Date of Approval: **April 20, 2023**

PIA ID Number: **7465**

SYSTEM DESCRIPTION

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

Private Debt Collection Data Transfer Component, PDC-PDTC

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?

4693 Private Debt Collection Data Transfer Component, PDC-PDTC

What is the approval date of the most recent PCLIA?

3/2/2020

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.

Small Business/Self-Employed (SBSE) Governance Board

Current ELC (Enterprise Life Cycle) Milestones:

System Development/Milestone 4B

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.

In December of 2015, Congress adopted legislation requiring the IRS to supplement collection of outstanding taxpayer debt with Private Collection Agencies (PCA). As a result, an Information Technology solution is required to securely share taxpayer information between these agencies and the service. The Private Debt Collection Data Transfer Component (PDTC) update service will provide the capability to receive data as files from PCAs, perform validation checks on data from PCAs, programmatically post updates to Current Product Environment (CPE) systems of record, and send acknowledgements to PCAs. Private Debt Collection (PDC) Data Transfer Component (PDTC) is a part of the Information Exchange capability to support the Private Debt Collection program. IRS will be assigning collection cases to external Private Collection Agencies (PCAs) and will be requiring the external PCAs to periodically send taxpayer record updates to the IRS - 1=Installment Agreement Initiated, 2= Deceased, 3=Return, 4=Installment Agreement Terminated, and 5=Installment Agreement Error. PDTC provides the capabilities to receive taxpayer record update data as XML files, and programmatically send updates to Integrated Data Retrieval System (IDRS), which would then be posted to Master File (MF).

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:*

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

> When there is no reasonable alternative means for meeting business requirements

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

> Without the PII data (Social Security Number (SSN)), PDTC would not be able to transfer the taxpayer updates reported by the Private Collection Agencies (PCAs) to the IRS CPE systems.

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".

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
> 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:

> 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?

> Yes

Describe the other types of SBU/PII that are applicable to this system.

> The PCA send SBU information such as: Installment Agreement Initiated, Deceased, return, Installment Agreement Terminated, and Installment Agreement Error.

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.

Without the PII data (Social Security Number (SSN)), PDTC would not be able to transfer the taxpayer updates reported by the Private Collection Agencies (PCAs) to the IRS CPE systems.

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

Accuracy: PDTC will ensure data is received in the prescribed format and meet a variety of validation criteria that ensure proper validation before being passed through to CPE systems. Timeliness: PDTC will respond in a timely manner based on the required intervals outlined in the business requirements. Completeness: PDTC will validate data is received in the required format.

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

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: ICCE
Transmission Method: HTTPs
ISA/MOU: No

Organization Name: Private Collection Agencies
Transmission Method: XML files via SDT, EFTU
ISA/MOU: Yes

Organization Name: CBE Group
Transmission Method: AXWAY/Secure File Transfer (SFT) system. An internal IRS file transfer utility (EFTU) will transfer the files from the AXWAY/SFT system to the PDTC system
ISA/MOU: No

Organization Name: ConServe
Transmission Method: AXWAY/Secure File Transfer (SFT) system. An internal IRS file transfer utility (EFTU) will transfer the files from the AXWAY/SFT system to the PDTC system
ISA/MOU: No

Organization Name: Pioneen
Transmission Method: AXWAY/Secure File Transfer (SFT) system. An internal IRS file transfer utility (EFTU) will transfer the files from the AXWAY/SFT system to the PDTC system
ISA/MOU: No

Organization Name: Performant
Transmission Method: AXWAY/Secure File Transfer (SFT) system. An internal IRS file transfer utility (EFTU) will transfer the files from the AXWAY/SFT system to the PDTC system
ISA/MOU: No

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?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: IDRS
Current PCLIA: Yes
Approval Date: 10/26/2021
SA&A: Yes
ATO/IATO Date: 3/21/2022

Identify the authority.

In December 2015, Congress adopted legislation requiring the IRS to supplement collection of outstanding taxpayer debt with Private Collection Agencies (PCA). As a result, an Information Technology solution is required to securely share taxpayer information between these agencies and the service.

For what purpose?

