

Date of Approval: December 5, 2016

PIA ID Number: **1965**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Inventory Delivery System, IDS

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, PIA ID Number and milestone of the most recent PIA.

Inventory Delivery System (IDS), #579, O&M

Next, enter the **date** of the most recent PIA. 1/15/2014

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

<u>No</u>	Addition of PII
<u>No</u>	Conversions
<u>No</u>	Anonymous to Non-Anonymous
<u>No</u>	Significant System Management Changes
<u>No</u>	Significant Merging with Another System
<u>No</u>	New Access by IRS employees or Members of the Public
<u>No</u>	Addition of Commercial Data / Sources
<u>No</u>	New Interagency Use
<u>No</u>	Internal Flow or Collection

Were there other system changes not listed above? No

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

<u>No</u>	Vision & Strategy/Milestone 0
<u>No</u>	Project Initiation/Milestone 1
<u>No</u>	Domain Architecture/Milestone 2
<u>No</u>	Preliminary Design/Milestone 3
<u>No</u>	Detailed Design/Milestone 4A
<u>No</u>	System Development/Milestone 4B
<u>No</u>	System Deployment/Milestone 5
<u>Yes</u>	Operations & Maintenance (i.e., system is currently operational)

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

A.1 General Business Purpose

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.

The Inventory Delivery System (IDS) is a batch processing rule-based, decision support system that routes tax-delinquent cases to the precise points in the collection process. The Rules engine evaluates the case based on the comprehensive compilation of internal and external information which comes from the Taxpayer Information File (TIF) and Corporate Files Online (CFOL). IDS analyzes and routes cases to the appropriate collection functions which includes (ACS) call-site personnel and revenue officers in the Collection Field function (CFf). IDS also closes cases and removes them from the active inventory when criteria for case distribution to collection units are not met.

B. PII DETAIL

6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or 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 tax identification numbers (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or tax identification number) is collected on.

Yes On Primary Yes On Spouse No On Dependent

If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

Yes	Social Security Number (SSN)
Yes	Employer Identification Number (EIN)
Yes	Individual Taxpayer Identification Number (ITIN)
No	Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
No	Practitioner Tax Identification Number (PTIN)

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 memorandum M-07-16 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. The IDS system requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

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

If **yes**, specify the information.

Selected	PII Element	On Primary	On Spouse	On Dependent
Yes	Name	Yes	Yes	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
No	Date of Birth	No	No	No

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	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? No

<u>Selected</u>	<u>SBU Name</u>	<u>SBU Description</u>
Yes	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement sensitive data	Contract proposals, bids, etc.
No	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.
No	Proprietary data	Business information that does not belong to the IRS
No	Protected Information	Information which if modified, destroyed or disclosed in an unauthorized manner could cause: loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government
No	Physical Security Information	Security information containing details of serious weaknesses and vulnerabilities associated with specific systems and facilities
No	Criminal Investigation Information	Information concerning IRS criminal investigations or the agents conducting the investigations.

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

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

Yes	PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
Yes	SSN for tax returns and return information is Internal Revenue Code Section 6109
Yes	SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

No	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

B.1 BUSINESS NEEDS AND ACCURACY

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 tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The Inventory Delivery System (IDS) is a batch processing rule-based, decision support system that routes existing tax-delinquent cases to the precise point in the collection process. The IDS batch analysis gathers taxpayer data from the Taxpayer Information File (TIF) and Corporate Files Online (CFOL) automatically. Data files are received daily via connection interface from TIF and CFOL. IDS analyzes each case to determine if it is a suitable candidate for hands-on casework by Automated Collection System (ACS) call-site personnel and revenue officers in the Collection Field function (CFf). IDS perfects casework by using its research services to obtain missing taxpayer information needed for case resolution. IDS closes cases and removes them from the active inventory when criteria for case distribution to collection units are not met.

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

IDS requirements specify that data must be refreshed (re-extracted from Integrated Data Retrieval Systems (IDRS) or Corporate Files On-Line (CFOL) via SIA if the data is more than 48 hours old. This ensures that the data is accurate, timely, and complete before beginning analysis. Individual applications may also be programmed to automatically re-request data based on pre-determined criteria. Program requirements include checks and balances. Currently, IDS performs internal testing of each subsystem. IDS performs unit and integration testing on all applications. All data within the application undergo validity and consistency checks as per the specifications. All specifications adhere to security and privacy regulations.

C. PRIVACY ACT AND SYSTEM OF RECORDS

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.

<u>SORNS Number</u>	<u>SORNS Name</u>
Treasury/IRS 24.030	CADE Individual Master File (IMF)
Treasury/IRS 24.046	CADE Business Master File (BMF)
Treasury/IRS 26.019	Taxpayer Delinquent Account Files (TDA)
Treasury/IRS 26.020	Taxpayer Delinquency Investigation (TDI) Files
Treasury/IRS 34.037	Audit Trail and Security Records

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

D. RESPONSIBLE PARTIES

10. Identify the individuals for the following system roles. ## Official Use Only

E. INCOMING PII INTERFACES

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 & A?</u>	<u>Authorization Date</u>
Automated Collection System (ACS)	Yes	12/18/2015	Yes	01/13/2016
Standardized IDRS Access Tier II (SIA)	Yes	12/17/2014	No	01/13/2016
Integrated Collection System (ICS)	Yes	05/05/2016	Yes	03/23/2016

11b. Does the system receive SBU/PII from other federal agency or agencies? No

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? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
1040	U.S. Individual Income Tax Return
1041	U.S. Income Tax Return for Estates and Trusts
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
1065	U.S. Return of Partnership Income
1120	U.S. Corporation Income Tax Return

