

## **Title 31 Non-Banking Financial Institution Database (Title 31) – Privacy Impact Assessment**

**PIA Approval Date – Mar. 15, 2011**

### **System Overview:**

The Title 31 application is an on-line database containing non-banking financial institution workload inventory that is defined and governed by the Bank Secrecy Act (BSA). The database is designed to identify, build and track Title 26 cases covered under Section 6050I of the Internal Revenue Code and Title 31 examination cases covered under Section 103. It includes information received from the Financial Crime Enforcement Network (FinCEN), Criminal Investigation (CI), the Currency Banking and Retrieval System (CBRS), state and local agencies throughout the country and other third party sources. These systems, however, are not interconnections. All data derived from these applications are manually entered into the system. Data is processed and added to a SQL Server, then distributed in Microsoft (MS) Access databases to 100+ users in BSA. Title 31 was designed to use data from a previous existing flat table system in order to accomplish its mission of serving as a tool for BSA management to meet their objective of using a risk based approach to workload identification. We have changed from a flat table system to a relational table system. The workstations used to access the Title 31 application contain a pre-configured Open Database Communication (ODBC) utility that connects the Title 31 application to the MS SQL database. This ODBC is a standard application program interface (API). It provides the front end interfaces for Title 31. The Title 31 interfaces are configured by the developers. Title 31 is separated into three interfaces: Administrative Interface, Field Interface, and Workload Inventory Selection Delivery Monitoring (WISDM) Interface.

### **Systems of Records Notice (SORN):**

- IRS 42.031--Anti-Money Laundering/Bank Secrecy Act and Form 8300 Records
- IRS 34.037--IRS Audit Trail and Security Records System
- IRS 46.050--Automated Information System

### **Data in the System**

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

- A. There is no taxpayer information or tax return information in the Title 31 database. The Personal Identifiable Information (PII) on entities is as follows:
- Entity Names
  - Entity Taxpayer Identification Number (TIN) (no SSNs are collected or used)
  - Entity Address
  - Entity Telephone Number
  - Entity State
  - Entity City
- B. Employee PII information includes:
- Employee Name
  - Employee Standard Employee Identifier (SEID)
- C. All interaction with the T31 database is tracked by employee SEID. Audit trail reports are manually generated and furnished to management.

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

- A. IRS – Currency Banking and Retrieval System (CBRS), Examination Returns Control System (ERCS), and Criminal Investigation (CI)
- Entity Names
  - Entity TIN (No SSNs are used)
  - Entity Address
  - Entity Telephone Number
  - Entity State
  - Entity City
- B. Other Federal Agencies (List agency) – Financial Crime Enforcement Network (FinCEN) (Treasury)
- Entity Names
  - Entity TIN
  - Entity Address
  - Entity Telephone Number
  - Entity State
  - Entity City
- C. State and Local Agencies (List agency) – Revenue Offices of 42 states
- Entity Names
  - Entity TIN
  - Entity Address
  - Entity Telephone Number
  - Entity State
  - Entity City
- D. Other third party sources (Describe) – LexisNexis.com, InfoUSA.com, and Manta.com
- Entity Names
  - Entity TIN
  - Entity Address
  - Entity Telephone Number
  - Entity State
  - Entity City

All data is collected from each one of these sources and is manually entered into the Title 31 application by an IRS employee.

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

Yes. All items are required for the business purpose of the system. The system is designed to identify, build, and track Title 26 and 31 examination cases.

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

Completeness and accuracy will be verified by managerial review of system generated correspondence and forms, by built in validation rules and record 'normalization' routines, and by matching to commercial locator service databases. Timeliness will be verified by BSA reviewers and coordinators and by managerial review of system generated correspondence.

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

No. There are no other sources for this data.

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

The data will be retrieved via a front end interface. The user will retrieve and input data by selecting records or performing search routines.

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

Yes. Searches can be performed on any data element in the database, including TIN, name, telephone number, address or control number.

**Access to the Data**

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

**Role:** WISDM Manager

**Permission:** Read, write, delete

**Role:** Territory Manager, Chief WISDM

**Permission:** Read

**Role:** Coordinators

**Permission:** Read, write, delete

**Role:** Field Group Manager

**Permission:** Read, write, delete

**Role:** Tax Examiner

**Permission:** Read, write, delete

**Role:** Secretary

**Permission:** Read, write, delete

**Role:** Administrative

**Permission:** Read, write, delete, add user

*Note: Contractors do not have access to the system.*

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

BSA users apply for access to a user specific domain via OL-5081 process. During the OL-5081 approval process, BSA functional OL-5081 administrator determines appropriateness of user group. There are additional access controls within the user group table within the application. Data access is limited to the approved user group role.

**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.**

Title 31 users obtain information, such as Taxpayer Identification Numbers (TINs) or addresses, from Currency Banking and Retrieval System (CBRS) and Examination Returns Control System (ERCS) manually and use it to update the Title 31 Application.

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

Examination Returns Control System (ERCS)

- Authority to Operate (ATO) – June 13, 2008
- Privacy Impact Assessment (PIA) – March 3, 2008

Currency Banking and Retrieval System (CBRS)

- Authority to Operate (ATO) – June 20, 2007
- Privacy Impact Assessment (PIA) – November 3, 2006

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

Yes. FinCEN and 50 state agencies. Exchange of data is pursuant to Memorandums of Understanding (MOU's) between the state agencies and the IRS.

**Administrative Controls of Data**

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

Data is deleted using an automated housekeeping routine (Records Disposition Handbook 1.15.32) within 30 days or when the last of the taxpayer's and related TINs cases have been processed/resolved. This application was developed for SBSE according to Records Disposition Handbook 1.15.32 and uses required retentions periods.

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

No. Title 31 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.**

Yes. It will used to identify businesses subject to the provisions of Title 31.

**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.**

Yes. Businesses will be monitored to ensure examination recommendations are followed and areas of non-compliance identified by the examiner are addressed. Field groups conducting the examinations will not have access to records on cases available for selection for examination or closed cases. Systemic monitoring will be conducted by a non-field work group at the national level using a clearly defined set of criteria.

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

No. Clearly defined case selection criteria and the distinct separation of case selection and examination will ensure equal treatment.

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

Yes. All correspondence proposing a negative determination contains appeal rights and allow for a response within a specified time frame. IRS does not now have civil penalty authority for Title 31 cases, so all cases recommending a penalty must be reviewed and approved by FinCEN.

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

Not Applicable. This system is not web based.

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