

Date of Approval: September 3, 2015

PIA ID Number: 1471

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Large Business and International Workload Identification System, LWIS

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.

Large Business and International Workload Identification System, LWIS, PIA 152

Next, enter the **date** of the most recent PIA. 4/12/2012

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
No 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? Yes

If yes, explain what changes were made. PIA 152 expired, need to do another

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 Large Business and International Division (LB&I) Workload Identification System (LWIS) is an Internal Revenue Service (IRS) Minor Application that has been in operation since 2001. It is primarily used by IRS Industry Planning and Special Programs (PSP) Analysts to identify LB&I Business tax returns for field group managers that were selected for potential audit, resulting in the delivery of the tax returns to the LB&I revenue agents. The LWIS application is a collection of custom, IRS-developed software applications that are used for entering, retrieving, or deleting data on a database. Functionality within the LWIS application is the LB&I Electronic Classification System (LECS), which allows revenue agents to review returns and complete a classification sheet. The classification sheet is used to determine whether the audit should take place and would include any preliminary findings. Management and Collaboration (CMC), a subsystem of LWIS, is a documentation storage system for LWIS documents that were selected for audit and classifies them as to their audit potential. CMC is an enhancement of LECS and provides a more thorough classification review. LWIS is also integrated with the LB&I Image Net (LIN), a separate application that stores returns as .pdf images. If LIN has a file of the return in the .pdf file format, LWIS points the revenue agent to the file through a hyperlink. LWIS contains the following Personally Identifiable Information (PII) for each business entity: Employer Identification Number (EIN); address (city, state, and zip code [plus 4]); and Master File Account tax information elements (e.g., Industry Code, Tax Period Return Filed (TXPD), Audit Information Management System (AIMS) information, historical tax event codes and dates, and Disaster Victim Status).

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.)? No

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.

| <u>Selected</u> | <u>PII Element</u> | <u>On Primary</u> | <u>On Spouse</u> | <u>On Dependent</u> |
|-----------------|---|-------------------|------------------|---------------------|
| No | Name | No | No | No |
| Yes | Mailing address | No | No | No |
| No | 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 | No | 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. |
| 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? Yes

If **yes**, describe the other types of SBU/PII that are applicable to this system. Business taxpayer information in LWIS/LECS is taken from returns filed on Forms 1120, 1120S, 1120F and 1065. The data in the LWIS system includes the Employer Identification Number (EIN) city location; state; zip code (plus 4); Master File Account (tax information elements include: Industry Code, Tax Period Return Filed (TXPD), Audit

Information Management System (AIMS) information, historical tax event codes and dates, Disaster Victim Status).

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>No</u> | SSN for tax returns and return information is Internal Revenue Code Section 6109 |
| <u>No</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.

LWIS uses each data item to identify returns for team managers for LB&I Forms 1120, 1120S, 1120F and 1065 returns on an as needed basis.

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

Data used by the application is from other sources. Users: All actions performed by the users in application have been assigned to them from higher IRS management and are limited to the duties assigned to them. All auditing is performed at the server level and is the responsibility of the MITS-30 GSS.

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? No

D. RESPONSIBLE PARTIES

10. Identify the individuals for the following system roles. N/A

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> |
|--|---------------------|--------------------------|--------------------|---------------------------|
| LB&I Image Network (LIN) | No | | No | |
| Specialist Referral System (SRS-2) | Yes | 07/28/2015 | No | |
| Audit Information Management System Reference (AIMS-R) | Yes | 07/02/2014 | No | |

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> |
|--------------------|--|
| 1065 | U.S. Return of Partnership Income |
| 1120 | U.S. Corporation Income Tax Return |
| 1120F | U.S. Income Tax Return of a Foreign Corporation |
| 1120FSC | U.S. Income Tax Return of a Foreign Sales Corporation |
| 1120L | U.S. Life Insurance Company Income Tax Return |
| 1120ND | Return for Nuclear Decommissioning Trust Funds and Certain Persons |
| 1120PC | U.S. Property and Casualty Insurance Company Income Tax Return |
| 1120REIT | U.S. Income Tax Return for Real Estate Investment Trusts |
| 1120RIC | U.S. Income Tax Return For Regulated Investment Companies |
| 1120S | U.S. Income Tax Return for an S Corporation |
| 1120SF | U.S. Income Tax Return for Settlement Funds (Under Section 468B) |
| 1120C | Farmer's Cooperative Association Income 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? 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? No

17b. If **no**, why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.
LWIS only uses tax form filed data, no third party sources are used.

18. Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information? No

18b. If no, why not? Due process is not applicable to the public in general as the system does not "use" the event information to interact with the tax paying public in any way. IRS employees and contractors using IRS email and web services may face disciplinary action for the misuse of SSNs. All IRS employees will be given the opportunity to defend their actions before a final determination is made. Contractor employees will be afforded any rights granted within the regulations that cover the specific contract they are working under.

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

Examinations (Audits) - We accept most taxpayers' returns as led. If we inquire about your return or select it for examination, it does not suggest that you are dishonest. The inquiry or examination may or may not result in more tax. We may close your case without change; or, you may receive a refund. The process of selecting a return for examination usually begins in one of two ways. First, we use computer programs to identify returns that may have incorrect amounts. These programs may be based on information returns, such as Forms 1099 and W-2, on studies of past examinations, or on certain issues identified by compliance projects. Second, we use information from outside sources that indicates that a return may have incorrect amounts. These sources may include newspapers, public records, and individuals. If we determine that the information is accurate and reliable, we may use it to select a return for examination. Publication 556, Examination of Returns, Appeal Rights, and Claims for Refund, explains the rules and procedures that we follow in examinations.

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 and Write |
| Managers | Yes | Read and Write |
| Sys. Administrators | Yes | Administrator |
| Developers | No | |

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? LWIS allows data access only to users that have a business reason. Each LB&I Industry Headquarters has employees that issue tax returns to field group managers for possible audit. The field group manager then assigns employees that will be working the returns. Tax returns can only be accessed that have been assigned by higher management.

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.

LWIS data is approved for destruction under NARA Job No. N1-58-88-4, and published in Records Control Schedule (RCS) Document 12990 under RCS 23 for Tax Administration - Examination, Item 48. However, in reviewing LWIS-related recordkeeping practices for completion of this PIA, system owners and the IRS Records Office determined that a re-evaluation of RCS 23, item 48 descriptions and disposition authorities are in order. LB&I and the Records Office will work together to validate and potentially update the item to better fit current data collection activities and maintenance needs, and the current electronic recordkeeping environment.

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)? In-process

23b. If **in process**, when is the anticipated date of the SA&A or ECM-R completion? 1/11/2016

23.1 Describe in detail the system s audit trail. We are in the process of providing audit records to SA&A via EFTU. They want SQL server level audit trails showing what was changed and what was failed to do.

J. PRIVACY TESTING

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

24b. If **yes**, Is the test plan in process or completed: In Process

If **in process**, when is the test plan scheduled for completion? 12/1/2015

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?

Currently in process to move testing into DSTEST. All test data will be without PII.

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. 12/31/2014

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: 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? 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