940	Employer's Annual Federal Unemployment (FUTA) Tax Return
941	Employer's Quarterly Federal Tax Return

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

F. PII SENT TO EXTERNAL ORGANIZATIONS

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 & A?</u>	<u>Authorization Date</u>
Standardized IDRS Access Tier II (SIA)	Yes	12/17/2014	No	
Integrated Collection System (ICS)	Yes	05/05/2016	Yes	03/23/2016
Automated Collection System (ACS)	Yes	12/18/2015	Yes	01/13/2016

Identify the authority and for what purpose? Authority- The data elements are described and sources listed in the Software Requirements Specifications for the Inventory Delivery System (IDS). In addition, data elements are described in the Data Dictionary. The Inventory Delivery System (IDS) is a rule-based, decision support system that will enhance existing compliance/collection systems of the IRS by directing tax-delinquent cases to the precise point in the collection process where they can be processed optimally. The batch analysis performed gathers the data from the Taxpayer Information File (TIF) and Corporate Files Online (CFOL) and processes data extraction set-automatically. Data files are received daily via connection interface from TIF and CFOL. The IDS analyze each case to determine if it is a suitable candidate for hands-on casework by Automated Collection System (ACS) call-site personnel and revenue officers in the Collection Field function (CFf). Classify and direct perfected cases to the collection entity that is best suited to work particular types of inventory. Close cases and remove them from the active inventory when criteria for case distribution to collection units are not met.

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

12c. Does this system disseminate SBU/PII to State and local agencies? No

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

12e. Does this system disseminate SBU/PII to other Sources? No

G. PRIVACY SENSITIVE TECHNOLOGY

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

H. INDIVIDUAL NOTICE AND CONSENT

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

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?

The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. When a return is selected for Examination, Collection etc., the taxpayer is sent notice of their rights, such as Privacy Act Notice, Your Appeals Rights and How to Prepare a Protest, Overview of the Appeals Process.

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

18a. If **yes**, describe the mechanism by which individuals indicate their consent choice(s):
All individuals have the right to decline to provide information. However, they may be subject to Examination or Deficiency procedures, at which time they are provided applicable notices, such as Your Appeals Rights and How to Prepare a Protest.

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

The IDS process and procedures are dictated by the Internal Revenue Manual guidelines. IRS policy allows individuals whose data is in the system the opportunity to clarify or dispute negative determinations through the appeals process.

I. INFORMATION PROTECTION

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>	Yes/No	Access Level(Read Only/Read Write/Administrator)
Users	Yes	Read-Only
Managers	Yes	Read-Only
Sys. Administrators	No	
Developers	Yes	Read-Only

Contractor Employees? Yes

<u>Contractor Employees?</u>	Yes/No	Access Level	Background Invest. Level
Contractor Users	Yes	Read-Only	Moderate
Contractor Managers	No		

Contractor Sys. Admin.	No
Contractor Developers	No

21a. How is access to SBU/PII determined and by whom? Access to data will be based on the approved security rules determined by individual roles and responsibilities and will be restricted to "need to know." Users will follow established IRS procedures for access using OL(5081) and rules described in Unauthorized Access (UNAX).

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

I.1 RECORDS RETENTION SCHEDULE

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.

All records housed in the system will be erased or purged from the system at the conclusion of their retention period(s) as required under IRM 1.15.6. Information ages off (is deleted from) the database at varying intervals. All records housed in the IDS 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 under N1-58-97-13, Item 28 for IDS. Data Type: IDS Inputs: includes IDRS, CFOL and ACS Retention Period: 1 year Dating From: 1 year old or when it is no longer needed for administrative, legal audit or other operational purposes whichever is sooner Data Type: IDS Outputs: includes closing transactions or reassignments via IDRS to the Masterfile Retention Period: 1 year Dating From: 1 year old or when no longer needed for administrative, legal, audit, or other operational purposes whichever is sooner. Data Type: MIS results (Specific taxpayer case results) Retention Period: No Limit Dating From: Completion of the related case Data Type: Self-Monitor Case Reports Retention Period: No Limit Dating From: End of monitoring period Data Type: Self-Monitor Lookup Data Retention Period: 6 months Dating From: Completion of monitoring period Data Type: All other IDS Account Data Retention Period: 1 month Dating From: Date of account completion Data Type: Cross Reference Case Data Retention Period: 1 month Dating From: Date of account completion Data Type: Input files from external sources Retention Period: 3 months Dating From: Date file loaded onto IDS Data Type: Output files to external systems Retention Period: 3 months Dating From: Date file created on IDS Data Type: Error Files Retention Period: 3 months Dating From: Date file created on IDS Data Type: Run Control Files Retention Period: 3 months Dating From: Date file created on IDS Data Type: Audit Trails Retention Period: On-line 1 month; Off-line 7 years Dating From: Date file created on IDS

I.2 SA&A OR ECM-R

23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? Yes

23a. If **yes**, what date was it completed? 11/23/2015

23.1 Describe in detail the system s audit trail. Audit Trail Information: TINs, updated address and date, SEID, TIN Type, file source code (tells the type of account).

J. PRIVACY TESTING

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

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?

IDS performs internal testing of each subsystem. IDS performs unit and integration testing on all applications. All data within the application undergo validity and consistency checks as per the specifications. All specifications adhere to security and privacy regulations.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? Information is stored on a secured shared drive that can only be access by approved OL5081 users.

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

K. SBU Data Use

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

25a. If **yes**, was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?
Yes

If **yes**, provide the date the permission was granted. 11/17/2014

25b. If **yes**, was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy? Yes

L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees: Under 50,000
26b. Contractors: Not Applicable
26c. Members of the Public: More than 1,000,000
26d. Other: No

M. CIVIL LIBERTIES

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

N. ACCOUNTING OF DISCLOSURES

30. 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

End of Report
