

Date of Approval: March 31, 2017

PIA ID Number: **2407**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Returns Inventory and Classification System, RICS

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.

735 Returns Inventory and Classification System, RICS

Next, enter the **date** of the most recent PIA. 6/2/2014

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

<u>No</u>	Addition of PII
<u>No</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? Yes

If yes, explain what changes were made. Expiration of previous PCLIA. This is a renewal.

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>Yes</u>	System Deployment/Milestone 5
<u>No</u>	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.

RICS is Tax Exempt & Government Entities' (TE/GE) primary tool for examining the level of tax filing compliance from its customers. RICS allows access to tax filing data related to filing, processing and posting of returns. RICS also provides automatic sampling, criteria for audits and the tracking of audit results. Since RICS provides PDF versions of tax returns, RICS users are able to eliminate long delays waiting for ordered hardcopy returns from service center files. These selections through RICS also allow the user to group forms into categories, allowing easy assignment based on the project being worked. The XRDB functionality is used primarily by the RICS application as a source for EO-MeF data (electronically filed Forms 990, 990EZ, 990PF and their related schedules).

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)
Yes	Employer Identification Number (EIN)
No	Individual Taxpayer Identification Number (ITIN)
No	Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
Yes	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).

SSNs are found on Form 5330 returns, which account for about 0.1% of all RICS returns. Plans are in place to look into the possibility of using another non-SBU/PII field to query 5330 returns, however EINs and SSNs are the only feasible way to identify and query all other returns on the RICS application.

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.

Selected	PII Element	On Primary	On Spouse	On Dependent
No	Name	No	No	No
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
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
No	Tax Account Information	No	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

Selected	SBU Name	SBU Description
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
No	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. Employer's Name, Plan Sponsor, Contact Person's name, Employee Identification Number, and Employee Group Number.

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

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.

RICS is used primarily to identify entities for which RICS has address information which is used to locate that organization or business. RICS also contains a small portion of data on individuals. This access is used exclusively for examination purposes. The availability of each data item within RICS allows for an easier and faster method to examine the level of compliance from its customers. The selection of data through RICS allows the user to group forms into categories, allowing easy assignment based on the project being worked. The data can be used to verify consistency of information between filings and other more complicated trend analysis. RICS is needed as a research tool to provide for consistency of information and trend analysis.

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

RICS receives data from various IRS systems which have their own verification process for data accuracy, timeliness, and completeness; therefore, RICS assumes that the data is accurate, timely, and complete when it is provided by the other systems.

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.

<u>SORNS Number</u>	<u>SORNS Name</u>
Treasury/IRS 24.046	BMF CADE
Treasury/IRS 34.037	IRS Audit Trail and Security Records System
Treasury/IRS 50.222	Tax Exempt Government Entities (TEGE) Case Managem

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

D. RESPONSIBLE PARTIES

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

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>
Business Master File (BMF)	Yes	04/24/2015	Yes	03/13/2013
Information Returns Processing (IRP)	Yes	03/09/2017	Yes	10/22/2015
Employee Plans Master File	No		No	10/22/2015
EP/EO/GE AIMS Report Processing System (EARP)	Yes	06/02/2014	No	10/22/2015
Employee Plans-Exempt Organization Systems, (EDS)	Yes	02/11/2015	Yes	05/19/2016

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

<u>Form Number</u>	<u>Form Name</u>
11-C	Occupational Tax and Registration Return for Wagering
W2	Wage and Tax Statment
720	Quarterly Federal Excise Tax Return
730	Monthly Tax Return for Wagers
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
941	Employer's Quarterly Federal Tax Return
943	Employer's Annual Tax Return for Agricultural Employees
944	Employer's ANNUAL Federal Tax Return
945	Annual Return of Withheld Federal Income Tax

