Date of Approval: **October 21, 2022**

PIA ID Number: **7306**

SYSTEM DESCRIPTION

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

Scanning as-a-Service Front-End Resultant V2, SCaaS Front-End Resultant

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?

Scanning as-a-Service Front-End Resultant, SCaaS Front-End Resultant, 6821, System Deployment

What is the approval date of the most recent PCLIA?

3/24/2022

Changes that occurred to require this update:

Addition of Personally Identifiable Information (PII)

Significant System Management Changes

New Access by IRS employees or Members of the Public

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.

Enterprise Case Management (ECM) Executive Steering Committee (ESC)

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.

Scanning as-a-Service (SCaaS) will allow the Internal Revenue Service (IRS) to use managed services from a contractor to digitize or digitalize paper records and allow the electronic file to be used for processing and/or to serve as the official record. This will allow the IRS to move from a paper environment to an electronic record environment, in accordance with Office of Management and Budget (OMB) guidance to do so. We will award contracts for scanning services (which include Federal Information Security and Management Act (FISMA) and Publication 4812 requirements). We will ship paper returns, forms, or documents to the contractors. A unique document locator number (such as document locator number (DLN)) will serve as the control number. IRS Form 3210, Document Transmittal, or similar form will accompany each box of documents and be used as a receipt control. The contractors will scan the paper files, adhering to IRS technical specifications. The contractors will transmit the electronic files to the IRS, in a method to be coordinated with the IRS Office of the Chief Information Officer. The contractor will return the paper records to the IRS in real-time as they are scanning, balancing contractor and IRS workload and shipping cost efficiencies. We will then validate the quality of the scans and save the electronic files in a National Archives and Records Administration (NARA)-compliant repository. This PCLIA is focused only on the front-end of SCaaS: shipping the paper documents to the contractors, the contractors scanning the paper files, and transmitting the electronic files to the IRS. A separate PCLIA and separate Enterprise Life Cycle (ELC) process will focus on the back end of SCaaS: validating the quality of the scans and saving the electronic files. This will allow the project to ship the paper documents to the contractors under active contract, while awaiting development of the back-end information technology (IT) solution. The information contained in the returns, forms and documents will remain the same, the uses of the information will remain the same, but the access and official record will change from paper-based to digital. All contractors will initially scan Form 709. The project scope will expand to include other returns, forms, or documents in the future. Some additional documents include Form 940, Form 941, Form 1040, Form 906, Form 8288-B, and Trust Fund Recovery Penalty (TFRP) case files. This list is not meant to be exhaustive.

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:

Security Background Investigations

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

Statistical and other research purposes

Delivery of governmental benefits, privileges, and services

Law enforcement and intelligence purposes

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).

The contractors will be provided with paper tax returns, forms, or documents. These documents will include Taxpayer Identification Number (TIN)s, including SSNs, Employer Identification Number (EIN)s, Identity Protection Personal Identification Number (IP PIN)s, etc. The contractors will scan the paper documents in their entirety and transmit the electronic record along with extracted metadata elements to the IRS for processing or archiving. The electronic transmission will be via the IRS e-File process or Secure Data Transfer (SDT). The SCaaS contractors will apply to become e-File Transmitters, in accordance with Publication 3112, IRS e-File Application & Participation and Publication 4163, Modernized eFile Information for Authorized IRS eFile Providers for Business Returns. They will also follow IRS instructions to become verified to be able to submit documents via SDT. The information contained in the returns, forms and documents will remain the same, the uses of the information will remain the same, but the access and official record will change from paper-based to digital. Because the use of the TINs are necessary to be included on the underlying returns, forms, and documents, they will be captured as images and metadata elements during scanning as well.

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

NA

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
E-mail Address
Date of Birth
Place of Birth
Protection Personal Identification Numbers (IP PIN)
Internet Protocol Address (IP Address)
Medical Information
Certificate or License Numbers
Vehicle Identifiers
Passport Number
Alien Number
Financial Account Numbers
Employment Information
Tax Account Information
Centralized Authorization File (CAF)

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:

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?

