

Date of Approval: **July 03, 2023**

PIA ID Number: **7914**

## **SYSTEM DESCRIPTION**

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

Scanning as-a-Service (SCaaS) Back-End IT Solution, SCaaS

*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?*

PCLIA #7196 Scanning as-a-Service

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

11/2/2022

*Changes that occurred to require this update:*

New Interagency Use

Expiring PCLIA

*Were there other system changes not listed above?*

Yes

*What were those changes?*

Enhancement to the existing system

*What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.*

Strategic Development Executive Steering Committee (SD ESC)

*Current ELC (Enterprise Life Cycle) Milestones:*

System Development/Milestone 4B

*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 IRS is currently taking action to modernize and digitalize legacy paper processes on an enterprise level. Scanning as-a-service (SCaaS) will leverage the digitalization platform with the goal to reduce paper volume, increase access to digital data and prepare the IRS to manage that digital data. The SCaaS Project will convert paper records into digital files, which will be stored in a digital IRS repository and serve as the official record. It will allow the paper returns to ultimately be destroyed. SCaaS has been broken into two parts: the front-end portion which is scanning of paper documents by vendors. The back-end portion is the intake of those scanned documents into the IRS system. SCaaS will be an enterprise solution aligned with the digitalization of paper documents. The first SCaaS use-case will entail scanning Gift Tax Returns (Form 709). Currently, Gift Tax Returns are held in paper format at an underground Consolidated Site (C-Site) located in Independence, Missouri. Storing these paper forms has proven to be inefficient in numerous ways. The sheer volume of the paper files on location, 1 billion pages, currently occupies massive amounts of physical space, resulting in significant monetary resources spend on storage. Through SCaaS, the C-Site team will package and ship the returns to the awarded SCaaS scanning contractors. Upon receipt, the contractors will unpackage, prepare, scan, and validate the quality of the scans, then repackage and return the paper to the C-Site. The scanned and validated copies will then be transferred into the IRS electronically via a Secure Data Transfer (SDT)/Electronic File Transfer Unit (EFTU) pipeline. The SCaaS architecture includes two systems, the Digitalized Content Retrieval (DCR) and the Scanned Form Processing System (SFPS). SFPS allows the IRS to intake and store scanned documents from the external scanning contractors. DCR then allows authorized users to search, view, download, and print the documents stored within the As-Received Database. SCaaS will enable the IRS to reduce dependence on paper driven processes, improve access to data, and remove need to store physical documents. Enterprise and Digitalization Case Management (EDCMO) will prioritize subsequent SCaaS use cases in partnership with IRS IT and the business units. EDCMO will engage with the ELC Office to update the Project Charter as additional use cases are planned. Subsequent use cases may also include digitalization, data extraction, and integration with optical character recognition (OCR). Recognizing the significant need for scaling solutions to transform IRS into a digital agency, EDCMO is prioritizing requests for funding to achieve that vision. As described above, the first release of SCaaS that was delivered in December 2022, established the basic functionalities of the external intake channel (SFPS) and business user interface (DCR). The second release of SCaaS, that will be delivered incrementally between June 2023 and August 2023, will focus primarily on enhancing search capabilities within DCR and improving the accuracy and useability of SFPS through increased schema validation checks. The first incremental delivery (June), will enable business users to perform search queries in DCR with case insensitivity and without

having to input tax year as a required search field, allowing search results to pull from any tax year. The second incremental delivery (July) will increase schema validation in SFPS and enable business users to perform search queries by TIN and DLN without a specific data format. The third incremental delivery (August) will enable reporting capabilities in DCR allowing business users the ability to generate scanning contractor throughput 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.)?*

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. These tax returns will include SSNs. The contractors will scan the paper tax returns in their entirety and transmit the electronic record to the IRS via Secure Data Transfer (SDT) pipeline.

SCaaS transmission will leverage the e-File pipeline by utilizing an MeF Schema to accurately scan F709 metadata elements. This transmission process was identified by the Office of the Chief Information Officer. The information contained in the forms/files 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. The digital scans transmitted to the IRS via a Secure Data Transfer (SDT) pipeline and then eventually stored within a master repository will include SSNs. The system will then allow the business user to search scans by SSNs, among other search elements.

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

The Office of Management and Budget Circular 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. This system requires the use of SSNs 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  
E-mail Address  
Medical Information  
Vehicle Identifiers  
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:*

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?*

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), is necessary because we are creating digital versions of paper tax returns. These electronic files will replace the paper file as the official record (upon being validated and stored in a National Archives and Records Administration (NARA)-compliant repository). The scanned electronic file must mirror the paper file. As a result, it will include the PII and FTI (SSN, name, mailing address, etc.) in a given paper tax return. For our first use case, Form 709 Gift tax returns, the PII is SSN, name, and mailing address on the Form 709 itself and any PII contained in the attachments to the Form 709. As the Form 709 is a tax return, the document itself is FTI.

