

Appeals Centralized Database System (ACDS) – Privacy Impact Assessment

PIA Approval Date – Dec. 17, 2010

System Overview:

Appeals Centralized Database System (ACDS) is used by Appeals Officers, Settlement Officers, managers and technical analysts to monitor the progress of the Appeals workload. ACDS supports and captures information on many of the core business activities, including inventory and statute control, tracking case status, tracking case actions and issues, assigning employees to cases, creating and maintaining employee timesheets, and documenting case reviews. ACDS records case time and monitors the progress of the Appeals workload. Additionally, ACDS is used for all Appeals management information statistics and produces management information reports. The reports generated by ACDS are used to improve the quality of service and to provide timely and accurate metrics on how well the Appeals organization is meeting its strategic goals and supporting IRS and Treasury goals. ACDS is comprised of the following four subsystems, ACuServ, Art Valuation, Diagnostic and Balanced Appeals Measures (D&BAM), and e-Case.

Systems of Records Notice (SORN):

- IRS 26.012--Offer in Compromise (OIC) Files
- IRS 26.013--Trust Fund Recovery Penalty Cases/One Hundred Percent Penalty Cases
- IRS 26.019--Taxpayer Delinquent Account Files
- IRS 34.037--IRS Audit Trails and Security Records System
- IRS 36.003--Personnel and Payroll Records (covers employee information)
- IRS 42.001--Examination Administrative File
- IRS 44.001--Appeals Case Files
- IRS 44.003--Unified System for Time and Appeals Records
- IRS 44.004--Art Case Files
- IRS 44.005--Expert Witness and Fee Appraiser Files

Data in the System:

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

A. Taxpayer:

- ACDS/Art Valuation – The tax return information is input from documents in the Admin file/case file.
 - Taxpayer Name
 - Address
 - Representative or attorney's name
 - Representative or Attorney's address
 - Spouse (if applicable)
 - Phone numbers
 - TIN / EIN
- ACuServ:
 - First Name
 - Last Name

- TIN of customers/taxpayers who call the Customer Service Representative or whose representatives call on their behalf

B. Employee:

- ACDS/Art Valuation – 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:
 - Employee name
 - User name
 - User ID
 - Badge number
 - Physical address (office, home)
 - Email address
 - Phone numbers (business cellular, office, fax, VMS, home, emergency, pager number)
 - Work experience
 - User privileges
 - Job title
 - Pay plan and series
- ACuServ – Employee information is limited to
 - First Name
 - Last Name
 - Telephone Number
 - Badge Number (This number is required to be given to taxpayer and is a disclosable IRS ID number; not the standard employee identifier [SEID])

C. Audit Trail Information:

- ACDS/Art Valuation:
 - 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
- ACuServ – Audit Trail Information (including employee log-in info) – ACuServ audits the login and logoff of users, change of user password, invalid login attempts, and viewing or modification of any case. For each audit event, the following information is stored:
 - Date
 - Time

- Username (this is the user's unique logon name)
- Internet protocol (IP) address
- Office code (2-digit Appeals office code)
- CaseID (the serial number of the case in the case table; every case has a unique ID)

The accessed TIN is not captured in an audit log. In order to determine which user has accessed a particular TIN, a query is run against the database and audit log joining the audit logs with the Case tables/Case ID field. From there, one could tell if a user has accessed a particular TIN. There is only one user per audit log event.

D. Other (Describe):

- ACDS – None.
- ACuServ – Notes from customer contact.

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

A. IRS:

- ACDS – 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 e-Case data extract. e-Case 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) . ERCS, ACS, AOIC, ICS are owned by Small Business/Self-Employed (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 Internal Revenue Manual (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 ICS, ERCS, ACS and 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.

- Art Valuation – The Admin file/case file contains the art appraisals, returns of the taxpayer, examining officer's report, and other documents relating to the taxpayer's liability for the year or years involved specifically the taxpayers fair market appraisal of the art's value, and other pertinent documents or papers.

B. Taxpayer:

- ACDS/Art Valuation – The tax return information is input from documents in the Admin file/case file. Data in ACDS is updated accordingly. Currently:
 - Taxpayer Name
 - Address
 - Representative or attorney's name
 - Representative or attorney's address
 - Spouse (if applicable)
 - Phone numbers
 - TIN / EIN
- ACuServ – Through the CSR or the AARS:
 - Taxpayer name
 - Tax periods
 - Type of tax

C. Employee:

- ACDS/Art Valuation:
 - Employee name
 - User name
 - User ID
 - Badge number
 - Physical address (office, home)
 - Email address
 - Phone numbers (business cellular, office, fax, VMS, home, emergency, pager number)
 - Work experience
 - User privileges
 - Job title
 - Pay plan and series
- ACuServ:
 - Name
 - Work telephone number
 - Badge number

Employee data is stored in a separate table integral to the relational database management system that powers ACuServ.

