



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

COMMUNICATIONS AND LIAISON

NOV 13 2003

MEMORANDUM FOR CHERYL SHERWOOD, DIRECTOR
FILING AND PAYMENT COMPLIANCE

FROM:

Maya A. Bernstein
Privacy Advocate

A handwritten signature in black ink, appearing to read "Maya A. Bernstein", written over the printed name.

SUBJECT:

Automated Lien System
Privacy Impact Assessment (PIA)

The Office of the Privacy Advocate has reviewed the Privacy Impact Assessment for the Automated Lien System. Based on the information you provided, we do not have any privacy concerns that would preclude this system from operating. However, a revised PIA is required when considering any future upgrades or major modifications during the lifetime of this system.

We will forward a copy of the PIA to the Director, Modernization and System Security to be included in the Security Accreditation Package for formal acceptance for operation. The Director, Security Policy Support and Oversight may request information concerning the statements contained in the PIA to ascertain compliance with applicable security requirements.

If you have any questions please contact me at 202-927-5170; or, your staff may contact Priscilla Hopkins at 202-927-9758.

Attachment

cc: Director, Modernization and System Security OS:MA:M

Privacy Impact Assessment – Automated Lien System (ALS)

Draft PIA Date 10/24/2003

MEMORANDUM FOR MAYA A. BERNSTEIN
PRIVACY ADVOCATE

FROM: V. Steven Blood, Chief, ITS Support Branch
OS:CIO:I:B:CA:IS

SUBJECT: Request for Privacy Impact Assessment (PIA) –
Automated Lien System (ALS)

Purpose of the System: The Automated Lien System (ALS) is used to generate Notices and Releases of Federal Tax Liens, as well as to generate levy documents and letters using information derived from the Delinquent Inventory/Accounting Listing (DIAL) data extract from the Integrated Data Retrieval System (IDRS). The purpose of a tax lien is to put the public on notice that a lien has been placed on a taxpayer's property. Once the information is released to the state recording offices and the District of Columbia Recorder of Deeds, it is public information and is not of a confidential nature.

Name of Request Contact:

Name: Susan Howell
Organization Name & Symbols: OS:CIO:I:B:CA:IS:OU
Mailing Address: 1973 North Rulon White Blvd M/S 6502, Ogden
UT 84404
Phone Number (with area code): 801-620-4022

Name of Business System Owner:

Name: Cheryl Sherwood
Organization Name & Symbols: Director, Filing and Payment
Compliance
Mailing Address: NCFB-5000 Lanham, MD 20706
Phone Number (with area code): 202-283-7650

Requested Operational Date: In operation

Category: (Reason PIA is required--enter "y" or "n" and applicable dates)

New System?: _____
Recertification? (if no change, enter date of last certification)
12/20/2000
Modification of existing system?: _____

Is this a National Standard Application (NSA)?: __N__

Is this a Modernization Project or System? __N__

If yes, the current milestone?: ____ (Enter 1-5; explain if combining
milestones)

Privacy Impact Assessment – Automated Lien System (ALS)

System of Records Number(s) (SORN) #:

Treasury/IRS 26.009 Lien Files (Open and Closed)

Treasury/IRS 36.003 General Personnel and Payroll Records

Treasury/IRS 34.037 IRS Audit Trail and Security Records System

Attachment: PIA

Privacy Impact Assessment – Automated Lien System (ALS)

Data in the System

<p>1. Describe the information (data elements and fields) available in the system in the following categories:</p> <ul style="list-style-type: none"> A. Taxpayer B. Employee C. Audit Trail Information (including employee log-in info) D. Other (Describe) 	<ul style="list-style-type: none"> A. Taxpayer: Tax lien information on property owned by taxpayers with overdue tax balances is retained in the ALS database until one year after the lien has been released. This encompasses taxpayer name, address, telephone, social security number, and income information. B. Employee: The following information appears on the notice of lien: IDRS number, Badge number, (The IDRS number is for internal identification and has been in place for many years. The employee badge number is required under RRA98 § 3705 for identification to the taxpayer.) Name (or authorized pseudonym) Post of Duty, Work phone number, and Job title. C. The system the application resides on collects the employee log-in information. D. No additional data elements
<p>2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.</p> <ul style="list-style-type: none"> A. IRS B. Taxpayer C. Employee D. Other Federal Agencies (List agency) E. State and Local Agencies (List agency) F. Other third party sources (Describe) 	<ul style="list-style-type: none"> A. The taxpayer name, address, telephone, social security number, and income information are obtained from: Automated Collection System (ACS) is a telephone collection process that sends daily batch requests for ALS to generate liens. The Integrated Collection System (ICS) sends daily batch requests for ALS to generate liens. Delinquency Investigation/Accounts Listing (DIAL) Download is a part of ALS. It is an extract of DIAL and consists of an extract of the master file containing collection data on taxpayers. All ALS information is in the form of extracts from current IRS databases. B. No information is collected from taxpayers. C. Login and passwords are collected from employees when they access the system. D. No Federal Agencies provide data for this system. E. No State or Local Agencies are providing data for use in ALS. F. No other third party sources are used.
<p>3. Is each data item required for the business purpose of the system? Explain.</p>	<p>ALS generates Notices and Releases of Federal Tax Liens. It also generates levy documents and letters using information derived from the DIAL data extract from IDRS. Only information relevant to the objective of ALS is downloaded.</p>

