

NOTE: The following reflects the information entered in the PIAMS website.

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## A. SYSTEM DESCRIPTION

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Authority: Office of Management Budget (OMB) Memorandum (M) 03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 & PVR #10- Privacy Accountability and #21-Privacy Risk Management

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Date of Approval: April 9, 2015

PIA ID Number: **852**

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1. What type of system is this? Legacy

1a. Is this a Federal Information Security Management Act (FISMA) reportable system? No

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2. Full System Name, Acronym, and Release/Milestone (if appropriate):

Alaska Permanent Fund Dividend Levy Program, AKPFD

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2a. Has the name of the system changed? No

If yes, please state the previous system name, acronym, and release/milestone (if appropriate):

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3. Identify how many individuals the system contains information on

Number of Employees: Not Applicable

Number of Contractors: Not Applicable

Members of the Public: 100,000 - 1,000,000

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## 4. Responsible Parties:

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N/A

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## 5. General Business Purpose of System

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The Permanent Fund Dividend (PFD) is a result of the State of Alaska's investment of oil wealth, which belongs to all residents of Alaska. It was created in 1976 by a voter-approved amendment to the state Constitution. Beneficiaries of the trust are all present and future generations of Alaskans. Each year, qualifying Alaskan residents apply for dividend proceeds from the fund. The amount of the dividend varies from year to year and is paid to every man, woman, and child in the state. Payments are made once a year, in October. In 1982, the IRS began to levy the PFD to collect delinquent income tax liabilities owed by certain Alaskan residents. In 1985, this process became computerized. In 2000, IRS HQ started the Alaska Permanent Fund Dividend Levy Program (AKPFD) as part of the overall Automated Levy Program initiative. No later than June 1st of each year, under a Memorandum of Understanding (MOU) between IRS and the State of Alaska Permanent Fund Dividend Division (PFDD), the PFDD provides an electronic file to IRS containing a file of all individuals applying for the PFD. SBSE Enterprise Collection Strategy (CAISD:AP) work in conjunction to perform validation of the SSNs, determine if the accounts meet exclusion criteria, generate and mail the CP 77 or CP 177 to notify the taxpayer of the intent to levy, generate the electronic levy. In late-August, any accounts that are still eligible for levy will be received electronically by the PFDD through Tumbleweed Secure Data Transport (SDT). The PFDD will match the data against any PFDs distributed. The PFDD will transmit the payment thru EFTPS and issue a letter to the taxpayer advising them that their PFD was levied and that they should contact the IRS if they have any questions. Additionally, the PFDD sends the levy payment data to the AKPFD Analyst who ensure proper posting of the levy payments to the accounts of each taxpayer that was levied.

6. Has a PIA for this system, application, or database been submitted previously to the Office of Privacy Compliance? (If you do not know, please contact \*Privacy and request a search) Yes

6a. If **Yes**, please indicate the date the latest PIA was approved: 8/25/2010 12:00:00 AM

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6b. If **Yes**, please indicate which of the following changes occurred to require this update.

- System Change (1 or more of the 9 examples listed in OMB 03-22 applies) (refer to PIA Training Reference Guide for the list of system changes) Yes
  - System is undergoing Security Assessment and Authorization No
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7. If this system has an Exhibit 53 or Exhibit 300 please provide the Unique Project Identifier (UPI) number (XXX-XX-XX-XX-XX-XXXX-XX). Otherwise, enter the word 'none' or 'NA'. NA

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**B. DATA CATEGORIZATION**

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Authority: OMB M 03-22 & PVR #23- PII Management

8. Does this system collect, display, store, maintain or disseminate Personally Identifiable Information (PII)? Yes
9. Indicate the category that best describes the source that provides or originates the PII collected, displayed, stored, maintained or disseminated by this system. Most common categories follow:

Taxpayers/Public/Tax Systems	<u>No</u>	
Employees/Personnel/HR Systems	<u>No</u>	
Other	<u>Yes</u>	<u>Other Source: Alaska Department of Revenue PFD</u>

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10. Indicate all of the types of PII collected, displayed, stored, maintained or disseminated by this system. Then state if the PII collected is on the Public and/or Employees. Most common fields follow:

TYPE OF PII	Collected?	On Public?	On IRS Employees or Contractors?
Name	Yes	Yes	No
Social Security Number (SSN)	Yes	Yes	No
Tax Payer ID Number (TIN)	No	No	No
Address	Yes	Yes	No
Date of Birth	Yes	Yes	Yes

**Additional Types of PII:** No

No Other PII Records found.

