Date of Approval: 04/19/2024
Questionnaire Number: 1074

Basic Information/Executive Summary

What is the name of your project (system, database, pilot, product, survey, social media site, etc.)?

Automated Offer in Compromise (AOIC)

Business Unit

Small Business and Self Employed

Preparer

For Official Use Only

Subject Matter Expert

For Official Use Only

Program Manager

For Official Use Only

Designated Executive Representative

For Official Use Only

Executive Sponsor

For Official Use Only

Executive Summary: Provide a clear and concise description of your project and how it will allow the IRS to achieve its mission.

AOIC allows the loading, working and maintenance of offer in compromise submissions allowing the service to settle balance due accounts that would otherwise go uncollected.

Personally Identifiable Information (PII)

Will this project use, collect, receive, display, store, maintain, or disseminate any type of Sensitive but Unclassified (SBU), Personally Identifiable Information (PII), or Federal Tax Information (FTI)?

Yes

Please explain in detail how this project uses sensitive data from inception to destruction (data lifecycle).

System stores taxpayer information (TIN, address, tax period, CSED data, balance due) and financial information (taxpayer assets, income and expenses) while determining the taxpayer's Reasonable Collection Potential (RCP) to pay towards their tax balance.

Please select all types of Sensitive but Unclassified data (SBU)/Personally Identifiable Information (PII)/Federal Tax Information (FTI) that this project uses.

Address
Centralized Authorization File (CAF)
Employer Identification Number
Federal Tax Information (FTI)
Name
Social Security Number (including masked or last four digits)
Standard Employee Identifier (SEID)
Telephone Numbers

Cite the authority for collecting SBU/PII/FTI (including SSN if relevant).

PII for federal tax administration - generally IRC Sections 6001 6011 or 6012

Product Information (Questions)

1.1 Is this PCLIA a result of the Inflation Reduction Act (IRA)?

No

1.2 What is the IRA Initiative Number?

None

1.3 What type of project is this (system, project, application, database, pilot/proof of concept, power platform/visualization tool)?

System

1.35 Is there a data dictionary for this system?

Yes

1.36 Explain in detail how PII and SBU data flow into, through and out of this system.

PII and SBU data are either manually entered or are downloaded via AISDL/ECLAS from IDRS.

1.4 Is this a new system?

No

1.5 Is there a Privacy and Civil Liberties Impact Assessment (PCLIA) for this system?
Yes, 6098

1.6 What is the PCLIA number?
6098

1.7 What are the changes and why?
No changes since 2021 PCLIA (6098)

1.8 If the system is on the As-Built-Architecture, what is the ABA ID of the system? If this PCLIA covers multiple applications shown on the ABA, please indicate the ABA ID for each application covered separated by a comma.
210085

1.9 What OneSDLC State is the system in (Allocation, Readiness, Execution)?
Execution

1.95 If this system has a parent system, what is the PCLIA Number of the parent system?
Not Applicable

2.1 If this system discloses any PII to any third party outside the IRS, does the system have a process in place to account for such disclosures in compliance with IRC 6103(p)(3)(A) or Subsection c of the Privacy Act? Contact Disclosure to determine if an accounting is required. Enter "Yes" or "No". If Exempt, type "Exempt".
Not Applicable

2.2 Please provide the full name of and acronym of the governance board or Executive Steering Committee (ESC) this system reports to.
SB/SE Technology Governance Board

3.1 Does your project/system involve any use of artificial intelligence (AI), including virtual assistant, chat bot, and robotic process automation, as defined in Executive Order 13960?
No

3.2 What is the methodology used and what database is training your AI?
Not Applicable

3.3 Does this system use cloud computing?
No

3.31 Please identify the Cloud Service Provider (CSP), FedRAMP Package ID, and date of FedRAMP authorization.
Not Applicable

3.32 Who has access to the CSP audit data (IRS or 3rd party)?

Not Applicable

3.32 Does the CSP allow auditing?

Not Applicable

3.33 Please indicate the background check level required for the CSP (None, Low, Moderate or High).

Not Applicable

3.4 Is there a breach/incident plan on file?

No

3.5 Does the data physically reside in systems located in the United States and its territories and is all access and support of this system performed from within the United States and its territories?

