Federal Payment Levy Program (FPLP) – Privacy Impact Assessment

PIA Approval Date – Mar. 3, 2009

System Overview
Federal Payment Levy Program (FPLP) is a systemic collection enforcement tool application where certain delinquent taxpayers are matched and levied for their Federal payments disbursed by Treasury's Financial Management Service (FMS). Each week, IRS Financial Systems creates a file of certain balance due accounts and transmits the file to FMS' Treasury Offset Program (TOP). FMS transmits a weekly file back to IRS (received by Unpaid Assessments (UA)) listing those who matched. FPLP will subsequently transmit levies on accounts that had matched. On Social Security benefit payment matches, FPLP will send a transaction to the Individual Master File (IMF) which results in a special pre-levy collection notice to those taxpayers, copies of the notices are also transmitted to the SSA for tax administration purposes.

System of Records Notices (SORN):

- IRS 34.037 – IRS Audit Trail and Security Records System
- IRS 26.019 – Taxpayer Delinquent Accounts

Data in the System

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

    A. Taxpayer:

- Taxpayer Identification Number (TIN),
- Master File Tax Account Code (MFT),
- Tax period (TXPD),
- Balance Due,
- Address

    B. Other – (Income/asset of taxpayer):

- Payment amount,
- payer information

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

    A. IRS:
- TIN,
- MFT,
- TXPD,
- Balance Due,
- Address

    B. Other Federal Agencies:
- Financial Management Services (FMS):
  - Payment Information,

        o   Payor Information

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

Yes. TIN, MFT, TXPD: Each is a piece that contributes to creating a unique debt number
Balance Due: So FMS knows how much to send. Address: to know where to send follow-up notice
Payment amount: Amount that is levied and credited on the delinquent taxpayer account. Payor
information: Income/asset information of delinquent taxpayer from collection source. The data is
stored in the delinquent taxpayer account records for future collection enforcement information.

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

Each item is taken directly from the current week's IRS Master File tapes. Data received from FMS is
certified by the Federal agency providing it to FMS.

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

No

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

For taxpayer information and their payment information, the data can be accessed through the FMS
Client server which IRS and FMS employees have access to; from SSAs systems and through
normal IRS Master File systems and its stovepipe "sub-systems". All access requires security
password login protocol.

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

Yes, by the delinquent taxpayer's TIN

Access to the Data

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

- IRS: FPLP staff
- FMS: Treasury Offset Division(TOP) staff
- SSA: Customer Service Representatives

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

FPLP is a batch program with restricted Internal IRS access and no end-user capabilities. There are
Modernization & Information Technology Services (MITS) programmers who work on FPLP providing
software maintenance support. The MITS programmers do not have write permissions to the
production application. Support personnel at the Enterprise Computing Center in Martinsburg (ECC-
MTB) also have access to the application in mainframe to provide processing operations support,
computer facilities, equipment and data storage on the MITS 21 (IBM Master File) General Support
System which has its own security support plan. This is in compliance with the Privacy Act of 1974.

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. Records in the files are transmitted back and forth to the IRS Master File (and its stovepipe
systems of IDRS, ACS, and ICS.) The information is taxpayer account information along with asset
and/or income information.

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

12. Will other agencies provide, receive, or share data in any form with this system?
Yes – IRS taxpayer information is shared with the FMS and SSA. FMS will send new information back to IRS.

<u>**Administrative Controls of Data**</u>

13. What are the procedures for eliminating the data at the end of the retention period?
In compliance with the Privacy Act of 1974, delinquent taxpayer records are provided to FMS per IRC 6103 (n), 6103(k)(8). FMS follows its own retention procedures for the data held at their sites per the interagency and safeguards agreements between FMS and the IRS, which includes following the appropriate PA and SORN procedures. If the taxpayer is no longer in the levy program, the taxpayer information no longer appears in the FMS Client server software, though it is still stored in the FMS data systems. The IRS file that is transmitted to FMS follows the same retention guidelines as the MITS Financial Systems (Unpaid Assessments formerly known as the ARDI) protocol.

14. Will this system use technology in a new way?
No

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 will be used to locate assets and/or income, of delinquent taxpayer records, and/or the delinquent taxpayer's more current address, if applicable. FMS matches payments from federal agencies and transmits a file to IRS of those payments that matched delinquent taxpayers. IRS levies the delinquent taxpayers that have a federal payment to collect delinquent taxes. FMS sends notices regarding IRS levy deductions on these payments to the taxpayers address related to these payments.

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

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
No

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
Yes. IRS sends the taxpayer a certified return receipt requested Collection Due Process notice advising taxpayers of their appeals rights before any collection action is taken.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?
Not web based

View other PIAs on IRS.gov