



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

COMMUNICATIONS AND LIAISON

MAR 21 2003

MEMORANDUM FOR Jerry Dalpiaz, Chief, Compliance Development Branch  
M:IB:CA:CD

FROM: *Charlene W. Thomas*  
Charlene W. Thomas  
Acting Privacy Advocate CL:PA

SUBJECT: Section 527- Political Action Committee (PAC) Reporting System  
Privacy Impact Assessment (PIA)

The Office of the Privacy Advocate has reviewed the Privacy Impact Assessment for the Section 527- Political Action Committee (PAC) Reporting 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  
DIO for W:ETA

March 12, 2003

MEMORANDUM FOR CHARLENE W. THOMAS  
PRIVACY ADVOCATE CL:PA

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

SUBJECT: Request for Privacy Impact Assessment (PIA) –  
*Section 527 – Political Action Committee (PAC)  
Reporting System*

Purpose of the System: The Section 527 system currently operates at the  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX. It is used to store  
information from Form 8871 (Notice of Section 527 Status) and Form 8872  
(Report of Contributions and Expenditures) which are collected from PAC  
organizations via a website (<http://eforms.irs.gov/>) hosted and maintained by  
Accenture. It also receives images of the 8871/8872/990 forms, filed by paper.  
These are scanned at the Ogden Campus, transmitted to TCC and then sent to  
Accenture.

The Section 527 system also generates user identifications and passwords so  
that filers can be identified, notified, and permitted to file the Form 8872  
electronically. This information is submitted to the XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX and incorporated into a notice facsimile, routed to the  
printers at the Ogden Campus and mailed to the PAC organizations. The access  
credentials are then sent to Accenture so that PAC organizations can log into the  
website and report their contributions.

Both the scanned images and electronic version of the 8871/8872 are made  
available for public viewing via the Accenture website. All information filed on  
these forms is public.

Name of Request Contact:

Name: Susan Howell  
Organization Name & Symbols: M:l:B:CA:IS:OU  
Mailing Address: 1973 North Rulon White Blvd M/S 6502, Ogden UT  
84201  
Phone Number (with area code): 801-620-4022

Name of Business System Owner:

Name: Steve T. Miller

Organization Name & Symbols: Director, Exempt Organizations T:EO

Mailing Address: Rm 341 111 Constitution Ave. N.W.

Washington, DC. 20224

Phone Number (with area code): 202-283-2300

Requested Operational Date:

Category

New System?: \_\_\_\_\_

Recertification? (if no change, enter date of last certification)

Modification of existing system?: \_\_\_Y\_\_\_

Is this a National Standard Application (NSA)?: \_\_\_N\_\_\_

Is this a Modernization Project or System? \_\_\_N\_\_\_

If yes, the current milestone?: \_\_\_\_\_

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

Treasury/IRS 50.001	Employee Plans/Exempt Organization Correspondence
Control	Records
Treasury/IRS 42.001	Examination Administrative File
Treasury/IRS 00.001	Correspondence Files (including Stakeholder
Relationship Files)	and Correspondence Control Files
Treasury/IRS 24.046	CADE Business Master File (BMF)
Treasury/IRS 34.037	IRS Audit Trail and Security Records System

The SORN was approved by David Silverman on February 21, 2002.