990	Return of Organization Exempt From Income Tax
990-EZ	Short Form Return of Organization Exempt From Income Tax
990N	Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 99
990-PF	Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation
990-T	Exempt Organization Business Income Tax Return
1041	U.S. Income Tax Return for Estates and Trusts
1041-A	U.S. Information Return Trust Accumulation of Charitable Amounts
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
1065	U.S. Return of Partnership Income
1065B	U.S. Return of Income for Electing Large Partnerships
1096	Annual Summary and Transmittal of U.S. Information Returns
1120	U.S. Corporation Income Tax Return
1120-C	Form 1120-C, U.S. Income Tax Return for Cooperative Associations
1120-F	U.S. Income Tax Return of a Foreign Corporation
1120-FSC	U.S. Income Tax Return of a Foreign Sales Corporation
1120-H	U.S. Income Tax Return for Homeowners Associations
1120-L	U.S. Life Insurance Company Income Tax Return
1120-ND	Return for Nuclear Decommissioning Funds and Certain Related Persons
1120-PC	U.S. Property and Casualty Insurance Company Income Tax Return
1120-POL	U.S. Income Tax Return for Certain Political Organizations
1120-REIT	U.S. Income Tax Return for Real Estate Investment Trusts
1120-RIC	U.S. Income Tax Return For Regulated Investment Companies
1120-S	U.S. Income Tax Return for an S Corporation
1120-SF	U.S. Income Tax Return for Settlement Funds (Under Section 468B)
2290	Heavy Highway Vehicle Use Tax Return
4720	Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the IRC
5227	Split-Interest Trust Information Return
5330	Return of Excise Taxes Related to Employee Benefit Plans
5500	Annual Return/Report of Employee Benefit Plan
5500-C	Return/Report of Employee Benefit Plan (with fewer than 100 participants)
5500-EZ	Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan
5500-SF	Annual Return/Report of Employee Benefit Plan--Short Form
8038	Information Return for Tax-Exempt Private Activity Bond Issues
8038B	Information Return for Build America Bonds and Recovery Zone Economic Development Bonds
8038-CP	Credit for Qualified Bonds Allowed to Issuer
8038-G	Information Return for Government Purpose Tax-Exempt Bond Issues
8038-GC	Consolidated Information Return for Small Tax-Exempt Government Bond Issues
8038-T	Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate
8038TC	Information Return for Tax Credit and Specified Tax Credit Bonds as the result of the new Hire bill.
8328	Carry forward Election of Unused Private Activity Bond Volume Cap
8703	Annual Certification of a Residential Rental Project
8871	Political Organization Notice of Section 527 Status
8872	Political Organization Report of Contributions and Expenditures

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? 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 & A?</u>	<u>Authorization Date</u>
SAAS	Yes	07/14/2015	Yes	03/20/2014
Reporting Compliance Case Management System (RCCMS)	Yes	08/01/2015	Yes	10/20/2016
AIMS	Yes	12/15/2015	Yes	08/13/2015

Identify the authority and for what purpose? Internal Revenue Code sections 6001, 6011, 6057 and 6058 RCCMS - examination establishment requests and related data are sent from RICS to create inventory accounts on RCCMS. AIMS - examination establishment requests are sent from RICS to create inventory accounts on AIMS. SAAS – web application activity is sent to SAAS for security auditing purposes

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? Yes

If **yes**, identify the other 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>
Treasury IG for Tax Administration (TIGTA)	Electronic	No
Compliance Data Warehouse	Electronic	No

Identify the authority and for what purpose? Treasury IG for Tax Administration (TIGTA) Compliance Data Warehouse (CDW) Internal Revenue Code sections 6001, 6011, 6057 and 6058 authorize this data usage. TE/GE EARP data allows CDW customers (including non-TE/GE BOD's) and TIGTA to conduct research studies or analysis of TE/GE examination.

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.

The information within RICS comes from various IRS Systems and forms. Those systems and forms provide the Privacy Act Notice to individuals. RICS does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent and due process are provided via the IRS systems and their related 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? No

18b. If no, why not? The information within RICS comes from various IRS Systems and forms.

Those systems and forms provide the Privacy Act Notice to individuals. RICS does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent and due process are provided via the IRS systems and their related 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?

