

Date of Approval: **October 17, 2022**

PIA ID Number: **7254**

SYSTEM DESCRIPTION

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

Issue Management System, IMS

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?

Issue Management System, IMS PIA #6424

What is the approval date of the most recent PCLIA?

11/1/2021

Changes that occurred to require this update:

Significant Merging with Another System

Internal Flow or Collection

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.

Compliance Domain Management-Level Governance Board (CDMLGB)

Current ELC (Enterprise Life Cycle) Milestones:

System Development/Milestone 4B

Operations & Maintenance (i.e., system is currently operational)

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

Yes

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.

Issue Management System (IMS) provides the Internal Revenue Service (IRS) with an automated tool to assist IRS Examiners and examination teams in the examination process. This system/application initially went into production in 2004 and provides the following functionality to Large Business International (LBI), LBI-Tax Treaty (TT), LBI- Exchange of Information (EOI); Small Business/Self Employed (SBSE)- Excise, SBSE- 637, SBSE- Estate and Gift Tax Field (EGT), SBSE- Estate and Gift Tax Campus/Estate Tax Program (ETP), SBSE- Fraud Inventory Tracking System (FITS), SBSE- Employment Tax Program (ET); and Office of Appeals user groups: Supports issue identification and reporting, enables management of documents, case inventories, and approvals; Facilitates remote and disconnected work and supports planning and forecasting. Issue Management System (IMS) plans to introduce a desktop-based Robot (BOT) to assist the end user in printing taxpayer documents in batch from the IMS Web Application. In today's current state, the end user opens a taxpayer document from the IMS Web Application and then performs a File/Print process. This is a manual and one at a time process. In the future state, the end user will queue one or more taxpayer documents to print through the existing IMS web application. The user will only be able to print taxpayer documents they have access to, which is controlled by the existing IMS permission structure. Once the taxpayer documents are queued for print in the IMS Web Application, the user executes their desktop-based BOT (via double clicking icon) which will query the IMS Web Application for taxpayer documents to print for that user. If none are found, the BOT process ends until the user executes again. If taxpayer documents are found, the BOT downloads the taxpayer document from the IMS Web Application to the user's local machine (stored in a configurable location) and then sends the taxpayer documents to the users default local printer using a PowerShell command. After the taxpayer document(s) are sent to the printer, the BOT runs a clean-up process to delete the taxpayer documents from the user's local machine. SB/SE coordinated with IT-AD to develop a web tool named Specialty Employment Tax Application (SETA) accessible to employees of Employment Tax, Tax Exempt Government Exempt (TEGE), Appeals, and Employment Tax Non-Filers. This utility will perform tax calculations and generate full/partially auto-populated exam reports, forms, and lead sheets. SETA will become part of the IMS Team Web Site (TWS) and contains SBU information.

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:

Interfaces with external entities that require the SSN

Legal/statutory basis (e.g., where collection is expressly required by statute)

When there is no reasonable alternative means for meeting business requirements

Statistical and other research purposes

Delivery of governmental benefits, privileges, and services

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

Examination issues represents areas of non-compliance with the tax code. By tracking these issues, the IRS will be in a better position to offer taxpayer assistance to correct or eliminate areas of non-compliance.

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 Circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that uses 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. IMS requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time.

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
Mailing Address
Phone Numbers
E-mail Address
Date of Birth
Standard Employee Identifier (SEID)
Medical Information
Certificate or License Numbers
Financial Account Numbers
Employment Information
Tax Account Information
Centralized Authorization File (CAF)

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:

Agency Sensitive Information Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission.

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.

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.

Are there other types of SBU/PII used in the system?

Yes

Describe the other types of SBU/PII that are applicable to this system.

Federal Tax Information.

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

SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

PII about individuals for Bank Secrecy Act compliance 31 USC

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.

Examination issues represents areas of non-compliance with the tax code. By tracking these issues, the IRS will be in a better position to offer taxpayer assistance to correct or eliminate areas of non-compliance.

