

Date of Approval: **April 26, 2021**

PIA ID Number: **5762**

SYSTEM DESCRIPTION

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

Advanced Research Lab, ARL

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?

Advanced Research Lab

What is the approval date of the most recent PCLIA?

2/13/2018

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.

RAAS Directors

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?

No

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 purpose of the Advanced Research Lab (ARL) is to provide an environment to test tools, prototypes, and proof-of-concept ideas, and conduct studies and analyses that can be used to support various data science and analytics projects. The 'Advanced' is more about the analytical tools that are used, which could be more cutting edge/riskier to manage in the regular Compliance Data Warehouse (CDW) environment. Individual projects will be interested in certain capabilities, and the ARL supplies a separate management environment for such projects to conduct their work that provides less risky Data Management Division (DMD) and project team management. The ARL itself is zoned off with firewall capabilities and requires special approval to access and use. The use of data by projects operating in the ARL is regulated similar to the policies of use for the CDW: the basic/default data to be used by any user in ARL would have no PII in it and use the standard CDW OL5081 approval processes. Projects with a need for PII will then be required to request approval using additional CDW OL5081 approval processes and require project specific justification based on benefit/risk by the business sponsors, and those approvals go through a special approval process before beginning. Generally speaking, the standard PII data being used is from the Compliance Data Warehouse (CDW) that has its PCLIA. That's what drives the OL5081 requirements and uses, and then there are more approval levels if the data tables are even more restrictive to use.

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:

When there is no reasonable alternative means for meeting business requirements.

Statistical and other research purposes

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

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

All employees using the ARL must have appropriate background clearance and additional approval from both their business unit management and RAAS management that there is a business need to use such data. ARL team works with the CDW data services team to validate and verify the information received and conducts quality assurance checks during the Extraction, Loading, and Transformation (ETL) process. All use of the information once loaded is based on specific case requirements of the user/project for only the duration of the project.

Employer 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
Phone Numbers
Date of Birth
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:

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.

Taxpayer information collected from Individual Returns Tax File (IRTF) and Business Returns Tax File (BRTF) is used for various analytics in identifying noncompliance or abusive tax avoidance schemes. Data sources from the Exchange of Information with the Organization for Economic Co-operation and Development (OECD) and State Department (Passport and Embassy) are matched with IRS data to determine tax compliance and avoidance. The purpose of the Advanced Research Lab (ARL) baseline environment is to provide a means to test analytic tools that can be used to support various types of research, econometric modeling, forecasting, and compliance studies based on the analysis of Internal Revenue Service (IRS) data. Tax Account information along with individual's Names, Mailing Address, and Date of Birth are used to investigate and identify areas of noncompliance or tax avoidance. Individuals' data is used to match up with other data sources to obtain a complete picture of taxpayer profile and whether tax obligations have been met. Current projects work with auditors from the Offshore Compliance Unit, Tax Exempt Government Entities (TEGE) and Large Business and International (LB&I). The Standard Employee Identifier (SEID) of the user is captured and retained to be used during the audit trail.

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

Any data that is received for use in the Advanced Research Lab (ARL) is obtained from an upstream source like the Compliance Data Warehouse (CDW). ARL team works with the CDW data services team to validate and verify the information received and conducts quality assurance checks during the Extraction, Loading, and Transformation (ETL) process. All use of the information once loaded is based on specific case requirements of the user and cross-checked via other systems of record Integrated Data Retrieval System (IDRS).

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 42.021 Compliance Programs and Projects Files

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: Compliance Data Warehouse

Current PCLIA: Yes

Approval Date: 9/16/2020

SA&A: Yes

ATO/IATO Date: 5/29/2018

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

Yes

For each federal interface, identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Name: Passport and Embassy data
Transmission Method: File Transfer
ISA/MOU: Yes

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

No

Does the system receive SBU/PII from other sources?

Yes

Identify the source that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: Security & Exchange Commission (SEC) Edgar Database Exchange from OECD
Transmission Method: download
ISA/MOU: No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 1040
Form Name: U.S. Individual Income Tax Return

Form Number: 1040-NR
Form Name: U.S. Nonresident Alien Income Tax Return

Form Number: 1120
Form Name: U.S. Corporation Income Tax Return

Form Number: 1120-S
Form Name: U.S. Income Tax Return for an S Corporation

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: Compliance Data Warehouse

Current PCLIA: Yes

Approval Date: 9/16/2020

SA&A: Yes

ATO/IATO Date: 5/29/2018

Identify the authority.

The IRS Restructuring and Reform Act provides ability to use such data for tax administration purposes.

For what purpose?

The information used by the ARL provides such means to allow for analytics useful for compliance work.

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 information is not collected directly from individuals. Information obtained from various IRS databases and files, which in turn are tax forms filed by tax entities. Notice, consent and due process are provided in the tax forms instructions, and pursuant to 5 USC. The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice which provides the legal right to ask for information under Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. Under these sections, response is mandatory. Code section 6109 requires the individual provide an identifying number.

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

No

Why not?

The information is provided voluntarily by entities (individuals and businesses) as part of their tax returns' reporting and filing requirement. Notice, consent and due process are provided in the tax forms instructions, and pursuant to 5 USC.

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

The information is not collected directly from individuals. The information collected as part of the application is the information obtained from various IRS databases and files, which in turn are tax forms filed by tax entities. Notice, consent and due process are provided in the tax forms instructions, and 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 Only

System Administrators: Administrator

Developers: Read Write

IRS Contractor Employees

Contractor Users: Read Write

Contractor Managers: Read Only

Contractor Developers: Read Write

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

Access to the Advanced Research Lab is requested via an Online (OL) Form 5081. Access is granted on a need-to-know basis. The OL5081 enrollment process requires that an authorized manager approve access requests on a case by case basis. Access approval is based on the Users role(s) and responsibilities. Users are given the minimum set of privileges required to perform their regular and recurring work assignments; they are restricted from changing the boundaries of their access without management approval. The employee's access will be terminated once they no longer require access to the Database. Deletion from the active access role is also performed through the OL5081.

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.

All records housed in the ARL system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to affect data disposition. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6, and will be destroyed using IRS General Records Schedule (GRS) 3.1, Item 011 and as coordinated with the IRS Records and Information Management (RIM) Program and IRS Records Officer.

SA&A OR ASCA

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

No

Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?

Yes

Describe the system's audit trail.

For each auditable event the audit trails capture, at minimum, the following information: Date and time that the event occurred; The unique identifier (e.g., user name, Standard employee identifier (SEID), application name, etc.) of the user or application initiating the event; Type of event (including all identification and authentication attempts (successful and unsuccessful) and commands directly initiated by the user); and Subject of the event (e.g., the user, file, or other resource affected); the action taken on that subject; and the outcome status (success or failure) of the event.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

The ARL is an environment, an infrastructure, used for ad-hoc type analytics and testing. This is not a single system/appliance/application. The environment adheres to necessary policy checkers, system access, patching, etc. as necessary. The ARL is strictly a test and evaluation environment and will only be emulating production environments for a given need.

SBU DATA USE

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

Yes

Was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?

Yes

Provide the date the permission was granted.

8/10/2009

Was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy?

Yes

NUMBER AND CATEGORY OF PII RECORDS

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

IRS Employees: Under 50,000

Contractors: Under 5,000

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?

Yes

Describe the type of information derived from these efforts and the technical (e.g., audit trails) or other processes used to limit unauthorized monitoring.

Analytics are sometimes performed to uncover potential or existing tax evasion schemes and shared with the business unit requesting the data modeling or tool testing.

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