

Date of Approval: **January 27, 2023**

PIA ID Number: **7422**

## **SYSTEM DESCRIPTION**

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

Automated Insolvency System, AIS

*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?*

AIS PIA #4554

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

2/18/2020

*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 (SB/SE) Information Technology (IT) Governance Board,  
Chair: SB/SE Commissioner.

*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.*

AIS is the IRS's primary tool for tracking legal requirements for dealing with taxpayers under bankruptcy protection, as well as ensuring that the government's interest is protected when these taxpayers have tax obligations. The AIS application is a comprehensive control and processing support application for processing bankruptcy and other insolvency work. It provides case inventory, status control, proofs of claim, and exchange of information with the United States Bankruptcy Court's Case Management/Electronic Case Filing (CM/ECF) system. One of the primary functions of the application is to prepare and file proofs of claim with the U.S. Bankruptcy Court.

## 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

Delivery of governmental benefits, privileges, and services

*Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers).*

SSNs in accordance with IRC 6103 for tax administration purposes.

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

No mitigation strategy has been identified at this time.

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  
Standard Employee Identifier (SEID)  
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:*

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.

*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.*

Federal Tax Information

*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

PII about individuals for Bank Secrecy Act compliance 31 USC

*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.*

AIS contains personally identifiable information (PII) (e.g., Taxpayer Identification Numbers (TINs) and Social Security Numbers (SSNs)), which is processed, stored, and transmitted through the application and is used in the processing of bankruptcy and other insolvency proceedings.

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

Electronic Proof of Claim (EPOC) - EPOC is a sub-system of AIS that is utilized to interface with the U.S. Bankruptcy Courts CM/ECF system for U.S. Bankruptcy courts that require electronic claim filing. AIS users initiate proof of claim batch processes as needed (daily). Proofs of claims are held in a queue until they are transmitted to a U.S. Bankruptcy court's CM/ECF website through the EPOC sub-system.

## **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 26.009 Lien Files

IRS 26.019 Taxpayer Delinquent Account 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: Audit Information Management System - Reference - AIMS-R

Current PCLIA: Yes

Approval Date: 11/16/2021

SA&A: Yes

ATO/IATO Date: 12/9/2022

System Name: Integrated Data Retrieval System - IDRS

Current PCLIA: Yes

Approval Date: 10/26/2021

SA&A: Yes

ATO/IATO Date: 3/21/2022

System Name: Automated Liens Systems-Entity

Current PCLIA: Yes

Approval Date: 9/24/2021

SA&A: Yes

ATO/IATO Date: 2/1/2022

System Name: Embedded Quality Review System - Field - EQRS-F

Current PCLIA: Yes

Approval Date: 2/2/2022

SA&A: Yes

ATO/IATO Date: 6/9/2022

*Does the system receive SBU/PII from other federal agency or agencies?*

Yes

*For each federal interface, identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).*

Name: US Bankruptcy Courts  
Transmission Method: Bankruptcy Noticing Center Through Defense Logistics Agency (DLA)  
ISA/MOU: Yes

*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: EQRS-F  
Current PCLIA: Yes  
Approval Date: 2/2/2022  
SA&A: Yes  
ATO/IATO Date: 6/9/2022

System Name: ALS-Entity  
Current PCLIA: Yes  
Approval Date: 9/24/2021  
SA&A: Yes  
ATO/IATO Date: 2/1/2022

*Identify the authority.*

Internal Revenue Code Sections 6001, 6011, 6012e(a), Internal Revenue Code Section 6109, Bank Secrecy Act compliance 31 USC

*For what purpose?*

The system sends information to (ALS-Entity), (EQRS-F). By authority of the application system owner (AO).

*Does this system disseminate SBU/PII to other Federal agencies?*

Yes

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

Organization Name: US Bankruptcy Courts  
Transmission Method: EPOC Interface to Case Management/Electronic Case Filing  
ISA/MOU: No

*Identify the authority.*

Internal Revenue Code Sections 6001, 6011, 6012e(a), Internal Revenue Code Section 6109, Bank Secrecy Act compliance 31 USC

*Identify the Routine Use in the applicable SORN (or Privacy Act exception).*

N/A

*For what purpose?*

Transmit bankruptcy proofs of claim to individual bankruptcy court case management/electronic case filing websites.

*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 taxpayer's bankruptcy filing triggers the collection of the data to facilitate the processing information.

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

No

*Why not?*

The taxpayer's provided their consent because the taxpayers' bankruptcy filing triggers the collection of the data to facilitate the processing information.

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

Electronic Proof of Claim (EPOC) - EPOC is a sub-system of AIS that is utilized to interface with the U.S. Bankruptcy Courts CM/ECF system for U.S. Bankruptcy courts that require electronic claim filing. AIS users initiate proof of claim batch processes as needed (daily).



Proofs of claims are held in a queue until they are transmitted to a U.S. Bankruptcy court's CM/ECF website through the EPOC sub-system. 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

Developers: Read Only

*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. In order to gain access, an approved Business Entitlement Access Request System (BEARS).

## **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.*

AIS data is approved for destruction eight years after case is closed (Job No. N1-58-10-21, approved 9/13/2010). This represents an update to the six-year disposition earlier approved under Job No. Job No. N1-58-97-13. New requirements under the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) require that data be maintained for eight years after case is closed. When next published, updated disposition instructions for

AIS data will be included under IRM 1.15.35, item 35 (look for transition of this IRM to Records Control Schedule Document 12990 under RCS 35 soon). Automated Insolvency System (AIS) AIS contains and processes information on bankruptcy court cases. The database contains information related to bankruptcy and insolvency cases, i.e., basic case and taxpayer account information, case histories, proof of claim data, and payment information (Delete 8 years after case is closed). Program Office Supported by the system: Collection A. Input Records: These records include electronic transfer of data from Masterfile/IDRS, court notices (electronic or hard copy), plus status information entered manually by Collection employees (Delete/destroy when 1 year old or when no longer needed for administrative; legal, audit or other operational purposes whichever is sooner). B. Output Records: Transaction code inputs and voucher payments to IDRS, proof of claims filed with court, letters to taxpayers and attorneys, plus system backups, management information reports, program-related reports, ad hoc queries, audit trail, or equivalent documentation in electronic or hard copy formats (Delete/destroy when 1 year old or when no longer needed for administrative, legal, audit or other operational purposes whichever is sooner).

## **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?*

10/31/2022

*Describe the system's audit trail.*

Actions taken on every case by employees are recorded in a manager's screen/audit log within the application. The (UAP) User Administration Program is used to record users when they are added or removed from the system, it also records when passwords are reset in the system. AIS is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

## **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)?*

Test results are stored in DocIT, a web-based electronic document management system powered by the enterprise standard tool Documentum. This is a tool that provides documentation control for IT projects.

*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?*

The AIS project with the assistance and guidance of IT Cybersecurity, ensures that routine security-related activities are conducted on the AIS application. These activities include, but are not limited to security assessments, audits, system hardware and software maintenance, security certifications, and testing of security controls against the application. When security audits, Security Control Assessments (SCA), Security Impact Assessments (SIA), and Security Risk Assessments (SRA) are required the supporting IT Cybersecurity Security Program Management Office (SPMO) and Security Assessment Services (SAS) will communicate with the AIS project to ensure that they understand the scope of the security activity to be conducted.

## **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: Under 50,000

Contractors: Not Applicable

Members of the Public: 100,000 to 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?*

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.*

Yes