

Automated Lien System – ENTITY (ALS–ENTITY) – Privacy Impact Assessment

PIA Approval Date – Nov. 17, 2010

System Overview:

The Automated Lien System (ALS) portion of the ALS–ENTITY application is used to generate Notices and Releases of Federal Tax Liens, as well as Certificates of Revocation and Withdrawal using information derived from the Delinquent Inventory/Accounting Listing (DIAL) data extract from the Integrated Data Retrieval System (IDRS). The purpose of a tax lien is to put the public on notice that a lien has been placed on a taxpayer's property. The ALS–ENTITY also generates lien Collection Due Process notices to taxpayers based on the generation of the Notice of Federal Tax Lien. The ENTITY portion of the ALS–ENTITY application is a management information tool that compiles data on open and closed Collection inventory as the cases are worked by various segments of IRS Collection. The application is used by management for the prioritization, selection, and assignment of collection cases to revenue officers. Users can design and run queries and reports to compile and analyze data in meeting business plan priorities and objectives. The data is compiled into reports that are generated on the group, territory, area, and national level. Time and inventory data from ENTITY is also supplied monthly to the Collection Time Reporting System (CTRS).

Systems of Records Notice (SORN):

- IRS 26.009--Lien Files (Open and Closed)
- IRS 36.003--General Personnel and Payroll Records
- IRS 34.037--IRS Audit Trail and Security Records System
- IRS 24.030--CADE Individual Master File (IMF)
- IRS 24.046--CADE Business Master File (BMF)
- IRS 26.019--Taxpayer Delinquent Account (TDA)

Data in the System

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

A. Taxpayer:

- **ALS:** Lien information for taxpayers with overdue tax balances includes:
 - Taxpayer name
 - Address
 - Social Security Number (SSN)
 - Type, year and amount of the tax liability at the time of the lien issuance
- **ENTITY:** Collection inventory is assigned to revenue officers via ENTITY. All open, closed, queue Collection field inventory information is located in ENTITY.
 - Taxpayer name
 - Address
 - Taxpayer Identifying Number (TIN)
 - Delinquency modules
 - Time and activity data

B. Employee:

- **ALS:** The following information appears on the notice of lien:
 - TDA/TDI Assign Codes (Tsign) number (this is for internal identification and has been in place for many years)
 - Badge Number (this is required under Restructuring and Reform Act 98§3705 for identification to the taxpayer)
 - Name (or authorized pseudonym)
 - Work Phone Number
 - Job Title

- **ENTITY:**
 - Employee Name
 - Revenue Officer Identification Number (ROID)
 - Standard Employee ID (SEID)
 - Badge Number
 - Access Level
 - RO time and activity data
 - Job Title
 - Position (if available)

C. Audit Trail Information:

- **ALS:** ALS uses the Oracle database audit utility and the Oracle administrators capture all activity in the database.
 - Login:
 - Captures user login
 - Captures date of last access for profiled users

 - Court Screen on Research Programs:
 - Name of initiator
 - User that input lien
 - User that approved electronic lien filing
 - Date approved

 - Correct (Create, Refile, Amend, etc.):
 - Date of the action
 - User that completed the action
 - General nature of the change

 - Release/Withdrawal:
 - Date requested
 - Tsign and name of requestor
 - User inputting release request
 - Tsign and name of user approving release request
 - Login of person approving request

 - Revocation:
 - User inputting revocation(Unix login)
 - Unix login of approver
 - Tsign of requestor
 - Date revoked

- Removal of Lien (log.removal)
 - Unix login of user removing lien
 - Date of action
 - General lien information
- Systemic Histories are saved for these action:
 - Date/ UNIX login of user inputting history
 - Date/ UNIX login of user actions on billing support vouchers
 - Date/ UNIX login of user marking periods satisfied
 - Date/ UNIX login of user inputting recording information
 - Date/ UNIX login of user revoking a lien release
 - Date/ UNIX login of user withdrawing a lien

This information is part of the lien data in the database and is kept as long as the lien record remains in the database.