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. The Section 527 system captures and stores a copy of all the Form 8871 and Form 8872 information submitted via the Accenture website. It also acts as a gateway for transferring scanned images of the paper 8871, 8872 and 990 (Return of Organization Exempt From Income Tax) to the Accenture web site. Form 8871 contains the Organization Name, EIN, Mailing Address, Initial Report Indicator, Amended Report Indicator, Final Report Indicator, Established Date, Material Change Date, E-Mail Address, Name and Address of Custodian of Records, Name and Address of Contact Person, Exempt8872 Indicator, Exempt8872 State, Exempt990 Indicator, Election Authority Identification Number and State issued, Business Address, Purpose of the Organization, Names of All Related Entities Relationship and Address, and List of All Officers, Directors, and Highly Compensated Employees Including Their Name, Title and Address. Form 8872 contains the Name of the Organization, EIN, Mailing Address, E-Mail Address, Date Organization was Formed, Name and Address of Custodian of Records, Name and Address of Contact Person, Business Address, Type of Report, Total Amount of Reported Contributions from Schedule A, Schedule B, Contributor's Name and Mailing Address, Name of Contributor's Employer, Contributor's Occupation, Year-to-date Aggregate Contributions, Amount of Contributions Reported for a Given Period, Contribution Date, Recipient's Name and Mailing Address, Name of Recipient's Employer, Recipient's Occupation, Amount of Expenditure Reported during a Given Period, Expenditure Date and Purpose of Expenditure.</li><li>b. The Section 527 system does not capture information about an IRS employee. The electronic version of the 8871/8872 data is stored internally on XXXXXXXXXXXXXXXXXXXXX and the data is made available to IRS employees who have been given privileges to view and update parts of the data. When a change is made to the database, information about the change and the user who made the change is recorded on an audit trail.</li><li>c. The system the user uses to access the Intranet collects the employee log-in information.</li><li>d. None.</li></ul>
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<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. Four BMF output files from Run 12044 are generated on XXXXXXXX at XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX and sent to the Section 527 system on a monthly basis. The information consists of mailing addresses for each PAC's organization. It is used to ensure that the user's identification and password, generated by the Section 527 system, are sent to the proper destination.</li> <li>b. Paper versions of the 8871, 8872, 990 and attachments, submitted by PAC organizations to the Ogden Campus, are scanned into Adobe PDF format and transferred to the Section 527 system. The file naming convention consists of the PAC EIN, Form Name and Occurrence. Three index files, index8871.txt, index8872.txt and index990.txt are also provided.</li> <li>c. None.</li> <li>d. No other Federal Agencies provide data for Section 527 system.</li> <li>e. No State or Local Agencies provide data for Section 527 system.</li> <li>f. Data from the 8871 and 8872, that is entered by the PAC Organization using a website, is captured and transferred via FTP from Accenture to the Section 527 system at TCC. The information is sent through a secured Virtual Private Network (VPN). The data files captured are as follows: <ul style="list-style-type: none"> <li>Export8871_yyyymmdd_hhmm_ex.txt</li> <li>Export8871Entity_yyyymmdd_hhmm_ex.txt</li> <li>Export8871Member_yyyymmdd_hhmm_ex.txt</li> <li>Export8871EAIN_yyyymmdd_hhmm_ex.txt</li> <li>Export8872_yyyymmdd_hhmm_ex.txt</li> <li>Export8872SchedA_yyyymmdd_hhmm_ex.txt</li> <li>Export8872SchedB_yyyymmdd_hhmm_ex.txt</li> </ul> </li> </ul> <p>The "yyymmdd" consists of the file creation date and the "hhmm" refers to the hour and minute the file was created.</p>
<p>3. Is each data item required for the business purpose of the system? Explain.</p>	<p>The data is required to meet a Congressional mandate to provide Political Action Committee, identified as Section 527 organization, the ability to disclose their political activities by filing electronic or paper submissions of Forms 8871, 8872 and 990.</p>

