

Date of Approval: **March 02, 2021**

PIA ID Number: **5702**

SYSTEM DESCRIPTION

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

Appeals Centralized Database System, ACDS

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?

Appeals Centralized Database System, ACDS, 3078

What is the approval date of the most recent PCLIA?

12/18/2017

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.

Appeals Governance Board (AGB)

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.

Appeals Centralized Database System (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.

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:

Legal/statutory basis (e.g. where collection is expressly required by statute)

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).

The SSN is uniquely needed to identify a taxpayer's record. The ACDS system requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer for intergovernmental communications. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

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

We use Work Unit numbers as an alternative to identifying taxpayer records. We mask SSNs in Appeals Generator of Letters and Forms (APGolf). The Office of Management and Budget Circular A-130 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 taxpayer's record. The ACDS system requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer for intergovernmental communications. 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

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
E-mail Address
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 Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission.

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.

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?

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 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.

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

ACDS/Art Valuation: When the administrative 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/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., Wage & Investment, Small Business/Self Employed, Tax Exempt/Government Entities, Large Business & International). A copy of each Form 3210 is retained by Appeals. Timeliness of the taxpayer's record is ensured because the adversarial party to the case in Appeals is the taxpayer. The taxpayer desires timely conclusion of their 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, 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 administrative 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 further ensure the accuracy of the ACDS data as a part of their workload reviews.

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 44.001 Appeals Case Files

IRS 44.003 Appeals Centralized Data

IRS 44.004 Art Case Files

IRS 34.037 Audit Trail and Security Records

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: Issue Management System

Current PCLIA: Yes

Approval Date: 9/3/2019

SA&A: Yes

ATO/IATO Date: 5/8/2020

System Name: Examination Returns Control System

Current PCLIA: Yes

Approval Date: 1/22/2020

SA&A: Yes

ATO/IATO Date: 1/24/2020

System Name: Automated Collection System

Current PCLIA: Yes

Approval Date: 10/12/2018

SA&A: Yes

ATO/IATO Date: 2/14/2020

System Name: Automated Offers In Compromise

Current PCLIA: Yes

Approval Date: 2/28/2018

SA&A: Yes

ATO/IATO Date: 9/30/2020

System Name: Integrated Collection System
Current PCLIA: Yes
Approval Date: 4/26/2019
SA&A: Yes
ATO/IATO Date: 5/8/2020

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?

Yes

Please identify the form number and name:

Form Number: 1040
Form Name: US Individual Tax Return

Form Number: 706-GS(T)
Form Name: Generation-Skipping Transfer Tax Return for Termination

Form Number: 706-NA
Form Name: US Non-Resident Alien Estate Tax Return

Form Number: 709
Form Name: US Gift Tax Return

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

Form Number: 730
Form Name: Monthly Tax on Wagering

Form Number: 8288
Form Name: US Withholding Tax Return for Dispositions by Foreign Persons of US Realty Property

Form Number: 8703

Form Name: Annual Certification of a Residential Rental Project

Form Number: 8872

Form Name: Political Organizations Report of Contributions and Expenses

Form Number: 940

Form Name: Employers Annual Federal Unemployment Tax Return (FUTA)

Form Number: 943

Form Name: Employers Annual Federal Tax Return for Agricultural Employees

Form Number: 944

Form Name: Employers Annual Federal Tax Return

Form Number: 945

Form Name: Annual Return of Withheld Federal Income Tax

Form Number: 941

Form Name: Employers Quarterly Federal Tax Return

Form Number: 990

Form Name: Return of Organization Exempt from Income Tax

Form Number: 990-EZ

Form Name: Short Form Return of Organization Exempt from Income Tax

Form Number: 990-PF

Form Name: Return of Private Foundation

Form Number: 990-T

Form Name: Exempt Organization Business Income Tax Return

Form Number: 941

Form Name: Employers Quarterly Federal Tax Return

Form Number: 706-GS (D)

Form Name: Generation-Skipping Transfer Tax Return for Distributions

Form Number: 1041

Form Name: US Fiduciary Income Tax Return (For Estates and Trusts)

Form Number: 1042

Form Name: Annual Withholding Tax Return for US Source Income for Foreign Persons

Form Number: 1065
Form Name: US Partnership Return of Income

Form Number: 1065-B
Form Name: US Return of Income for Electing Large Partnerships

Form Number: 1066
Form Name: US Real Estate Mortgage Investment Conduit Income Tax Return (REMIC)

Form Number: 1120
Form Name: US Corporation Income Tax Return

Form Number: 1120-C
Form Name: US Income Tax Return for Cooperative Associations

Form Number: 1120-F
Form Name: US Income Tax Return for Foreign Corporations

Form Number: 1120-L
Form Name: US Life Insurance Company Income Tax Return

Form Number: 1120-POL
Form Name: US Income Tax Return for Political Organizations

Form Number: 1120-REIT
Form Name: US Income Tax Return for Real Estate Investment Trusts

Form Number: 1120-RIC
Form Name: US Income Tax Return for Regulated Investment Companies

Form Number: 1120-S
Form Name: US Small Business Corporation Income Tax Return

Form Number: 11-C
Form Name: Occupational Tax and Registrations Return for Wagering

Form Number: 2290
Form Name: Heavy Highway Vehicle Use Tax Return

Form Number: 3520
Form Name: Annual Return to Report Transactions with Foreign Trusts and Receipt of Foreign Gifts

Form Number: 3520-A
Form Name: Annual Return of Foreign Trusts with US Beneficiaries

Form Number: 4720

Form Name: Return of Certain Excise Taxes under Chapters 41 and 42 of the IRC

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: Integrated Collection System

Current PCLIA: Yes

Approval Date: 4/26/2019

SA&A: Yes

ATO/IATO Date: 5/8/2020

System Name: Issue Management System

Current PCLIA: Yes

Approval Date: 9/3/2019

SA&A: Yes

ATO/IATO Date: 5/8/2020

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Current PCLIA: Yes
Approval Date: 2/28/2018
SA&A: Yes
ATO/IATO Date: 9/30/2020

Identify the authority.

Maintenance of the system 5 USC 301, 552 and 26 USC 7801 6103h1

For what purpose?

To track information about cases in inventory and closed cases. To document the actions taken during Appeals' administrative review of IRS proposed adjustments, collection actions, or Freedom of Information Act (FOIA) initial determinations. To establish value of art works for purposes of tax administration. 6103h1

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?

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?

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. Notice, consent and due process are provided pursuant to 5 USC.

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

No

Why not?

Voluntary filing of tax returns is considered consent to use the information. Notice, consent and due process are provided pursuant to 5 USC.

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

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. Notice, consent and due process are provided pursuant to 5 USC.

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

System Administrators: Administrator

Developers: Administrator

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. A potential user will request access via the Online 5081 system. This request must be approved by the potential user's manager, Level 1 and Level 2 OL5081 approvers based on a user's position and need-to-know.

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.

National Archives and Records Administration (NARA) schedule DAA-0058-2016-0002. Records Control Schedule (RCS) 10, Item 33. Per the NARA approved RCS 10 Rev. 11/2017, overall ACDS electronic records will be maintained in production for 10 years before being archived.

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?

9/14/2020

Describe the system's audit trail.

There is only one user per audit log event. ACDS is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards. 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 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.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

Appeals does internal testing following Enterprise Life Cycle Planned Maintenance Path procedures.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

Yes

Was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?

Yes

Provide the date the permission was granted.

9/22/2020

Was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy?

Yes

NUMBER AND CATEGORY OF PII RECORDS

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

IRS Employees: Under 50,000

Contractors: Under 5,000

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