- **ENTITY** – The ENTITY application tracks the following critical information pertinent to user profiles. Each of these information items can be cross referenced and re-validated by ICS application. Organizational assignment number associated with each UNIX logon account allowed access to the application.
 - Historical information on organizational assignment numbers.
 - Organizational privileges for each account (e.g. area manager, territory manager, group manager, etc).
 - Geographic access appropriate for each account.
 - Related employee SEID identification.
 - Last date a profile was actively used.
 - Historical information on adjustments made to an employee’s inventory level.
 - Entity keeps the following audit information :
 - Entity_query.log:
 - Date/time/unix/ROID/query run
 - Invapp.log:0 Date/time/SEID/unix login/e-level/module (application functions, reports, etc.)

D. Other:

- **ENTITY** – various statistical reports are available that provide data on employees, collection inventory, time, and end-of-month (EOM) reports. Collection EOM reports are processed via ENTITY.

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

A. IRS:

- **ALS** – Automated Collection System (ACS) sends daily batch requests to ALS to generate liens.
 - Taxpayer name
 - Address
 - SSN
 - Tax Liability information

Integrated Collection System (ICS) sends daily batch requests for ALS to generate liens.

Delinquency Investigation/Accounts Listing (DIAL) download is a part of ALS–ENTITY. It is an extract of DIAL data from Master File containing collection data on taxpayers. All ALS–ENTITY information is in the form of extracts from current IRS databases.

- Master File (MF) sends extracts that include:
 - Status 12 information
 - Address
 - Collection Statute Extension Date (CSED)
 - Joint taxpayer information from 1040
- Automated Non–Master File (ANMF) sends extracts that include:
 - Status information
- Standardized IDRS Access (SIA) sends an extract that includes:
 - Payoff information
- Automated Insolvency System (AIS) provides an extract that includes:
 - TIN
 - Date of Petition
 - Docket number
- **ENTITY:**
 - Integrated Collection System (ICS) and DIAL provide:
 - Taxpayer name
 - Taxpayer address
 - TIN
 - Delinquency information

B. Employee:

- **ALS:** Login, TSIGN and passwords are authenticated when employees access the system. Employee information is also received from ICS extract.
- **ENTITY:** Login, TSIGN and passwords are authenticated when employees access the system. Employee information is also received from ICS extract.

C. Other Federal Agencies:

- **ALS:** Integrated Financial System (IFS) provides confirmation files of automated payments to State and Local Courts for lien filings.
- **ENTITY:** No federal agencies provide data.

D. State and Local Agencies:

- **ALS:** ALS receives lien recording data from four (4) boroughs of New York City, Secretary of State in CA, all filing jurisdictions in Minnesota, and LA County.
- **ENTITY:** No state and local agencies provide data.

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

ALS: Yes, the information is required for the general purpose of the system. ALS generates Notices and Releases of Federal Tax Liens and other lien certificates. It also generates collection due

process letters using information derived from the Notice of Federal Tax Lien. Only information relevant to the objective of ALS-ENTITY is downloaded.

ENTITY: Yes, all the information is required for the business purpose of the system. Data collected from the ENTITY portion of the application is critical as it serves as a management tool for analysis of data and to rank cases to enable proper selection of work for Revenue Officers.

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

ALS: Information is uploaded into ALS-ENTITY from ICS and ACS or is manually input. ICS and ACS entity and tax period information are extracted from IDRS/IMF and forwarded to ALS-ENTITY. ALS-ENTITY does not change or verify information submitted. However, ALS-ENTITY does receive entity and collection statute updates on the weekly data run from masterfile. If the taxpayer's address changes, ALS generates a coversheet with the correct address when a certificate of release is issued.

ENTITY: Information is loaded from ALS QUEUE DIAL and from ICS. ENTITY is the recipient of the data from the other applications. The validity of the data is done in the other applications.

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

ALS: No, there are no other sources of data.

ENTITY: No, there are no other sources of data.

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

ALS: Data is retrieved by the Serial Lien Identification (SLID) number (SLID is a unique number for lien records which is automatically assigned by ALS.) TIN, EIN or SSN, Name (taxpayer name on the lien) or Address (taxpayer's address on lien).

ENTITY: Taxpayer data can be retrieved and viewed by various sorts and queries with user defined fields that are available in the application (i.e. TIN, name, ROID, zip code, balance due, etc.).