As a result, an Information Technology solution is required to securely share taxpayer information between these agencies and the service. This requires changes to existing systems, such as IDRS and the creation of a new end-to-end solution. The PDTC update service will provide the capability to receive data as files from PCAs, perform validation checks on data from PCAs, programmatically post updates to Current Product Environment (CPE) systems of record, and send acknowledgements to PCAs.

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?

Yes

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

Organization Name: The CBE Group
Transmission Method: AXWAY/SFT
ISA/MOU: No

Organization Name: ConServe
Transmission Method: AXWAY/SFT
ISA/MOU: No

Organization Name: Performant
Transmission Method: AXWAY/SFT
ISA/MOU: No

Organization Name: Navient - Pioneer
Transmission Method: AXWAY/SFT
ISA/MOU: No

Identify the authority.

Legislation: Fixing America's Surface Transportation (FAST) Act (Pub. L. No. 114-94) Section 32102.

For what purpose?

Yes

Did the contract include the appropriate 6103(n) clauses for tax return and return information, and Federal Acquisition Regulations privacy clauses?

Yes

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 Private Collection Agencies (PCAs) are expected to contact the taxpayers and notify the taxpayers about the authority to collect the information related to their debts and payments status. The PCAs are required to report the taxpayer updates to the IRS. Also, the IRS will provide a letter notifying the taxpayer of the assignment of their case to the PCAs.

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):

Notice, consent, and due process are provided in the tax forms instructions, and pursuant to 5 USC. The taxpayer has the option to opt-out of using the PCA.

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

Notice, consent, and due process are provided in the tax forms 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).

IRS Owned and Operated

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

IRS Employees

Users: Read Write

System Administrators: Administrator

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

SBI/PII access is determined by the needs of the Business. IRS Managers approve the list of individuals that have access to SBU/PII information via Business Entitlement Access Request System (BEARS) application requests. The individuals attend mandatory Access to Sensitive but Unclassified (SBU) Information and IT Systems Security Awareness Training (SAT).

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.

RCS 28 Items 200(a)-Closed Tax Delinquency Account (TDA) Case Files-Destroy 3 years after cutoff. RCS 28 Item 200(b)-All other copies of PCA Case File documentation previously sent to the IRS and included in the Official TDA Case File. These copies replicate materials filed in the Official IRS Case File.-Destroy immediately. RCS 28 Item 201-Private Collection Agency Case Histories-Destroy IRS copy of temporal recall case history when no longer needed for administrative, legal, audit, or other operational purposes. RCS 28 Item 201(b)-All Case Histories from PCAs are transferred to the IRS by paper or electronically on CD or through the Tumbleweed system, at closeout of program or final contract expiration. RCS 28 Item 202-Recall Acknowledgement Reports-Destroy 3 years after cutoff. RCS 28 Item 203-Overage Case Inventory Reports-Destroy 3 years after cutoff. RCS 28 Item 204(a)-CACS-G Case Files System-Delete/Destroy immediately. RCS 28 Item 204(b)-CACS-G Database: Delete/Destroy 3 years after cutoff or when no longer needed for administrative, legal, audit, or other operational purposes, whichever is earlier. RCS 28 Item 204 (c)-Outputs to CACS-G include, but are not limited to, system backups, management information, reports (Business Error Reports, PCA Placement Report, Processing Error Report, Quality Pull List Report, etc.)*, electronic transfers of data, audit trail listings and reports, or equivalent documentation in both hard copy and digital formats. *Excluding CACS-G BO Reports. RCS 28 Item 205-CACS-G System BO Reports-Delete/Destroy 1 year after cutoff. RCS 28 Item 206-CACS-G Audit Records - System Access-Delete/Destroy 6 years after cutoff. RCS 28 Item 207-Private Debt Collection Internal Control Documents-Delete/Destroy 1 year after cutoff. RCS 28 Item 208-Private Debt Collection Operational Planning Documents-Delete/Destroy 5 years after cutoff. RCS 28 Item 209-Business Review Reports of Private Debt Collection Activities-Delete/Destroy 10 years after cutoff. RCS 28 Item 210-Private Debt Collection Administrative-Advisory Council Records-Delete/Destroy 5 years after cutoff. RCS 28 Item 211-Private Debt Collection Trend and Process Analyses and Reports-Delete/Destroy 2 years after cutoff. RCS 28 Item 212-Narrative Quality Review Reports of Private Debt Collection Activities-Delete/Destroy 3 years after cutoff. RCS 28 Item 213-

