

# Appeals Centralized Database System (ACDS) – Privacy Impact Assessment

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## System Overview

Appeals Centralized Database System (ACDS) is used by Appeals Officers, Settlement Officers, managers and technical analysts to track case receipts, record case time, document case actions and monitor the progress of the Appeals workload. It contains sensitive information, including Taxpayer identifier information, case status and case action items. It also contains Appeals staffing information, including demographic and experience summaries, time sheets and employee reviews.

## Systems of Records Notice

- Treasury/ IRS 44.003 Unified System for Time and Appeals Records
- Treasury/IRS 34.037 IRS Audit Trails and Security Records System

## Data in the System

**1. Describe the information (data elements and fields) available in the system in the following categories:**

**Taxpayer** –The tax return information is input from documents in the Admin file/case file. Currently,

1. taxpayer name
2. address
3. representative or attorney's name
4. representative or attorney's address
5. spouse (if applicable)
6. phone numbers
7. TIN / EIN

Data in ACDS is updated accordingly.

**Employee** – Personnel information. Employee information, while contained in the ACDS database, is kept separate from taxpayer data. This employee information is accessible only by the employee or his/her manager. The only information kept with the taxpayer record is the employee's User ID. Accessing the taxpayer record does not allow access to the detailed employee record. The personnel information captured include:

1. employee name, user name, user ID, badge number, address [office, home, email], phones [business cellular, office, fax, VMS, home, emergency, pager number,
2. work experience
3. user privileges
4. job title, pay plan and series

### **Audit Trail Information**

- Audit account logon events (AuditAccountLogon) - Success/Failure
- Audit account management (AuditAccountManage) - Success/Failure
- Audit directory services access (AuditDSAccess) - Success/Failure
- Audit logon events (AuditLogonEvents) - Success/Failure
- Audit object access (AuditObjectAccess) - Success/Failure
- Audit policy change (AuditPolicyChange) - Success/Failure
- Audit privilege use (AuditPrivilegeUse) - Success/Failure
- Audit process tracking (AuditProcessTracking) - No auditing
- Audit system events (AuditSystemEvents) - Success/Failure

## **2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.**

**IRS** – The Admin file/case file contains the returns of the taxpayer, consent to extend the statute if needed, examining officer's report, and other documents relating to the taxpayer's liability for the year or years involved, such as protests or petitions, claims for refund or abatement, and other pertinent documents or papers.

Some information included in the admin file/case file is maintained or captured electronically by the supplier organization or function within IRS. For cases being sent to Appeals for dispute resolution, the electronic data is transmitted to Appeals via the ECase data extract. ECase data is electronically extracted from Examination Return Control System (ERCS), Automated Collection System (ACS), and Automated Offer in Compromise (AOIC), and Integrated Collection System (ICS) (March, 2008). ERCS, ACS, AOIC, ICS are owned by SB/SE.

The paper Admin file/case file is available for Appeals to use to make its ex parte determination (i.e., a complete and independent evaluation of tax liability or appropriate collection action) on the case, although information is supplemented by case identification data extracted from supplier systems. A complete listing of the ACDS data elements are described in IRM 8.20.3, titled ACDS. The Case Inventory Screen and Return Information Screen (IRM Exhibit 8.20.3-9 and Exhibit 8.20.3-10 respectively), identify what data elements are put into ACDS from the Admin files/case files.

Data from ERCS, ACS, AOIC is extracted from those supplier systems only for cases identified to be referred to Appeals. The Case Processor/Tax Examiner validates the electronic case information by comparing it to the paper case file. If correct, the Case Processor/Tax Examiner chooses to accept the electronic data found; if the data is not correct, the Appeals case record is manually created in ACDS using the paper file from the supplier organization as the data source.

**Taxpayer** –The tax return information is input from documents in the Admin file/case file. Currently,

1. taxpayer name
2. address
3. representative or attorney's name
4. representative or attorney's address
5. spouse (if applicable)
6. phone numbers
7. TIN / EIN

Data in ACDS is updated accordingly.

## **3. Is each data item required for the business purpose of the system? Explain.**

Yes. The identified data elements are needed to control cases during the unassigned period; control and track cases in inventory until final closing; for statute control; to record key actions taken as the case moves through the Appeals process; to record appeals officer/settlement officer and tax computation specialist time applied to cases; status of a case; verify certified mail piece data, notice of deficiency status, and to produce management reports.

ACDS users need access to all relevant portions of the tax return and tax related documents to make that independent assessment. Managers use the employee information to determine that an employee with the appropriate skills and experience is assigned the case.