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

- ACDS/Art Valuation – 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

employee 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 Employee inventory, and by the Appeals work stream.

- ACuServ – Yes. All data items are needed for the business purpose of the system. Taxpayer information, including first name, last name, and TIN are used to uniquely identify the account in which the taxpayer has issues. These unique identifiers are used to research the account information in other IRS systems such as ACDS and IDRS in order to resolve account issues. To reiterate, taxpayer information in ACuServ does NOT come from other systems, but rather from the taxpayer or representative or IRS employee. Once that information is received from these sources, the CSR or the AARS can research the other IRS systems to resolve the account issues. Employee information, including name, telephone number, and badge number are needed for locating employees who have dealt with taxpayers on previous calls. Notes from customer contact data directly fulfill the business purpose of the ACuServ system. Audit data consisting of the login information is kept for audit trail purposes to identify authorized users accessing ACuServ.

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

- ACDS/Art Valuation – 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/Social Security number (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.
- ACuServ – All data in the system is obtained through contact with the taxpayer or his or her representative. The information is validated by the Appeals Customer Service Representatives through the customer.

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

- ACDS/Art Valuation – No. The Admin file/case file from the supplier organization (i.e., W&I, SB/SE, TE/GE, LB&I) constitutes the basis of the Appeals determination as defined by law.
- ACuServ – No. The ACuServ information is attained directly from taxpayers, and is entered into the system by Appeals Customer Service Representatives. ACuServ has no other sources for the data contained in the system.

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

- ACDS – 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.
- Art Valuation – Additionally data is being retrieved in Art Valuation subsystem which is accessed by Appeals Art Appraisers to manage inventory and statute control of fine art and antiques fair market valuation cases referred to the Art Appraisal Services group by other IRS business units, including Small Business/Self Employed (SB/SE), Large Business International, Chief Counsel, and Appeals. Art Valuation is used to track case status, actions, and issues; assign employees to cases; and create and maintain employee timesheets.
- ACuServ – The ACuServ application is used by Appeals Customer Service Representatives to document their contacts with customers. ACuServ is accessed over the IRS Intranet by Appeals Customer Service personnel located throughout the IRS. On the ACuServ Home Page, the user will see the ACuServ Top Menu displayed at the top of the screen with these menu options: Add, Update, View, Reports, Administration, Login, and Help. At the bottom of the page is a button labeled Find a Task. If the user clicks this button, they are taken to the Update search screen which has the ACuServ Top Menu still displayed above it. The user can also get to the Update search screen by clicking on Update in the ACuServ Top menu.

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

- ACDS – 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.
- Art Valuation – Yes. Art Valuation can retrieve data by either the TIN or taxpayer name.
- ACuServ – Yes. Data in the system is retrievable by either taxpayer name or TIN. This is necessary in order to verify identity, and to allow users to retrieve information for repeat callers.

Access to the Data:

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

ACDS/Art Valuation/ACuServ – The following provides a brief description for each of the roles for ACDS and its subsystems.

Role: Appeals Officer

Permission: The Appeals Officer makes updates in ACDS (i.e. change feature codes), accesses electronic record of activity, generates statute reports, and generates standardized forms and letters with Appeals Generator of Letters and Forms (APGolf).

Role: Appeals Account Resolution Specialists (AARS)

Permission: AARS records the receipt of Appeals account resolution tasks, any actions taken to resolve the case, and communications with taxpayers regarding the resolution of the case.

Role: Settlement Officer

Permission: Receive cases in; verify statutes and data to ensure cases properly carded in; use CARATS (Case Activity Record and Timesheet) to keep track of actions on case and history; generate letters and forms 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 taxpayer (TP) has had other cases in Appeals to see prior TP disposition.

Role: Case Processor

Permission: Card in cases; enter updates from Appeals Officers (AOs) and Settlement Officers (SOs); update action fields for transferring cases to and from Counsel; 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.

Role: Tax Computation Specialist

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

Role: Tax Examiner

Permission: Card in cases; enter updates from AOs and SOs; update action fields for transferring cases to and from Counsel; 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.

Role: Team Manager (Art Valuation and Appeals)

Permission: 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.

Role: Program Analyst

Permission: 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.