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

The scanned files and related metadata 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).

## **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: Form 709

Form Name: Form 709 United States Gift (and Generation-Skipping Transfer) 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?*

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: Information Returns Processing System (IRPS) (As-Received Database)

Current PCLIA: Yes

Approval Date: 9/22/2021

SA&A: No

System Name: IRS Integrated Enterprise Portal

Current PCLIA: Yes

Approval Date: 9/16/2022

SA&A: Yes

ATO/IATO Date: 6/13/2022

System Name: ITIN Real-time System (ITIN-RTS)

Current PCLIA: Yes

Approval Date: 11/1/2021

SA&A: Yes

ATO/IATO Date: 6/30/2022

*Identify the authority.*

5 U.S.C 301, 1302, 2951, 4118, 4308 and 4506 18 U.S.C. 1030 (a)(2)(B) 26 U.S.C. 7801  
Executive Orders 9397 and 10561.

*For what purpose?*

Tax administration responds to IRS notice and provide a fraud reference form.

*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?*

No

*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.*

6/21/2016

*Please identify the ownership of the CSP data.*

IRS

*Does the CSP allow auditing?*

No

*What is the background check level required for CSP?*

High

*Is there a breach/incident plan on file?*

No

*When will Breach/Incident plan be available?*

12/12/2023

*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 not a new collection of information. Rather, we are applying a technical solution (scanning) to tax returns that the IRS has already provided the required collection notices to taxpayers.

*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 citations provide the authority to require this information for tax administration: CFR 20.6018-4 Returns; documents to accompany the return CFR 25.6019-3 Contents of return CFR 25.6019-4 Description of property listed on return IRM 4.25.1.3 Related Returns Necessary for Examination.

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

IRM 4.25.1.7.5 Taxpayer Rights and Notifications speaks to taxpayer rights through Estate and Gift tax examinations. This IRM cite also includes reference to Publication 1 Your Rights as a Taxpayer. 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

System Administrators: Read Only

Developers: Read Only

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

Due to the nature of the SCaaS project, all work will involve access to PII and FTI. IRS employees will pack and ship tax returns for which they already have access. For example, IRS Consolidated Site personnel that currently service historic Gift tax returns are preparing these returns for the SCaaS contractors. The contractors will be converting paper tax returns to digital records and transmitting the electronic files to the IRS via an SDT, 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. As of 4/14/22, background clearances are being processed so no tax returns have been sent to the contractors.

## **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 75 years if connected to an Estate tax return/Form 706 upon a taxpayer's death. (Note, we have a request in to NARA to reduce this 75-year period to 40 years). The Gift tax return retention requirements are outlined in IRS Records Control Schedule (RCS) Document 12990 under RCS 29, Item 62. Retention periods for future SCaaS use cases would depend on the use case. 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)?*

In-process

*When is the anticipated date of the SA&A or ACS completion?*

12/12/2023

*Describe the system's audit trail.*

Expected to be completed by the development team between June and September 2023.

## **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)?*

They are stored on SharePoint SCaaS - Gift Tax: STP, link is below  
[https://organization.ds.irsnet.gov/sites/ITEITPMO/WebApps/DTC/\\_layouts/15/start.aspx#/Enterprise%20Life%20Cycle%20ELC/Forms/AllItems.aspx?RootFolder=%2Fsites%2FITEITPMO%2FWebApps%2FDTC%2FEnterprise%20Life%20Cycle%20ELC%2FSCaaS%20%2D%20Gift%20Tax%2FSTP&FolderCTID=0x012000A058CDC45819814DB32FBB80FF10B093&View=%7BB932A057%2D3F18%2D4296%2DAA5F%2DDC761B2DEF7A%7D](https://organization.ds.irsnet.gov/sites/ITEITPMO/WebApps/DTC/_layouts/15/start.aspx#/Enterprise%20Life%20Cycle%20ELC/Forms/AllItems.aspx?RootFolder=%2Fsites%2FITEITPMO%2FWebApps%2FDTC%2FEnterprise%20Life%20Cycle%20ELC%2FSCaaS%20%2D%20Gift%20Tax%2FSTP&FolderCTID=0x012000A058CDC45819814DB32FBB80FF10B093&View=%7BB932A057%2D3F18%2D4296%2DAA5F%2DDC761B2DEF7A%7D)

*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?*

Yes

*Please describe the outstanding issues:*

Testing and development environments become unstable Resolution of defects and issues.

*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?*

The Security Assessment was conducted by the Cyber Cloud Assessment Team prior to Go-live. During this assessment, the applicable National Institute of Standards and Technology (NIST) controls were examined.

## **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: Under 50,000

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?*

Yes

*Describe the type of information derived from these efforts and the technical (e.g., audit trails) or other processes used to limit unauthorized monitoring.*

SSNs will be used to identify a user's record. To limit unauthorized monitoring, SCaaS will be using existing UNAX checks.

*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