

NOTE: The following reflects the information entered in the PIAMS website.

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## A. SYSTEM DESCRIPTION

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*Authority: Office of Management Budget (OMB) Memorandum (M) 03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 & PVR #10- Privacy Accountability and #21-Privacy Risk Management*

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Date of Approval: 7/22/15

PIA ID Number: **1098**

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1. What type of system is this? Dependent Database, DEPDB

2. Is this a new system? No

2a. If **no**, is there a PIA for this system? Yes

If **yes**, enter the full name, acronym, and milestone of the most recent PIA.

Dependent Database (DEPDB), MS4b

Next, enter the **date** of the most recent PIA. 10/17/2011 12:00:00 AM

Indicate which of the following changes occurred to require this update (check all that apply).

No Addition of PII

No Conversions

No Anonymous to Non-Anonymous

No Significant System Management Changes

No Significant Merging with Another System

No New Access by IRS employees or Members of the Public

No Addition of Commercial Data / Sources

No New Interagency Use

No Internal Flow or Collection

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Were there other system changes not listed above? No

If yes, explain what changes were made.

3. Check the current ELC (Enterprise Life Cycle) Milestones (select all that apply)

No Vision & Strategy/Milestone 0

No Project Initiation/Milestone 1

No Domain Architecture/Milestone 2

No Preliminary Design/Milestone 3

No Detailed Design/Milestone 4A

Yes System Development/Milestone 4B

No System Deployment/Milestone 5

No Operations & Maintenance (i.e., system is currently operational)

4. Is this a Federal Information Security Management Act (FISMA) reportable system? No

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## A.1 General Business Purpose

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5. 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.

Dependent Database (DEPDB) supports the Wage & Investment (W&I) business unit and is used to address the subject of non-compliance relevant to the Earned Income Tax Credit (EITC) and other tax benefits related to the dependency and residency of children. DEPDB is an in-house developed IBM DB2 database housed on an IBM Mainframe. The DEPDB is comprised of programs, subroutines, and command codes running on the IBM Mainframe at Enterprise Computing Center-Martinsburg (ECC-MTB) in Kearneysville, WV. The DEPDB project was operational in March 2000 to fulfill and address two congressional mandates. The first legislative mandate is the Kohl amendment to the Taxpayer Relief Act of 1997, Section 1090 which authorized the IRS to access data from the Federal Case Registry (FCR). The second mandate is Section 1085 of the Taxpayer Relief Act of 1997, which was established to reduce non-compliance relative to the Earned Income Tax Credit. This special appropriation provided additional resources to eliminate fraud and abuse relevant to EITC. To consistently apply the tax laws to a return claiming EITC, other tax issues had to be addressed at the same time, such as, dependent exemptions, filing status, Child and Dependent Care Credit, Child Tax Credit, and education benefits. The Dependent Database Project is a 'Rules Based' system that examines EITC tax returns and applies a set of rules, Fair Isaac Model and SRA Clementine model to determine residency and relationship issues. Tax returns are examined in a pre-refund environment. This means the money is stopped before going out the door. In the past, the IRS would send out the refund and then work the cases in a post-refund environment. In many cases, once the money is gone it becomes very difficult to get it back. The DEPDB system incorporates data (Department of Health and Human Services (HHS), Social Security Administration (SSA) & IRS) to more accurately validate refunds entitled to a taxpayer; thus allowing the IRS to enforce laws passed by Congress more effectively.

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## B. PII DETAIL

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6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information, any type of Sensitive but Unclassified (SBU) or Personally Identifiable Information (PII)? Yes

- 6a. If **yes**, does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN s) or variations of SSN s (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or SSN variation) is collected on.

