

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

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## A. SYSTEM DESCRIPTION

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*Authority: Office of Management Budget (OMB) Memorandum (M) 03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 & PVR #10- Privacy Accountability and #21-Privacy Risk Management*

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Date of Approval: April 10, 2015

PIA ID Number: **1233**

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1. What type of system is this? Report Generation Software, RGS

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, and milestone of the most recent PIA.

Report Generation Software, RGS, MS4B

Next, enter the **date** of the most recent PIA. 4/23/2012 12:00:00 AM

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

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Were there other system changes not listed above? No

If yes, explain what changes were made.

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

Yes System Development/Milestone 4B

Yes 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

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## A.1 General Business Purpose

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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 Reports Generation Software (RGS) is a comprehensive, integrated program used to automate the tax examination function. It provides inventory, computations, work papers and correspondence for examiners as well as an electronic download of Return Transaction File (RTF) return data, electronic upload of assessment and closed case data to the Audit Information Management System (AIMS) and Integrated Data Retrieval System (IDRS) and electronic archives of closed cases. RGS is used by Tax Examiners, Revenue Agents, and Tax Compliance Officers to make changes to taxpayers' information and generate reports that are sent to the Taxpayers. RGS provides taxpayers an accurate, legible, and easily understood audit report where the tax law and interest computations have been uniformly applied. RGS is installed on a workstation and can be accessed either in a stand-alone mode with no connectivity or a Local Area Network (LAN) environment connected with Correspondence Examination Automation Support (CEAS) server. In a LAN environment, RGS utilizes Legacy Access Provider (LAP) server to access Corporate Files On Line (CFOL) data to complete the Return Setup data entry for Form 1040 returns. In addition, RGS includes functionality for on-line return classification as well as on-line manager case reviews. The Automated Closing features available through LAP provide for update of AIMS information to reflect closure as well as the automatic archive of case data in CEAS. Electronic case files archived to and from CEAS server can also be retrieved for prior year examinations or audit reconsiderations. Examination Operational Automation Database (EOAD) information is automatically extracted for cases archived on CEAS. The current system design utilizes components of RGS for tax computation and creation of reports. Human intervention is required to perform the AIMS updates via LAP to IDRS. It is also necessary for printed output of reports/letters to be processed by local exam groups. RGS is installed throughout the IRS at selected IRS campus Service Centers (SC) and field Area Offices (AOs).

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## B. PII DETAIL

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6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information, 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 variations of SSN s (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or SSN variation) is collected on.

Yes On Primary      Yes On Spouse      Yes On Dependent

If **yes**, check all types SSN s (or variations of SSN s) that apply to this system:

Yes Social Security Number (SSN)  
Yes Employer Identification Number (EIN)  
Yes Individual Taxpayer Identification Number (ITIN)  
Yes Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)  
Yes Preparer Taxpayer Identification Number (PTIN)

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN s (or variations of SSN s).

No mitigation strategy is feasible. The provided data is required in order to identify tax returns that meet various criteria in order to have sufficient and accurate data to replicate what taxpayers file. Due to the amount and complexity of testing, it is not practicable to

attempt to replicate all problems and create a sufficient number of test cases using sanitized data.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates according to Privacy Requirements? (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>
Yes	Name	Yes	Yes	Yes
Yes	Mailing address	No	No	No
Yes	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
Yes	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
Yes	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	No	No	No
Yes	Live Tax Data	No	No	No

6c. Does this system contain SBU information the system that 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>
No	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement	Contract proposals, bids, etc.

No	sensitive data Official Use Only (OUO) or Letter of Understanding (LOU)	Documents that have been marked OUO or LOU
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. The TINs used by RGS can be for an individual taxpayer, spouse, dependent child, other partnership, corporation, trust, or a non-filer. Additionally RGS does not perform negative TIN checking.

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>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

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## B.1 BUSINESS NEEDS AND ACCURACY

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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 variations) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The SSNs, ITINS, EINS are used to ensure that tax assessments are made to the correct taxpayer accounts and to meet statutory requirements on documents that are legally binding on the taxpayer and/or the IRS. The business need for the collection of PII is to conduct examination activities. The critical business process includes the identification, selection, audit, review and closing activities of tax returns and related claims.

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.

