

Date of Approval: **June 25, 2019**

PIA ID Number: **4122**

## **SYSTEM DESCRIPTION**

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

Information Return Analysis System, IRAS

*Is this a new system?*

No

*Is there a PCLIA for this system?*

No

*What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.*

Tax Exempt Government Entities (TEGE) Investment Executive Steering Committee IESC

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

No

## **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.*

The Information Return Analysis System (IRAS) is a Microsoft Access database which downloads information received from the Internal Revenue Service (IRS) computing center. IRAS allows for the analysis of taxpayers form W-2s, 1099s, K-1s, and other informational returns secured and maintained by the IRS. The program contains multiple views that allow the user to view, filter and sort various informational returns to achieve specific analysis goals. IRAS also contains many proforma reports and queries that allow users to focus on specific attributes within the records.

## 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:*

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

Statistical and other research purposes

Law enforcement and intelligence purposes

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

The SSN and EINs are required to identify the entities.

*Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).*

There is no planned mitigation strategy to mitigate or eliminate the use of the SSN on the system. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Employer Identification Number

Other Taxpayer 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

Financial Account Numbers

Tax Account Information

*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 (SBUList)*

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

*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.*

Monetary amounts, payer and payee addresses, all coded fields such as income and account types, forms W-2, 1099 and K-1.

*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

*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.*

The records secured through Computing Center (MCC) include all fields found on filed information returns; all monetary amounts, payer and payee addresses and TINs, all coded fields such as income and account types. Because the records are being used in examinations, the records must include TINs. The outcome of the record analyses frequently result in wage and income adjustments, and applicable tax assessments. The information return SBU/PII detail is as integral to employment tax examinations.

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

All data is secured from the Computing Center (MCC). MCC has its own verification process for data accuracy, timeliness, and completeness; therefore, the IRAS database assumes that the data is accurate, timely, and complete when it is provided by either of these systems.

## **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 50.222 Tax Exempt/Government Entities (TE/GE) Case Management Records

IRS 34.037 Audit Trail and Security Records System

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## For 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: Integrated Data Retrieval System

Current PCLIA: Yes

Approval Date: 10/1/2018

SA&A: Yes

ATO/IATO Date: 1/17/2018

System Name: Returns Inventory & Classification System

Current PCLIA: Yes

Approval Date: 3/4/2019

SA&A: Yes

ATO/IATO Date: 7/11/2018

System Name: Information Return Master File

Current PCLIA: Yes

Approval Date: 10/1/2018

SA&A: Yes

ATO/IATO Date: 11/14/2018

*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: W-2	Form Name: Wage and Tax Statement
Form Number: 1099	Form Name: Information Returns Penalty Notice
Form Number: 1099-C	Form Name: Cancellation of Debt Form
Form Number: 1099-A	Form Name: Acquisition or Abandonment of Secured Property
Form Number: 1099B	Form Name: Proceeds from Broker
Form Number: 1099 CAP	Form Name: Changes in Corporate Control
Form Number: 1099 DIV	Form Name: Dividends and Distributions
Form Number: 1099G	Form Name: Certain Government Payments
Form Number: 1099H	Form Name: Health Coverage Tax Credit
Form Number: 1099 INT	Form Name: Interest Income
Form Number: 1099 OID	Form Name: Original Interest Discount
Form Number: 1099K	Form Name: Payment Card and Third Party Network Transactions

Form Number: 1099 LTC      Form Name: Long Term Care and Accelerated Death Benefits

Form Number: 1099 MISC      Form Name: Miscellaneous Income

Form Number: 1099 PATR      Form Name: Taxable Distributions Received from Cooperatives

Form Number: 1099Q          Form Name: Payments from Qualified Education Programs

Form Number: 1099R          Form Name: Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs,

Form Number: 1099S          Form Name: Proceeds from Real Estate Transactions

Form Number: 1099SA        Form Name: Distributions from HSA, ARCHER MSA, or Medicare Advantage MSA

*Does the system receive SBU/PII from Employee forms (e.g. the I-9)?*

No

## **DISSEMINATION OF PII**

*Does this system disseminate SBU/PII?*

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.?*

No

*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?*

Notice, consent and due process are provided pursuant to Title 5 United States Code (USC).

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

No

*Why not?*

The IRS has the legal right to ask for information per IRC sections 6001, 6011, and 6012(a), and their regulations. The regulations state that “taxpayers must file a return or statement with IRS for any tax they are liable for. Their response is mandatory under these sections.”

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

We use the information for analysis only, any due process would be provided on the forms the taxpayer provided. Notice, consent and due process are provided pursuant to Title 5 USC.



## 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: Administrator

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

Access to the server folder is approved by the System Administrator and controlled/maintained by Information Technology (IT) through the OS GetServices system. Only the Database Administrator and the employee assigned to update the database have access.

## RECORDS SCHEDULE

*Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) archivist 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.*

All records housed in the IRAS 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 and Records Administration approval to affect data disposition. Any records generated and maintained by the system will be managed according to requirements under Internal Revenue Manual 1.15.1 and 1.15.6, and will be destroyed using IRS Records Control Schedule 24, Item 8 and as coordinated with the IRS Records and Information Management Program and IRS Records Officer.

## **SA&A OR ASCA**

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

No

*Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?*

No

*Please explain the process that was followed to ensure the system safeguards SBU/PII from unauthorized or inappropriate access. Include a description of the formalized documentation, process, and review that was used to analyze the system's security controls.*

The audit trail is maintained by IT and access is granted by requests made through share drive owners who were approved by IT. TE/GE BSP maintains records of individuals who have access to the shared server folder. The IRAS database is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

*Describe the system's audit trail.*

The audit trail is maintained by IT and access is granted by requests made through share drive owners who were approved by IT. TE/GE BSP maintains records of individuals who have access to the shared server folder. IRS utilizes Continuous Monitoring program to evaluate the presence and effectiveness of the security controls on an ongoing basis.

## **PRIVACY TESTING**

*Does the system require a System Test Plan?*

No

*Please explain why:*

This is an internally created Access database that did not follow an IT or Business Systems Plan (BSP) path in development. The BSP office is now in the process of analyzing the current state and considering options for either improving the existing tool or transitioning to an enterprise solution.

## **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: Not Applicable

Contractors: Not Applicable

Members of the Public: Under 100,000

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