Yes

3.6 Does this system interact with the public through a web interface?

No

3.61 If the system requires the user to authenticate, was a Digital Identity Risk Assessment (DIRA) conducted?

No, the application is internally facing only and does not extend beyond the boundaries of the IRS.

3.62 Please upload the approved DIRA report using the Attachments button.

Not Applicable

3.63 If individuals do not have the opportunity to give consent to collect their information for a particular use, why not?

Permission is granted based on the original agreement noted on the offer's Form 656: Offer in Compromise. Notice, consent and due process are provided via the IRS systems and their related tax forms instructions, and pursuant to 5 USC.

3.64 If the individual was not notified of the following items prior to the collection of information, why not? 1) Authority to collect the information 2) If the collection is mandatory or voluntary 3) The purpose for which their information will be used 4) Who the information will be shared with 5) The effects, if any, if they don't provide the requested information.

Not Applicable

3.65 If information is collected from third-party sources instead of the individual, please explain your decision.

Information is gathered via credit reports, DMV, and taxpayer representatives as it is necessary for the case development.

3.7 Describe the business process allowing an individual to access or correct their information.

Not a public facing system, no taxpayer access.

4.1 Who owns and operates the system (IRS Owned and Operated, IRS Owned and Contractor Operated, Contractor Owned and Operated)?

IRS Owned and Operated

4.2 If a contractor owns or operates the system, does the contractor use subcontractors?

Not Applicable

4.3 What PII/SBU data does the subcontractor have access to?

Not Applicable

4.5 Identify the roles and their access level to the PII data. For contractors, indicate whether their background investigation is complete or not.

National Office, Area Office, Appeals, DATL, Service Ctr, IAR. All can access PII.

4.51 How many records in the system are attributable to IRS Employees? Enter “Under 50,000”, “50,000 to 100,000”, “More than 100,000” or “Not Applicable”.

More than 100,000

4.52 How many records in the system are attributable to contractors? Enter “Under 5,000”, “5,000 to 10,000”, “More than 10,000” or “Not Applicable”.

Not Applicable

4.53 How many records in the system are attributable to members of the public? Enter “Under 5,000”, “5,000 to 10,000”, “More than 10,000” or “Not Applicable”.

Not Applicable

4.54 If records are attributable to a category not mentioned above in 4.51 through 4.53, please identify the category and the number of corresponding records to the nearest 10,000. If none, enter "Not Applicable".

Not Applicable

4.6 How is access to SBU/PII determined and by whom?

Access is based on business need and provided via BEARS.

5.1 Please describe any privacy risks, civil liberties and/or security risks identified for the system that need to be resolved and what is the mitigation plan?

Not Applicable

5.11 Is there a Risk Assessment Form and Tool (RAFT) associated with this system on file with your organization or the IRS Risk Office.

No

5.2 Does this system use or plan to use SBU data in a non-production environment?

No

5.3 Please upload the approved SBU Data Use Questionnaire or Request. If the request has been recertified, please upload the approved recertification form. Select Yes to indicate that you will upload the SBU Data Use form.

Yes

Systems of Records Notices (SORNs)

SORN Number & Name

IRS 26.019 - Taxpayer Delinquent Account Files

Describe the IRS use and relevance of this SORN.

AOIC system contains taxpayer delinquent files

SORN Number & Name

IRS 26.012 - Offer in Compromise Files

Describe the IRS use and relevance of this SORN.

AOIC Contains all information that's relevant to the Offer in Compromise Files

SORN Number & Name

IRS 34.037 - Audit Trail and Security Records

Describe the IRS use and relevance of this SORN.

AOIC Contains files that tracks all the inputs in the system

Records Retention

What is the Record Schedule System?

