

Date of Approval: February 22, 2017

PIA ID Number: 2173

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### A. SYSTEM DESCRIPTION

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1. Enter the full name and acronym for the system, project, application and/or database. Federal Payment Levy Program, FPLP

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.

Federal Payment Levy Program, FPLP, 529, MS4B

Next, enter the **date** of the most recent PIA. 4/18/2014

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

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

Were there other system changes not listed above? No

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

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

4. Is this a Federal Information Security Management Act (FISMA) reportable system? No

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#### A.1 General Business Purpose

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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.

Federal Payment Levy Program (FPLP) is a systemic collection enforcement tool application where certain delinquent taxpayers are matched and levied for their Federal Payments disbursed by Treasury's Bureau of Fiscal Service (BFS)(Formerly Financial Management Service (FMS)). Each week, IRS Financial Systems creates a file of certain balance due accounts and transmits the file to BFS' Treasury Offset Program (TOP). BFS transmits a weekly file back to IRS (received by Unpaid Assessments (UA)) listing those who matched. FPLP will subsequently transmit levies on accounts that had matched. On Social Security benefit payment matches, FPLP will send a transaction to the Individual Master File (IMF) which results in a special pre-levy collection notice to those taxpayers, copies of the notices are also transmitted to SSA for tax administration purposes. Due process is provided pursuant to 26 USC.

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**B. PII DETAIL**

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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:

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

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 and required for inter-agency cooperation.

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.

<b>Selected</b>	<b>PII Element</b>	<b>On Primary</b>	<b>On Spouse</b>	<b>On Dependent</b>
<b>Yes</b>	<b>Name</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>Yes</b>	<b>Mailing address</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>No</b>	<b>Phone Numbers</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>No</b>	<b>E-mail Address</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>No</b>	<b>Date of Birth</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>No</b>	<b>Place of Birth</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>No</b>	<b>SEID</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>No</b>	<b>Mother's Maiden Name</b>	<b>No</b>	<b>No</b>	<b>No</b>

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
Yes	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	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)

Yes	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.

For TIN, MFT, TXPD: each is a piece that contributes to creating a unique debt number balance due, so BFS knows how much to send. Address: to where to send follow-up notice Payment amount: Amount that is levied and credited on the delinquent taxpayer account. Payor information: Income/asset information of delinquent taxpayer from collection source. The data is stored in the delinquent taxpayer account record for future collection enforcement information. The IRS SSN and Debt is matched to the BFS payment. BFS sends the payment to IRS and the IRS uses the SSN, MFT and the TAX PERIOD to post the payment to the debt. SSN - Social Security Number, MFT - IRS Forms, TAX PERIOD - Year and Month that form is filed.

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

Each data element is taken directly from the current week's IRS Master File tapes. Data received from BFS is certified by the Federal agency providing it to BFS. Validity and accuracy of that data is the responsibility of the systems that provide data to FPLP. There is no direct user input to the FPLP system, All data is received from other systems, The forms are input into the feeder systems (IDRS/Masterfile). FPLP receives the data from the MITS-21 GSS. To ensure no data is lost, the Log Accounting Report System (LARS) is used to ensure that the number of records sent matches the number of records received by FPLP.

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### C. PRIVACY ACT AND SYSTEM OF RECORDS

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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.

<u>SORNS Number</u>	<u>SORNS Name</u>
<b>IRS 34.037</b>	<b>IRS Audit Trail and Security Records System</b>
<b>IRS 26.019</b>	<b>Taxpayer Delinquent Accounts</b>

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

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### D. RESPONSIBLE PARTIES

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10. Identify the individuals for the following system roles. ## Official Use Only

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### E. INCOMING PII INTERFACES

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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 &amp; A?</u>	<u>Authorization Date</u>
<b>Individual Master File (IMF)</b>	<b>Yes</b>	<b>05/02/2014</b>	<b>Yes</b>	<b>10/02/2015</b>
<b>Business Master File (BMF)</b>	<b>Yes</b>	<b>05/28/2014</b>	<b>Yes</b>	<b>05/04/2015</b>

11b. Does the system receive SBU/PII from other federal agency or agencies? Yes

If **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).

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
<b>Bureau of Fiscal Services (BFS)</b>	<b>Direct Connect</b>	<b>Yes</b>
<b>Social Security Administration (SSA)</b>	<b>ECC</b>	<b>Yes</b>

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

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## **F. PII SENT TO EXTERNAL ORGANIZATIONS**

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12. Does this system disseminate SBU/PII? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? Yes

If **yes**, identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA &amp; A?</u>	<u>Authorization Date</u>
<b>Individual Master File (IMF)</b>	<b>Yes</b>	<b>05/02/2014</b>	<b>Yes</b>	<b>10/02/2015</b>
<b>Business Master File (BMF)</b>	<b>Yes</b>	<b>05/28/2014</b>	<b>Yes</b>	<b>05/04/2015</b>

Identify the authority and for what purpose? OMB M 03-22 & PVR #14- Privacy Notice and #19- Authorizations. For TIN, MFT, TXPD; each is a piece that contributes to creating a unique debt number balance due, so BFS knows how much to send. Address: to where to send follow-up notice Payment amount: Amount that is levied and credited on the delinquent taxpayer account. Payer information: Income/asset information of delinquent taxpayer from collection source. The data is stored in the delinquent taxpayer account record for future collection enforcement information.