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

ALS: Yes, data is retrievable by name, SSN, or EIN.

ENTITY: Yes, name and TIN.

Access to the Data

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

Role: Users

Permission:

- **ALS:** Access is based on job responsibility. Some users have research capability only, i.e., Appeals, TAS. Others have the ability to create and research. Some accesses are restricted by managers such as the ability to amend lien documents, edit, or delete; these permissions are usually restricted to lead tax examiners.
- **ENTITY:** Access is based on job responsibility and permission levels.

Role: Managers

Permission:

- **ALS:** most managers have the same capabilities as their employees. Managers approve the issuance of documents before they are entered into the system. They also have a "managers" permission that allows them to approve the issuance of releases and withdrawals.

- **ENTITY:** Permission level is defined by the position and title of the user.

Role: Developers

Permission: ALS and ENTITY Developers: The developers, ALS–ENTITY programmers, have access to all parts of the system. They are responsible for all programming changes, testing, etc.

Role: System Administrator

Permission: They are responsible for the ALS–ENTITY production system. All enhancements/programming changes are forwarded to them for incorporation into the system.

Contracts have existed between two local jurisdictions and IRS for over 20 years. (All liens on personal and real property in MA are filed at the United States District Court (USDC) in Boston. ALS maintains the recorded lien releases, withdrawals etc. on these filed liens and the data is made available by access to the ALS terminal located on the court's premises by the public. The Secretary of State in Hartford, CT (CTSOS) has a similar ALS setup with one exception, the ALS terminal is located behind the counter and only the CTSOS employees have access.)

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

ALS and ENTITY: 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 access the OL5081 application and complete 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. Contractors are active as developers and hold approval for staff-like access.

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.

ALS: Yes.

- Automated Insolvency System (AIS) tracks bankruptcy and decedent cases, generates proofs of claim, and allocated bankruptcy payments. Using AIS, the district insolvency units send batch requests containing a list of taxpayers that have recently filed for bankruptcy. ALS runs this list against its database and sends back a print record containing a facsimile of all liens that have been filed under the requested names.
- Automated Collection System (ACS) provides ALS with taxpayer account information required for the filing of a Notice of Federal Tax Lien. ALS uses this information to generate the actual tax lien.
- Integrated Data Retrieval System (IDRS)/Masterfile provides ALS and ENTITY with an extract (known as DIAL) of taxpayer account data on all delinquent modules assigned to the Collection function. The information is used by ALS in the preparation of Notices of Federal Tax Lien. Masterfile provides ALS with the notification of the satisfaction of any module that carries a lien file indicator. This notification is used by ALS to generate timely Releases of Notices of Federal Tax Lien as required by law.
- Integrated Collection System (ICS) sends daily batch requests for ALS to generate liens.
- Master File (MF) program provides extracts for Modsats (Run780) and EOD10 (Run5801).
- Standardized IDRS Access (SIA) interface provides extracts for payoff information and Transaction 360s and 971s.
- ANMF program provides an extract of Status 12 information.

- Integrated Financial System (IFS) provides confirmation files of automated payments made to State and Local jurisdictions for lien filings.

ENTITY: Yes, ENTITY receives all case data from ICS and ALS QUEUE DIAL which it uses to rank delinquent accounts. Revenue Officers Group Managers use the ENTITY delinquent account information in the selection of appropriate work for their Revenue Officers. Collection Time Reporting System (CTRS) receives time and activity data from ENTITY on a monthly basis.

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

Automated Collection System (ACS)

- Authority to Operate – May 25, 2010
- Privacy Impact Assessment – December 28, 2009

Automated Insolvency System (AIS)

- Authority to Operate – January 25, 2008
- Privacy Impact Assessment – October 09, 2007

Collection Time Reporting System (CTRS)

- Authority to Operate – non FISMA reportable
- Privacy Impact Assessment – December 4, 2003

Integrated Collection System (ICS)

- Authority to Operate – June 19, 2008
- Privacy Impact Assessment – September 24, 2008

Integrated Data Retrieval System (IDRS)

- Authority to Operate – March 10, 2009
- Privacy Impact Assessment – November 6, 2008

