



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

JUN 23 2004

MEMORANDUM FOR JERRY DALPIAS, CHIEF  
COMPLIANCE DEVELOPMENT BRANCH,  
CUSTOMER APPLICATIONS DEVELOPMENT,  
INFORMATION TECHNOLOGY SERVICES

FROM:

Maya A. Bernstein  
Privacy Advocate

*Maya A. Bernstein*  
for

SUBJECT:

Privacy Impact Assessment for Automated User Fee  
LJ837E/LJ838E

The Office of the Privacy Advocate has reviewed the Privacy Impact Assessment (PIA) for the Automated User Fee LJ837/LJ838E Program. 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 to the system.

Note that the Electronic Government Act of 2002 requires that the IRS make this PIA available to the public. If there is any portion of this PIA that you believe would cause harm to the IRS or any party if disclosed to the public, please mark those portions and return to our office within 10 days.

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. If you have any questions, please contact me at (202) 927-5170, or your staff may call Dorothy D'Antoni at (202) 622-9466.

Attachment

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

July 31, 2003

MEMORANDUM FOR CHARLENE WRIGHT THOMAS  
ACTING PRIVACY ADVOCATE CL:PA

FROM: Jerry Dalpiaz, Chief, Compliance Development Branch  
M:I:B:CA:CD

SUBJECT: Request for Privacy Impact Assessment (PIA) –  
*Automated User Fee LJ837E/LJ838E*

Purpose of the System: Automated User Fee is a National Compliance Program used by all service centers. It is the only means by which the “user fee” is automatically recovered from taxpayers’ who have entered into installment agreements to pay taxes owed, but who have failed to pay the “user fee” of \$43.00, or who wishes to reinstate an agreement.

Name of Request Contact:

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

Name of Business System Owner:

Name: Linda Stiff, Director, Compliance  
Organization Name & Symbols: Compliance  
Mailing Address: 401 W Peachtree St., Atlanta, GA 30308  
Phone Number (with area code): 404-338-9904

Category

New System?: No.  
Recertification?  
Modification of existing system?:  
Is this a National Standard Application (NSA)? Yes, NSA #35  
Is this a Modernization Project or System? No.

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

Treasury/IRS 24.030 CADE Individual Master File  
Treasury/IRS 26.019 Taxpayer Delinquent Accounts (TDA) Files  
Treasury/IRS 34.037 IRS Audit Trail and Security Records System  
Attachment: PIA



**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"> <li>A. Taxpayer –</li> <li>B. Employee</li> <li>C. Audit Trail Information (including employee log-in info)</li> <li>D. Other (Describe)</li> </ul>	<ul style="list-style-type: none"> <li>a. Taxpayer name, SSN or TIN.</li> <li>b. No employee information is collected.</li> <li>c. Authorized employees may only login per security requirements of approved SF-5081, with name and password protections.</li> <li>d. N/A</li> </ul>
<p>2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.</p> <ul style="list-style-type: none"> <li>A. IRS –</li> <li>B. Taxpayer –</li> <li>C. Employee</li> <li>D. Other Federal Agencies (List agency)</li> <li>E. State and Local Agencies (List agency)</li> <li>F. Other third party sources (Describe)</li> </ul>	<ul style="list-style-type: none"> <li>A. Name, SSN/TIN</li> <li>B. The data elements file come from the taxpayer's account.</li> <li>C. Automated User Fee does not contain any employee information.</li> <li>D. Automated User Fee does not contain any data from other Federal Agencies.</li> <li>E. Automated User Fee does not contain any data from State and Local Agencies.</li> <li>F. Automated User Fee does not contain any data from other third party sources.</li> </ul>
<p>3. Is each data item required for the business purpose of the system? Explain.</p>	<p>Yes. The data items are needed to create a record for each payment that will be used to pay a taxpayer's user fee. The data items are needed to update the taxpayer's account when the user fee is paid.</p>
<p>4. How will each data item be verified for accuracy, timeliness, and completeness?</p>	<p>Data elements are downloaded from the latest IRS tax account database such as IMF. Reports are generated from the program to assist with account balancing and journalization. The report can also be used to perform a quality random sample of the records extracted.</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>The system identifies taxpayers and applies payments without user intervention. Data is available via "User Fee Reports." The reports are generated to assist with account balancing and journalization. The reports can also be used to perform a quality random sample of the records extracted. The reports are available on the Electronic Online Output Network System (EONS)</p>
<p>7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?</p>	<p>Yes. Data can be retrieved by TIN.</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>System Administrators and Philadelphia Development &amp; Programming Applications Sections, as developers, use the data to ensure program accuracy. Accounting Department uses the reports to perform balancing action internal to that department. Receipt &amp; Control Department receives and files the reports.</p>
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<p>9. How is access to the data by a user determined and by whom?</p>	<p>Managers determination of who needs access is based on the following criteria: need to ensure program accuracy and need to perform balancing action. A Form 5081, Information System User Registration/Change Request is submitted, reviewed, and the user is added. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on Form 5081.</p>
<p>10. Do other IRS systems provide, receive, or share data in the system?</p>	<p>Yes. CADE IMF; Taxpayer Delinquent Accounts (TDA) Files supply the SBU data necessary to create a record for each payment that will be used to pay a taxpayer's user fee, then they have neglected to pay in on their own.</p>
<p>11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?</p>	<p>Yes</p>
<p>12. Will other agencies provide, receive, or share data in any form with this system?</p>	<p>No.</p>

**Administrative Controls of Data**

<p>13. What are the procedures for eliminating the data at the end of the retention period?</p>	<p>Records are maintained and disposed of in accordance with Records Disposition Handbooks, IRM 1.15.2.1 through IRM 1.15.2.31</p>
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<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. The system has the capability to identify or locate individuals who have not paid their user fee and then apply any payments made to their user fee. After the user fee is paid, the system will update the taxpayer's account to indicate the user fee has been paid. This is the business purpose the system.</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 is run quarterly. A new extract is made in each quarter and prior data is purged. The system cannot monitor individuals or groups.</p>
<p>17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.</p>	<p>No. Automated User Fee does not contain any employee information.</p> <p>Automated User Fee contains records of taxpayers who have not paid their agreed upon user fee. Each taxpayer will be treated equally.</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>Yes. The system does not make determinations that harm taxpayers. Taxpayers are aware they have not paid their user fee. The taxpayer submits a payment to pay the user fee and it is applied by the system.</p>
<p>19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?</p>	<p>Automated User Fee is not web-based.</p>