EQRS/NQRS Output Reports of Private Debt Collection Activities-Destroy when superseded or no longer needed. RCS 28 Item 214-Private Debt Collection Audio Digital Recordings - Non-Evaluative-Centralized Quality-Delete/Destroy 18 months after cutoff. RCS 28 Item 215-Joint Private Debt Collection Operating Unit (OU) Quality Assurance (QA)/Consistency Meetings and Minutes-Delete/Destroy 3 years after cutoff. RCS 28 Item 216-Private Debt Collection Customer Satisfaction Surveys-Delete/Destroy 15 years after cutoff. RCS 28 Item 217-Private Debt Collection Complaint Files and Complaint Logs-cutoff. Delete/Destroy 3 years after RCS 28 Item 218-Private Debt Collection Letters and Letter Development Files-Delete/Destroy 10 years after cutoff. RCS 28 Item 219-Private Debt Collection Handbooks and Guides Development Files-Delete/Destroy 10 years after cutoff. RCS 28 Item 220-Background Investigation Case Files and Associated Documentation for Private Debt Collection Personnel/(A) Background Investigation Case Files-Destroy 16 years after date of final report, final legal action, or final administrative action. RCS 28 Item 220-Other Documentation associated with Background Investigations of Private Debt Collection Agencies (e.g., Approval Letters, RACs, and Investigation Listings)-Delete/Destroy 2 years after cutoff. RCS 28 Item 221-Private Debt Collection Training Files-Delete/Destroy 1 year after cutoff. RCS 28 Item 222-Private Debt Collection Annual Briefing Certifications-Delete/Destroy 2 years after cutoff RCS 28 Item 223-Correspondence Files-Delete/Destroy 2 years after cutoff RCS 28 Item 224-Private Debt Collection Mailbox Inquiry Responses-Delete/Destroy 6 months after cutoff RCS 28 Item 225-Private Debt Collection Security Plans and Related Records-Delete/Destroy 1 year after cutoff RCS 28 Item 226-Private Debt Collection IT Security Plans and Related Records-Delete/Destroy 1 year after cutoff RCS 28 Item 227-Private Debt Collection Disaster Plans, Business Continuity Plans and Related Records-Delete/Destroy 1 year after cutoff RCS 28 Item 228-Private Debt Collection Transmittal and Receipt Records (including Forms 3210)-Delete/Destroy 1 year after cutoff RCS 28 Item 229-Private Debt Collection Certified and Registered Mail Records-Delete/Destroy 4 years after cutoff RCS 28 Item 230-Private Debt Collection Litigation Background Files-Delete/Destroy 2 years after cutoff RCS 28 Item 231-Private Debt Collection Threat Files-Delete/Destroy 5 years after cutoff RCS 28 Item 232-Private Debt Collection General Administrative Files-Delete/Destroy 2 years after cutoff RCS 28 Item 233-Private Debt Collection Program-Specific Procurement Files-Delete/Destroy 6 years, 3 months after cutoff RCS 28 Item 234-Private Debt Collection Program-Specific Solicited and Unsolicited Bids and Proposals Files-Delete/Destroy 1 year after final payment.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

Yes

What date was it completed?

6/29/2022

Describe the system's audit trail.

Audit Information Management System (AIMS) provides inventory and activity controls of active Examination cases. It uses linkage to Integrated Data Retrieval System (IDRS) to input status changes, adjustments, and case closing actions. See Audit Information Management System Reference (AIMS-R) for additional related Application Systems. This system is not a part of Integrated Data Retrieval System (IDRS) and is outside the boundary of the IDRS application for purposes of the IDRS investment definition (E300, Federal Information Security Management Act (FISMA)/ Information Technology Security).

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)?

The test plans are stored in Docit, the online secured repository.

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?

PDTC goes through the Annual Security Control Assessment which tests the application for all vulnerabilities.

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.

4/14/2023

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: 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?

No