RGS has a number of mechanisms in place to verify and validate input data. The application checks for: \* Validity, completeness, and authenticity \* Validation on the type of information that is entered (e.g., dollar amounts, numbers, and letters) \* Business rules for input restrictions \* Variance tool to verify the taxpayer math

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**C. PRIVACY ACT AND SYSTEM OF RECORDS**

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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>
156	34.037 - IRS Audit Trail and Security Records System
157	42.001 - Examination Administrative 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

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**D. RESPONSIBLE PARTIES**

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N/A

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**E. INCOMING PII INTERFACES**

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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 &amp; A?</u>	<u>Authorization Date</u>
Correspondence Examination Automation Support (CEAS)	Yes	09/17/2012	Yes	12/06/2012
RGS Field	Yes	04/23/2012	No	12/06/2012

RTF	No	04/23/2012	No	12/06/2012
NRP	Yes	01/15/2014	No	12/06/2012
CDW	Yes	12/14/2012	No	12/06/2012

11b. Does the system receive SBU/PII from other federal agency or agencies? No

No Organization Records found.

11c. Does the system receive SBU/PII from State or local agency (-ies)? No

No Organization Records found.

11d. Does the system receive SBU/PII from other sources? No

No Organization Records found.

11e. Does the system receive SBU/PII from **Taxpayer** forms? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
F1040, related forms & schedules	Individual Income Tax Return
F1065, related forms & schedules	Return of Partnership Income
F1120, related forms & schedules	Corporation Income Tax Return
F1120S, related forms & schedules	Income Tax Return for an S Corporation
Other Forms & schedules	Any tax computation form used in IMF & BMF

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

No Employee Form Records found.

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## F. PII SENT TO EXTERNAL ORGANIZATIONS

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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 &amp; A?</u>	<u>Authorization Date</u>
Correspondence Examination Automation Support (CEAS)	Yes	09/17/2012	Yes	12/06/2012

Identify the authority and for what purpose? The PII/SBU are used to ensure that tax assessment are made to the correct taxpayer accounts and to meet statutory requirements on documents that are legally binding on the taxpayer and/or the IRS.

12b. Does this system disseminate SBU/PII to other Federal agencies? No

No Organization Records found.

12c. Does this system disseminate SBU/PII to State and local agencies? No

No Organization Records found.

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? Yes

If **yes**, identify the contractor source(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
SENTEL Corporation (Vendor under TIPSS4)	Physically at the IRS POD	No
SENTEL Corporation (Vendor under TIPSS4)	Electronically within the IRS network	No

Identify the authority and for what purpose? The scope of work covers a successful implementation of RGS requirements following the IRS Enterprise Life Cycle (ELC) methodology under the given planned maintenance path. The vendor performs timely development of RGS requirements identified in Performance Work Statement (PWS) and is implemented during the given period of performance. The details of contractor's services with work products and deliverables that are submitted to the IRS are outlined in the corresponding Performance Work Requests (PWR).

Did the contract include the appropriate 6103(n) clauses for tax return and return information, and Federal Acquisition Regulations privacy clauses?

Yes

12e. Does this system disseminate SBU/PII to other Sources? No

No Organization Records found.

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## G. PRIVACY SENSITIVE TECHNOLOGY

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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

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## H. INDIVIDUAL NOTICE AND CONSENT

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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?

The notice of acknowledgement is provided in instructions to individuals as part of filing IRS tax forms. For example, F1040 instructions are provided as follows: The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and the Paperwork Reduction Act of 1980 require that when

we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit or mandatory under the law. This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties. Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires you to provide your identifying number on the return. This is so we know who you are, and can process your return and other papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund or for the third-party designee. You also do not have to provide your daytime phone number. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax. If you do not file a return, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

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

18a. If no, why not? Per instructions provided to individuals in the IRS tax forms, failure to provide information could result in civil or criminal penalties.

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

The Taxpayer Bill of Rights publication 1 at <http://core.publish.no.irs.gov/pubs/pdf/p1--2014-12-00.pdf> outlines the baseline for 'due process' that business follows.