<p>4. How will each data item be verified for accuracy, timeliness, and completeness?</p>	<p>The Section 527 system does not perform validation on the data collected from the Accenture website nor does it ensure that it's been completed in its entirety. The PAC user has the opportunity to visually check the data prior to submitting it through the Accenture website. The Accenture web site also validates the data entry made by the user.</p> <p>Personnel at the Ogden Campus review the paper Form 8871/8872 prior to scanning and correspond with the PAC user to ensure completeness of the form.</p> <p>Both the electronic and image version of the 8871 and 8872 are based on the latest revised forms and are accepted as accurately filed by the PAC officer.</p> <p>Scanned images of the 8871 and 8872 are date stamped, batched, scheduled and sent to TCC every morning. TCC in turns transmits the images to Accenture that evening.</p> <p>The electronic version of the 8871 and 8872, submitted via the web site, are exported from the Accenture database into individual files and transferred to the Section 527 system at TCC on a nightly basis. Each file follows a set naming convention that contains the current date.</p>
<p>5. Is there another source for the data? Explain how that source is or is not used.</p>	<p>The paper filings of the 8871, 8872 and 990 are also stored on an in-house web site maintained by Western Development Center at: <a href="http://sdesf6.odc.swr.irs.gov/cgi-bin/section_527.html.pl">http://sdesf6.odc.swr.irs.gov/cgi-bin/section_527.html.pl</a>. TE/GE Program Analyst and Entity Research use this web site to perform Quality checks on the scanned images.</p>
<p>6. Generally, how will data be retrieved by the user?</p>	<p>End-users have the ability to access the 8871 and 8872 stored at TCC utilizing XXXXXXXXXXXX. The end-user can retrieve the data by EIN or Name of Organization.</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 and 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>The Section 527 system is fully accessible by the system administrators and Database Administrators (DBA) at TCC. Authorized Section 527 developers have remote access to certain parts of the system to include the database, applications and data files.</p> <p>End-users, who have submitted a Form 5081 and have been given password permission to the system, will have access to the database information via a graphical user interface. These users and analysts are located at the Ogden Campus and are part of the Entity Research group and Tax Exempt and Government Entities (TE/GE).</p>
<p>9. How is access to the data by a user determined and by whom?</p>	<p>Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request user be added. They must fill out Form 5081, Information System User Registration/Change Request, to request access to the application. 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>Assignments of individual and group permissions adhere to the provisions as outlined in the Internal Revenue Code 6103. <i>In addition, all IRS personnel receive annual training on the "Taxpayer Browsing Protection Act of 1997" regarding Unauthorized Access (UNAX) and certify completion of annual UNAX awareness briefing by signature and supervisory acknowledgement.</i></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>Once 8871 and 8872 forms are identified and collected from the Accenture site, a file is created using a pre-defined template containing the EIN and transaction date. Detroit Computing Center (DCC) uses this file for the EOD10 (End of Day) process.</p> <p>Once the 8871 and 8872 scanned images are received from the Ogden Campus, these images are transferred to the E-Forms system maintained by Accenture.</p> <p>On a weekly basis, a file is created for every new 8871 record containing a list of generated user id's and passwords. This file is ftp-ed to Martinsburg Computing Center (MCC) and incorporated into a notice facsimile, routed to the printers at the Ogden Campus and mailed to the PAC organizations. Tr access credentials are also sent to Accenture so that PAC organizations can log into the Accenture website and report their contributions using Form 8872.</p> <p>Updates made to the electronic version of the 8871 and 8872 are ftp-ed to Accenture.</p>
<p>11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?</p>	<p>The E-forms system has received an approved Security Certification and Privacy Impact Assessment.</p> <p>Unknown for the other systems listed in Item 10.</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

13. What are the procedures for eliminating the data at the end of the retention period?	The Section 527 system will adhere to IRM 1.15.1 Chapter 3 Disposing of Records once the retention period has expired.
14. Will this system use technology in a new way? If "YES" describe. If "NO" go to Question 15.	No.
15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.	Yes, the business purpose of the system is to provide a repository for the 8871, 8872 and 990 information filed by PAC organizations using the Accenture web site and is used for research purposes.
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.	Yes, the system provides the capability to monitor filings of Political Action Committee organizations. The Functional Security Coordinator and System Administrators monitor the history files for any unauthorized actions on the part of a Section 527 User. The assignment of individual and group permissions to both Section 527 developers and end-users adhere to the provisions as outlined in the Internal Revenue Code 6103. In addition, all IRS personnel receive annual training on the "Taxpayer Browsing Protection Act of 1997" regarding Unauthorized Access (UNAX) and certify completion of annual UNAX awareness briefing by signature and supervisory acknowledgement.
17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.	All taxpayers will be treated equally. All 8871, 8872 and 990 data, whether sent in by paper or electronic form, are processed and stored using the same automated method and all information is made available for public viewing via the Accenture PAC website.

<p>18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?</p>	<p>The system does not make determinations. All 8871, 8872 and 990 data, whether sent in by paper or electronic form, are processed and stored using the same automated method and all information is made available for public viewing via the Accentur PAC website.</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 Section 527 system is a XXXXXXXXX XXXXXXXX. The Section 527 system does not use persistent cookies.</p>