The workload information is needed to ensure the taxpayer's inquiry can be handled timely and to help IRS assess how well Appeals is meeting business performance measures, employee and customer satisfaction. Workload information includes specific information from the case which details the current status of that case. Workload information also identifies the number of receipts (new cases received) and inventory (cases already received for processing). Reports are generated as a part of management information on the number of cases in Appeals nationwide, in the group, in individual Appeals Officer/Settlement Officer inventory, and by the Appeals work stream

#### **4. How will each data item be verified for accuracy, timeliness, and completeness?**

When the Admin file/case file is sent to Appeals for a new Appeals case, it contains a Form 3210), Document Transmittal that identifies the release date of the file, the originator, the name and EIN/SSN of each case being placed into inventory. Receipt of the Form 3210 information is verified and the part 3 of the Form 3210 returned to the supplier organization function (i.e., W&I, SB/SE, TE/GE, LMSB). A copy of each Form 3210 is retained by Appeals.

Timeliness of the taxpayer record is ensured because the adversarial party to the case in Appeals is the taxpayer him/herself. The taxpayer desires timely conclusion of his actions and Appeals is driven to the same conclusion by the taxpayer's actions. Statute of limitations for each case also ensures timely action by all parties. Tax Examiners accept cases into Appeals and control information on ACDS.

Finally, ACDS reports monitor length of time in the Appeals process for all cases. These reports are reviewed regularly and steps are taken by management to reduce overage cases.

The accuracy and timeliness of all data is verified by the Case Processors/Tax Examiners, Appeals Officers/Settlement Officers, or Appeals Collection Specialists (screeners) who are assigned the case. They physically review the data and compare it to the incoming paper documents received in the Admin file/case file. When there are inaccuracies, or the case is not complete, an Appeals Officer or Settlement Officer prepares a transmittal to return the case to the originating function as a premature referral. They also advise the Processing Section of the corrections that need to be made to the data in ACDS. Appeals Team Managers (ATMs) further ensure the accuracy of the ACDS data as a part of their workload reviews.

#### **5. Is there another source for the data? Explain how that source is or is not used.**

No. The Admin file/case file from the supplier organization (i.e., W&I, SB/SE, TE/GE, LMSB) constitutes the basis of the Appeals determination as defined by law.

#### **6. Generally, how will data be retrieved by the user?**

In general, a Case Processor/Tax Examiner retrieves cases according to their work assignment. Case workers retrieve cases based on those assigned to them by their manager. Once authorized in ACDS, users generally search for each needed taxpayer case by name, TIN, Work Unit Number, or Docket Number. Users who have access to taxpayer data in ACDS will have access to data warehouse data from supplier systems. Users do not have the ability to access data warehouse information directly. An ACDS user must first access ACDS for user authentication. If data is available for that ACDS case, then a link to the specific data available for that case is displayed in the user interface.

#### **7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?**

Yes. ACDS user interfaces allows search for taxpayer data by name, TIN, Work Unit Number, Docket Number, certified mail listing number, Notice Type and other unique identifiers associated with a specific data store. Combinations of data elements (notice type/MFT, name/ TIN etc) can be used as search criteria to ascertain whether information is available for a particular case or specific taxpayer.

## Access to the Data

### **8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?**

Currently, there are no contractors with user access to ACDS. Primarily Appeals employees, APS Case Processors/Tax Examiners, Appeals Team Managers, Appeals Officers, Settlement Officers, Technical Analysts/ Advisors, System / Database Administrators, Account Resolution Specialists and designated headquarters employees have role specific access to the system.

Appeals provides limited access to Chief, Counsel employees, Business Unit representatives and designated compliance employees who have a need to monitor Appeals cases for tracking purposes. In these instances, access is for view-only purposes and restricted to the work stream or cases for which additional information, monitoring and tracking is required.

Role based restriction are in place for all groups of ACDS users. For example, the APS group that places a case in the Appeals inventory can not be the same APS group that closes that case. Case workers, have access to all cases assigned to them in the inventory, however they cannot update primary case information such as taxpayer name, taxpayer identification number (TIN), and other fields at the case level. Case workers are able to update address and phone number information, status code for the case, and time and action information taken in the course of working the case.

Designated work stream subject matter experts and program managers and Appeals Account Resolution Specialists generally have view-only access to the entire database because they need this to perform their duties. Managers have access limited to cases assigned to their work groups.

