

# Automated Substitute for Returns (ASFR) System – Privacy Impact Assessment

PIA Approval Date – March 7, 2008

Requested Operational Date – ASFR is an operational system.

## System Overview

Automated Substitute for Return (ASFR) is an automated system which accepts selected Taxpayer Delinquency Investigation (TDI) and IRP input from Corporate Files On Line (CFOL) on those taxpayers who have substantial reported income and yet refuse or neglect to file tax returns for a given year. It tracks all cases, issues required notices and results, and prepares a Tax Calculation Summary, which is mailed with the ASFR 30-day letter.

## Systems of Records Notice (SORN):

- Treasury/IRS 22.061 Individual Return Master File (IRMF)
- Treasury/IRS 24.030 CADE Individual Master File
- Treasury/IRS 24.046 CADE Business Master File
- Treasury/IRS 24.047 Automated Under Reporter Case File
- Treasury/IRS 26.016 Returns Compliance Programs (RCP)
- Treasury/ IRS 34.037 IRS Audit Trail 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:**

ASFR contains a compilation of all data available on any individual type of tax return, to include:

- taxpayer's name
- address
- phone number
- social security number
- proposed tax, and
- taxpayer income.

It also includes:

- generated correspondence (letters 2566 and 3219)
- Centralized Authorization File (CAF) data
- payer agent data
- ASFR status codes
- refund hold indicator
- Federal Employee/Retiree Delinquency Initiative (FERDI) indicator, and
- undeliverable indicator.

### **Employee:**

- Employee name [first, middle initial (if present), last]
- Integrated Data Retrieval System (IDRS) Employee Identification Number (EIN).

### **Audit Trail:**

Password associated with the IDRS number.

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

**IRS:** ASFR receives data from the following IRS sources: Automated Under Reporter (AUR), Information Reporting Program (IRP), Inventory Delivery System (IDS), and the Integrated Data Retrieval System (IDRS). The detailed data elements provided by these sources are listed in 1-A above.

- AUR – AUR sends ASFR a Payer/Agent file via FTP containing a compilation of Employer/Payer Information Return (IR) documents (W-2, 1099, 1098, etc.) which have been verified as erroneously filed or processed by Employer/Payer.
- IRP – ASFR requests and receives Information Reporting Program (IRP) information from Masterfile, which resides on the IBM mainframe, via FTP. IRP provides Information Returns upon which ASFR bases the assessment of tax.
- IDS - The Address Research (ADR) module of IDS provides ASFR with address research data. ASFR requests address research from ADR via FTP, which first researches the TIF, performs a credit bureau research for a new address, and sends the new address information to ASFR.
- IDRS - IDRS maintains the Taxpayer Delinquency Investigation (TDI) and Taxpayer Information File (TIF). ASFR requests current account status updates from IDRS before generating correspondence to a customer. Case input data, updates to entity and CAF, and Refund Hold (obtained through the Refund Hold File, LE627) are provided by TDI. End of Day Processing (EOD) resides on the Unisys mainframe.

**Taxpayer:** Information will be collected from taxpayers if the taxpayer responds with possible exemptions or credits not included on their tax return; or files a tax return if one is not previously filed, in which case they would provide all taxpayer information on their tax return.

**Employee:** The employee provides their name and IDRS number on their OL5081.

**Other Federal Agencies:** ASFR does not obtain data from any other Federal Agencies, State or Local Agencies or any other third party sources.

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

Yes, The purpose of this system is to gather tax information about individuals that have not filed tax returns, create the missing returns for them, and generate correspondence requesting the unfiled returns. Any information that will help in the computation of an accurate taxpayer return is needed to complete this task.

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

ASFR is a batch-processing application that performs complex computations and tax calculations enabling tax examiners to issue accurate notices and assessments based on IRP information and to resolve return delinquency cases on individual taxpayers. ASFR data is subjected to supervisory and management review and internal control audits in accordance with Office of Management and Budget (OMB) Circular A-123, Internal Control Reviews. Information from IRS systems is relied upon as accurate and the taxpayer is asked to provide information, updates and corrections if he or she feels it is in error.

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

No. There are no other sources for the data.

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

Data retrieval within the ASFR System is permitted through approved use of the "query" or "search" command within the applications. Data access is limited to those IRS employees previously granted access to ASFR via the IRS Form 5081.

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

Yes, data is retrievable by TIN, TIN and Tax Year, Status, and Status and Follow-up date.

## **Access to the Data**

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

### **Role:**

Standard User (Tax Examiner and Clerks)

- View, write, and modify case information.

### **Role:**

Key Tech

- View, write, and modify case information, and move cases in and out of restricted statuses.

### **Role:**

Manager

- View, write, and modify case information, and move cases in and out of restricted statuses.
- Access system reports to aid in workload management.

### **Role:**

Application Administrators

- Full access to the operating system
- Manage and administer the operating system accounts
- No access to application data.

### **Role:**

System Administrators (SA)

- Full access to the operating system
- Run programs, monitor log files to ensure programs are run, and maintain the hardware.
- No access to application data.

## **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. Each employee must be granted access to ASFR in writing. Specific permissions (Read, Write, Modify, Delete, Print) are defined on the 5081 form and set (activated) by the SA prior to the employee being allowed operating system and ASFR access. 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. Form 5081 is maintained on file with the SA.