No

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 inclusion of Personally Identifiable Information (PII) and Federal Tax Information (FTI), such as TINs, SSNs, EINs, IP PINs, etc., is necessary because we are creating digital versions of paper tax returns, forms, and documents. These electronic files will replace the paper files as the official record (upon being validated and stored in a NARA-compliant repository). The scanned electronic file must be an exact replica of the paper file. As a result, it will include the PII and FTI (TIN, name, mailing address, etc.) as shown on a given paper tax return, form, or document. In addition, to become the official record, certain metadata elements must be captured from the returns, forms, and documents. For our first use case, Form 709, US Gift Tax returns, the PII is SSN, name, and mailing address found on the Form 709 itself and any PII contained in the attachments to the Form 709. The same PII will also be captured as part of the metadata elements. As the Form 709 is a tax return, the document itself is FTI. It is anticipated in the other use cases, similar PII, such as TIN, name and address will also be captured. For any paper document that is also a tax return, FTI will be copied, captured and/or extracted.

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

For archiving, scanned files and related metadata, the electronic version will meet the Minimum Technical Digitization Specifications and Minimum Metadata Elements for IRS Records. These specifications were developed in concert with Privacy, Governmental Liaison and Disclosure (PGLD) Records and Information Management (RIM). For processing, the data extraction for processing will follow the Guidelines for Industry Partners (GIP) which includes key field verification for each identified field.

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 00.001 Correspondence Files and Correspondence Control Files

IRS 00.002 Correspondence Files: Inquiries about Enforcement Activities

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?

No

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: 709
Form Name: United States Gift (and Generation-Skipping Transfer) Tax Return

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

Form Number: 940
Form Name: Employer's Annual Federal Unemployment (FUTA) Tax Return

Form Number: 941
Form Name: Employer's Quarterly Federal Tax Return

Form Number: 906
Form Name: Closing Agreement on Final Determination Covering Specific Matters

Form Number: 8288-B
Form Name: Application for Withholding Certificate for Dispositions by Foreign Persons of US Real Property Inte

Form Number: 4183
Form Name: Recommendation re: Trust Fund Recovery Penalty Assessment

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: Modernized e-File
Current PCLIA: Yes
Approval Date: 2/8/2022
SA&A: Yes
ATO/IATO Date: 6/14/2022

System Name: Secure Data Transfer
Current PCLIA: No
SA&A: No

Identify the authority.

E-Government Act of 2002, 5 USC 301 or 26 USC 6103(b)(1)

For what purpose?

SCaaS will use the e-File Transmitter process and/or Secure Data Transfer to move electronic data (scanned tax returns, files, and metadata) from the contractors into the IRS.

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

No

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

Yes

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

Organization Name: Ripcord
Transmission Method: Shipping paper tax returns to contractor
ISA/MOU: No

Organization Name: Brillient
Transmission Method: Shipping paper tax returns to contractor
ISA/MOU: No

Organization Name: Resultant
Transmission Method: Shipping paper tax returns to contractor
ISA/MOU: No

Identify the authority.

Tax Authority is pursuant to section 6103(n) of the Internal Revenue Code (IRC). The IRS awarded Contract No. 2032H8-21-C-00032 to Resultant, LLC on August 18, 2021.

For what purpose?

The purpose is to digitize paper records, in accordance with OMB M-19-21's mandate to Transition to Electronic Records. In order to do so, the IRS or its Financial Agent (FAs) will ship paper documents to the contractors, inclusive of PII and FTI, for the contractors to scan and return digital files back to the IRS for processing or archiving.

Did the contract include the appropriate 6103(n) clauses for tax return and return information, and Federal Acquisition Regulations privacy clauses?

Yes

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?

Yes

Is the cloud service provider (CSP) Federal Risk and Authorization Management Program (FedRAMP) certified?

Yes

Date Certified.

10/28/2021

Please identify the ownership of the CSP data.

Third Party

Does the CSP allow auditing?

Yes

Who audits the CSP Data?

3rd Party

What is the background check level required for CSP?

Moderate

Is there a breach/incident plan on file?

