Date of Approval: February 28, 2017 PIA ID Number: **2140**

## A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Individual Master File, IMF

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.

Individual Master File (IMF) #424

Next, enter the **date** of the most recent PIA. 5/2/2014

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** |
| **Yes** | **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** |

Were there other system changes not listed above? No

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** |
| **No** | **System Development/Milestone 4B** |
| **No** | **System Deployment/Milestone 5** |
| **Yes** | **Operations & Maintenance (i.e., system is currently operational)** |

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

## 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 IMF application is a system consisting of a series of batch runs, data records and files. The IMF system receives individual tax submissions in electronic format and processes them through a pre-posting phase, posts the transactions, analyzes the transactions and produces output in the form of Refund Data, Notice Data, Reports, and information feeds to other entities. After the implementation of CADE2 daily processing, IMF processes a daily processing cycle for individual tax submission. IMF is a batch driven application that uses VSAM files

## 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 Yes 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)** |
| **Yes** | **Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)** |
| **Yes** | **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 SSN is the primary means of querying the database. It is the only unique identifier associated with taxpayers, spouses, and dependents that can be used to ensure the correct record is accessed. IMF continues to examine all new requests that state a need to access the SSN to ensure there is a specific requirement and business approval to access the SSN in order to perform official IRS functions. Prior to any future connections to downstream systems the IRS shall examine alternative solutions and will work with system owners to try and mitigate the need for the SSN. In addition, IRS will annually review IMF SSN uses and continue to find ways to replace, mask, or truncate the SSN. In addition, IRS is undertaking efforts to expand the use of a modified system identifier, Document Locator Number (DLN), or a truncation of the SSN. A plan is reviewed annually examining reports, system connections, and requests that use the SSN in order to determine if an alternative can be used.

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** | **No** | **No** |
| **Yes** | **Mailing address** | **No** | **No** | **No** |

| | | | | |
|---|---|---|---|---|
| **Yes** | **Phone Numbers** | **No** | **No** | **No** |
| **Yes** | **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** |
| **Yes** | **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** |
| **Yes** | **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** |

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? Yes

If **yes**, select the types of SBU

| Selected | SBU Name | SBU Description |
|---|---|---|
| **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** |
| **Yes** | **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** |
| **No** | **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 Personally Identifiable Information (PII) collected from the IRS 1040, 1040A, 1040X, and all supplemental documentation filed along with an individual's tax information is used to validate an individual's taxes. The only SBU/PII data CADE 2 uses is that which is necessary to assess the taxes. This includes the SSN since it is the one unique identifier that taxpayers have to identify themselves.

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

Taxpayers submit their tax returns and other tax forms either electronically (e.g. Turbo Tax), or manually. The Individual Master File (IMF) is an application that receives data from an array of sources to aid the IRS with regard to those tax return submissions. The IMF system receives data from various systems which have their own verification process for data accuracy, timeliness and completeness. However, IMF also verifies the SSN and Name against Social Security records and verifies the address using 3rd party address software.

## 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.

| SORNS Number | SORNS Name |
|---|---|
| Treas/IRS 24.030 | Individual Master File |

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.

| System Name | Current PIA? | PIA Approval Date | SA & A? | Authorization Date |
|---|---|---|---|---|
| National Account Profile (NAP) | Yes | 04/03/2014 | No | |
| Audit Information Management System Reference (AIMS–R | Yes | 12/15/2015 | No | |
| Business Master File (BMF) | Yes | 04/29/2015 | No | |
| Notice Delivery System (NDS) | Yes | 05/27/2016 | No | |
| Integrated Data Retrieval System (IDRS) | Yes | 08/03/2014 | Yes | 05/08/2012 |
| Generalized Unpostable Framework (GUF | Yes | 01/21/2015 | No | 05/08/2012 |

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).

| Organization Name | Transmission method | ISA/MOU |
|---|---|---|
| Social Security Admisitration | Connect:Direct OS/390 | Yes |
| Census | Connect Direct | Yes |
| Bureau of Fiscal Services | Connect Direct | Yes |

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

## 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.

| System Name | Current PIA? | PIA Approval Date | SA & A? | Authorization Date |
|---|---|---|---|---|
| **National Account Profile (NAP)** | **Yes** | **04/30/2014** | **No** | |
| **Audit Information Management Systems Reference (AIMS-R)** | **Yes** | **12/15/2015** | **No** | |
| **Business Master File (BMF)** | **Yes** | **04/29/2015** | **No** | |
| **Integrated Data Retrieval System (IDRS)** | **Yes** | **08/13/2014** | **No** | |
| **Notice Delivery System (NDS)** | **Yes** | **05/27/2016** | **No** | |
| **Generalized Unpostable Framework (GUF)** | **Yes** | **01/21/2015** | **No** | |

Identify the authority and for what purpose? The authority for processing taxpayer information is 5 U.S.C. 301 and 26 U.S.C. 7801. The purpose for sharing taxpayer information received by other IRS systems and processed by IMF is to assess and distribute tax returns. Information from IMF 2 is shared with IDRS for the purpose of providing data for open cases and shared with BDA and IPM for the purpose of providing data for a new data store that will address downstream system data requirements.