12b . Does this system disseminate SBU/PII to other Federal agencies? Yes

If **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)

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
<b>Bureau of Fiscal Service (BFS)</b>	<b>Direct Connect</b>	<b>Yes</b>
<b>Social Security Administration (SSA)</b>	<b>ECC</b>	<b>Yes</b>

Identify the authority and for what purpose? OMB M 03-22 & PVR #14- Privacy Notice and #19- Authorizations. For TIN, MFT, TXPD; each is a piece that contributes to creating a unique debt number balance due, so BFS knows how much to send. Address: to where to send follow-up notice Payment amount: Amount that is levied and credited on the delinquent taxpayer account. Payer information: Income/asset information of delinquent taxpayer from collection source. The

data is stored in the delinquent taxpayer account record for future collection enforcement information.

12c. Does this system disseminate SBU/PII to State and local agencies? No

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? No

12e. Does this system disseminate SBU/PII to other Sources? No

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## **G. PRIVACY SENSITIVE TECHNOLOGY**

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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

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## **H. INDIVIDUAL NOTICE AND CONSENT**

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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? The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. When a return is selected for Examination, Collection etc., the taxpayer is sent the Privacy Act Notice, Your Appeals Rights and How to Prepare a Protest and Overview of the Appeals Process. Authority: OMB M 03-22 & PVR #15- Consent and #18- Individual Rights.

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? All individuals have the right to decline to provide information. However, they may be subject to Examination or Deficiency procedures, at which time they are provided applicable notices, such as Your Appeals Rights and How to Prepare a Protest. Authority: OMB M 03-22 & PVR #15- Consent and #18- Individual Rights

19. How does the system or business process ensure due process regarding information access, correction and redress? IRS sends the taxpayer a certified return receipt requested Collection Due Process notice advising taxpayers of their appeals rights before any collection action is taken. Legislation allows collection on federal contractors before due process.

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## **I. INFORMATION PROTECTION**

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

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? FPLP is a batch program with restricted Internal IRS access and no end-user capabilities. There are Information Technology (IT) programmers who work on FPLP providing software maintenance support. The IT programmers do not have write permissions to the production application. Support personnel at the Enterprise Computing Center also have access to the application in mainframe to provide processing operations support, computer facilities, equipment and data storage on the MITS 21 (IBM Master File) General Support System which has its own security support plan. This is in compliance with the Privacy Act of 1974. A potential user will request access via the OL5081 system. This request has to be approved by the potential user's manager based on a user's position and need-to-know.

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 ? Yes

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## **I.1 RECORDS RETENTION SCHEDULE**

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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.

FPLP taxpayer collection notices are scheduled under Records Control Schedule (RCS) 29, Item 38 for Certified and Registered Mail Records (disposition instructions published in Document 12990). FPLP delinquent taxpayer account information is only necessary to maintain until it is transferred to/verified by IMF for recordkeeping purposes and other outside data stakeholders. All records housed in the FPLP system will be erased or purged from the system in accordance with approved retention periods. It is not the official repository for data and documents. Any temporary 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 General Records Schedule (GRS) 4.3, Item 020, and as coordinated with the IRS Records and Information Management (RIM) Program and IRS Records Officer.

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## **I.2 SA&A OR ECM-R**

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23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? No

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

23.1 Describe in detail the system s audit trail. FPLP audit trail protection is provided by the Modernization and Information Technology Service (MITS) - 21 General Support System (GSS), System of Records Notice Number: Treasury/IRS 34.037

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## J. PRIVACY TESTING

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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? Continuous Monitoring (eCM)(now called Annual Security Control Assessment (ASCA)) occurs annually to ensure that controls remain in place to properly safeguard PII.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? Live and/or sensitive data is handled in accordance with IRM 10.5.8 Information Technology (IT) Security, Live Data (LD) Protection and IRM 10.8.1, Information Technology (IT) Security Policy and Guidance.

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

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## K. SBU Data Use

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

25a. If **yes**, was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request? No

If **yes**, provide the date the permission was granted.

If **no**, explain why not. It was determined from the SBU Questionnaire that no SBU Data Use Form was required.

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## L. NUMBER AND CATEGORY OF PII RECORDS

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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

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## M. CIVIL LIBERTIES

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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

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#### **N. ACCOUNTING OF DISCLOSURES**

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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? Yes

If **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

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**End of Report**

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