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

CHIEF
COMMUNICATIONS AND LIAISON

JUN 18 2003

MEMORANDUM FOR Dale Hart, Commissioner
Small Business/Self Employed
S:C3-402O

FROM: for Mary D. Ponman, Jr
Charlene W. Thomas
Acting Privacy Advocate CL:PA

SUBJECT: Electronic Federal Tax Payment System - Release 2.0
Privacy Impact Assessment (PIA)

The Office of the Privacy Advocate has reviewed the Privacy Impact Assessment for the Electronic Federal Tax Payment 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 modifications to the system.

We will forward a copy of the PIA to the Information Technology Services Security and Certification Program Office to be included in the Security Accreditation Package for formal acceptance for operation. The Office of Security Evaluation and Oversight, which has security oversight responsibility, may request information concerning the statements contained in the PIA to ascertain compliance with applicable requirements.

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

Attachment

cc: Director, Information Technology Services Security and Certification Program Office M:S:C:C
Director, Office of Security Evaluation and Oversight M:S:S

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories: A. Taxpayer B. Employee C. Audit Trail Information (including employee log-in info) D. Other (Describe)	***Taxpayer:*** *The EFTPS system contains general information regarding the taxpayer name, address, taxpayer identification number, banking information, account numbers, routing numbers and payment history information, tax type, payment amount and dates.* ***Employee:*** *None* ***Audit Trail Information (including employee log-in info):*** *All EFTPS operating systems, applications, and databases shall comply with the C2 audit logging requirements. C2 audit logging requirements for the EFTPS project are:* o *log on* o *log off* o *change of password* o *creation, deletion, altering of files* o *altering of database (add, change, delete)* o *all activity of system operators, system administrators, or Security Officers* o *all unauthorized/failed attempts to query database or files* o *program/process initiation for programs that allow altering, adding or deleting of data* ***Other:*** *The EFTPS customer service system maintains a history of taxpayer calls including the date/time and reason for the call.*
2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources. 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)	*Information obtained in the EFTPS system is received from two sources 1) the IRS business master file (BMF) and 2) the taxpayer supplies their contact and bank information and initiates payment transactions.* ***IRS:*** *IRS master files are used to identify qualified taxpayer. EFTPS transfers taxpayer name and employer identification information to the IRS for validation. Once validated the taxpayer is added to the EFTPS as an enrolled taxpayer. Only enrolled taxpayers can initiate payment transactions.* ***Taxpayer:*** *Taxpayers will provide identifying information (employer identification number (EIN), contact name, and address), banking information and payment instructions.* ***Employee:*** *None* ***Other Federal Agencies:*** *None* ***State and Local Agencies:*** *None* ***Other third party sources:*** *None*

3. Is each data item required for the business purpose of the system? Explain.	*EFTPS only contains taxpayer information relevant to collection of tax payments.*
4. How will each data item be verified for accuracy, timeliness, and completeness?	***Accuracy:*** *Credit payment transactions are collected from the Federal Reserve. The taxpayer must be enrolled and validated based on the IRS master file before payments can be accepted on their behalf. Payments from unenrolled taxpayers are returned to the initiating financial institution.* ***Timeliness:*** *Credit payments must follow NACHA rules and must be received within 2 days of the settlement date.* ***Completeness:*** *Credit transactions must be received from the Federal Reserve and record formats must match the standard ACH NACHA rules as well as specific rules identified for tax payments.*
5. Is there another source for the data? Explain how that source is or is not used.	*Yes. It is replicated at our backup data center and used for business continuity if the primary data center is unavailable.*
6. Generally, how will data be retrieved by the user?	*Users must first identify themselves via TIN and PIN number that is entered via touch-tone phone and automatically validated by the system prior to the call being transferred to a customer service representative.*
7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?	*Yes, Employer Identification Number and Taxpayer Identification Number can retrieve data.*

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?	*Customer Service representatives and their managers can view taxpayer data only. System Administrators and Developer have access on an exception basis only. Taxpayers can only access their information when they have input a valid TIN, PIN and Internet Password combination. They cannot access any other taxpayer data.*

9. How is access to the data by a user determined and by whom?	*Access to taxpayer data is determined by job function. Access to data is documented online in the security request application – Security Multi-User Request Forum (SMURF). An appropriate access level for each job function is also documented on the application security matrix document.*
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.	*No*
11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?	*NA*
12. Will other agencies provide, receive, or share data in any form with this system?	*Yes, State taxpayers may use the same identification information contained on EFTPS to initiate state tax payments.*

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?	*At the end of the seven (7) year retention period, the media, which contains the data, will be degaussed and then destroyed. A control log is maintained containing the media label Id, date destroyed, method and the signature of who destroyed the media.*
14. Will this system use technology in a new way? If "YES" describe. If "NO" go to Question 15.	*No, EFTPS uses standard architecture employed throughout the IRS. EFTPS is primarily a transaction processing system also utilizing relational databases to provide a history of transaction activity.*

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.	*No.*
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.* Individuals and group activities are not monitored per se. *EFTPS Customer service representative's calls are monitored on a weekly basis to ensure an accurate and courteous response to taxpayer inquires. Taxpayers are informed that these calls may be monitored.*
17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.	*No. There is not a possibility of disparate treatment of taxpayers, employees or others.*
18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?	*Yes. If insufficient information is provided to process enrollments or payments the taxpayer is notified and has the opportunity to provide the additional information.*
19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?	It does not use permanent cookies. Temporary cookies are used to temporarily store and track the session ID but no taxpayer information is stored there and they are removed when the browser is closed.