesheets, and documenting case reviews. ACDS records case time and monitors the progress of the Appeals workload.

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.

ACDS/Art Valuation: When the Admin file/case file is sent to Appeals for a new Appeals case, it contains a Form 3210, Document Transmittal that identifies the release date of the file, the originator, the name and EIN/Social Security number (SSN) of each case being placed into inventory. Receipt of the Form 3210 information is verified and the part 3 of the Form 3210 returned to the supplier organization function (i.e., W&I, SB/SE, TE/GE, LMSB). A copy of each Form 3210 is retained by Appeals. Timeliness of the taxpayer record is ensured because the adversarial party to the case in Appeals is the taxpayer him/herself. The taxpayer desires timely conclusion of his actions and Appeals is driven to the same conclusion by the taxpayer's actions. Statute of limitations for each case also ensures timely action by all parties. Tax Examiners accept cases into Appeals and control information on ACDS. Finally, ACDS reports monitor length of time in the Appeals process for all cases. These reports are reviewed regularly and steps are taken by management to reduce overage cases. The accuracy and timeliness of all data is verified by the Case Processors/Tax Examiners, Appeals Officers/Settlement Officers, or Appeals Collection Specialists (screeners) who are assigned the case. They physically review the data and compare it to the incoming paper documents received in the Admin file/case file. When there are inaccuracies, or the case is not complete, an Appeals Officer or Settlement Officer prepares a transmittal to return the case to the originating function as a premature referral. They also advise the Processing Section of the corrections that need to be made to the data in ACDS. Appeals Team Managers (ATMs) further ensure the accuracy of the ACDS data as a part of their workload reviews. ACuServ: All data in the system is obtained through contact with the taxpayer or his or her representative. The information is validated by the Appeals Customer Service Representatives through the representative. The information is validated by the Appeals Customer Service Representatives through the customer.

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? Yes

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

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

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

SORNS Number

SORNS Name

Treas/IRS 44.001 Appeals Case Files

Treas/IRS 44.003 Appeals Centralized Database System

Treas/IRS 34.037 Audit Trail and Security Records System

Treas/IRS 44.004 Art Case 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.

NA

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.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
IMS	Yes	03/08/2011	Yes	05/01/2014
ERCS	Yes	01/19/2011	Yes	04/10/2014
ACS	Yes	02/11/2012	Yes	04/23/2013
AOIC	Yes	06/29/2012	Yes	09/27/2012
ICS	Yes	09/17/2013	Yes	04/10/2014

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 agency (-ies)? No

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

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

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
1040	US Individual Tax Return
706-GS(T)	Generation-Skipping Transfer Tax Return for Termination
706-NA	US Non-Resident Alien Estate Tax Return
709	US Gift Tax Return
720	Quarterly Federal Excise Tax Return
730	Monthly Tax on Wagering
8288	US Withholding Tax Return for Dispositions by Foreign Persons of US Realty Property
8703	Annual Certification of a Residential Rental Project
8872	Political Organizations Report of Contributions and Expenses
940	Employers Annual Federal Unemployment Tax Return (FUTA)
943	Employers Annual Federal Tax Return for Agricultural Employees
944	Employers Annual Federal Tax Return
945	Annual Return of Withheld Federal Income Tax
990	Return of Organization Exempt from Income Tax
990-EZ	Short Form Return of Organization Exempt from Income Tax
990-PF	Return of Private Foundation
990-T	Exempt Organization Business Income Tax Return
706-GS (D)	Generation-Skipping Transfer Tax Return for Distributions
941	Employers Quarterly Federal Tax Return
1041	US Fiduciary Income Tax Return (For Estates and Trusts)
1042	Annual Withholding Tax Return for US Source Income for Foreign Persons
1065	US Partnership Return of Income
1065-B	US Return of Income for Electing Large Partnerships
1066	US Real Estate Mortgage Investment Conduit Income Tax Return (REMIC)
1120	US Corporation Income Tax Return
1120-C	US Income Tax Return for Cooperative Associations
1120-F	US Income Tax Return for Foreign Corporations
1120-L	US Life Insurance Company Income Tax Return
1120-POL	US Income Tax Return for Political Organizations
1120-REIT	US Income Tax Return for Real Estate Investment Trusts
1120-RIC	US Income Tax Return for Regulated Investment Companies
1120-S	US Small Business Corporation Income Tax Return
11-C	Occupational Tax and Registration Return for Wagering
2290	Heavy Highway Vehicle Use Tax Return
3520	Annual Return to Report Transactions with Foreign Trusts and Receipt of Foreign Gifts

3520-A	Annual Return of Foreign Trusts with US Beneficiaries
4720	Return of Certain Excise Taxes under Chapters 41 and 42 of the IRC
4720-A	Return of Certain Excise Taxes on Charities and Other Persons under Chapters 41 and 42 of the IRC

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

If **yes**, identify the forms

No Employee Form Records found.

