Automated 6020(b) – Privacy Impact Assessment (PIA)

PIA Approval Date: March 29, 2010

System Overview:

A6020(b) is a non-filer program. The A6020(b) application processes Business Master File (BMF) taxpayers who do not voluntarily file returns in a timely manner (past the due date of the return). Internal Revenue Code (IRC) 6020(b) provides the Internal Revenue Service (IRS) the authority to file a tax return for a business when it does not file a required return. A6020(b) produces a package containing the appropriate forms (940, 941, 943, and 944) and Letter 1085, which is sent to the taxpayer.

Systems of Records Notice (SORN):

- Treasury/IRS 24.046 CADE Business Master File
- Treasury/IRS 24.047 Automated Under Reporter Case File
- Treasury/IRS 26.016 Returns Compliance Programs (RCP)
- Treasury/IRS 34.037 IRS Audit Trail and Security Records System

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer – For purposes of this PIA, the 'Taxpayer' refers to a business entity. The following information is maintained:

- Employer Identification Number (EIN)
- Name
- Address
- Power of Attorney (POA) information
- Delinquent tax period/s
- Last Period Satisfied (LPS) information

B. Employee Data:

- User Standard Employer Identifier (SEID)
- Name

C. Audit Trail Information – A6020(b) maintains customized audit trail data tailored to the needs of the business unit. Audit records are generated whenever changes are made to the status codes and stored in a table on the Server database. The customized audit logs maintain the following information for each audit record:

- The unique identifier of the event
- EIN
- History Date
- Case Status Code
- Tax Period
- Status Change Date and Time that the event occurred
- Last Change Date and Time
- Wage Code

- Last Period Satisfied (LPS) Tax Period
- LPS Amount
- Credit Amount
- Assessed Amount

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. IRS – IDRS is used to obtain cases information. The cases are identified by a unique TSIGN which identifies the case as A6020(b). TSIGN cases are Taxpayer Delinquent Account (TDA)/ Taxpayer Delinquency Investigation (TDI) assignment code that is provided by IDRS. This information is obtained via batch loading processes.

B. Taxpayer – Taxpayer may contact the IRS to provide updates to the Status Code information pertaining to their case file.

C. Employee – User SEID and Name are collected from the employee.

3. Is each data item required for the business purpose of the system? Explain.
Yes. The data elements are required to carry out A6020(b) business purposes of gathering tax information for businesses that have not filed tax returns and creating the missing returns for them. Any information that will help in the computation of an accurate taxpayer return is needed to complete this task. Entity and Power of Attorney (POA) information are needed to mail the proposal. Delinquent tax period and LPS information is required for systemic calculation of the proposed liability.

4. How will each data item be verified for accuracy, timeliness, and completeness?
IDRS reassigns the T-SIGNed cases to the A6020(b) application through a loading process. The IDRS provides Opening, Closing, and Refresh type record information according to an agreed upon record layout. All Opening records load once the input data has been validated.

The IDRS data is checked for the correct format by the input load program before being loaded into the A6020(b) database. The input load program checks to verify that numeric and alphanumeric fields are populated by numeric and alphanumeric entries respectively. These entries are verified for correctness before forwarding for A6020(b) processing.

User input to the A6020(b) menus is validated against the expected values. Through A6020(b) specific modules, users are allowed to update the case status code and/or wage amount of A6020(b) records. A6020(b) employs rules to check the valid syntax of information system inputs (e.g., character set, length, numerical range, acceptable values) to verify that inputs match specified definitions for format and content and pre-screens inputs passed to interpreters to prevent the content from being unintentionally interpreted as commands. No processes are executed when invalid responses are entered.

5. Is there another source for the data? Explain how that source is or is not used.
No. There are no other sources of data.

6. Generally, how will data be retrieved by the user?
Data is generally retrieved by querying the employer's EIN, or the Status Code.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. Data can be retrieved by the Employer Identification Number (EIN).

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?
The following IRS employees have access to A6020(b):

- **Role:** Application Administrator
- **Responsibility:** The Application Administrator has the highest permission role level within A6020(b). The Application Administrator determines all role levels and permissions for users of the application. The Application Administrator may access all administrator-type menu options from the Home page.

- **Role:** Read-Only Guest
- **Responsibility:** The Application Administrator sets this role as read only for those users such as the Planning and Analysis staff and headquarters management who will not update data within A6020(b) but may have a need to research the data (for example, Entity, Modules, and Reports).

- **Role:** Tax Examiner and Clerks
- **Responsibility:** The Tax Examiner and Clerks use the View Entity Details and History menu options from the Home page. The Entity web page takes the user to the Modules and LPS information page. It is on this page that the user may makes changes to the Wage and/or Status Code(s) for that Entity.

- **Role:** Unit Manager and Lead
- **Responsibility:** The Application Administrator grants special role privileges to Unit Managers and some leads. The Customer determines the access to certain functions that are permission limited.

- **Role:** Manager
- **Responsibility:** Like some leads, the Application Administrator may grant special role privileges to some managers. This role allows access to view additional reports and other functions. The Application Administrator sets the limitations.