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

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

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

IRS 34.037 Audit Trail and Security Records

IRS 42.001 Examination Administrative Files

IRS 42.002 Excise Compliance Programs

IRS 42.008 Audit Information Management System

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: Corporate Account Directory System (CADS)

Current PCLIA: Yes

Approval Date: 9/18/2020

SA&A: No

System Name: Issue Based Management Information System (IBMIS)

Current PCLIA: Yes

Approval Date: 3/29/2020

SA&A: Yes

ATO/IATO Date: 3/10/2020

System Name: Security Audit and Analysis System (SAAS)

Current PCLIA: Yes

Approval Date: 4/6/2020

SA&A: Yes

ATO/IATO Date: 4/29/2020

System Name: Examination Returns Control System (ERCS)
Current PCLIA: Yes
Approval Date: 1/22/2020
SA&A: Yes
ATO/IATO Date: 12/17/2022

System Name: Desktop Based Robot (RPA Printing)
Current PCLIA: No
SA&A: No

System Name: Manager Initial Risk Assessment and Special Initial Risk Assessment (MIRA/SIRA)
Current PCLIA: No
SA&A: No

System Name: Soft Letters
Current PCLIA: No
SA&A: No

System Name: Planning and Special Programs (PSP)
Current PCLIA: No
SA&A: No

System Name: Content Management and Collaboration / Case Built File (CMC/CBF)
Current PCLIA: No
SA&A: No

System Name: Consolidated Legacy Access Service (CLAS)
Current PCLIA: No
SA&A: No

System Name: Specialty Employment Tax Application
Current PCLIA: No
SA&A: No

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

No

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

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 1040 Series

Form Name: US Individual Income Tax Return

Form Number: 1065

Form Name: US Return of Partnership Income

Form Number: 1120

Form Name: US Corporation Income Tax Return

Form Number: 940

Form Name: Employer's Annual Federal Unemployment Tax Return (FUTA)

Form Number: 941

Form Name: Employer's Quarterly Federal Tax Return Series

Form Number: 1041 Series

Form Name: US Income Tax Return for Estates and Trusts

Form Number: 1042 Series

Form Name: Annual Withholding Tax Return for U.S Source Income of Foreign Pensions

Form Number: Schedule K-1

Form Name: Partners (Beneficiary and Shareholders) Share of Income, Deductions, Credits, etc.

Form Number: 1139

Form Name: Corporate Application for Tentative Refund

Form Number: 720

Form Name: US Quarterly Federal Excise Tax Return

Form Number: 942

Form Name: Employer's Quarterly Tax Return for Household Employees

Form Number: 1066

Form Name: US Real Estate Mortgage Investment Conduit (REMIC) Tax Return

Form Number: 8278

Form Name: Assessment and Abatement of Miscellaneous Civil Penalties

Form Number: 945

Form Name: Annual Return of Withheld Federal Income Tax

Form Number: 957
Form Name: US Information Return

Form Number: 990 Series
Form Name: Return of Organization Exempt From Income Tax

Form Number: 8849
Form Name: Claim for Refund of Excise Tax

Form Number: 709
Form Name: US Gift (and Generation -Skipping Transfer) Tax Return

Form Number: 8804
Form Name: Annual Return for Partnership Withholding Tax (Section 1446)

Form Number: 1099 MISC
Form Name: Miscellaneous Income

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: Specialty Employment Tax Application
Current PCLIA: No
SA&A: No

System Name: Security Audit and Analysis System (SAAS)- occurs nightly
Current PCLIA: Yes
Approval Date: 4/6/2020
SA&A: Yes
ATO/IATO Date: 4/29/2020

System Name: Examination Operational Automation Database (EOAD)
Current PCLIA: Yes
Approval Date: 8/23/2021
SA&A: No

System Name: Excise Files Information Retrieval System (ExFirs)
Current PCLIA: Yes
Approval Date: 1/23/2020
SA&A: Yes
ATO/IATO Date: 4/27/2022

System Name: Issue Based Management Information System (IBMIS)
Current PCLIA: Yes
Approval Date: 3/29/2020
SA&A: Yes
ATO/IATO Date: 3/10/2022

System Name: Examination Returns Control System (ERCS)
Current PCLIA: Yes
Approval Date: 1/22/2020
SA&A: Yes
ATO/IATO Date: 12/17/2022

System Name: Consolidated Legacy Access Service (CLAS)
Current PCLIA: No
SA&A: No

System Name: 637 Export Going to Public Portal
Current PCLIA: No
SA&A: No

System Name: Content Management and Collaboration/Case Built File (CMC/CBF)
Current PCLIA: No
SA&A: No

Identify the authority.