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- 10a. What is the business purpose for collecting and using the SSN?

The PFDD Applicant File is verified against IMF, BMF, CFOL, and TIF for accuracy, timeliness and completeness. The SSN, Name, and Date of Birth must match for the record to be complete and available for inclusion in the program.

If you answered **Yes** to Social Security Number (SSN) in question 10, answer **10b**, **10c**, and **10d**.

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- 10b. Cite the authority that allows this system to contain SSN's? (e.g. specific regulations, statutes, etc.)
- IRC 6331(a).

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- 10c. What alternative solution to the use of the SSN has/or will be applied to this system? (e.g. masking, truncation, alternative identifier)

AKPFD is part of an IBM mainframe flat-file data retrieval system which provides only required data for use and the SSN is a main functional part of its use and purpose and must be provided completely and accurately. No masking of the SSN is possible.

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- 10d. Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of Social Security Numbers on this system?

None The PFDD Applicant File is verified against IMF, BMF, CFOL, and TIF for accuracy, timeliness and completeness. The SSN, Name, and Date of Birth must match for the record to be complete and available for inclusion in the program.

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Describe the PII available in the system referred to in question 10 above.

The PFDD Applicant File is verified against IMF, BMF, CFOL, and TIF for accuracy, timeliness and completeness. The SSN, Name, and Date of Birth must match for the record to be complete and available for inclusion in the program.

11. Describe in detail the system's audit trail. State what data elements and fields are collected. Include employee log-in information. If the system does not have audit capabilities, explain why an audit trail is not needed.

Audit Trail Information (including employee log-in information) – AKPFD consists of batch mainframe runs employee log-in info) and does not have any user interfaces.

11a. Does the audit trail contain the audit trail elements as required in current IRM 10.8.3 *Audit Logging Security Standards*? No

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12. What are the sources of the PII in the system? Please indicate specific sources:

- a. IRS files and databases: No
- b. Other federal agency or agencies: No
- c. State and local agency or agencies: Yes  
If **Yes**, please list the agency (or agencies) below:  
Alaska
- d. Third party sources: No
- e. Taxpayers (such as the 1040): No
- f. Employees (such as the I-9): No
- g. Other: No If **Yes**, specify:

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### C. PURPOSE OF COLLECTION

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*Authorities: OMB M 03-22 & Internal Revenue Manual (IRM) 10.8.8, IT Security, Live Data Protection Policy & PVR #16, Acceptable Use*

13. What is the business need for the collection of PII in this system? Be specific.

The PFDD Applicant File is verified against IMF, BMF, CFOL, and TIF for accuracy, timeliness and completeness. The SSN, Name, and Date of Birth must match for the record to be complete and available for inclusion in the program.

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### D. PII USAGE

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*Authority: OMB M 03-22 & PVR #16, Acceptable Use*

14. What is the specific use(s) of the PII?

To conduct tax administration	<u>Yes</u>
To provide taxpayer services	<u>No</u>
To collect demographic data	<u>No</u>
For employee purposes	<u>No</u>

Other:

No

*If other, what is the use?*

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**E. INFORMATION DISSEMINATION**

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Authority: OMB M 03-22 & PVR #14- Privacy Notice and #19- Authorizations

15. Will the information be shared outside the IRS? (for purposes such as computer matching, statistical purposes, etc.) No
16. Does this system host a website for purposes of interacting with the public? No
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**F. INDIVIDUAL CONSENT**

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Authority: OMB M 03-22 & PVR #15- Consent and #18- Individual Rights

18. Do individuals have the opportunity to decline to provide information or to consent to particular uses of the information? Not Applicable
- 18a. If **Yes**, how is their permission granted?  
By signing application acknowledging the confidential information may be released to the IRS.
19. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action? Yes
- 19a. If **Yes**, how does the system ensure "due process"?  
If a CDP notice has not been sent a CP77 or CP177 is issued and sent to the TP. Due process is provided pursuant to 26 USC.
20. Did any of the PII provided to this system originate from any IRS issued forms? No
- 20a. If **Yes**, please provide the corresponding form(s) number and name of the form.

- 20b. If **No**, how was consent granted?