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## **I. INFORMATION PROTECTION**

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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

<b>IRS Employees?</b>	<b>Yes/No</b>	<b>Access Level(Read Only/Read Write/Administrator)</b>
Users	Yes	Read and Write
Managers	Yes	Read and Write
Sys. Administrators	Yes	Administrator
Developers	Yes	Read-Only

Contractor Employees? Yes

<b>Contractor Employees?</b>	<b>Yes/No</b>	<b>Access Level</b>	<b>Background Invest.</b>
Contractor Users	No		
Contractor Managers	No		
Contractor Sys. Admin.	Yes	Administrator	Moderate
Contractor Developers	Yes	Read-Only	Moderate

21a. How is access to SBU/PII determined and by whom? The access to RGS system is managed and controlled by OL5081 process. The SBU Data Policy outlined at [http://irweb.irs.gov/aboutirs/bu/pipds/pip/privacy/live\\_data/default.aspx](http://irweb.irs.gov/aboutirs/bu/pipds/pip/privacy/live_data/default.aspx) illustrates the underlying process the system currently adheres to.

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

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## **I.1 RECORDS RETENTION SCHEDULE**

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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.

The primary repository of data exchanged between RGS and Correspondence Examination Automation Support (CEAS) systems reside in CEAS database. RGS recordkeeping data previously scheduled with a 15-year retention needs to be re-evaluated in the context of CEAS. RGS owners will work with the RIM Office to update the scheduling of RGS. RIM will coordinate the retention of CEAS data with CEAS owners to ensure compliance with established and/or new disposition requirements. Electronic information merged or uploaded to CEAS can be deleted/destroyed from workstation when superseded, obsolete or no longer needed, whichever is later. Once a report has been generated in RGS, only successfully authenticated users have access to the report within the system. Reports are generated as electronic files and are printable locally on the client's workstation. RGS uses IRS-approved techniques or methods, as defined in IRM 10.8.1 to ensure secure deletion or destruction of PII (including originals, copies, and archived records).

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## **I.2 SA&A OR ECM-R**

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23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? In-process

23a. If **yes**, what date was it completed?

23b. If **in process**, when is the anticipated date of the SA&A or ECM-R completion? 2/28/2015 12:00:00 AM

23.1 Describe in detail the system's audit trail. The RGS application does not support audit trail and inventory management at the enterprise level due to FAT client infrastructure of the system that is used

only on user's workstation. The audit trail for RGS is inherited from Active Directory login at machine level and/or from Correspondence Examination Automation Support (CEAS) for consolidated backend capabilities and database management.

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## **I.2 SA&A OR ECM-R**

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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?

All IRS employees, contractors and persons authorized to access PII during testing are responsible for complying with IRS privacy policies and procedures. All testers handling PII data must adhere to the IRS privacy principles based on the Privacy Act of 1974 and ensure proper safeguards in testing environment are given proper attention. The test execution performed by IT to verify the implemented functionality meets their specified requirement is followed by: \* Unit Testing (UT) \* System Integration Testing (SIT) \* Regression Testing The test execution performed by business to validate the implemented functionality satisfies the intended requirement is followed by: \* Independent System Acceptability Testing (ISAT)

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? RGS uses two methods to report test results. Integration test results with testing proofs are reported and maintained in Change Management Control System (CMCS) and DocIT. Independent System Acceptability Testing (ISAT) results are reported in ETest, which is a ClearQuest repository that allows recording and tracking of results from acceptance testing.

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

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## **K. LIVE DATA TESTING**

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25. Does this system use, or plan to use Live Data in Testing? Yes

25a. If **yes**, was permission granted per the requirements of Form 13471 Live Data Request? Yes

If **yes**, provide the date the permission was granted. 12/8/2014 12:00:00 AM

25b. If **yes**, was testing performed in conformance with IRM 10.8.8 IT Security, Live Data Protection Policy? Yes

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## **L. NUMBER AND CATEGORY OF PII RECORDS**

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

26a. IRS Employees: Under 50,000  
26b. Contractors: Under 5,000  
26c. Members of the Public: More than 1,000,000  
26d. Other: No

If **other**, identify the category of records and the number of corresponding records (to the nearest 10,000).

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**M. CIVIL LIBERTIES**

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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

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**N. ACCOUNTING OF DISCLOSURES**

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30. Does the system include or require disclosure of tax or employee information to anyone other than IRS employees or IRS contractors 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

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**End of Report**

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