Delegation Order 4-12 (Rev. 2).

For what purpose?

Designation to Act as Competent Authority under Tax Treaties, Tax Information Exchange Agreements, Tax Coordination Agreements, and Tax Implementation Agreements to authorize the Disclosure of Tax Information under Mutual Legal Assistance Treaties and to disclose certain Tax Convention Information.

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.?

Yes

Briefly explain how the system uses the referenced technology.

The end-user uses Smartcard ID technology to access their laptop.

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?

Publication 1, Your Rights as a Taxpayer along with Notice 609, Privacy Act Notice is provided to a taxpayer (in person, by phone, video conference, etc.) during an examination. Publication 5125, LB&I Examination Process and IRC 7602, Examination of Books and Witnesses is shared with the taxpayer to discuss how information will be used in an

examination and the resolution options available to them if they do not agree (e.g., managerial conference, Fast Track Settlement, formal appeal, right to petition the United States Tax Court). In addition, the examiner must document receipt of Publication 1 and Notice 609 as part of their casefile.

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

Yes

Describe the mechanism by which individuals indicate their consent choice(s):

IMS provides an automated tool to assist its examiners and examination teams in the examination process. IMS provides an issue-driven compliance approach, which identifies and investigates issues. The application collects issue-based information on audits in a way that makes it available centrally for exam monitoring and strategy development. These audit cases are addressed by other IRS applications and forms that directly interact with taxpayers. Due Process is provided pursuant to 5 USC. Thus "notice, consent and due process" are addressed both before the case is added to IMS and during the tracking process. In the planning process, a preliminary risk analysis is performed to determine if the case is worthy of examination. This preliminary analysis may indicate a situation where a survey would be appropriate. Consideration should be given to examining a more current year if the initial analysis so indicates.

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

IMS provides an automated tool to assist its examiners and examination teams in the examination process. IMS provides an issue-driven compliance approach, which identifies and investigates issues. The application collects issue-based information on audits in a way that makes it available centrally for exam monitoring and strategy development. These audit cases are addressed by other IRS applications and forms that directly interact with taxpayers. Due Process is provided pursuant to 5 USC. Thus "notice, consent and due process" are addressed both before the case is added to IMS and during the tracking process. In the planning process, a preliminary risk analysis is performed to determine if the case is worthy of examination. This preliminary analysis may indicate a situation where a survey would be appropriate. Consideration should be given to examining a more current year if the initial analysis so indicates.

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 Write

Managers: Read Write

System Administrators: Read Write

Developers: Read Write

IRS Contractor Employees

Contractor Users: Read Write

Contractor Developers: Read Write

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

Case Management will associate the tax return with developing issues, working papers and other data relevant to an audit. The team coordinator or manager will assign individuals/teams needed to complete specific tasks for the Examination Access is granted through the On-line BEARS system by the Manager and IMS System Administrator based on a user's position and need-to-know.

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.

IMS is properly scheduled under Records Control Schedule (RCS) 26 for Tax Administration- International (LBI), Item 47 (Job No. N1-58-09-105). All information related to the examination will be removed from the examiner's laptop upon closing the case. All information on the examiner's laptop will be stored in a central repository where it will be retained for five years after cutoff in accordance with the National Archives approved job number referenced above. The approved Job also provides (temporary) dispositions for IMS inputs, outputs, and system documentation.

SA&A OR ASCA

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

Yes

What date was it completed?

4/6/2022

Describe the system's audit trail.

IMS has a Cybersecurity approved audit plan. IMS's audit log shows failed logon attempts because either the user account-name or password is incorrect. Audit events that are application-specific are recorded in an audit trail log, transaction log and error log. Application-level audit trails monitor and log end-user activities (including administrative users). Event records specify data files opened and closed, specific actions, such as reading, editing, deleting records or fields, and printing records, etc. IMS is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

The test results are stored in the IMS FY 2022 Project Folder in Documentum (DocIT).

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

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?

IMS is currently in the Operations and Maintenance phase of its lifecycle. Continuous Monitoring (now called Annual Security Control Assessment) occurs annually to ensure that controls remain in place to properly safeguard PII.

SBU DATA USE

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

No

NUMBER AND CATEGORY OF PII RECORDS

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

IRS Employees: Under 50,000

Contractors: Not Applicable

Members of the Public: 100,000 to 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?

No

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