

Date of Approval: **April 01, 2021**

PIA ID Number: **5962**

## **SYSTEM DESCRIPTION**

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

Tax Compliance Check Service, TCCS

*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?*

FIS-TCS (now known as TCCS), PIA # 3304

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

3/29/2018

*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.*

Financial Services Governance Board (FSGB)

*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 Compliance Check Service (TCCS) includes the Tax Check Common Service (TCCS) application and the Tax Check Application (TCA). TCCS will provide Filing Compliance, Payment Compliance, and Fraud & Civil Penalty compliance data. Privacy, Governmental Liaison and Disclosure (PGLD) uses the Tax Compliance Report created by TCA to respond to valid taxpayer consents submitted by government agency partners that have a Tax Check Service Memorandum of Understanding. The Human Capital Office (HCO), utilizes TCA for Personnel Security to verify tax compliance for contractor suitability and background investigations, and annually monitors tax compliance of all active IRS contractor personnel. HCO, Employment Talent and Security (ETS) uses TCA to determine employment suitability for all IRS job applicants. HCO's Employee Tax Compliance Office (ETC), obtains data from TCCS to monitor employee tax compliance and determine eligibility for performance award payments. TCCS is an enterprise service; other IRS offices may utilize TCA to check individual tax compliance, if needed.

## 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

Legal/statutory basis (e.g. where collection is expressly required by statute)

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

TCCS performs tax checks. The output is based on a review of an individual's existing tax records which are queried using the SSN. TCCS requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer at this time. SSNs are permissible by Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

*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. TCCS PCLIA 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.

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  
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:*

Agency Sensitive Information Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission.

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

SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

PII for personnel administration is 5 USC

*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.*

TCCS is limited to providing an automated tax check based on existing tax records. No additional information is collected. TCCS requires the use of SSNs to retrieve the tax records because no other identifier can be used to uniquely identify a taxpayer at this time. The PII from F14767, Consent to Disclose Tax Compliance Check, includes SSN, name, and address, which is used to validate the taxpayer against IRS tax records before releasing the Tax Compliance Report (TCR). TCCS is a non-record keeping system. It is not the official repository for any data or documents. TCCS Technical Solution - TCCS will provide Filing Compliance, Payment Compliance, and Fraud & Civil Penalty compliance data. The SSN is used to perform a query of tax accounts on request from TCA. Query of tax accounts will be

limited to TIN validation, a search of records in the Custodial Detail Database (CDDDB) and the Information Returns Transcript File On Line (IRPTR) pertaining to 1) filing compliance, 2) payment compliance and 3) tax. TCA Technical solution - TCA is a springbatch application that calls the TCCS core service using the synchronous interface. The request is sent to TCA and the Control M (job scheduler) schedules the batch job. TCA will obtain tax check request files through (Enterprise File Transfer Utility) EFTU and process the requests in batch returning a response file. A response file is then returned to the consumer via EFTU containing the tax check results in CSV file or a Tax Compliance Report (TCR) in a Pre-Defined Format (PDF). The TCR contains the taxpayer's name, masked SSN and applicable tax account information based on the query results.

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

Information from the Tax Compliance Report is not used by the IRS for tax administration. The existence of any tax liability which may be reflected on the report is based on a previous tax assessment following established IRS procedures with due process rights afforded the taxpayer. Tax records for the report are retrieved from the Custodial Detail Database (CDDDB) and Customer Account Data Engine (CADE) of the IRS which are timely and accurately maintained. CDDDB is a subsystem of the Financial Management Information System (FMIS).

## **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

IRS 26.019 Taxpayer Delinquent Account Files

IRS 22.061 Information Return 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: Financial Management Information System (FMIS)/ Custodial Detail Database (CDDDB)  
Current PCLIA: Yes  
Approval Date: 10/5/2017  
SA&A: Yes  
ATO/IATO Date: 11/5/2020

System Name: Customer Account Data Engine (CADE)  
Current PCLIA: Yes  
Approval Date: 4/14/2020  
SA&A: Yes  
ATO/IATO Date: 7/9/2019

*Does the system receive SBU/PII from other federal agency or agencies?*

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).*

Name: Treasury Integrated Management Information System (TIMIS)  
Transmission Method: Treasury system with IRS data, download from IRS source  
ISA/MOU: No

Name: Federal Agencies enrolled in the Tax Check Service  
Transmission Method: Taxpayer provides a signed F14767, Consent to Disclose Tax Compliance Check. It is received via fax or Secure Data Transfer (SDT) to allow the Tax Compliance Report to be released.  
ISA/MOU: Yes

Name: Treasury Inspector General For Tax Administration  
Transmission Method: Employee list submitted via Secure Data Transfer  
ISA/MOU: Yes

*Does the system receive SBU/PII from State or local agency (-ies)?*

Yes

*For each state and local 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).*

Organization Name: US Courts enrolled in the Tax Check Service  
Transmission Method: Taxpayer provides a signed F14767, Consent to Disclose Tax Compliance Check, to allow the Tax Compliance Report to be released  
ISA/MOU: Yes

*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 14767  
Form Name: Consent to Disclose Tax Compliance Check

Form Number: N/A  
Form Name: Tax information used to determine compliance comes from CDDDB and CADE, not from forms

*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: Automated Labor and Employee Relations Tracking System (ALERTS)

Current PCLIA: Yes

Approval Date: 10/1/2020

SA&A: Yes

ATO/IATO Date: 1/27/2021

*Identify the authority.*

HCO has authority to access return information for purposes of monitoring employee tax compliance under 26 U.S.C. § 6103(h)(1).