Developers of ACDS have a completely independent development environment to develop, test, and debug ACDS operations. The current roles, access and privileges are:

**User Title:** Appeals Officer

**Role:** Make Updates in ACDS (i.e. change feature codes). Access electronic record of activity; generate statute reports, generate forms (APGolf) consents; closing records.

**User Title:** Settlement Officer

**Role:** Receive cases in; verify statutes and data to ensure cases properly carted in; use Carats to keep track of actions on case and history; generate letters and forms for case in APGolf; document time on case and general work time; use follow-ups to remind themselves of next action to be taken on cases; use search functions to see if TP has had other cases in Appeals to see prior TP disposition.

**User Title:** Case Processor

**Role:** Card in cases; enter updates from Appeals Officer (AO) and Settlement Officer (SO)'s; enter update action fields for transferring cases to and from Council; input case time to show how much time worked in inventory; occasionally import cases into Appeals Processing Section (APS) inventory; close out cases; suspend cases; generate reports; use Docket Information Management System (DIMS) when administrative file is received to alert the Tax Examiner know that case is received in APS.

**User Title:** Tax Computation Specialist

**Role:** Prepare timesheets; run report listings; update certain fields; use APGolf to prepare statutory notices and to research.

**User Title:** Tax Examiner

**Role:** Card in cases; enter updates from AO and SO's; enter update action fields for transferring cases to and from Council; input case time to show how much time worked in inventory; occasionally import cases into APS inventory; close out cases; suspend cases; generate reports; use DIMS when administrative file is received to alert the Tax Examiner know that case is received in APS.

**User Title:** Appeals Team Manager

**Role:** Assign cases; enter an approval code to close case and assign it to APS; review activity record; make comments in activity record; generate reports; use search feature to look up Taxpayer (TP) information.

**User Title:** Program Analyst

**Role:** Read Access; to run reports; search information for media request (i.e. Freedom Of Information Act (FOIA), congressional); generate Ad hoc reports to stratify data.

**User Title:** Area Director

**Role:** Generate reports; use search feature to look up TP information.

**User Title:** Field Director (E/W)

**Role:** Generate reports; use search feature to look up TP information.

**User Title:** Senior Operations Advisor

**Role:** Read Access; generate reports; search information for media request (i.e. FOIA, congressional); generate Ad hoc reports to stratify data.

**User Title:** Appeals Executive

**Role:** Read Access; to run reports; search information for media request (i.e. FOIA, congressional)

**User Title:** Account Administrators (System Administrator)

**Role:** The local system administrator or ACDS administrator creates the user account, assigns the profile and permissions and provides access information to the user. After the initial creation of the account, changes can be initiated by use of a FixIT Services ticket explaining the change, such as being able to work credit hours or changing a tour of duty or printing a certain report. The tickets for an Appeals user should ask that it be routed to the local system administrator. Tickets for non-Appeals users should ask that it be routed to the group ENTSERV-CS-AISO-Applications.

**User Title:** Administrative Assistant

**Role:** Read Access; to run reports; search information for media request (i.e. FOIA, congressional); generate Ad hoc reports to stratify data.

**User Title:** Technical Advisor

**Role:** Read access; Research case actions; generate reports; update records; access Appeals Quality Management System (AQMS) for case quality.

**User Title:** Executive Administrative Assistant

**Role:** Read Access; to run reports; search information for media request (i.e. FOIA, congressional)

**9. How is access to the data by a user determined and by whom?**

Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a 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.

**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.**

Yes. Operating Divisions (W&I, SB/SE, TE/GE, LMSB) provide Admin files/case files and electronic data warehouse information sharing (view or read only) to Appeals in the normal course of business. Electronic data is supplied to ACDS from ERCS, ACS, AOIC, ICS and in the future, Control Display. The eCase enhancement allows retrieval of data from ERCS, ACS, AOIC, ICS for approved ACDS users, to automatically populate ACDS user interface fields if the Case Processor/tax examiner chooses to accept the electronic case found in ECase. Control Display will allow designated users to view statutory notices, certified mail listings, mail piece data and status updates on assigned cases or in the Appeals case inventory. ACDS does not provide data to any other system.

**11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?**

Yes.

