

Date of Approval: **December 30, 2020**

PIA ID Number: **5701**

## **SYSTEM DESCRIPTION**

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

Appeals CollectorPro Web Version, AP-CPro Web

*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 CollectorPro Web Version, AP-CPro Web, 3096

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

12/22/2017

*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?*

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.*

Art Appraisal Services (AAS), a department within the Independent Office of Appeals function of the Internal Revenue Service produces and provides appraisal reviews/reports of tangible personal property appraisals associated with federal income, estate, and gift taxes. To accomplish this, AAS performs extensive research of available external databases to acquire both images and text pertaining to various works of art. AAS uses CollectorPro to document their research and to produce appraisal reports.

## 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.)?*

No

*Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e. names, addresses, etc.)?*

No

*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

*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.*

Artist, name of artist that created the art object seeking valuation. IRS Value, dollar value of art object, determined by the Art Panel. Valuation Date, date of the Art Panel meeting. Claimed Value, dollar value of the art object provided by the taxpayer as stated in the audit. Description, title of the art object and its description, obtained from art catalogs and or Internet websites. Provenance, history of ownership of the art object of the art object seeking valuation. Condition, description of the art object condition seeking valuation. Comparable (1) Price, dollar value of a similar art object. Comparable (1) Sale & Date, date and location of valuation of comparable art object. Comparable (1) Description, narrative description of comparable. Comparable (1) picture of comparable art work with researcher's notes. Comparable (2) Price, dollar value of a similar art object. Comparable (2) Sale & Date, date and location of valuation of comparable art object. Comparable (2) Description, narrative description of comparable. Comparable (2) picture of comparable art work with researcher's notes. Comparable (3) Price, dollar value of a similar art object. Comparable (3) Sale & Date, date and location of valuation of comparable art object. Comparable (3) Description, narrative description of comparable. Subject Property, a picture of the art object seeking valuation. Comparable (3) picture of comparable art work with researcher's notes.

*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)

*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.*

AAS, a department within the Independent Office of Appeals function of the Internal Revenue Service. AAS produces and provides appraisal reviews/reports of tangible personal property appraisals associated with federal income, estate, and gift taxes. To accomplish this, AAS performs extensive research of available external databases to acquire both images and text pertaining to various works of art. AAS uses CollectorPro to their document research and to produce appraisal reports. CollectorPro is a commercial software product purchased by the IRS. CollectorPro does not capture SSNs. CollectorPro does capture the case tracking number from our case management system called Appeals Centralized Database System (ACDS).

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

The art valuation process, which is documented by CollectorPro, is an information verification process. As part of an Exam audit, the taxpayer submits a claimed value for an art object. The art appraiser develops information on the claimed art object plus three comparable art objects. The research and conclusions are entered into CollectorPro. CollectorPro produced reports which are reviewed by the Commissioner's Art Panel to validate the appraiser's research. This review in turns validates or corrects the information in CollectorPro. The following are the rights for the taxpayer to refute the information in CollectorPro. The art appraisal reports are an appendix in the taxpayer's audit report. The taxpayer has the right to appeal the Exam audit. This right to appeal also covers the art appraisal report produced by CollectorPro.

## **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 44.004 Art Case Files

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## Official Use Only

## **INCOMING PII INTERFACES**

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

No

## **DISSEMINATION OF PII**

*Does this system disseminate SBU/PII?*

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?*

During the course of an Exam audit the taxpayer is given multiple Request For Information (RFI) requesting the claimed value of an art object(s) and the supporting documentation. This would be an example of a mandatory request. The taxpayer also could voluntarily provide art object information when filling out private or corporate tax returns. In other words, the taxpayer's claimed art work information comes from the Exam audit.

*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 application does not replace any individual taxpayer's right to due process, as dictated by the Internal Revenue Manual guidelines. IRS policy allows individual taxpayers whose data is in the system the opportunity to clarify or dispute negative determinations through the appeal process.

## **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 Only

System Administrators: Administrator

*How is access to SBU/PII determined and by whom?*

Access to the Appeals CollectorPro Web Version, is requested via an Online Form 5081 (OL5081). Access is granted on a need-to-know basis. The OL5081 enrollment process requires that an authorized manager approve access requests on a case by case basis. Access approval is based on the user's role(s) and responsibilities. Users are given the minimum set of privileges required to perform their regular and recurring work assignments; they are restricted from changing the boundaries of their access without management approval. The employee's access will be terminated once they no longer require access to the database. Deletion from the active access role is also performed through the OL5081.

## 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.*

All records housed in the Ap-CPro Web system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to affect data disposition. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6 and will be destroyed using IRS Records Control Schedule 10 for Appeals, Item 18 Art Appraisal Services Records. Files consist of taxpayer case files that include appraisal review requests from Examination, Appeals, and District Counsel offices, support and background data, forms, work papers, Art Advisory Panel recommendations, and final appraisal reports for art and cultural property listed on tax returns. Except for working papers and background data, the files consist of copies of records returned to district offices. (Job No. N1-58-06-10) AUTHORIZED DISPOSITION Cut off upon close of case. Destroy 6 years after Cut off.

## 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?*

Do not know

*Describe the system's audit trail.*

All provisions of IRM 10.8.22, Information Technology Security, Web Server Security Policy, are followed.

## **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)?*

Weekly status report confirmed Privacy Assessment was completed and CollectorPro Appeals was approved.

*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?*

Quality Acceptance Testing and COTs security testing per Standards, Change and Release Management.

## **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: Not Applicable

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