All users of the application are IRS employees and are located within the IRS firewall. Contractors do not have access to the A6020(b) application.

9. How is access to the data by a user determined and by whom?
The Application Administrator determines all role levels and permissions for users of A6020(b). Additionally, access to the data is determined by the manager based on a user's position and their need-to-know. In order to gain access, an approved Online Form 5081 and Information System User Registration/Change Request are required. Twice a month, the manager reviews each employee's usage of the application and determines whether the user's access to the data is to be terminated when it is no longer needed.

In addition to the manager's review, the A6020(b) Application Administrator routinely reviews the list of active A6020(b) users and their activities to ensure the application access controls are enforced for

each user. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on the Online Form 5081.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.
Yes.

- **IDRS** is used to obtain cases identified by unique TSIGNs and BMF data such as employer information (e.g. EIN, Name, Address, Wage, and Tax Amounts). This information is obtained via scheduled weekend batch loading processes.

- Inventory Delivery System **(IDS)** receives Taxpayer Delinquency Investigation (TDI) data that has been closed by A6020(b) to re-evaluate and resolve Taxpayer Delinquent Account (TDA).

- Notification Delivery System **(NDS)** receives Form 1085 cover sheet with proposed returns data from A6020(b). Proposals are generated from the A6020(b) program and adapted for printing and mailing by NDS.

- Standardized IDRS Access **(SIA)** receives weekly batch file called B1B2 tickler file from A6020(b). This transaction data includes: Service Center Codes, Three Digit Process IDs, TINs, File Source Numbers, TIN types, Master File Transaction Codes, Plan Numbers, Tax Periods, Request Types, Status, and Transaction Data.

Data input and output are transferred via batch file processing using the EFTU secure encrypted process.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?
Yes.

IDRS
- Certification and Accreditation (C&A) Authority to Operate (ATO) Date: 3/10/2009
- PIA Date: 11/6/2008

IDS
- Certification and Accreditation (C&A) Authority to Operate (ATO) Date: 5/01/2009
- PIA Date: 9/10/2009

NDS
- Certification and Accreditation (C&A) Authority to Operate (ATO) Date: 6/19/2008
- PIA Date: 8/03/2007

SIA
- Certification and Accreditation (C&A) Authority to Operate (ATO) Date: 6/19/2008
- PIA Date: 5/20/2009

12. Will other agencies provide, receive, or share data in any form with this system?
No. There are no other agencies that provide, receive or share data with A6020(b).

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
A request for records disposition authority for SB/SE's A6020(b) non-filer program and associated records is currently being 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 A6020(b) inputs, system data, outputs and system documentation will be published in IRM 1.15, exact Records Control Schedule and item number to be determined.

Proposed is a three-year retention of A6020(b) database records prior to being removed and archived on external tape media. The tapes are stored offsite and are the responsibility of a third-party company through contractual agreement with the IRS. The records are to be archived for three additional years on external tape media prior to destruction. The data will be destroyed following IRS procedures stated in Internal Revenue Manual (IRM) 2.7.4 for the sanitization and destruction of discarded media. IRM 2.7.4, Management of Magnetic Media (Purging of SBU Data and Destruction of Computer Media) provides specific procedures used for sanitizing electronic media for reuse (e.g., overwriting) and for controlled storage, handling, or destruction of spoiled media or media that cannot be effectively sanitized for reuse (e.g., degaussing).

14. Will this system use technology in a new way?
No. The A6020(b) system will not use technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
No. A6020(b) does not identify or locate individuals or groups. The purpose of A6020(b) is to properly assess the amount on a tax proposal for non-filing business taxpayer through an automated process as outlined in IRM 5.18.2, Business Returns Internal Revenue Code (IRC) 6020(b). A6020(b) automatically calculates certain proposals, while others require manual research and data input before the application calculates the proposal. Proposals are generated and adapted for printing and mailing by the NDS. A6020(b) produces a package containing the appropriate forms (940, 941, 943, and 944) and Letter 1085, which is sent to the taxpayer.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.
No. A6020(b) does not provide the capability to identify, locate, and monitor groups of people.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
No. A6020(b) does not have the ability to allow IRS to treat taxpayers, employees, or others differently.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
Yes. A6020(b) produces a package containing the appropriate forms (940, 941, 943, and 944) and Letter 1085, which is sent to the taxpayer to inform them of any planned adjustments to their account. After the Letter 1085 package is sent to the taxpayer, no action is taken for a minimum of 45 days. Taxpayers can respond to any negative determination prior to final action. Taxpayers may respond to the findings from the IRS in any of the following ways:

- Prepare and sign tax returns which the taxpayers believe show their correct tax liability and return to the IRS

- Mail IRS any additional information taxpayers would like IRS to consider
- Request a conference

The taxpayers have 45 days from the date of the 1085 letter to respond before the IRS process the tax returns that were prepared in the letter. The taxpayers will then be billed for the amount of tax due, plus any additional penalties and interest.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?
The application is web-based, but it does not use persistent cookies or other tracking devices to identify web visitors. This application is an internal IRS web-based application; it is not outward facing.

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