

Date of Approval: **October 09, 2020**

PIA ID Number: **5397**

## **SYSTEM DESCRIPTION**

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

Refund Hold Report, RHR, RHR

*Is this a new system?*

No

*Is there a PCLIA for this system?*

Yes

*What is the full name, acronym and milestone of the most recent PCLIA?*

Refund Hold Report, RHR PCLIA #2885

*What is the approval date of the most recent PCLIA?*

9/6/2017

*Changes that occurred to require this update:*

Expiring PCLIA

*Were there other system changes not listed above?*

Yes

*What were those changes?*

The PCLIA is also being updated to add Refund Hold Reports & Nonfiler Tracking Reports covered by the Individual Master File (IMF) Non Filer Tracking (NFTRACK) project.

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

Corporate Data Domain Governance Board (CPDGB)

*Current ELC (Enterprise Life Cycle) Milestones:*

Operations & Maintenance (i.e. system is currently operational)

*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.*

This is a data extract of taxpayer information for the Delinquent Return Refund Hold Program (RHP) and should not be confused with a system or application that is accessible by users with a login. It is not accessible by any individual. The extract results in a report that is made available on the Control-D WebAccess system. The RHP was created for taxpayers that file a return expecting a refund and have an existing tax delinquency. The RHP holds the taxpayers' refunds for up to 6 months, until the filing delinquency is settled. The Refund Hold Report generates weekly, identifying accounts that meet the refund hold criteria. Headquarters (HQ) Collection uses the report to validate existing Master File programming and make processing decisions on future inventory. The report provides HQ Collection with the data necessary to administer the program. The HQ Collection analyst users would have no way to identify the inventory without the report. These extracts/reports also cover the Monthly Refund Hold Reports & Nonfiler Tracking Reports covered by the Individual Master File Nonfiler Tracking (IMF NFTRACK) project. The monthly Refund Hold processing provides files and a report of accounts on the Individual Master File that are frozen from refunding or offsetting credit out due to an additional liability pending in the form of a Taxpayer Delinquency Investigation (TDI) Refund Hold. TDI Refund Hold Tracking tracks TDI Refund Hold transactions which post during the current and prior posting year along with the transactions which reverse them. IMF Nonfiler Tracking analyzes IMF tax modules and generates data records for those modules and related entities described as being in a nonfiler condition and for those modules and related entities that have had the nonfiler condition resolved in prior years.

## **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:*

Statistical and other research purposes

Another compelling reason for collecting the SSN

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

The purpose of the data extract is to provide the PII necessary for Collection and Examination to administer the Delinquent Return RHP. The information is required to identify taxpayers impacted by the program, for administration of the program and for research performed by HQ analysts.

*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 mitigation strategy to eliminate the use of SSN's for this data extract. The purpose of the data extract is to provide the PII necessary for Collection to administer the Delinquent Return RHP. The information is required for the research that is performed by HQ Collection analysts.

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:*

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:*

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.

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

*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.*

Taxpayer's name control Integrated Data Retrieval System (IDRS) Control Assignee Number

*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 Delinquent Return RHP is systemically processed at the Individual Master File (IMF) level. Extracts, and resulting reports, stored on the Control-D WebAccess system are the tools used by Collection HQ to affect processing changes, validate programming, project inventory levels, and make future predictive work planning decisions. In times of low resources, and high inventory volumes, the report has been used to change the IMF tolerance level for case selection, resulting in lower or higher inventory volumes. In 2017, the report was used to implement an executive processing decision to release refunds to taxpayers that were below a set tolerance level. In FY19 reports were used to update the tolerance to increase inventory. SSNs, and tax years provided by the report are essential in achieving necessary processing changes.

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

Data is pulled directly from IMF processing, which is the purpose of the extract. It is not a system or application. No determinations are made by this data extract. The extract is the reported data that results from IMF processing decisions that were made for Refund Hold processing. The extract is used to validate the IMF process for accuracy and timeliness, and completeness. The IMF is updated weekly. The data is generated weekly and monthly from the IMF. This ensures the data is timely.

## **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 24.030 Customer Account Data Engine Individual Master File

IRS 26.019 Taxpayer Delinquent Account Files

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## 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: Individual Master File

Current PCLIA: Yes

Approval Date: 3/4/2020

SA&A: Yes

ATO/IATO Date: 11/26/2019

*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?*

No

*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?*

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.*

Taxpayers are identified and selected by Master File because they have not filed past year returns. The Master File programming identifies and selects nonfilers for tax administration purposes. Information is collected via a data extract of the taxpayer's account information on IMF. The taxpayer does not have access to the information source. It is not appropriate in this application and administration of the RHP to collect the IMF data directly from the individual.

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

No

*Why not?*

Individuals provided the information to IRS via their signed tax returns. The information is used solely by IRS for administration of a filing compliance program. It is not shared with other agencies.

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

Since this is not a system or application, there is no direct information access. Users access the reported data extract information using the Control-D WebAccess system. No actions are taken as a result of this data extract. All actions are taken by the Master File RHP process. The Control-D WebAccess system provides the necessary user access and security. The RHP, a Master File process, provides redress separately. Due process by the RHP is provided pursuant to 26 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 Only

Managers: Read Only

System Administrators: Read Only

Developers: Read Only



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

Users, Managers, System Administrators, and Developers have access to the extract data. The developer has access to handle problems with missing tapes, problems during run, cleanup of log files, etc. Reference to the system indicates the Developer has Read/Write access to the programs, but not the data or report. Users have access to the data or reports (PII) via the Control-D WebAccess system and its access and security requirements, but no access to the programs. Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a user be added. They must fill out Form 5081, Information System User Registration/Change Request, to request access to the Control-D WebAccess system where the data is displayed. The System Administrator determines to which group and menu the user will have access. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on Form 5081.

## **RECORDS RETENTION SCHEDULE**

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

RHR is scheduled under General Records Schedule (GRS)5.2, item 020 as Extracted Information from IRS Master Files data scheduled as temporary under other approved, recordkeeping disposition authorities. Under GRS 5.2, item 020 RHRs may be destroyed/deleted when the agency determines that they are no longer needed for administrative, legal, audit, or other operational purposes. The RHRs are generated weekly and monthly and overlay/supersede the previous week or month output.

## **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?*

Yes

*Describe the system's audit trail.*

This is a batch process with no user interface. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on Form 5081. The data is sorted by received date and placed in report format. The reports are downloaded to Control-D. Data is retrievable by the Return Received Date, Taxpayer Identification Number, Name Control, Tax Period, Integrated Data Retrieval System (IDRS) control Action Date, IDRS control Status, IDRS control Category Code, IDRS control Activity, Freeze Codes, Audit Information Management System Status/Organization Code, Business Operating Division, Refund Hold Module Balance, Collection Assignment (TSIGN) number or the IDRS control Assignee Number.

## **PRIVACY TESTING**

*Does the system require a System Test Plan?*

No

*Please explain why:*

There is no user interface for this data extract. Security is covered by Unisys Dorado Platform (GSS-23).

## **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: 100,000 to 1,000,000

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