## 10. Do other IRS systems provide, receive, or share data in the system?

ASFR shares data with: ASFR Sites located in Brookhaven, Austin, and Fresno Campuses; AUR, Control-D Web, Correspondence Processing System (CPS) East and CPS West; Correspondex (CRX), IDS, Mistle/Data Warehouse, Notice Information Management System (NIMS); Standardized IDRS Access (SIA)..

- ASFR Sites located in Brookhaven, Austin, and Fresno Campuses – ASFR sends User Reports on a weekly basis containing various inventory statistics on case data (which may or may not contain PII data) via FTP to each ASFR site.
- AUR – AUR sends ASFR a Payer/Agent file on a weekly basis via FTP containing a compilation of Employer/Payer Information Return (IR) documents (W-2, 1099, 1098, etc.) which have been verified as erroneously filed or processed by Employer/Payer.
- Control-D Web – ASFR sends various reports on a weekly basis to a Web-based repository for IRS system reports via FTP (as part of the print file to the print system) that can then be accessed by the users.
- CPS East and CPS West – ASFR sends the 30-day and 90-day letter packages on a weekly basis to the CPS sites for printing.
- CRX – ASFR sends entity information on a weekly basis to CRX for the development of miscellaneous letters.
- IRP – ASFR requests and receives Information Reporting Program (IRP) information on a weekly basis. IRP provides Information Returns upon which ASFR bases the assessment of tax.
- IDS - The Address Research (ADR) module of Inventory Delivery System (IDS) provides ASFR with address research data on a weekly basis.
- Mistle/Data Warehouse – ASFR sends a file on a weekly basis to the Business Operating Division (BOD) Notice Count Database.
- NIMS – ASFR sends an unclassified file to NIMS on a weekly basis containing letter counts by BOD.
- SIA – ASFR sends transactions to SIA for posting on IDRS.
- IDRS - ASFR requests current account status updates from IDRS before generating correspondence to a customer. Case input data, updates to entity and Centralized Authorization File (CAF), and Refund Hold are provided by TDI.

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

Yes.

**System:** ASFR Sites/Campuses  
**PIA:** 1/17/06

**System:** AUR (MITS-24 GSS)  
**C&A:** 9/28/07  
**PIA:** 12/08/06

**System:** Control-D Web  
**PIA:** 07/2005

**System:** CPS (MITS-20 GSS)  
**C&A:** 9/28/07  
**PIA:** 4/20/06

**System:** CRX (MITS-23 GSS)  
**C&A:** 9/28/07  
**PIA:** 4/20/06

**System:** Masterfile (MITS-21 GSS)  
**C&A:** 9/28/07  
**PIA:** 5/05/06

**System:** IDS (MITS-24 GSS)  
**C&A:** 9/28/07  
**PIA:** 9/18/07

**System:** Mistle/Data Warehouse Server (MITS-30 GSS)  
**C&A:** 9/27/07  
**PIA:** 2/06

**System:** NIMS (MITS-30 GSS)  
**C&A:** 9/27/07  
**PIA:** 2/06

**System:** SIA (MITS-24 GSS)  
**C&A:** 9/28/07  
**PIA:** 8/02/05

**System:** Unisys Mainframe (MITS-23 GSS)  
**C&A:** 9/28/07  
**PIA:** 4/06

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

No, other agencies will not provide, receive, or share data in any form with ASFR.

## **Administrative Controls of Data**

### **13. What are the procedures for eliminating the data at the end of the retention period?**

Programs have been incorporated into the ASFR system which are executed on a weekly basis to identify data that should be eliminated. As cases progress through ASFR, if the cases are closed and closing transactions are posted on IDRS, cases will be eliminated from ASFR. ASFR processes the "current" tax year and four prior tax years. For any case prior to the current and four prior tax years, ASFR posts a closing transaction on IDRS and then eliminates the case from ASFR after confirmation of the transaction posting.

At the end of the retention period, utilities are run to systematically purge any data retained. For non-assessment cases, there is no retention. For assessment cases, the retention is 2 years after the statutory period for collections has expired. Procedures are compliant with IRM 1.15.28.

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

No. ASFR 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.**

Yes. This system receives cases from IDRS (Case Creation Analysis) to look for people who have not filed income tax returns and looks on associated IRP documentation for sufficient information to create a tax return for them. It then tries to locate the taxpayer to give them a chance to provide their return voluntarily. If they don't they are assessed tax per information collected.

### **16. Will this system provide the capability to monitor individuals or groups?**

Yes. ASFR will monitor (through the Audit Trail) the actions of User Groups as defined to ASFR.

Also, an Employee Trace Program is run on ASFR, as deemed necessary by TIGTA audits. The program is run to obtain data about specific employees. The development team sends instructions to the SA on how to run the program. The program requires a unique environment to run in (set up by the developers), and specific EIN(s) to run against.

ASFR protects data by assigning system attributes and resources to pre-defined user groups. The action of each user is monitored by the ASFR audit functions.

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

No. Cases come to ASFR from IDRS based upon selection criteria in case creation. Once the case comes into ASFR, all cases are processed the same.

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

Yes. Letters are sent to the taxpayer to request unfilled return(s) and to inform the taxpayer that the Service will assess tax per the included proposed assessment if no return is filed. Letters also include contact information, including person to contact, time to contact and telephone number. After the first notice is sent to the taxpayer, they are given 30 days to respond before any action is taken. If no response is received to the first notice, a Statutory Notice of Deficiency is sent to inform taxpayers of their right to petition the Tax Court prior to Assessment by the Service. Both letters also include Appeal rights.

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

The system is not Web-based.

[View other PIAs on IRS.gov](#)