*For what purpose?*

The Human Capital Office (HCO), utilizes TCA for Personnel Security to verify tax compliance for contractor suitability and background investigations, and annually monitors tax compliance of all active IRS contractor personnel. HCO, Employment Talent and Security (ETS) uses TCA to determine employment suitability for all IRS job applicants. HCO's Employee Tax Compliance Office (ETC), obtains tax compliance data from TCCS to monitor employee tax compliance and determine eligibility for performance award payments.

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

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).*

Organization Name: Federal Agencies, with a signed agreement, requesting Tax Compliance Reports via valid Form 14767, Consent to Disclose Tax Compliance Check

Transmission Method: eFax or Secure Data Transfer (SDT)

ISA/MOU: Yes



*Identify the authority.*

IRS employee may generate the report based on a signed Consent to Disclose Tax Compliance Check (Form 14767) - 26 U.S.C. § 6103(c).

*Identify the Routine Use in the applicable SORN (or Privacy Act exception).*

Routine uses of this information include disclosure to the Department of Justice for civil or criminal litigation and to other federal agencies, as provided by law. We may disclose this information to cities, states, the District of Columbia, and U.S. Commonwealths and possessions to administer their laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. We may disclose this information to persons for purposes of collecting debts through salary and administrative offsets and to the news media as described in IRS Policy Statement P-1-183. We may also disclose this information to appropriate persons to assist in responding to compromises of information.

*For what purpose?*

The Tax Check Service provides confidential federal tax return information of individuals for purposes of determining suitability for federal hiring or appointment, to determine fitness to perform service as a contractor or for a background investigation.

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

Yes

*Identify the full names of the state and local agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).*

Organization Name: US Courts, with a signed agreement, requesting Tax Compliance Reports via valid Form 14767, Consent to Disclose Tax Compliance Check  
Transmission Method: Fax  
ISA/MOU: Yes

*Identify the authority.*

IRS employee may generate the report based on a signed Consent to Disclose Tax Compliance Check (Form 14767) - 26 U.S.C. § 6103(c).

*Identify the Routine Use in the applicable SORN (or Privacy Act exception).*

Routine uses of this information include disclosure to the Department of Justice for civil or criminal litigation and to other federal agencies, as provided by law. We may disclose this information to cities, states, the District of Columbia, and U.S. Commonwealths and possessions to administer their laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal

laws, or to federal law enforcement and intelligence agencies to combat terrorism. We may disclose this information to persons for purposes of collecting debts through salary and administrative offsets and to the news media as described in IRS Policy Statement P-1-183. We may also disclose this information to appropriate persons to assist in responding to compromises of information.

*For what purpose?*

The Tax Check Service provides confidential federal tax return information of individuals for purposes of determining suitability for federal hiring or appointment, to determine fitness to perform service as a contractor or for a background investigation.

*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?*

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 IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice which provides the legal right to ask for information under Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. For tax checks provided under the authority of IRC 6103(c), the Consent to Disclose Tax Compliance Checks Form 14767 includes a Privacy Act statement. Program owners performing the tax checks are responsible for providing notices to individuals based on the authority used to conduct the tax check.

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

Yes

*Describe the mechanism by which individuals indicate their consent choice(s):*

Program owners performing the tax checks are responsible for providing notices to individuals based on the purpose and authority used to conduct the tax check. For tax checks performed under the authority of 6103 (c), individuals may provide a signed Consent to Disclose Tax Compliance Check (Form 14767) which allows disclosure of the information. The individual can decline to sign the consent and stop the process.

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

The TCCS application displays existing tax account status to individuals. Due process to address tax liabilities and any federal tax delinquencies is afforded by the Internal Revenue Code and established IRS tax administration procedures.

## **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*

System Administrators: Administrator

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

Access to the TCCS application for IRS employees is requested via an Online (OL) Form 5081. Access is granted on a need-to-know basis. The OL5081 enrollment process requires that an authorized manager approve access requests on a case by case basis. Access approval is based on the Users role(s) and responsibilities. Users are given the minimum set of privileges required to perform their regular and recurring work assignments. They are restricted from changing the boundaries of their access without management approval. The employee's access will be terminated once they no longer require access to the Database. Deletion from the active access role is also performed through the OL5081.

## **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?*

No

*You must work with the IRS Records and Information Management (RIM) Program Office to address records retention requirements before you dispose of any records in this system.*

## **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?*

3/19/2021

*Describe the system's audit trail.*

Audit data is sent to Security Audit and Analysis System (SAAS) for certain fields as required by 10.8.3 Audit Logging Security Standards. The logs are then reviewed by Cybersecurity. Only production statistics and SAAS audit trails necessary for a Moderate impact system will be maintained.

## **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)?*

Test results are stored both in DocIT and SharePoint.

*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?*

No

*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?*

Testing ensured that the TCCS system provided the functionality specified in the user stories and system/program documentation. Testers gained access to the web application via Simple Object Access Protocol (SOAP-UI) web service, Using TCCS Rest call and the queried results were analyzed. Testing was performed in the Site Acceptance Testing (SAT), Framework for Integrated Test (FIT) and Development (DEV) environments. Information Table and Information Returns Processing Transcript (IRPTR) for filing was validated in DEV environment, Live data was analyzed in the FIT environment. The results observed during SAT showed that the TCCS application related functionalities were consistent with the requirements as specified in the user stories and other system/program documentation.

## **SBU DATA USE**

*Does this system use, or plan to use SBU Data in Testing?*

Yes

*Was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?*

Yes

*Provide the date the permission was granted.*

4/3/2020

*Was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy?*

Yes

## **NUMBER AND CATEGORY OF PII RECORDS**

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

IRS Employees: More than 100,000

Contractors: Not Applicable

Members of the Public: Under 100,000

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