Role: Area Director

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

Role: Field Director (East and West)

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

Role: Senior Operations Advisor

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

Role: Appeals Executive

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

Role: Executive/Administrative Assistant

Permission: Read access; run reports; search information for media request (i.e. FOIA, congressional); generate Ad hoc reports to stratify data. An Executive Administrative Assistant has the same role except they do not generate Ad hoc reports.

Role: Technical Advisor

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

Role: Art Appraiser

Permission: Receive cases in; use CARATS to track actions on cases and history; document time worked on cases and general work time.

Role: Non–Appeals User

Permission: IRS partners from the following business units Chief Counsel (CC); Large Business & International (LB&I); Small Business/Self Employed (SB/SE); Tax Exempt & Government Entities (TE/GE); and Wage & Investment (W&I) are Non–Appeals Users who have search only access permission to ACDS.

Role: ACDS Account Administrator

Permission: The system 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 the Online 5081 Service Request explaining the type of change.

Role: System Administrator

Permission: System administrators are also responsible for the day–to–day maintenance and operation of the Windows operating system.

Role: Database Administrator

Permission: Database administrators are responsible for the day–to–day maintenance and operation of the SQL database tables and the underlying SQL Database Management System.

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

ACDS/Art Valuation/ACuServ – IRS Online 5081 (OL5081) is used to document access requests, modifications, terminations for all types of users. When a new user needs access to IRS systems or applications, the user's manager or designated official, access the OL5081 application to request access for the new user. OL5081 is an online form, which includes information, such as the name of

the system or application, type of access, and the manager's signature approving authorization of access. The completed OL5081 is submitted to the account administration approval group, who assigns a user ID and an initial password. Before access is granted, the user is required to digitally sign OL5081 acknowledging his/her security responsibilities when using the system. The user signs security rules of behaviour provided in the OL5081.

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.

ACDS/Art Valuation/ACuServ – Yes. Operating Divisions (W&I, SB/SE, TE/GE, LB&I) 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 Examination Return Control System (ERCS), Automated Collection System (ACS), Automated Offer in Compromise (AOIC), and Integrated Collection System (ICS).

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 (ATO) – May 25, 2010
- Privacy Impact Assessment (PIA) – December 28, 2009

Automated Offer in Compromise (AOIC)

- Authority to Operate (ATO) – September 28, 2010
- Privacy Impact Assessment (PIA) – March 10, 2009

Examination Return Control System (ERCS)

- Authority to Operate (ATO) – June 13, 2008
- Privacy Impact Assessment (PIA) – March 2, 2008

Integrated Collection System (ICS)

- Authority to Operate (ATO) – June 19, 2008
- Privacy Impact Assessment (PIA) – October 8, 2009

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

ACDS/Art Valuation/ACuServ – 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. Treasury Inspector General for Tax Administration (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.

Note: ACDS provides data to the organizations listed above, but does not receive data from any of them.

Administrative Controls of Data:

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

ACDS/Art Valuation/ACuServ – ACDS is comprised of four subsystems: ACuServ, Art Valuation, Diagnostic and Balanced Appeals Measures, and e–Case. ACuServ data is approved for destruction 6 years after case is closed (Job No. N1–58–07–8). These disposition instructions have been approved for publication under IRM 1.15.10 Records Control Schedule for Appeals, Item 35. Requests for records disposition authority for Art Valuation, Diagnostic and Balanced Appeals Measures, and e–Case and associated records are currently being evaluated/drafted with the assistance of the IRS Records and Information Management (RIM) Program Office. When approved by the National Archives and Records Administration (NARA), disposition instructions for these system inputs, data, outputs and system documentation will also be published under IRM 1.15.10, item numbers to be determined.

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

ACDS/Art Valuation/ACuServ – 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.

ACDS/Art Valuation/ACuServ – No. This system is not used to identify or locate individuals or groups.

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.

ACDS/Art Valuation/ACuServ – No. The system does not provide the capability to monitor individuals or groups.

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

ACDS/Art Valuation – 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.

ACuServ – No. The system is only used for logging contacts with the taxpayer or their representative and does not possess attributes to facilitate the process of making determinations based on information from this system. The Appeals case has already been closed. This system exists solely to service taxpayer complaints.

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

ACDS/Art Valuation – 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.

ACuServ – Not applicable. The function of ACuServ is used to keep track of customer complaints. The ACuServ system cannot be used to make decisions that could result in a negative determination. As a result, due process would not be applicable for this system. If the taxpayer is not satisfied with the results of the CSR or AARS action, they can be referred to the Taxpayer Advocates Office, if the case did not originate from there. If the case originated from the Taxpayer Advocates Office, the CSR or the AARS would explain appropriate alternative actions.

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

ACDS/Art Valuation/ACuServ – 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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