Yes On Primary      Yes On Spouse      Yes On Dependent

If **yes**, check all types SSN s (or variations of SSN s) that apply to this system:

Yes Social Security Number (SSN)  
Yes Employer Identification Number (EIN)  
Yes Individual Taxpayer Identification Number (ITIN)  
Yes Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)  
Yes Preparer Taxpayer Identification Number (PTIN)

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

DEPDB has no plans to mitigate or eliminate the use of SSNs.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates according to Privacy Requirements? (i.e. Names, addresses, etc.) Yes

If **yes**, specify the information.

| <u>Selected</u> | <u>PII Element</u>                                  | <u>On Primary</u> | <u>On Spouse</u> | <u>On Dependent</u> |
|-----------------|---|-------------------|------------------|---------------------|
| Yes             | Name  | Yes               | Yes              | Yes                 |
| Yes             | Mailing address                                     | No                | No               | No                  |
| No              | Phone Numbers                                       | No                | No               | No                  |
| No              | E-mail Address                                      | No                | No               | No                  |
| Yes             | Date of Birth                                       | Yes               | Yes              | Yes                 |
| No              | Place of Birth                                      | No                | No               | No                  |
| No              | SEID  | No                | No               | No                  |
| No              | Mother's Maiden Name                                | No                | No               | No                  |
| No              | Protection Personal Identification Numbers (IP PIN) | No                | No               | No                  |
| No              | Internet Protocol Address (IP Address)              | No                | No               | No                  |
| No              | Criminal History                                    | No                | No               | No                  |
| No              | Medical Information                                 | No                | No               | No                  |
| No              | Certificate or License Numbers                      | No                | No               | No                  |
| No              | Vehicle Identifiers                                 | No                | No               | No                  |
| No              | Passport Number                                     | No                | No               | No                  |
| No              | Alien (A-) Number                                   | No                | No               | No                  |
| No              | Financial Account Numbers                           | No                | No               | No                  |
| No              | Photographic Identifiers                            | No                | No               | No                  |
| No              | Biometric Identifiers                               | No                | No               | No                  |
| No              | Employment (HR) Information                         | No                | No               | No                  |
| Yes             | Tax Account Information                             | Yes               | Yes              | Yes                 |
| Yes             | Live Tax Data                                       | Yes               | Yes              | Yes                 |

6c. Does this system contain SBU information the system that it uses, collects, receives, displays, stores, maintains, or disseminates? No

6d. Are there other types of SBU/PII used in the system? No

If **yes**, describe the other types of SBU/PII that are applicable to this system.

6e. Cite the authority for collecting SBU/PII (including SSN if relevant)

|            |   |
|------------|---|
| <u>Yes</u> | PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a) |
| <u>Yes</u> | SSN for tax returns and return information is Internal Revenue Code Section 6109                    |
| <u>No</u>  | SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397                    |
| <u>No</u>  | PII for personnel administration is 5 USC   |

No PII about individuals for Bank Secrecy Act compliance 31 USC  
No Information by CI for certain money laundering cases may be 18 USC

6f. Has the authority been verified with the system owner? Yes

If the answer to 6f is **No**, verify the authority is correct with the system owner and then update the answer to 6f.

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## **B.1 BUSINESS NEEDS AND ACCURACY**

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7. 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 variations) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

Dependent Database (DEPDB) supports the Wage & Investment (W&I) business unit and is used to address the subject of non-compliance relevant to the Earned Income Tax Credit (EITC) and other tax benefits related to the dependency and residency of children. SSNs are used to cross-reference and identify primary taxpayers, spouses and dependents in the cases where the EITC is being claimed.

8. How is the SBU/PII verified for accuracy, timeliness, and completeness? Explain how steps are taken to ensure that all information maintained by the system that is used by IRS to make any adverse determination about an individual's rights, benefits, and/or privileges is maintained with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination.

The data received by DEPDB is verified by the various applications as being complete and accurate prior to being transmitted to DEPDB. Additionally, DEPDB schema is configured in accordance with its data sources; thus the data, when it is retrieved via batch processing, will automatically load in the right format. Data transferred via flat files to the IBM system are processed and verified by the 793-01 router run before the data are retrieved by the DEPDB system. DEPDB also perform Log Analysis and Reporting Services (LARS) Counters to verify that all records coming into a particular DEPDB batch job are processed/ accounted for. For instance, the record count of the GMF file that is received on the IBM mainframe is verified against the record count of the file that was sent from the Unisys system.