Written consent	<u>Yes</u>
Website Opt In or Out option	<u>Yes</u>
Published System of Records Notice in the Federal Register	<u>No</u>
Other: <u>MOU with Alaska PFD and by applying and signing for the current year dividend.</u>	<u>Yes</u>

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**G. INFORMATION PROTECTIONS**

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Authority: OMB M 03-22 & PVR #9- Privacy as Part of the Development Life Cycle, #11- Privacy Assurance, #12- Privacy Education and Training, #17- PII Data Quality, #20- Safeguards and #22- Security Measures

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21. Identify the owner and operator of the system: IRS Owned and Operated
- 21a. If Contractor operated, has the business unit provided appropriate notification to execute the annual security review of the contractors, when required?
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22. The following people have use of the system with the level of access specified:

	<b>Yes/No</b>	<b>Access Level</b>
IRS Employees:	<u>Yes</u>	
Users		<u>No Access</u>
Managers		<u>No Access</u>
System Administrators		<u>Read Only</u>
Developers		<u>Read Only</u>
Contractors:	<u>No</u>	
Contractor Users		<u></u>
Contractor System Administrators		<u></u>
Contractor Developers		<u></u>
Other:	<u>No</u>	<u></u>

If you answered yes to contractors, please answer **22a.** (All contractor/contractor employees must hold at minimum, a "Moderate Risk" Background Investigation if they have access to IRS owned SBU/PII data.)

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22a. If the contractors or contractor employees act as System Administrators or have "Root Access", does that person hold a properly adjudicated "High Level" background investigation?

23. How is access to the PII determined and by whom?

No Users See 10c above. Part of an IBM mainframe flat-file data retrieval system which provides only required data for use and the SSN is a main functional part of its use and purpose and must be provided completely and accurately.

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24. How will each data element of SBU/PII be verified for accuracy, timeliness, and completeness?

Computer match against the NAP for validation. This is performed at the IBM Mainframe Master File level

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25. 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? No

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25a. 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.

If **No**, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.

AKPFD is unscheduled. A request for records disposition authority for AKPFD and associated records must be drafted with the assistance of the IRS Records and Information Management (RIM) Program Office. When approved by the National Archives and Records Administration (NARA), disposition instructions for AKPFD inputs, system data, outputs, and system documentation will be published in Document 12990, Records Control Schedule (RCS) to be determined. The Records Office recommends scheduling AKPFD in conjunction with a re-evaluation of the scheduling of the State Income Tax Levy Program. Disposition instructions for SITLP are published under RCS 19 for Enterprise Computing Center - Martinsburg (ECC-MTB), item 65. SITLP data is currently approved for destruction 10 years after end of processing year or when no longer needed for operational purposes, whichever is later.

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26. Describe how the PII data in this system is secured, including appropriate administrative and technical controls utilized.

This is performed at the IBM Mainframe Master File Level

26a. Next, explain how the data is protected in the system at rest, in flight, or in transition.

This is performed at the IBM Mainframe Master File Level

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27. Has a risk assessment (e.g., SA&A) been conducted on the system to ensure that appropriate security controls have been identified and implemented to protect against known risks to the confidentiality, integrity and availability of the PII? Yes

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28. Describe the monitoring/evaluating activities undertaken on a regular basis to ensure that controls continue to work properly in safeguarding the PII.

This is performed at the IBM Mainframe Master File Level

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29. Is testing performed, in accordance with Internal Revenue Manual (IRM) 10.8.8 - *IT Security, Live Data Protection Policy*? No

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## H. PRIVACY ACT & SYSTEM OF RECORDS

Under the statute, any employee who knowingly and willfully maintains a system of records without meeting the Privacy Act notice requirements is guilty of a misdemeanor and may be fined up to \$5000.

Authority: OMB M 03-22 & Privacy Act, 5 U.S.C. 552a (e) (4) & PVR #13-Transparency

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30. Are 10 or more records containing PII maintained/stored/transmitted through this system? Yes

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31. Are records on the system retrieved by any identifier for an individual? (Examples of identifiers include but are not limited to Name, SSN, Photograph, IP Address) No

31a. If **YES**, the System of Records Notice(s) (SORN) published in the Federal Register adequately describes the records as required by the Privacy Act? Enter the SORN number and the complete name of the SORN.

**SORNS Number**

**SORNS Name**

Treas/.IRS 26.019 Delinquent Accounts Files

Treas/IRS 26.020 Delinquency Investigation Files

Treas/IRS 34.037 Audit Trail and Security Records System

**I. ANALYSIS**

*Authority: OMB M 03-22 & PVR #21- Privacy Risk Management*

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32. What choices were made or actions taken regarding this IT system or collection of information as a result of preparing the PIA?

- Resulted in the removal of PII from the system (e.g., SSN use reduced/eliminated) No
- Provided viable alternatives to the use of PII within the system No
- New privacy measures have been considered/implemented No
- Other: No

32a. If **Yes** to any of the above, please describe:

NA