A. SYSTEM DESCRIPTION

1.   Enter the full name and acronym for the system, project, application and/or database. Automated Substitute For Return, ASFR

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, PIA ID Number and milestone of the most recent PIA.

          Automated Substitute for Return (ASFR), 613

          Next, enter the **date** of the most recent PIA.   1/13/2014

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

No	**Addition of PII**
No	**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

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.

The ASFR System is an IRS-developed National Standards Application written in MicroFocus Common Business Oriented Language (COBOL) and Unix Shell programs. It is a batch-processing application that performs complex computations and tax calculations enabling tax examiners to issue accurate notices and assessments based on Information Returns Processing (IRP) information. The ASFR system acquires income information for taxpayers who have not filed tax returns for a given year and calculates their tax liability. This data is received from the Taxpayer Delinquency Investigation (TDI) and IRP systems. Once a case has been created, the ASFR system sends a thirty-day letter to the taxpayer detailing their tax liability and requesting that they file a return. A dummy tax return is then filed by ASFR. If a return is filed by the taxpayer, or proof that a return was not required is presented, the case is considered satisfied and is closed in ASFR. If no response is received, the system sends a ninety-day letter, which is a substitute for return. After the designated suspense period, if the taxpayer has not responded, the tax liability is then assessed and appropriate transactions are posted to the Individual MasterFile through the End of Day (EOD) programs. After these postings, the ASFR case is closed and is passed to the Automated Collection System (ACS) for further collection activity. Due process is provided outside of the system pursuant to 26 USC.

B. PII DETAIL

6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or 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 tax identification numbers (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or tax identification number) is collected on.

Yes   On Primary   Yes   On Spouse   No   On Dependent

If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

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

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

There is no alternative to the use of the SSN. The SSN is the significant part of the data being processed.

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

If **yes**, specify the information.

Selected	PII Element	On Primary	On Spouse	On Dependent
Yes	**Name**	**Yes**	**Yes**	**No**
Yes	**Mailing address**	**No**	**No**	**No**

Yes	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
Yes	Date of Birth	Yes	Yes	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
No	Tax Account Information	No	No	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates?   No

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

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

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

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

   The purpose of this system is to gather tax information about individuals that have not filed tax returns, create the missing returns for them, and generate correspondence requesting the unfiled returns. Information that facilitates the computation of an accurate taxpayer return is needed to complete this task. The name, TIN, and address are required to identify the taxpayer's account.

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

ASFR is a batch-processing application that performs complex computations and tax calculations enabling tax examiners to issue accurate notices and assessments based on IRP information and to resolve return delinquency cases on individual taxpayers. ASFR data is subjected to supervisory and management review and internal control audits in accordance with Office of Management and Budget (OMB) Circular A-123, Internal Control Reviews. ASFR relies on information obtained from other IRS applications for accuracy, timeliness, and completeness. The taxpayer is asked to provide updates and corrections if he or she feels it is in error.

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
22.061	**Individual Return Master File (IMRF)**
24.030	**CADE Individual Master File**
24.046	**CADE Business Master File**
24.047	**Automated Under Reporter Case File**
26,016	**Returns Compliance Programs (RCP)**
34.037	**IRS Audit Trail and Security Records System**

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. ## Official Use Onely

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.

System Name	Current PIA?	PIA Approval Date	SA & A?	Authorization Date
IDS	**Yes**	**12/05/2016**	**Yes**	**09/24/2015**
AUR	**Yes**	**06/06/2016**	**Yes**	**09/21/2016**

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?   No

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

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?   No

   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.
   The purpose of this system is to gather tax information about individuals that have not filed tax returns, create the missing returns for them, and generate correspondence requesting the unfiled returns. This information must be acquired to analyze and determine if there is a tax responsibility and if contact with the taxpayer is required.

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

   18b. If no, why not?   Letters are sent to the taxpayer to request unfiled return(s) and to inform the taxpayer that the Service will assess tax per the included proposed assessment if no return is filed. Letters also include contact information, including person to contact, time to contact and telephone number. After the first notice is sent to the taxpayer, they are given 30 days to respond before any action is taken. If no response is received from the first notice, a Statutory

Notice of Deficiency is sent to inform taxpayers of their right to petition the Tax Court prior to Assessment by the Service. Both letters also include Appeal rights.

19. How does the system or business process ensure due process regarding information access, correction and redress?
ASFR primarily relies on the Unisys mainframe for case data, IDRS and AUR for taxpayer data, the IBM Mainframe for information returns, and IDS for address research data. When the File Transfer Protocol (FTP) utility runs, it verifies that each file was transferred in its entirety from one system platform to the next. All data within the system is protected at rest as only valid users can access the data and security measures are in place to restrict invalid access. However, the data at rest is not encrypted. IRM 10.8.1.5.4.6 (12) states that encryption of data residing on the primary storage devices of IRS information systems (e.g., servers, mainframes) is not required.

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

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

Contractor Employees?   No

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

21a. 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 via the OL5081 system. Each employee must be granted access to ASFR in writing. Specific permissions (Read, Write, Modify, Delete, and Print) are defined via OL5081 and set (activated) by the Database Coordinator (DBC) prior to the employee being allowed operating system and ASFR access. A user's access to the data terminates when it is no longer required. The DBC oversees and reviews all user access

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?   Yes

    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.

> ASFR record keeping data and associated records are approved for destruction after 3 years under NARA Job No. N1-58-97-13, item 39, and published under IRM 1.15.35 Tax Administration Systems - Electronic, item 39. However, in reviewing ASFR recordkeeping practices for completion of this PIA, system owners and the IRS Records Office determined that a re-evaluation is in order. SBSE and the Records Office will work together to validate and potentially update ASFR dispositions to better fit current data collection activities and maintenance needs. Programs have been incorporated into the ASFR system, which are executed on a weekly basis to identify data that should be eliminated. As cases progress through ASFR, if the cases are closed and closing transactions are posted on IDRS, cases will be eliminated from ASFR. ASFR processes the "current" tax year and four prior tax years. For any case prior to the current and four prior tax years, ASFR posts a closing transaction on IDRS and then eliminates the case from ASFR after confirmation of the transaction posting. ASFR's archive database has been active since 2005. At this time no data has been deleted.

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)?   In-process

    23b. If **in process**, when is the anticipated date of the SA&A or ECM-R completion?   12/31/2016

    23.1 Describe in detail the system s audit trail.   ASFR will monitor (through the Audit Trail) the actions of User Groups as defined by ASFR. Also, an Employee Trace Program is run on ASFR, as deemed necessary by the Treasury Inspector General for Tax Administration (TIGTA) audits. The program is run to obtain data about specific employees. The development team sends instructions to the SA on how to run the program. The program requires a unique environment to run in (set up by the developers). ASFR protects data by assigning system attributes and resources to pre-defined user groups. The action of each user is monitored by the ASFR audit functions.

J. PRIVACY TESTING

24. Does the system require a System Test Plan? Yes

    24b. If **yes**, Is the test plan in process or completed: Completed

    24.3 If **completed/ or in process,** 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?
    Annual Assessment

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?   TFIMS

24b.2. If **completed**, were all the Privacy Requirements successfully tested?   Yes

24.2 If **completed**, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved? No

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing?   No

L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees: Not Applicable
26b. Contractors: Not Applicable
26c. Members of the Public: More than 1,000,000
26d. Other: No

M. CIVIL LIBERTIES

27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?   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 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