A. SYSTEM DESCRIPTION

1.   Enter the full name and acronym for the system, project, application and/or database. <u>Modernized Internet Employer Identification Number (MOD IEIN), MOD IEIN</u>

2. Is this a new system? <u>No</u>

>   2a. If **no**, is there a PIA for this system?   <u>Yes</u>

>>   If **yes**, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.

>>   <u>Modernized Internet Employer Identification Number (MOD IEIN)(924)07/15/2014</u>

>>   Next, enter the **date** of the most recent PIA.   <u>7/15/2014</u>

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

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

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

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

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.

Modernized Internet Employer Identification Number (Mod IEIN) is part of the Integrated Customer Communications Environment Web Applications (ICCE Web Apps). Mod IEIN will help taxpayers, businesses, and their representatives complete the application for Employer Identification Number (EIN), Application for Employer Identification Number (Form SS-4), using a new interactive system which asks questions tailored to the type of entity the taxpayer is establishing. By providing full automation of the back-end processing of EIN assignment, the applet will eliminate the assignment of "provisional" EINs, resulting in improved ease of receiving valid and ready-to-use EINs. The Mod IEIN web application will also improve overall processing accuracy and timeliness, additionally allowing IRS telephone assistors to devote time to more productive activities. Currently, 80% of taxpayers who qualify for an EIN are able to secure EIN approval and initiation via IRS.gov. Due process is provided pursuant to 26 USC.

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   No   On Spouse   No   On Dependent

If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

Yes	Social Security Number (SSN)
No	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).

This application only displays the last 4 digits of Social Security Number (SSN) (first 5 digits are masked). The application cannot mitigate the use of SSNs until an alternate identifier has been adopted by the IRS to identify taxpayers.

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?   No

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

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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 Mod IEIN application provides Taxpayers, businesses, and their representatives with an option to complete the application for Employer Identification Number (EIN), Application for Employer Identification Number (Form SS-4), using a new interactive system which asks questions tailored to the type of entity the taxpayer is establishing. By providing full automation of the back-end processing of EIN assignment, the applet eliminates the assignment of "provisional" EINs, resulting in improved ease of receiving valid and ready-to-use EINs. The Mod IEIN web application improves overall processing accuracy and timeliness, additionally allowing IRS telephone assistors to devote time to more productive activities. All PII gathered in the course of the application is used to fulfill the requirements of the application for EIN. Treas. Reg. section 301.6109-1(d)(2) provides, "[a]ny person required to furnish an employer identification number must apply for one, if not done so previously on Form SS-4....The form, together with any supplementary statement, must be prepared and filed in accordance with the form, accompanying instructions, and relevant regulations, and must set forth fully and clearly the requested data."

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

The validation process will verify the accuracy and completeness of the information in accordance with the business rules. It is worth noting that the only validation Mod IEIN performs is a validation of the Taxpayer's TIN and name control (business or individual) against IRS records in Integrated Data Retrieval System (IDRS) to authenticate the applicant. Mod IEIN passes the TIN entered by the Taxpayer to IDRS. IDRS returns the individual's name control that is on file for the entered TIN, if found. Mod IEIN confirms that the individual name control provided by the taxpayer matches the name control returned from IDRS and that an existing EIN does not exist under said TIN. If the information matches IRS records and no duplicate EIN exists, the record will post to IDRS immediately. If the information does not match IRS records, the record will reject back to the taxpayer for correction and re-submission.

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 24.046	BMF
Treas/IRS 34.037	IRS Audit Trail and Security Records System

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

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D. RESPONSIBLE PARTIES

10. Identify the individuals for the following system roles. ## Official Use Only

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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
IDRS/ERAS	No		Yes	09/05/2016

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

Form Number	Form Name
1040	1040

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)?   No

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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?   No

    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?   Yes

    16a. If **yes**, was (or will) an electronic risk assessment (e-RA) conducted on the system/application?   No

    If **no**, when will the e-RA be conducted?   2/1/2017

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, consent and due process are provided in the tax forms instructions, and 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):
Notice, consent and due process are provided in the tax forms instructions, and pursuant to 5 USC.

19. How does the system or business process ensure due process regarding information access, correction and redress?
Notice, consent and due process are provided in the tax forms instructions, and pursuant 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?   <u>No</u>

   Contractor Employees?   <u>No</u>

    21a. How is access to SBU/PII determined and by whom? <u>Users provide PII to the system by inputting information (as listed in 10a) through MOD IEIN. The collected PII from the current session is displayed to the user. Upon submission, PII is submitted and committed to the IRS IDRS/ERAS systems, on the web interface that data is destroyed. Once the taxpayer submits the information on the Mod IEIN web application and that information passes up-front validity checks, the taxpayer will receive either a successfully generated EIN or an error message, which reads "The information you have entered does not match IRS records." The applicant will be able to view the information screen by screen, but will not be allowed to change the information on most of the screens once he/she advances to the next screen. However, a summary page will be shown with the information entered, but the taxpayer will not be able to make changes unless they start the process over. IRS employees will not play a role, unless taxpayer is unable to properly authenticate and receive an error message to contact IRS for assistance, at which time the taxpayer provides written information for IRS employees to input manually. Once the taxpayer submits the information on the Mod IEIN web application and the information passes up-front validity checks, the information will then run through the backend validation process and post automatically, provided all the information matches IRS records. If the information does not match IRS records, it will be rejected back to the taxpayer for correction and re-submission. Data is not retrievable from Mod IEIN by a personal identifier such as name, SSN, or other unique identifier since Mod IEIN is not a database. Taxpayers will not be able to access their data once they've submitted it. After submission or completion of an application, data can be retrieved from IDRS only by an IRS employee using personal identifiers such as name of the entity or EIN and mailing address that was used to apply for an EIN on a need to know basis.</u>

    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 ? <u>Not Applicable</u>

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?   <u>Yes</u>

    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.

