

Date of Approval: **March 29, 2022**

PIA ID Number: **6877**

SYSTEM DESCRIPTION

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

Tax Refund Offset Program, TRO - Legacy Access Pro, LAP

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?

Tax Refund Offset Program, TRO - Legacy Access Provider, LAP PCLIA 3907

What is the approval date of the most recent PCLIA?

3/21/2019

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.

Bureau of Fiscal Services (BFS)

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.

The Tax Refund Offset (TRO) Program allows for internal tax offsets and external offsets to post to taxpayer accounts. For internal offset: An overpayment from one tax period may be applied to another tax period in debit balance to satisfy the tax liability. For external offsets: Refund files certified by Internal Revenue Service (IRS) to Bureau of Fiscal Services (BFS) for payment may be offset to pay Federal non-tax debts, State income tax obligation or unemployment compensation up to the amount of the debt or the amount of the refund whichever is the lesser amount.

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:

Interfaces with external entities that require 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

Another compelling reason for collecting the SSN

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

For offsets that occur from a tax refund overpayment at BFS, BFS provides the following information that will post to the taxpayer's account: Offset transaction

record (posts as TC 898) with a memo amount that provides the total offset for a particular refund. Offset reversal transaction record (posts as TC 899, type 1 thru 4) with a memo amount that provides the total amount of the offset that is subsequently refunded to the taxpayer by the creditor agency or by BFS. For data provided by BFS, the IRS does not know if the debt owed is for a Federal non-tax debt, a State income tax obligation or unemployment compensation. The IRS only knows that a debt exists at BFS. IRS employees use this information to accurately calculate Injured Spouse Allocations, determine if funds are available for reversal when processing Identity Theft cases, etc.

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. There is no planned mitigation strategy to mitigate or eliminate the use of the SSN on the system. The Office of Management and Budget CIRCULAR NO. 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 user's record. TRO requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time. 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

Other Taxpayer 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
Date of Birth
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.

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?

Yes

Describe the other types of SBU/PII that are applicable to this system.

Federal Tax Information - income amounts from tax returns, filing status, exemptions, fact of filing, injured spouse status, federal tax withheld.

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 SSN is used to accurately post certain transactions related to the internal or external offset that occur. SSNs are the primary key, used by Integrated Data Retrieval System (IDRS) and employees to tie together tax forms relating to a particular taxpayer and is a key component to accurately post offset transactions conducted by BFS. For offsets that occur from a tax refund overpayment at BFS, BFS provides information that posts to the taxpayer's

account identifying that an offset occurred; however, the IRS does not know if the debt owed is for a Federal non-tax debt, a State income tax obligation or unemployment compensation. The IRS only knows that a debt exists at BFS. BFS also provides offset reversal transaction records if the offset is subsequently refunded to the taxpayer by the creditor agency or by BFS. IRS employees use this information to accurately calculate Injured Spouse Allocations, determine if funds are available for reversal when processing Identity Theft cases, etc.

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

Programming ensures that all required data fields are present and correct. Validity and consistency checks are conducted against the data elements provided by BFS. Data elements not meeting established procedures with the Data Master File (DMF) runs are sent to the research files and do not post to the taxpayer account. If the taxpayer questions the information provided by BFS, the taxpayer is instructed to contact BFS or the Creditor agency for correction and the taxpayer account updates upon receipt of corrected information from BFS. On a daily/weekly basis: A. BFS provides IRS with data elements to update: -The debt indicator on Command Code (CC) Information On-Line Entity (INOLE) -Offset and offset reversal transactions, and -Credit Elect processing data. B. IRS provides BFS with offset reversal requests which are based on current information received from the taxpayer as well as information obtained from Individual Master File (IMF) or Business Master File (BMF).

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 24.030 Customer Account Data Engine Individual Master File

IRS 24.046 Customer Account Data Engine Business Master File

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: Integrated Data Retrieval System (IDRS)

Current PCLIA: Yes

Approval Date: 10/26/2021

SA&A: Yes

ATO/IATO Date: 10/14/2021

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: Form 8379

Form Name: Injured Spouse Allocation

Form Number: Form 1040
Form Name: US Individual Income Tax Return

Does the system receive SBU/PII from Employee forms (e.g., the I-9)?

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?

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. Notice, consent, and due process are provided in the tax forms instructions, and 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?

The IRS has the legal right to ask for information per IRC sections 6001, 6011, and 6012(a), and their regulations. The regulations state that "taxpayers must file a return or statement with IRS for any tax they are liable for". Their response is mandatory under these sections.

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

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. The system will allow affected parties the opportunity to clarify or dispute negative information that could be used against them. Notice, consent, and Due process is 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?

The PII information is accessed thru the Integrated Data Retrieval System (IDRS). Customer Service Representatives (CSR) with IDRS access will be able to obtain some of the information concerning an internal tax offset and delinquent Federal non-tax debt, State income tax obligation or unemployment compensation conducted by BFS. A potential user

will request access via the Business Entitlement Access Request System (BEARS) system. This request must be approved by the potential user's manager 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.

Document 12990, Records Control Schedule for Tax Administration, RCS 29 (Items #55 and #56): Both paper and electronic documents (Form 8379) filed by the taxpayer, documents destroyed on or after January 16, six years after the end of the processing year. o Document 12990, Records Control Schedule for Enterprise Computing Center - Martinsburg, RCS 19 (Item # 29 and #30): For data received from BFS (via electronic transmissions - NDM), the transmitted data will be scratched after successful completion of third update cycle. This system is part of the IMF and BMF (feeds through CADE). Not a stand-alone and does not need to be scheduled separate from the Master Files.

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?

Yes

Describe the system's audit trail.

Customer Service Representatives (CSR), with Integrated Data Retrieval System (IDRS), will be able to obtain some of the information concerning a tax debt offset as well as delinquent Federal non-tax debt, State income tax obligation or unemployment compensation. Audit trails for the CSRs will be captured through IDRS. IDRS audit trail captures employee sign-on/sign-off and every command code accessed by employee number,

taxpayer TIN and MFT/tax period if applicable. Other variable data will be captured depending on the command code accessed. The audit trail captures are standard operating procedures through-out the Service for all IDRS users.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

All the customer configurable security controls are implemented as intended and documented in the TRO System Security Plan (SSP).

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: 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