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## **C. PRIVACY ACT AND SYSTEM OF RECORDS**

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9. Are 10 or more records containing SBU/PII maintained, stored, and/or transmitted by or through this system? Yes

9a. If **yes**, are records in the system retrieved by any personal identifier (e.g., name, SSN, Photograph, IP Address) for an individual? Yes

If **yes**, is there a System of Records Notice(s) or SORNs that addresses the PII records in this system? Yes

If **yes**, enter the SORN number(s) and the complete the name of the SORN.

SORNS Number

SORNS Name

42.021 Compliance Returns and Project Files  
 34.037 IRS Audit trail and security records system

If **yes**, does the System of Records Notice(s) (SORN) published in the Federal Register adequately describe the records as required by the Privacy Act? Yes

10. Identify the individuals for the following system roles.

NA

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**E. INCOMING PII INTERFACES**

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11. Does the system receive SBU/PII from other system or agencies? Yes

11a. If **yes**, does the system receive SBU/PII from IRS files and databases? Yes

If **yes**, enter the files and databases.

| <u>System Name</u> | <u>Current PIA?</u> | <u>PIA Approval Date</u> | <u>SA &amp; A?</u> | <u>Authorization Date</u> |
|--------------------|---------------------|--------------------------|--------------------|---------------------------|
| IRTFOL             | No                  |                          | Yes                | 03/08/2010                |
| GMF                | Yes                 | 08/10/2007               | Yes                | 09/22/2011                |
| IDRS               | Yes                 | 08/03/2014               | Yes                | 12/09/2014                |
| IMFOL              | No                  | 08/03/2014               | Yes                | 03/08/2010                |
| NAP                | Yes                 | 04/08/2014               | Yes                | 10/31/2011                |

11b. Does the system receive SBU/PII from other federal agency or agencies? Yes

If **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).

|     |                                    |
|-----|------------------------------------|
| HHS | via IBM Masterfile Platform        |
| SSA | via National Account Profile (NAP) |

11c. Does the system receive SBU/PII from State or local agency (-ies)? No

11d. Does the system receive SBU/PII from other sources? No

11e. Does the system receive SBU/PII from **Taxpayer** forms? No

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)? No

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**F. PII SENT TO EXTERNAL ORGANIZATIONS**

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12. Does this system disseminate SBU/PII? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? Yes

If **yes**, identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

| <u>System Name</u> | <u>Current PIA?</u> | <u>PIA Approval Date</u> | <u>SA &amp; A?</u> | <u>Authorization Date</u> |
|--------------------|---------------------|--------------------------|--------------------|---------------------------|
| IDRS               | Yes                 | 08/03/2014               | Yes                | 12/09/2014                |
| RGS                | Yes                 | 04/23/2012               | Yes                | 03/12/2016                |

Identify the authority and for what purpose? Authority and purpose is pursuant to section 6103(h)(1) of the Internal Revenue Code (IRC). IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

12b. Does this system disseminate SBU/PII to other Federal agencies? No

12c. Does this system disseminate SBU/PII to State and local agencies? Yes

If **yes**, identify the full names of the state and local agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

|  |     |            |     |            |
|--|-----|------------|-----|------------|
|  | Yes | 08/03/2014 | Yes | 12/09/2014 |
|  | Yes | 04/23/2012 | Yes | 03/12/2016 |

Identify the authority and for what purpose? Authority and purpose is pursuant to section 6103(d) of the Internal Revenue Code (IRC). The information will be used by the State and local agencies for tax administration.

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? No

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## **G. PRIVACY SENSITIVE TECHNOLOGY**

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13. Does this system use social media channels? No

14. Does this system use privacy-sensitive technologies such as mobile, cloud, global position system (GPS), biometrics, RFID, etc.? No

15. Does the system use cloud computing? No

16. Does this system/application interact with the public? No

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## **H. INDIVIDUAL NOTICE AND CONSENT**

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17. Was/is notice provided to the individual prior to collection of information? No

17a. If **yes**, how is notice provided? Was the individual notified about the authority to collect the information, whether such is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects, if any, if they decide not to provide any of the requested information?

17b. If **no**, why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.

Not Applicable - The information provided by third party sources is used to further verify tax return information collected from the individual. Procedures are in place for verifying the third parties information with the individual before making an adverse determination based on that information.

18. Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information? No

18a. If **yes**, describe the mechanism by which individuals indicate their consent choice(s):

18b. If no, why not? Not Applicable - Information is obtained from tax returns via other IRS systems and other government agencies' systems.

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

PII data comes from tax returns via other IRS systems and other government agencies' systems, DEPDB cannot change those other system's data but might it be assumed that "Those systems will allow affective parties the opportunity to clarify or dispute negative information that could be used against them. Due process is provided pursuant to 5 USC" is included within those systems that feed us the data."

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## I. INFORMATION PROTECTION

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20. 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

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

IRS Employees? Yes

| <u>IRS Employees?</u> | <u>Yes/No</u> | <u>Access Level(Read Only/Read Write/Administrator)</u> |
|-----------------------|---------------|---|
| Users                 | No            | Administrator   |
| Managers              | No            |   |
| Sys. Administrators   | Yes           | Read and Write  |
| Developers            | No            |   |

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? DEPDB resides on the MITS-21 GSS (mainframe) and there are no end users with direct access to the DEPDB. Only system administrators can have read/write authority to the DEPDB system. DEPDB is a batch job

system. Employees view select data via command codes that are under SACS/IDRS control with OL5081 requirements. Access to the data is determined by the IDRS user's manager based on a user's position and need-to-know. IDRS users, via the command codes, are restricted to read only access. IDRS users do not have direct access to the DEPDB, access to IDRS must be obtained through RAC F permissions.

21b. If computer matching occurs, can the business owner certify that it meets requirements of IRM 11.3.39 Disclosure of Official Information, Computer Matching & Privacy Protection Act ?

Not Applicable

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## **I.1 RECORDS RETENTION SCHEDULE**

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22. Are these records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule (RCS) for the retention and destruction of official agency records stored in this system? Yes

22a. If **yes**, how long are the records required to be held under the corresponding RCS and how are they disposed of? In your response, please include the complete IRM number 1.15.XX and specific item number and title.

The records in DEPDB are scheduled in Records Control Schedule 29 for Service Center Operations, Item 417 (NARA Job No. N1-58-07-4, approved 5/14/07). System data is approved for destruction, retention periods vary. Disposition instructions are published in IRS Document 12990 under RCS 29

22b. If **no**, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.

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## **I.2 SA&A OR ECM-R**

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23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? No

23a. If **yes**, what date was it completed?

23b. If **in process**, when is the anticipated date of the SA&A or ECM-R completion?

23c. If **no**, is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements? Yes

23.1 Describe in detail the system s audit trail. Audit Trail Information – DEPDB relies on Resources Access Control Facility (RACF) auditing capabilities.

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## **J. PRIVACY TESTING**

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24. Does the system require a System Test Plan? Yes

24c. If **no**, please explain why.

24b. If **yes**, Is the test plan in process or completed: Completed

24.3 If **completed/ or in process**, 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?

N/A - No PII data is being used in system testing. DDB is a batch, compliance system where PII data is not exposed outside of the processing of the returns.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? DocIT

24b.2. If **completed**, were all the Privacy Requirements successfully tested? Yes

24.2 If **completed**, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved? No

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## K. LIVE DATA TESTING

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25. Does this system use, or plan to use Live Data in Testing? No

25a. If **yes**, was permission granted per the requirements of Form 13471 Live Data Request?

If **yes**, provide the date the permission was granted.

If **no**, explain why not.

25b. If **yes**, was testing performed in conformance with IRM 10.8.8 IT Security, Live Data Protection Policy?

If **no**, explain why not.

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## L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees: Not Applicable

26b. Contractors: Not Applicable

26c. Members of the Public: More than 1,000,000

26d. Other: No

If **other**, identify the category of records and the number of corresponding records (to the nearest 10,000).

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## M. CIVIL LIBERTIES

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27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment? No

28. Is the system information used to conduct data-mining as defined in the *Implementing the 9/11 Commission Recommendations Act of 2007, Public Law 110-53, Section 804*? No

29. Will this system have the capability to identify, locate, and monitor individuals or groups of people? No

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## N. ACCOUNTING OF DISCLOSURES

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30. Does the system include or require disclosure of tax or employee information to anyone other than IRS employees or IRS contractors 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

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**End of Report**

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