Record Control Schedule (RCS)

What is the retention series title?

Records Control Schedule for Tax Administration Systems (Electronic).

What is the GRS/RCS Item Number?
RSC 32 ITEM 33
What type of Records is this for?
Electronic
Please provide a brief description of the chosen GRS or RCS item.
AOIC controls all offers in compromise from receipt through payments, monitoring terms, and conditions of the taxpayer's offer in compromise. The database contains taxpayer return data and balance due amounts.
What is the disposition schedule?
AUTHORIZED DISPOSITION Delete when 1 year old or when no longer needed for administrative, legal, audit or other operational purposes, whichever is sooner.

What is the Record Schedule System?
Record Control Schedule (RCS)
What is the retention series title?
Offers in Compromise Case File (Accepted Offers).
What is the GRS/RCS Item Number?
RCS 28 Item 50
What type of Records is this for?
Electronic
Please provide a brief description of the chosen GRS or RCS item.
Accepted Offer files in the AOIC System
What is the disposition schedule?
AUTHORIZED DISPOSITION Retire to Records Center when no longer needed for current business. Destroy 11 years after acceptance of offer.

What is the Record Schedule System?
Record Control Schedule (RCS)
What is the retention series title?
OIC Forms 3210 Transmittals
What is the GRS/RCS Item Number?
RCS 28 Item 50
What type of Records is this for?
Electronic
Please provide a brief description of the chosen GRS or RCS item.
Created forms 3210 for release of offer cases created in the AOIC System
What is the disposition schedule?
AUTHORIZED DISPOSITION Destroy after 3 years.

What is the Record Schedule System?

Record Control Schedule (RCS)

What is the retention series title?

Other than Accepted Offers in Compromise.

What is the GRS/RCS Item Number?

RCS 28 Item 50

What type of Records is this for?

Electronic

Please provide a brief description of the chosen GRS or RCS item.

All case files other than accepted offer in the AOIC System

What is the disposition schedule?

AUTHORIZED DISPOSITION Retire to Records Center when the offer is closed, and the case is no longer needed for current business. Destroy 6 years after case is closed.

Data Locations

What type of site is this?

System

What is the name of the System?

Automated Offer in Compromise

What is the sensitivity of the System?

Federal Tax Information (FTI)

What is the URL of the item, if applicable?

https://aoic2.web.irs.gov/aoic/

Please provide a brief description of the System.

The Automated Offers in Compromise (AOIC) application is an Internal Revenue Service (IRS) application that has been categorized as a Minor application. AOIC allows monitoring, tracking, and controlling of offers in compromise submitted to the IRS. An offer in compromise (referred to as an offer) is a way for the IRS to recoup a portion of the monies owed by taxpayers unable to pay their taxes in full. An “offer” is a proposal, initiated by such a taxpayer, that the taxpayer will pay a specified portion of the owed monies (back taxes, penalties and interest) to the IRS over a specified period, in return for which the IRS will (at the end of such period) dismiss the remainder of the debt. This offer is submitted to one of the IRS locations for consideration and is evaluated based on its completeness, the taxpayer's ability to pay, and the taxpayer's foreseeable future earnings. After considering the individual circumstances, the IRS will decide for disposition to either Return, Reject, Withdraw, Terminate, or Accept the offer. If the offer is accepted, it is considered a contractual agreement between the taxpayer and the IRS. The taxpayer is then required to meet certain obligations over a period of several years, which are tracked to ensure compliance. Should the proposed offer be rejected, the taxpayer may exercise the right to appeal. Taxpayers may also exercise their right to withdraw the offer any time prior to acceptance.

What are the incoming connections to this System?

Standardized IDRS Access (SIA) & Taxpayer Information File (TIF) Data Store To pull taxpayer data from IDRS.

What are the outgoing connections from this System?

Standardized IDRS Access (SIA) To push taxpayer data to IDRS.
Collection Information System (COINS) to provide inventory data.
Appeals Centralized Database System (ACDS) to push closed case data for appeals only.