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII? 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, cloud, 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? Yes

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

On systems with tax return information, the IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. Voluntary filing of tax returns is considered consent to use the information.

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.

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

18a. If **yes**, describe the mechanism by which individuals indicate their consent choice(s):

18b. If **no**, why not? Voluntary filing of tax returns is considered consent to use the information.

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

ACDS/Art Valuation: Yes. The very nature of the Appeals mission, to resolve taxpayer appeals of IRS determinations, ensures that ACDS will be used to provide the full extent of "due process" accorded by law. ACuServ: Not applicable. The function of ACuServ is used to keep track of customer complaints. The ACuServ system cannot be used to make decisions that could result in a negative determination. As a result, due process would not be applicable for this system. If the taxpayer is not satisfied with the results of the CSR or AARS action, they can be referred to the Taxpayer Advocates Office, if the case did not originate from there. If the case originated from the Taxpayer Advocates Office, the CSR or the AARS would explain appropriate alternative actions.

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

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

Contractor Employees? Yes

<u>Contractor Employees?</u>	Yes/No	Access Level	Background Invest.
Contractor Users	No		
Contractor Managers	No		
Contractor Sys. Admin.	No		
Contractor Developers	No		

21a. How is access to SBU/PII determined and by whom? ACDS is a role based system; access is based on permissions assigned to each role.

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?

Not Applicable

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

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

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.

ACDS is unscheduled. System use and functionality, as well as records disposition authority for ACDS data and associated records will be reviewed/assessed as part of a BU-Records Office initiative to update Records Control Schedule 10 for Appeals. When approved by the National Archives and Records Administration (NARA), disposition instructions for ACDS inputs, system data, outputs, and system documentation will be published in IRS Document 12990 as an update to RCS 10 for Appeals, item number to be determined

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)? Yes

23a. If **yes**, what date was it completed? 11/19/2014 12:00:00 AM

23b. If **in process**, when is the anticipated date of the SA&A or ECM-R completion?

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

23.1 Describe in detail the system s audit trail. ACDS/Art Valuation: Audit account logon events (AuditAccountLogon) - Success/Failure Audit account management (AuditAccountManage) - Success/Failure Audit directory services access (AuditDSAccess) - Success/Failure Audit logon events (AuditLogonEvents) - Success/Failure Audit object access (AuditObjectAccess) - Success/Failure Audit policy change (AuditPolicyChange) - Success/Failure Audit privilege use (AuditPrivilegeUse) - Success/Failure Audit process tracking (AuditProcessTracking) - No auditing Audit system events (AuditSystemEvents) - Success/Failure ACuServ: Audit Trail Information (including employee log-in info) - ACuServ audits the login and logoff of users, change of user password, invalid login attempts, and viewing or modification of any case. For each audit event, the following information is stored: Date Time Username (this is the user's unique logon name) Internet protocol (IP) address Office code (2-digit Appeals office code) CaseID (the serial number of the case in the case table; every case has a unique ID) The accessed TIN is not captured in an audit log. In order to determine which user has accessed a particular TIN, a query is run against the database and audit log joining the audit logs with the Case tables/Case ID field. From there, one could tell if a user has accessed a particular TIN. There is only one user per audit log event.

J. PRIVACY TESTING

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

. If **no**, please explain why. Appeals does internal testing following ELC Planned Maintenance Path procedures.

K. LIVE DATA TESTING

25. Does this system use, or plan to use Live Data in Testing? Yes

25a. If **yes**, was permission granted per the requirements of Form 13471 Live Data Request? Yes

If **yes**, provide the date the permission was granted. 1/29/2014 12:00:00 AM

25b. If **yes**, was testing performed in conformance with IRM 10.8.8 IT Security, Live Data Protection Policy? Yes
If **no**, explain why not.

L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees: Under 50,000
26b. Contractors: Under 5,000
26c. Members of the Public: More than 1,000,000
26d. Other: No

If **other**, identify the category of records and the number of corresponding records (to the nearest 10,000).

M. CIVIL LIBERTIES

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

27a. If **yes**, explain the First Amendment information being collected and how it is used.

27b. If **yes**, please check all of the following exceptions (any one of which allows the maintenance of such information) that apply:

The individual about whom the information was collected or maintained expressly authorizes its collection/maintenance (as noted in Q17). Yes
The information maintained is pertinent to and within the scope of an authorized law enforcement activity. (As noted in Q 7) Yes
There is a statute that expressly authorizes its collection. (Identified in Q6) Yes

27c. If **yes**, will the First Amendment information be used as the basis to make any adverse determination about an individual's rights, benefits, and/or privileges? 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 or IRS contractors 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

End of Report