Yes

Privacy laws (including access and ownership) can differ in other countries. This cloud will be Continental US (CONUS) only for:

Storage
Transmission
Maintenance

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.

There is no new collection of information. Rather, we are applying a technical solution (scanning) to tax returns, forms, or documents that the IRS has already been provided by the taxpayer or created by the IRS. The required collection notices have already been provided to taxpayers prior to the taxpayer submitting the return, form, or document, or during the business process creating the return, form, or document.

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

No

Why not?

The following citation provides the authority to require this information for tax administration: United States Code, Section 26, Subtitle F, Chapter 61: which discusses the requirements to file returns and forms as required.

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

Instructions for each form allow a means to update and/or correct data. Publication 1 includes the Taxpayer Bill of Rights as well as an explanation of Examinations, Appeals, Collections, and Refunds.

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 Contractor Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Only

Managers: Read Only

IRS Contractor Employees

Contractor Users: Read Write

Contractor Managers: Read Write

Contractor System Administrators: Read Write

Contractor Developers: Administrator

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

As this PCLIA is limited to the front-end of SCaaS, this access only refers to IRS and/or FA employees packing and shipping tax returns to the SCaaS contractors, and the SCaaS contractors scanning, and the SCaaS contractors transmitting electronic files to the IRS via the e-File or SDT processes. Due to the nature of the SCaaS project, all work will involve access to PII and FTI. IRS and/or FA employees will pack and ship tax returns for which

they already have access. The contractors will be converting paper tax returns to digital records, and those tax returns include PII and FTI. The contracts contain FISMA and Publication 4812 requirements. All contractor personnel working on the SCaaS project must undergo a background clearance before accessing PII and FTI.

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.

Yes, the first use case under SCaaS is the Gift tax return/Form 709. It is required to be held through the life of the taxpayer, and then for an additional 40 years if connected to an Estate tax return/Form 706 upon a taxpayer's death. The Gift tax return retention requirements are outlined in IRS Records Control Schedule (RCS) Document 12990 under RCS 29, Item 62. The Form 1040 has a 6-year retention period, found in Item 56. Form 940 has a 6-year retention period, found in Item 65. Form 941 has a 6-year retention period, found in Item 65. Form 8288-B has a 6-year retention period, found in Item 75. The TFRP case files have a 12-year retention period, found in Item 51. Form 906 has a retention period as long as necessary for administrative needs, it is dependent with the tax for which it relates (for example, if the Form 906 relates to a tax shown on Form 941, it is Item 65). The cached scanned documents in the contractor systems are covered by General Records Schedule 5.2, Transitory and Intermediary Records, item 020 (Destroy upon verification of successful creation of the final document or file, or when no longer needed for business use, whichever is later.). The scanned documents in the contractor cache will be deleted after the contractor and IRS have validated that the electronic transmission was successful and contained the correct number of electronic files. The paper records, however, will not be destroyed until after a full quality assurance review (which will be addressed in a separate, back-end Privacy& Civil Liberties Impact Assessment (PCLIA)).

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?

12/15/2021

Describe the system's audit trail.

The IRS tested audit trails via Publication 4812 Contractor Security Assessments conducted from December 14-15, 2021. These assessments evaluated Cybersecurity, physical security, and privacy controls.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

This PCLIA focuses on the front-end of SCaaS (shipping tax returns to contractors, and contractors scanning, and contractors transmitting electronic files to the IRS via the e-File and/or Secure Data Transfer processes).

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?

Yes

Explain the First Amendment information being collected and how it is used.

The information collected includes tax return income, deductions, credits, gifting, etc., that might relate to First Amendment rights (for example, charitable contributions to religious organizations). The individual about whom the information was collected or maintained expressly authorizes its collection/maintenance.

Please list all exceptions (any one of which allows the maintenance of such information) that apply:

The individual about whom the information was collected or maintained expressly authorizes its collection/maintenance (as noted in Q17).

Will the First Amendment information be used as the basis to make any adverse determination about an individual's rights, benefits, and/or privileges under Federal programs?

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