Date of Approval: **August 03, 2021**

PIA ID Number: **5918**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

Business Masterfile Case Creation Nonfiler Identification Process, BMF CCNIP

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym, and milestone of the most recent PCLIA?

Business Masterfile Case Creation Nonfiler Identification Process, BMF CCNIP, #3319

What is the approval date of the most recent PCLIA?

3/14/2018

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

CPD Governance Board

Current ELC (Enterprise Life Cycle) Milestones:

Operations & Maintenance (i.e., system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

Yes

GENERAL BUSINESS PURPOSE

What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The Business Master File Case Creation Nonfiler Identification Process (BMF CCNIP) is an application that creates Selected BMF and Employee Plans Master File (EPMF) Nonfiler tax delinquency cases for the Small Business/Self Employed (SB/SE), Tax Exempt and Government Entities (TEGE), and Large Business and International Division (LB&I) Operating Divisions. BMF CCNIP Project is organizationally driven in support of the SB/SE Key Strategy to increase compliance among SB/SE business taxpayers. BMF CCNIP improves quality and program efficiency by providing a uniform system for selecting cases with the highest potential to satisfy the objectives established by the Business Unit into the Nonfiler treatment stream. Additionally, BMF CCNIP creates an integrated approach to creating Nonfiler cases for business taxpayers similar to the process currently used for individual taxpayers. BMF CCNIP provides access to data sources for Workload Identification, identifying cases for delivery to employees, as well as provides integrated filing compliance performance and management tools. The BMF CCNIP process impacts SB/SE, LB&I and TEGE taxpayers. BMF CCNIP is not a system of record for any taxpayer data. BMF CCNIP has 10 or fewer Analyst users who can update work schedule data and selections and 25 or fewer users who have read only access to reports. All users access BMF CCNIP via the IRS Employee User Portal.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information: or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

Yes

Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e., last 4 digits, etc.)?

Yes

What types of tax identification numbers (TIN) apply to this system?

Social Security Number (SSN)

> *List the approved Treasury uses of the SSN:*

>> Legal/statutory basis (e.g., where collection is expressly required by statute)

>> Statistical and other research purposes

>> Law enforcement and intelligence purposes

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers).

BMF CCNIP requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).

The Office of Management and Budget Circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs, which the Service continues to develop strategies to meet. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. BMF CCNIP requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time.

Employer Identification Number

Other Taxpayer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e., names, addresses, etc.)?

Yes

Specify the PII Elements:

Name
Mailing address
Date of Birth
Standard Employee Identifier (SEID)
Tax Account Information

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

Yes

Specify the types of SBU from the SBU Types List:

Agency Sensitive Information   Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission.

Official Use Only (OUO) or Limited Official Use (LOU)   Information designated as OUO or LOU is information that: is exempt under one of the statutory Freedom of Information Act exemptions; is prohibited by other laws or regulations; would significantly impede the

agency in carrying out a responsibility or function; or would constitute an unwarranted invasion of privacy.

Are there other types of SBU/PII used in the system?

No

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

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

SSN for tax returns and return information is Internal Revenue Code Section 6109

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The data items are required to identify business non-filers and select them for the return delinquency notice process.

How is the SBU/PII verified for accuracy, timeliness, and completion?

BMF CCNIP receives data from Integrated Production Model (IPM), which has its own verification process for data accuracy, timeliness, completeness and therefore BMF CCNIP assumes that the data is accurate, timely, and complete when it is provided by IPM.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

Yes

Identify the Privacy Act SORN(s) that cover these records.

IRS 22.061   Information Return Master File

IRS 24.046   Customer Account Data Engine Business Master File

IRS 34.037   Audit Trail and Security Records

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: Integrated Production Model (IPM)
Current PCLIA: Yes
Approval Date: 6/6/2019
SA&A: Yes
ATO/IATO Date: 9/10/2020

Does the system receive SBU/PII from other federal agency or agencies?

No

Does the system receive SBU/PII from State or local agency (-ies)?

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

No

Does the system receive SBU/PII from Employee forms (e.g., the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

Yes

Does this system disseminate SBU/PII to other IRS Systems?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: IDRS Integrated Data Retrieval System
Current PCLIA: Yes
Approval Date: 10/1/2018
SA&A: Yes
ATO/IATO Date: 6/18/2021

Identify the authority.

Mandated by requirements of the application and tax administration.

For what purpose?

To identify Businesses that do not file.

Does this system disseminate SBU/PII to other Federal agencies?

No

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

Does this system disseminate SBU/PII to other Sources?

No

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

Yes

How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. Notice, consent, and due process are provided via IRS systems and the tax returns filed by taxpayers, pursuant to 5 USC.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

No

Why not?

Tax returns filed by taxpayers are the source of data input into the system. Notice, consent, and due process are provided via IRS systems and the tax returns filed by taxpayers, pursuant to 5 USC.

How does the system or business process ensure 'due process' regarding information access, correction, and redress?

The Taxpayer Bill of Rights publication 1 at http://core.publish.no.irs.gov/pubs/pdf/p1--2014-12-00.pdf outlines the baseline for 'due process' that business follows. Notice, consent, and due process are provided via IRS systems and the tax returns filed by taxpayers, pursuant to 5 USC.

INFORMATION PROTECTION

Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated).

IRS Owned and Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Only

Managers: Read Write

System Administrators: Read Write

Developers: Read Write

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

Management will determine the access to data by users based on a need to know. However, user access is required to be granted access through the Online 5081 (OL5081) process and the user's manager must sign for the user's access. Role based access is in place that has to be approved by management.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

IRM 1.15.3.1.2 Document 12990 Record Control Schedule 8 Item number: 86 b Series Title: DESCRIPTION OF RECORDS-COMMISSIONER'S OFFICE Federal Agency Files. AUTHORIZED DISPOSITION Routine Cases: Destroy when 7 years old.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

Yes

What date was it completed?

9/10/2020

Describe the system's audit trail.

Audit Trail Information (including employee log-in info): Type of event; Source of event; Time of event; Date of event; User accountable for event. BMF CCNIP has an Enterprise Security Audit Trails (ESAT) approved Audit plan and we implemented Independent System Acceptability Test (ISAT). BMF CCNIP is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

Doc IT

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?

1. Appropriate privacy-related reviews and assessments are conducted on a yearly basis. 2. Reports on the effectiveness of privacy controls are regularly generated and reviewed. 3. As changes in operations or authorizations occur, requirements for PII collected or otherwise used are revalidated. 4. Auditing Controls were implemented to automatically and appropriately limit PII that is input, produced, transferred, stored, or viewable and to properly destroy it when no longer required. 5. BMFCCNIP is designed such that access to PII is granted only to authorized users with a business need for the information. And this authorization is reviewed monthly. 6. Every action or process that involves the use of PII is attributable to a specific authorized individual, process, or system via our Audit log and Negative Taxpayer Identification Number (NTIN) process. 7. BMFCCNIP is capable of appropriately supporting access, correction, and redress.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

No

NUMBER AND CATEGORY OF PII RECORDS

Identify the number of individual records in the system for each category:

IRS Employees: Not Applicable

Contractors: Not Applicable

Members of the Public: More than 1,000,000

Other: No

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax, or Privacy Act consent?

No