Privacy Impact Assessment – Automated Lien System (ALS)

<p>4. How will each data item be verified for accuracy, timeliness, and completeness?</p>	<p>Any data collection, verification and checks for completeness of data are performed prior to information being provided to ALS. The data is timely as it is received from daily batch requests.</p>
<p>5. Is there another source for the data? Explain how that source is or is not used.</p>	<p>No.</p>
<p>6. Generally, how will data be retrieved by the user?</p>	<p>Data is retrieved by: Serial Lien Identification (SLID) number (ALS automatically assigns a unique number for lien records), Taxpayer Identification Number (TIN) (either an Employee Identification Number (EIN) or a Social Security Number (SSN)), Name (Taxpayer's name on the Lien), or Address (Taxpayer's address on the Lien).</p>
<p>7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?</p>	<p>Yes, data is retrievable by Name, SSN, or EIN.</p>

Access to the Data

<p>8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?</p>	<p>ALS Users, Managers, Developers, and System Administrators have access to the ALS system. Contracts have existed between local jurisdictions and IRS for 10 years. (All liens on personal and real property in MA are filed at the United States District Court (USDC) in Boston. The ALS maintains the recorded lien releases, withdrawals etc. on these filed liens and the data is made available by access the ALS terminal located on the court's premises by the public. The Secretary of State in Hartford, CT (CTSOS) has a similar ALS setup with one exception, the ALS terminal is located behind the counter and only the CTSOS employees have access.)</p>
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<p>9. How is access to the data by a user determined and by whom?</p>	<p>Access is determined by a manager based on need to know. Access to the data within the application is restricted. Roles have been created in the ALS to guarantee that users are restricted to take only those actions that are consistent with their functional responsibilities. For example, a collection user cannot restore the database after changes in computations or status are made. Similarly, an Information Systems Operator cannot access and change lien information in the database. Each user has been assigned a password that is encrypted by the application software. Users are assigned only those system permissions they need to perform their jobs. They can only access those system functions for which they have been assigned permissions.</p> <p>Access to the ALS System is established through use of On-line 5081. Each employee must request access to the ALS. Specific permissions (Read, Write, Modify, Delete, Print) are defined on the Form 5081 approved by manager and set (activated) by the SA or Functional Security Coordinator prior to the employee being allowed network and ALS access.</p>
<p>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. If NO, continue to Question 12.</p>	<p>Yes, the Automated Insolvency System (AIS). AIS tracks bankruptcy and decedent cases, generates proofs of claim, and allocates bankruptcy payments. Using AIS, the district insolvency units send batch requests containing a list of taxpayers that have recently filed for bankruptcy. ALS runs this list against its database and sends back a print record containing a facsimile of all liens that have been filed under the requested names.</p>
<p>11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?</p>	<p>The AIS Privacy Impact Assessment was approved July 30, 2003. AIS is undergoing security certification as of October 2003.</p>

Privacy Impact Assessment – Automated Lien System (ALS)

<p>12. Will other agencies provide, receive, or share data in any form with this system?</p>	<p>Lien information is sent to state and county governments. All liens on personal and real property in MA are filed at the United States District Court (USDC) in Boston. The ALS maintains the recorded lien releases, withdrawals etc. on these filed liens and the data is made available by access the ALS terminal located on the court's premises by the public. The Secretary of State in Hartford, CT (CTSOS) has a similar ALS setup with one exception, the ALS terminal is located behind the counter and only the CTSOS employees have access. The ALS contains over 350,000 lien records for both locations. A dedicated server containing the partial ALS database is located outside the IRS Internet and the external stakeholders access it through the Detroit Computing Center (DCC) Extranet enterprise security zone.</p>
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Administrative Controls of Data

<p>13. What are the procedures for eliminating the data at the end of the retention period?</p>	<p>Lien records are retained in the ALS database until one year after the lien has been released or satisfied per IRM 1.15.28 Records Control Schedule for Collection Item 43. ALS has an internal purge utility that removes all lien records one year after they have been satisfied, or have expired due to statute limitation. This is documented in the System Administrator's Guide.</p>
<p>14. Will this system use technology in a new way? If "YES" describe. If "NO" go to Question 15.</p>	<p>No.</p>
<p>15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.</p>	<p>Yes, individual lien cases are public information and may be identified by the use of the taxpayer name or TIN and address, however this is considered an authorized disclosure under IRC Sec. 6321 Lien for taxes and 6103. Lien cases are not filed for groups of people, just individuals.</p>
<p>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.</p>	<p>No, the system does not have the capability to monitor individuals or groups. Liens are one-time events and no data is retained after the lien has been released or satisfied.</p>

Privacy Impact Assessment – Automated Lien System (ALS)

<p>17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.</p>	<p>ALS is a system of records that treats all individuals the same. ALS is an enforcement tool and treats all people who have a lien on their property the same.</p>
<p>18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?</p>	<p>ALS receives weekly updates from the Master File that give information on statute expiration, address change, and status of the IDRS module. The data is still sufficiently accurate, relevant, timely, and complete to ensure fairness in making determinations. All information within ALS is internally generated and must comply with the Internal Revenue Code (IRC). ALS does not negatively impact due process rights of taxpayers/employees. It uses the last known and verified information about the taxpayer. The notice gives the taxpayer the right to challenge information or object.</p>
<p>19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?</p>	<p>The system is not web-based. Electronic access is query based from courthouses, not web-based.</p>