- **System:** ACS  
**C&A:** 5/30/2007
- **System:** AOIC  
**C&A:** 6/13/2007
- **System:** ERCS  
**C&A:** 3/2/2006
- **System:** ICS  
**C&A:** 3/28/2005

**12. Will other agencies provide, receive, or share data in any form with this system?**

Yes. With the proper business authorization/need to know, data downloads, or specific case information can be provided. These agencies/organizations do not have access to the ACDS, or ECase databases. Specific information is provided in accordance with disclosure/privacy provisions. Generally, an encrypted disk is the method of providing shared information, via secure mailing. For example:

- a. TIGTA may request information to determine if an audit should be conducted, or as part of an audit. Or regularly scheduled database review.
- b. States receive information on increases and decreases in tax as a part of a reciprocal agreement between the federal government and state government.
- c. The Department of Justice (DOJ) gets a case to work if the taxpayer filed the suit in District Court. DOJ may ask the IRS/Appeals if there are any cases in process on the taxpayer.

**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 retention period, a computer procedure is run which identifies obsolete records that fall outside the retention period. IRM 8.20.8 identifies the retention period for Appeals records maintenance. The computer procedure which removes the records uses a "delete" command in the database engine which permanently removes the affected records.

**14. Will this system use technology in a new way?**

No. This system will not use technology in a new way.

**15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.**

Specific codes in the database enable Appeals quality review personnel to look at cases and assess how well the case was settled based upon the law – i.e., court cases and the individual facts in the cases being reviewed.

Appeals utilize indicators in the ACDS database to identify certain broadly defined groups of case types. Type codes, Feature codes, Source code/Primary Business Code (PBC), and Project Codes enable Appeals to assign cases, manage the inventory, report performance measures, and project future workloads. The Type Code is used to determine the type of case for management reports and assignment of cases to the proper Appeals Officer/Settlement Officer (i.e., for inventory management purposes). Feature codes are used for reporting purposes and inventory management.

**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.**

Type codes, Feature codes, and other fields are present in order to render reports. These reports are prepared for inventory management and Appeals (i.e., business) performance management. The types of cases are monitored in order to report on business performance measures and accurately project receipts/ disposals. Reports are prepared by authorized employees whose job description is to prepare these reports as part of their normal operating tasks. There are no goals or quotas for an IRS employee. The information generated by these reports is not evaluative in nature.

The ACDS inventory system is designed to access cases by case identification information such as taxpayer identification number (TIN). This record system does not allow general access by employee information or group of employee information.

The employee and his/her manager can produce a timesheet and a workload review report which details cases assigned to the employee. The timesheet is required so that the employee can report time expended information by case, and the workload review report is used by the manager to review employee progress and for management oversight.

**17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?**

No. All taxpayers and employees in a particular code (type/feature/etc.) are treated individually, but consistently per regulatory guidance and the law based upon their particular circumstances. To help ensure that taxpayers are not treated differently, IRM 1.5.4 Section 1204/Regulation 801 Guidance for Appeals indicate that there is a “prohibition against using Records Of Tax Enforcement Results (ROTERS) to evaluate or to impose or suggest production quotas or goals for an IRS employee”.

A tax enforcement result is the outcome produced by an IRS employee’s exercise of judgment in recommending or determining whether or how the Internal Revenue Service should pursue enforcement of the tax laws. To further prevent improper use of ROTERS, IRM 1.5.4.3 states, “dollar measures of performance are not part of Balanced Measures and there will be no ranking of offices”. In addition, a document, “Summary of IRS Organizational Performance Division Guidance on Sharing ROTER and Non-ROTER Data” states that “under no circumstances should ROTERS be used out of context to circumvent these prohibitions.”

The feature and type codes captured in the system are not of a nature which would lead to disparate treatment of taxpayers. These codes correspond to code sections within the IRC (Internal Revenue Code). For example, type code DPLN describes a Due Process Lien case for which handling under IRC and regulations for DPLN cases is required. For example, feature code BK describes a bankruptcy case requiring handling under bankruptcy rules and regulations. The DO code and Source code identifies the case origination. The location codes are used by Appeals for business planning and performance metrics purposes only. Location codes are used universally throughout IRS.

**18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?**

Yes. The very nature of the Appeals mission, to resolve taxpayer appeals of IRS determinations, ensures that ACDS will be used to provide the full extent of "due process" accorded by law.

**19. If the system is Web-based, does it use persistent cookies or other tracking devices to identify Web visitors?**

No. Appeals does not store persistent cookies. Access to ACDS is controlled by login and password procedures to ensure only authorized users are allowed in ACDS. ACDS is an internal system and can only be accessed with a Web browser from within the IRS Intranet.

Access to eCase is only achieved through the ACDS user interface and, therefore, adheres to the mechanisms defined for ACDS since eCase is part of the overall ACDS environment.

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