        <u>All data relating to Applications for MOD IEIN will be retained in accordance with Records Control Schedule (RCS) 29, Item 70 (Employer's Application for Identification Number (EIN)). Data submitted on individual applications will not be retained for any period of time in Mod IEIN; the information will post directly to IDRS. However, invalid authentication attempts on the application will be stored in the Mod IEIN authentication database for the remainder of that day. The Mod IEIN application will execute a script that purges and overwrites the data to ensure its deletion. It should be noted that this database maintains invalid authentication attempts so that users are</u>

limited to a certain number of invalid authentication attempts per day. In addition to the Mod IEIN authentication database that retains invalid authentication attempts, the IRS will provide, store, and catalog the assignment of EINs posted to the Master File via ERAS. The Master File is the location where EIN information is stored for official IRS record-keeping purposes.

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?   9/4/2014

23.1 Describe in detail the system s audit trail.   Mod IEIN audit data is captured by the Security Audit and Analysis System (SAAS). Audit trail logging for the applet is sent to SAAS via Application Messaging and Data Access Services (AMDAS) for each transaction that reaches the back-end. • Entity Type (e.g., sole proprietor, partnerships, corporations, Limited Liability Company, estate, withholding agent, household employer, political organization, receivership) ☐A Limited Liability Company Check ☐A Reason for Applying ☐Name (Company Name or First/Middle/Last/Suffix) ☐Social Security Number (SSN) / Individual Taxpayer Identification Number (ITIN) / Employer Identification Number (EIN) ☐Third Party Designee Check (If the person completing the application is a third party acting on behalf of the taxpayer, we can't provide the 3rd party with the online notice. Therefore, we determine if the person is the actual taxpayer or a Third party to determine what actions to take when we assign the EIN. Name of Third Party Designee (if applicable) (First/Middle/Last/Suffix) ☐"Care Of" Name (Used in the event the taxpayer would like his/her mail addressed to a different person/business, such as a secretary or office manager.) ☐Physical Location Street City State/US Territory Zip Code Phone Number ☐Mailing Address (if applicable) Street City State/US Territory Country Zip Code ☐Third Party Designee Address (if applicable) Street City State/US Territory Zip Code Phone Number ☐Legal Name ☐Trade Name (Used by companies who advertise their business name as something different than their legal name.) ☐County where business is located ☐State where business is located/incorporated ☐Date Business Started/Acquired or Date of Death ☐Closing Month of Accounting Year ☐Principal Business Activity (A business activity represents tangible goods, such as automobiles.) ☐Principal Service Activity (a service activity represents intangibles, such as consulting.) ☐Employee Hired Check ☐Employee Information on employees that receive W2s (rather than 1099s) (if applicable) Wages Paid Date Number of Agricultural Employees Number of Household Employees (only for certain types) Number of Other Employees Employment Tax Liability Information ☐Number of Members in Limited Liability Company (LLC) ☐ Corporation or Sub Chapter S Check (Corporations have the option to be classified as a regular corporation or a Sub Chapter S corporation (S-Corp). If a company wants to be an S-Corp, they must file a form requesting this classification, which we tell them about if we determine they want to be an S-Corp. This check is used to determine if we need to provide them with the S-Corp information.) ☐EIN Confirmation Letter Delivery preference ☐Trustee business name/trustee individual name ☐Type of real estate investment trust (mortgage or equity) The SSN and name control of the taxpayer are required as part of the authentication process and cannot be substituted by another data field to identify the customer. The information is captured for audit trail purposes. Even though a ready-to-use EIN is being issued, the IRS still needs to have the ability to have audit trails for future reference if necessary. These are for internal use and are closely guarded. They are only available to IRS employees who follow the proper procedures to gain access to them, which is by going through the OL5081 process. A manager must approve the OL5081 request and then an administrator will grant the access.

J. PRIVACY TESTING

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

24b. If **yes**, Is the test plan in process or completed: <u>Completed</u>

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?
<u>MOD IEIN complies with the requirements of IRM 10.8.1.3.4.6 in regards to developer security testing. This means that a work request (WR) or change request (CR) must be in place before a piece of code can be associated with it. Once development is completed the code is then checked back in for testing. There is a team staffed to accomplish independent testing before the code is promoted to production. A final review is accomplished by an in house staff leader. MOD IEIN WR/CR tickets can be Knowledge Incident/Problem Service Asset Management tickets related to production issues; they can be issues discovered during testing; or they can be user change requests.</u>

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?   <u>Results are stored in docit.</u>

24b.2. If **completed**, were all the Privacy Requirements successfully tested?   <u>Yes</u>

24.2 If **completed**, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved? <u>No</u>

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing?   <u>No</u>

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>Under 5,000</u>
26c. Members of the Public: <u>100,000 to 1,000,000</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?   <u>No</u>

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?* <u>No</u>

29. Will this system have the capability to identify, locate, and monitor individuals or groups of people? <u>No</u>

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? <u>No</u>

End of Report