12b . Does this system disseminate SBU/PII to other Federal agencies? Yes

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

| Organization Name | Transmission method | ISA/MOU |
|---|---|---|
| **Bureau of Financial Services (BFS)** | **Connect Direct** | **Yes** |
| **SSA** | **Connect Direct** | **Yes** |
| **Census** | **Connect Direct** | **Yes** |

Identify the authority and for what purpose? Title 26, United States Code (U.S.C.), Section 6103, Subsections (j) and (n); provide authority for the IRS to transmit federal tax information (FTI) to the Census Bureau for statistical purposes only. Federal Information Security Management Act (FISMA) as part of the E-Government Act of2002 • Office of Management and Budget (OMB) Circular A-130. Appendix Lit. Security of Federal Automated Information Resources • NIST Special Publication 800-47. Security Guide for interconnecting information Technology systems • United States Department of the Treasury TOP 85-01 , Treasury Information Technology Security Program TO P 85-0 I. Unclassified Non-National Security Systems • Internal Revenue Manual (IRM) I 0.8.1. IT Security Policy and Guidance, July 31 , 2009 • LRS Perimeter Security Document • lRS Guidelines for Deployment of Firewalls

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?
Notice is provided to individuals by other IRS applications or through forms (e.g., 1040 forms) that interact directly with the taxpayer at the time of collection. Due Process is provided pursuant to 5 USC.

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):
IMF does not collect any information directly from taxpayers. All information that is maintained by IMF comes from the submission of 1040 forms submitted directly to the IRS through other IRS systems. Information from the 1040 form is collected and stored. The 1040 form provides taxpayers information regarding the opportunity to decline or consent to providing the information. Due Process is provided pursuant to 5 USC

19. How does the system or business process ensure due process regarding information access, correction and redress?
IMF is only a repository of taxpayer information submitted directly to the IRS through other IRS applications. IMF does not interact with taxpayers directly and thus "due process" is addressed by other IRS applications that directly interact with taxpayers. Any issues that are identified by these other means will submit changes to IMF through automated methods so an auditable record may be maintained. Due Process is provided to 5 USC

## 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

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

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? All those with access must go through the Public Trust Clearance process before access is considered. Once cleared, an they must complete the proper request forms before access to IMF is obtained. All access must be approved by the user's manager who reviews the access request form at the time of submission and on an annually basis. The system administrators/approvers will also verify group membership to ensure system rights are limited based on the employee or contractor's need-to-know in order to perform their official duties. For access to an environment where a new or modified system is being tested (i.e., a non-production supporting environment) users must complete the necessary SBU data training, complete an access request form, and in some cases as outlined by the requirements set forth within the Internal Revenue Manual (IRM), submit an elevated access letter that is approved by the Associate Chief Information Officer prior to granting access. Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a user to be added. They must submit the request via the Online 5081 process to request access to the System

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.

IMF data is approved for deletion/destruction 30 years after end of processing year. These disposition instructions are published in Document 12990 under Records Control Schedule (RCS) 29 for Tax Administration - Wage and Investment Records (Service Center Operations), Item 203. Annual end of year processing (Conversion) updates the IMF. An analysis is performed based on factors such as the current status, the Assessment Expiration Date, Collection Expiration Date entity, and tax

modules are removed to the retention register. Media destruction methodologies are governed by IRM 2.7.4 Magnetic Media Management. The manipulation and sharing of IMF data is governed by IRM 2.7.9 Enterprise Computing Center–Martinsburg (ECC–MTB) Processing Timeliness. _

## 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? 11/14/2016

23.1 Describe in detail the system s audit trail. The SA&A controls are assessed annually in accordance with the Annual Security Control Assessment (ASCA) to ensure system security and privacy compliance. Vulnerability scans and policy checkers are routinely run and if a vulnerability is detected efforts are made to address the concern upon discovery. In addition, IMF development areas that utilize live data periodically review staff lists to ensure listed support personnel require the level of access requested.

## 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?
The IMF system is going through a continuous System Test Plan due to its ongoing enhancements. Each enhancement has a different set of design requirements which includes security and privacy requirements that are assessed. The overarching privacy requirements are tracked in the Rational Requirements Tool and reviewed by the development team. The identified requirements will then be tested and documented. Any risks that are discovered are reviewed and addressed. All this is being coordinated by Requirements Engineering Program Office and Cybersecurity and tracked in the Rational Requirements Tool and developer security assessment testing. The overarching privacy requirements are tracked in the Rational Requirements Tool . This is documented in the Planned Maintenance Requirements Checklist.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? The test results are documented in the End of Test Report (EOTR).

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. 10/25/2016

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: Not Applicable
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? Yes

If **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. With the IMF containing all individual taxpayer data the capability does potentially exist where it can be used to identity, locate, and monitor individuals, especially through certain reports that can be generated. However, this is not the intent and the application that have the potential to produces such reports is audited and only a select few IRS employees will have this ability. In addition, the amount of content that can be pulled at any one time is limited in size in order to restrict such capabilities.

## 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? Yes

**End of Report**