Standardized IDRS Access (SIA)

- Authority to Operate – May 21, 2009
- Privacy Impact Assessment – May 20, 2009

Automated Non-Master File (ANMF)

- Authority to Operate – November 10, 2009
- Privacy Impact Assessment – June 26, 2009

Integrated Financial System (IFS)

- Authority to Operate – May 26, 2010
- Privacy Impact Assessment – February 22, 2010

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

ALS: Lien information is sent to state and county governments. All liens on personal and real property in MA are filed at the United States District Court (USDC) in Boston. ALS maintains the recorded lien release, withdrawals, etc., on these filed liens and the data is made available by access through an ALS terminal located on the court's premises by the public. The Secretary of State in Hartford, CT (CTSOS) has a similar ALS setup with one exception, that the ALS terminal is located behind the counter and only the CTSOS employees have access. ALS contains over 350,000 lien records for both locations. A dedicated server containing the partial ALS database is located outside

the IRS intranet firewall and the external stakeholders access it through the Enterprise Computing Center–Detroit (ECC–DET) Extranet enterprise security zone. In addition, the IRS has Memoranda of Understandings with the state of Minnesota, Los Angeles County, the Secretary of State of California and four (4) boroughs of New York City. Lien data is exchanged with these courts for the purpose of electronic lien filing. General Accounting Office (GAO) or Treasury Inspector General Accounting Office (TIGTA) may be provided information if a formal request is made.

ENTITY: No.

Administrative Controls of Data

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

ALS: ALS data is approved for destruction one year after lien is paid in full (Job No. N1–58–97–13, item 32, and published under IRM 1.15.35, item 32). The ALS database initiated purge procedures in 2008. These current procedures eliminate all released liens over five (5) years old. The elimination of additional records would create delays and complications to taxpayer service. Frequently taxpayers and title companies contact IRS looking for copies of liens released in prior years in order to pave the way for real estate closings involving properties that are encumbered by Notices of Federal Tax Liens. Although the law does not require IRS to issue a release of a lien that has time expired and although IRS has the legal right to rely on wording in the notice that makes the notice of lien a "self–releasing" document, title companies in many places in the country insist on receipt of a separate release before agreeing to proceed with a real estate closing. Purging these records would result in significant problems.

ENTITY: Follows records control schedule as stated in IRM 1.15.28.

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

ALS: No, technology will not be used in a new way.

ENTITY: No, technology will not be used 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.

ALS: No, the system will not be used to identify or locate individuals or groups. However, individual lien notices are public information and may be identified by the use of the taxpayer name or TIN (EIN or redacted SSN) and address. This is considered an authorized disclosure under IRC Sec. 6321 Lien for Taxes and 6103.

ENTITY: The application provides statistical data for all taxpayers that are worked by Collection field personnel. Case data can be retrieved by individuals or by groups, e.g. all individual or business taxpayers with delinquent accounts, or by Business Operating Division, e.g. Wage and Investment, Large and Mid–size Business, Small Business, Self–employed, etc.

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.

ALS: No, the system does not have the capability to monitor individuals or groups. Liens are one–time events and no data is retained after the lien has been released or satisfied.

ENTITY: Yes, the application is a management information tool that can be used to query and sort Collection activity on individual of business taxpayer cases.

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

ALS: The ALS portion of the application is a system of records that treats all individuals the same. ALS is an enforcement tool and treats all people who have a lien on their property the same.

ENTITY: Yes, the ENTITY application is a management information system that could treat individuals differently as a result of the information. Internal Revenue Manual (IRM) 1.5 warnings are posted throughout the system to warn users of the appropriate use of data: "Statistical information is not to be used to make judgments regarding case work or individual employee performance."

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

ALS: No, ALS does not allow affected parties to respond to negative determination prior to the final action. However, as a result of RRA 98, Collection Due Process (CDP) letters with appeal rights are sent to affected parties so that they have the opportunity to respond to the action.

ENTITY: This is not applicable to ENTITY.

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

ALS: The application is not web-based. Electronic access is query based from courthouses.

ENTITY: The application is not web-based. The system is for internal IRS use only.

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