

Date of Approval: **May 18, 2020**

PIA ID Number: **4962**

SYSTEM DESCRIPTION

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

Law Enforcement eRequest System, LERS, LERS

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?

Law Enforcement eRequest System, LERS PCLIA #2680

What is the approval date of the most recent PCLIA?

6/16/2017

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

Yes

What were those changes?

This system had previously been used by PayPal under the name SafetyHub and by eBay under the name LERS. IRS employees continue to use this system to serve summonses and to obtain information from PayPal. However, eBay has issues with the Internet Explorer used by the IRS. Until these issues are corrected by eBay, IRS employees will not use this system to serve summonses to eBay. Currently, IRS employees are only using this system to obtain records from eBay.

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

Compliance Integration Council

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?

No

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.

This procedure allows IRS employees to go to a Hypertext Transfer Protocol Secure, (https), site maintained by a third party (PayPal and/or eBay), log in, upload a summons and any attachments associated with that summons and return to the site to retrieve summonsed data. This improves response time and alleviates the need to send data via a less secure method (fax/mail). The IRS is not paying any third party to create or maintain the site. Due process for the summons is provided pursuant to 26 USC.

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)

Law enforcement and intelligence purposes

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

SSNs are often required for the summonsed entity to locate and provide the summonsed records needed by IRS Exam, Collection and/or Criminal Investigation (CI). The LERS requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from 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).

There is no alternative to the use of SSN or TIN. The SSN or TIN represent a significant part of the data being processed. 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. LERS requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time.

Employer 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

Internet Protocol Address (IP Address)

Financial Account Numbers

Employment Information

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

Proprietary data Business information that does not belong to the IRS

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

Criminal Investigation Information Information concerning IRS criminal investigations or the agents conducting the investigations.

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.

PII Could include responsible officer's names of corporate accounts, partner names in LLCs and partnerships, addresses and phone numbers of all of the above. Transactional data in the summonsed records could include names, email addresses and addresses of clients who sold/purchased merchandise to/from the taxpayer and description and URL web links of merchandise sold/purchased.

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.

A summons is issued under Internal Revenue Code (IRC) Section 7602 for the purpose of ascertaining the correctness of any return; making a return where none has been made; determining the liability at law or in equity of any transferee or fiduciary of any person in respect to any internal revenue tax; or, collecting any such liability. The SSN/TIN may be provided to the third party to help identify the subject of the summons. The response from the third party may contain SSN/TINs associated with the subject of the summons. If the records in control, of the third party have SSN/TIN on them, the Service is entitled to true and correct copies of these documents.

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

The summons could include identifying SBU/PII to assist in identifying the taxpayer as related to an IRS case. IRS employees issue a summons for a multitude of reasons, for tax administrative purposes. The taxpayers are generally asked to provide the information first, before a summons is issued. A summons is issued when there is non-compliance from the taxpayer, or to verify previously reported information. The SBU/PII issued with the summons is verified by the IRS employee issuing the summons. PayPal/eBay employees receive the summons, research their records and then use LERS to send the summons response to the IRS employee. The SBU/PII obtained from PayPal/eBay with the summons response is verified by the IRS employee upon receipt of the summons response. Summonses require a response by a specific date and the IRS employee who issued the summons is responsible to verify completeness by that date. If the records received are not complete, the IRS employee would contact PayPal or eBay as needed. There are no systemic checks to verify accuracy. Accuracy is verified by the IRS employee who issued the summons and reviewed the summons response. The Form 6863, Invoice and Authorization for Payment of Administrative Summons Expenses, will also contain SBU/PII. This data is also verified by the IRS employee who issued the summons and reviewed the summons response.

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 26.019 Taxpayer Delinquent Account Files

IRS 42.021 Compliance Programs and Projects Files

IRS 34.037 Audit Trail and Security Records

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?

Yes

Identify the source 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: eBay
Transmission Method: LERS
ISA/MOU Yes

Organization Name: PayPal
Transmission Method: LERS
ISA/MOU Yes

Does the system receive SBU/PII from Taxpayer forms?

No

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?

No

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?

Yes

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

Organization Name: PayPal
Transmission Method: LERS
ISA/MOU Yes

Organization Name: eBay
Transmission Method: LERS
ISA/MOU Yes

Identify the authority

Tax Administration & IRC 6103n

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

Summonses are served via LERS to obtain taxpayer records.

For what purpose?

Tax Administration

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?

If notice is required per IRC Section 7609, the notice of the summons is mailed, or hand delivered to the noticee within three (3) business days of issuance of the summons. Due process is provided pursuant to 5 USC.

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):

IRS employees general ask the individual to provide the information voluntarily prior to issuing a summons. However, once a summons is served, the individual has no control over use of the summonsed records. Due process is provided pursuant to 5 USC.

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

Due process is provided pursuant to 5 USC. Notice, consent and due process are provided in the summons instructions and 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)

Contractor Owned and Operated

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

IRS Employees

Users: Read Write

Managers: Read Only

System Administrators: Read Only

IRS Contractor Employees

Contractor Users: Read Write

Contractor Managers: Read Only

Contractor System Administrators: Administrator

Contractor Developers: Administrator

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

PayPal & eBay are not IRS contractors. Their employees access is determined by their job duties and responsibilities. IRS access is determined by Delegation Order 25- 1, found in Internal Revenue Manual (IRM) 1.2.52.2. IRS employees do not need to submit a Form 5081 request to access the http site.

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.

These processes are non-recordkeeping for IRS purposes. The LERS/SafetyHub processes are for secure communications and information sharing between the IRS and a third party, (PayPal and/or eBay). The processes are not the official IRS repository for any data or documents. The third party owns the original data and the IRS has no control over the

retention or destruction of their original data. There is no change to the IRS retention of records. The changes to the summons process associated with this system: a) The summons is served through the electronic process, rather than being hand delivered; b) The delivery of the summoned records is changed from mail to electronic delivery. The records are downloaded from LERS or SafetyHub to the IRS employee's computer and become part of the employee's active case file. This data is then governed under case file criteria. Once the case is closed, the IRS employee removes/deletes the records from their computer. All case related information will be stored in a central repository and retained: a) For 10 years after the case is closed as required by Document 12990, Records Control Schedule (formerly known as (fka), IRM 1.15.28), "Item 6 under Internal Revenue Service Records Control Schedule (RCS) 28, Tax Administration -- Collection" (fka IRM 1.15.28); Item 6; b) For 10 years after the case is closed as required in Document 12990, RCS 23 for examination (fka IRM 1.15.23), Item 42; or c) For 10 years after the case is closed as required by IRM 1.15.30 for Criminal Investigation, Item 15 (Job No. N1-58-07-11, Document 12990).

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.

eBay and PayPal maintain an audit trail through their system that captures when a package/email was sent, who accessed the Uniform Resource Locator (URL), what time the URL was accessed, and when the documents were downloaded. The IRS captures its audit data from normal email traffic when: the employee receives an email from the third party, and then accesses the URL outside the IRS firewall to download the summoned records.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

LERS has been operational and available to other government agencies since 2013.
SafetyHub has been operational and available to other government agencies since 2015.

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?

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.

Not Applicable