

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

Date of Approval: August 24, 2016

PIA ID Number: **1799**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Issue Management System, IMS

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.

Issue Management System, IMS, PCLIA ID 244, Milestone 4B

Next, enter the **date** of the most recent PIA. 9/12/2013

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

<u>Yes</u>	Addition of PII
<u>No</u>	Conversions
<u>No</u>	Anonymous to Non-Anonymous
<u>Yes</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? Yes

If yes, explain what changes were made. Updating the PCLIA to include the following: SBSE Quality Measures and Analysis Team will perform National Quality (NQ) review of Examination Returns Case System (ERCS) closed cases. IMS will provide a platform to manage and work their case inventory. Centralized Case Processing (CCP) will support Collection and Examination field operations for both Excise and Estate and Gift (E and G) Exam Groups. IMS will enable them to administer and work inventory. Code Case Controls permit only one group to have control of edit and IMS case at a time. Closed cases will drop off CCP inventory after 45 days but may be subsequently worked by Appeals. In addition, SEBSE Employment Tax has been added to IMS to work Examination cases.

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>Yes</u>	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? 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.

Issue Management System (IMS) is a legacy, non-major (high impact), planned maintenance system/application sponsored by Large Business and International (LBI). This system/application initially went into production in 2004 and provides the following functionality to 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, 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.

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)
No 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 IMS system/application has implemented using the SEID method in lieu of SSN.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) No

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

<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.
Yes	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)

<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>Yes</u>	SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397
<u>No</u>	PII for personnel administration is 5 USC
<u>No</u>	PII about individuals for Bank Secrecy Act compliance 31 USC
<u>No</u>	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.

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.

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

IMS has application audit logging configured per LEM 10.8.3. The audit events for case creation, adding entities, issues, team members on a case. The audit function will collect the following data: Time worked on issue, update timestamp, entry timestamp, userid, and password. IMS integration will provide a single entry.

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>
Treas/IRS 42.021	Special Programs and Project Files

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. Redacted Information For 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>
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Issue Based Management Information System Redesign	Yes	01/10/2014	Yes	03/20/2014
Single Entry Time Reporting (SETR)	Yes	10/09/2014	Yes	03/20/2014
Examination Returns Control System (ERCS)	Yes	01/29/2014	Yes	03/20/2014
Security Audit and Analysis System (SAAS)	Yes	07/14/2015	Yes	03/20/2014

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	US Individual Income Tax Return
1065	US Return of Partnership Income
1120	US Corporation Income Tax Return
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
941	Employer's Quarterly Federal Tax Return Series

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>
Issue Based Management Information System Redesign (IBMISR)	Yes	01/10/2014	Yes	03/20/2014
Security Audit and Analysis System (SAAS)	Yes	07/14/2015	Yes	03/20/2014
Examination Returns Control System (ERCS)	Yes	01/29/2014	Yes	03/20/2014

Identify the authority and for what purpose? Delegation Order 4-12 (Rev. 2), 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.

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?

Publication 1, Your Rights as a Taxpayer along with Notice 609, Privacy Act Notice is provide 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.

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): 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.

19. 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.

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

Contractor Employees? Yes

<u>Contractor Employees?</u>	<u>Yes/No</u>	<u>Access Level</u>	<u>Background Invest.</u>
Contractor Users	Yes	Read and Write	Moderate
Contractor Managers	No		
Contractor Sys. Admin.	No		
Contractor Developers	Yes	Read and Write	Moderate

21a. 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 5081 system by the Manager and IMS System Administrator based on a user's position and need-to-know.

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 ? Yes

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.

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.

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? 4/30/2014

23.1 Describe in detail the system's audit trail. IMS has application audit logging configured per LEM 10.8.3. The audit events for case creation, adding entities, issues, and team members on a case. The audit function will collect the following data: Time worked on issue, update timestamp, entry timestamp, userid, entry userid, and password. The IMS integration will provide a single entry.

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 following testing and validation testing (including privacy) has been conducted for IMS Release 3.9.4: - Unit Testing - Independent System Acceptability Testing (ISAT) - System Integration Testing (SIT). All above testing has been completed effective 10/30/2015.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? All test results, including privacy testing, are available in the End-of-Test Report (EOTR) for IMS Release 3.9.4, version 1.0, dated 01/05/16.

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. 3/10/2016 .
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: | <u>Under 50,000</u> |
| 26b. Contractors: | <u>Not Applicable</u> |
| 26c. Members of the Public: | <u>Not Applicable</u> |
| 26d. Other: | <u>No</u> |

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