The information within RICS comes from various IRS Systems and forms. Those systems and forms provide the Privacy Act Notice to individuals. RICS does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent and due process are provided via the IRS systems and their related tax forms instructions, and pursuant to 5 USC. TE/GE places restrictions on and determines access based on user role. Users are only granted access to RICS as necessary to fulfill the duties of their role. Through the access control mechanisms employed, the application establishes appropriate division of responsibility and separation of duties to eliminate conflict of interest in the responsibilities and duties of individuals. The role-based access groups defined within the RICS application enforce the most restrictive set of rights/privileges or access needed by users to perform their tasks; thereby, enforcing least privileges. To clarify; an EO user only has access to EO data, and an EP user only has access to EP data. Developers do not have any access to production data.

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>	<u>Yes/No</u>	<u>Access Level(Read Only/Read Write/Administrator)</u>
Users	Yes	Read-Only

Managers	Yes	Read-Only
Sys. Administrators	Yes	Administrator
Developers	No	

Contractor Employees? Yes

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

21a. How is access to SBU/PII determined and by whom? TE/GE places restrictions on and determines access based on user role. Users request this access through OL5081. Users are only granted access to RICS as necessary to fulfill the duties of their role. Through the access control mechanisms employed, the application establishes appropriate division of responsibility and separation of duties to eliminate conflict of interest in the responsibilities and duties of individuals. The role-based access groups defined within the RICS application enforce the most restrictive set of rights/privileges or access needed by users to perform their tasks; thereby, enforcing least privileges. To clarify; an EO user only has access to EO data, and an EP user only has access to EP data. Users include program analysts, revenue agents and managers. Developers do not have any access to any production data.

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.

All records housed in the RIC 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 approval to affect data disposition. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6, and will be destroyed using IRS IRM 1.15.24, Item 82, and as coordinated with the IRS Records and Information Management (RIM) Program and IRS Records Officer. Per IRM 1.15.24, item 82 for Return Inventory and Classification System (RICS), the general disposition for data on RICS is 7 years or when no longer needed whichever is earlier. The exceptions to the 7 year retention are as follows: • TEB 8038 series returns (from the RTF) - Delete after 30 years (based on processing cycle) or when no longer needed whichever is earlier. • TEB 8038 series returns (from Statistics of Income [SOI]) - Delete after 30 years (based on processing year) or when no longer needed whichever is earlier. • Generalized IDRS Interface response data from AIMS is processed daily through RICS - Delete on a

daily basis or when no longer needed whichever is earlier. • GE Consents - Delete after 4 years based on the Row Creation Date or when no longer needed whichever is earlier. • IDRS Command Code (CC) Information Returns Processing Transcript Requests (IRPTR) Delete after 30 days (based on load date) or when no longer needed whichever is earlier. • Return Establishment information. Data sent to AIMS for return establishments created through RICS is replaced daily or when no longer needed whichever is earlier. • Coordinated Examination Management Information System for Large Cases (CEMIS) application reported examination results from Coordinated Industry Cases. Data is used by EP. Retired as of 2006, but retained on RICS. Delete after 20 years or until data is replaced by successor system whichever is sooner

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? 10/4/2016

23.1 Describe in detail the system s audit trail. The following data elements are collected in the WebRICS Audit Trail: Date Time, Username, Returns printed, as well as the following fields from the DB2 database : EIN, Master File Code, Plan number, Mode code, Document code, Exam code, Tax period, Non Exam Date, Condition code, Org code, Creation Date, Org generated code, Document Locator Number, Project code, Error code, Purpose code, File name, Seed text, Form count, Source code, Select Code, Status code, Issue codes, User Identification (ID) code, and Creation Time.

J. PRIVACY TESTING

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

24c. If **no**, please explain why.

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?

The RICS Unit Test and ISAT Test used requirements derived from the Unified Work Request(s) (UWR) for each affected application tax form/system to prepare test scenarios, data, and expected results. No source code was used or referenced to create test conditions or test data. No live data was used during the test. No problems were identified during the Unit Test. Had there been any, they would have been worked under normal UWR work activities. Any Problems identified in Production are documented as Problem Tickets using the Knowledge Incident/Problem, Service and Asset Management (KISAM). Problem Tickets are listed under Section 3.5 Problem Tickets.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? The test plan was used to conduct unit testing and independent system acceptability testing (ISAT).)? The documented results are stored on the RICS SharePoint site.

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

K. SBU Data Use

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

L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees:	<u>Not Applicable</u>
26b. Contractors:	<u>Not Applicable</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? 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
