

Date of Approval: January 8, 2016

PIA ID Number: **1593**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Return Preparer Database, RPD

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.

Return Preparer Database, RPD 361, Final Approval

Next, enter the **date** of the most recent PIA. 2/25/2013

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

No Addition of PII
No Conversions
No Anonymous to Non-Anonymous
No Significant System Management Changes
No Significant Merging with Another System
No New Access by IRS employees or Members of the Public
No Addition of Commercial Data / Sources
No New Interagency Use
No Internal Flow or Collection

Were there other system changes not listed above? Yes

If yes, explain what changes were made. PIA #361, Return Preparer Database, will expire on 2/25/2016.

3. Check the current ELC (Enterprise Life Cycle) Milestones (select all that apply)

No Vision & Strategy/Milestone 0
No Project Initiation/Milestone 1
No Domain Architecture/Milestone 2
No Preliminary Design/Milestone 3
No Detailed Design/Milestone 4A
No System Development/Milestone 4B
No System Deployment/Milestone 5
Yes Operations & Maintenance (i.e., system is currently operational)

4. Is this a Federal Information Security Management Act (FISMA) reportable system? No

A.1 General Business Purpose

5. What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The Internal Revenue Service (IRS) Small Business/Self-Employed (SB/SE) Examination and Return Preparer Office (RPO) ensures that all tax practitioners, tax preparers and other third parties in the tax system adhere to professional standards and follow the law. The RPD is used to assist the Examination and RPO with their mission and to oversee the federal tax return preparers industry. The RPO also uses the RPD to analyze adherence to return preparer standards and e-file provider policy. The primary users of the database are the RPO, Return Preparer Coordinators, and the Criminal Investigation Division.

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)
Yes 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).

There is no plan at this time. The RPD requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) Yes

If **yes**, specify the information.

<u>Selected</u>	<u>PII Element</u>	<u>On Primary</u>	<u>On Spouse</u>	<u>On Dependent</u>
Yes	Name	Yes	No	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
Yes	E-mail Address	No	No	No
Yes	Date of Birth	Yes	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
Yes	Criminal History	No	No	No
No	Medical Information	No	No	No
Yes	Certificate or License Numbers	No	No	No
No	Vehicle Identifiers	No	No	No
No	Passport Number	No	No	No
No	Alien (A-) Number	No	No	No
No	Financial Account Numbers	No	No	No
No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
No	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? Yes

If **yes**, select the types of SBU

<u>Selected</u>	<u>SBU Name</u>	<u>SBU Description</u>
Yes	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement sensitive data	Contract proposals, bids, etc.
Yes	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
Yes	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? No

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

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 Small Business/Self-Employed (SB/SE) and Return Preparer Offices is taking steps to ensure that all tax practitioners, tax preparers and other third parties in the tax system adhere to professional standards and follow the law. In order to do this successfully, the PII data captured in this database will aid the SB/SE and Return Preparer Office to monitor and measure specific targeted segments that may or may not be complying and determine reasons behind certain behaviors. It will also identify segments that need assistance with understanding new third party regulations so that key messages can be targeted to such segments.

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

We aggregate all variables on the preparer ID (Preparer Social Security Number (SSN) or Preparer Tax Identification Number (PTIN)). For example, we count the number of Form 1040 schedules by preparer ID. We also count the number of refunds and all the other individual variables. The database sits on a secure server and employees have to submit a On-line (OL)5081 to be granted access. There is an audit trail for users. Access to the Return Preparer Database is available to those employees demonstrating the need to gather and analyze data to assist in their programs and processes involving return preparers. Access is not available to front line field employees or those who do not demonstrate a business justification for access to the database and its contents.

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>
22;062	Electronic Filing Records

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. N/A

E. INCOMING PII INTERFACES

11. Does the system receive SBU/PII from other system or agencies? Yes

11a. If **yes**, does the system receive SBU/PII from IRS files and databases? Yes

If **yes**, enter the files and databases.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Compliance Data Warehouse , CDW	Yes	12/14/2012	Yes	04/15/2015
Tax Professional PTIN System, TPPS	Yes	01/08/2013	Yes	08/13/2014
Lead Development Center Database, LDC-DB	Yes	05/22/2015	No	08/13/2014

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? Yes

If **yes**, identify the source that sends the SBU/PII, how the SBU/PII is transmitted 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>
Acceptance Agent Data OCS		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>
--------------------	------------------

14157	Complaint: Tax Return Preparer
14157-A	Tax Return Preparer Fraud or Misconduct Affidavit
3949-A	Information Referral
14242	Report Suspected Abusive Tax Promotions or Preparers

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

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII? No

G. PRIVACY SENSITIVE TECHNOLOGY

13. Does this system use social media channels? No

14. Does this system use privacy-sensitive technologies such as mobile, cloud, global position system (GPS), biometrics, RFID, etc.? No

15. Does the system use cloud computing? No

16. Does this system/application interact with the public? No

H. INDIVIDUAL NOTICE AND CONSENT

17. Was/is notice provided to the individual prior to collection of information? No

17b. If **no**, why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.

Some of the time the return preparers are aware that the IRS is collecting information on them such as when a preparer fills out an application to become an Electronic Return Originator (ERO) or Acceptance Agent (AA). Another example of this is when an individual fills out the information to obtain a Preparer Tax Identification Number (PTIN). Another data source for the database is from public court records for Criminal Sanction and Civil Injunction. Some of the information captured in the database has to deal with taxpayers complaining about return preparers and is not practical for the preparer to be made aware of this information. There is other information in the database that has to do with egregious behavior on the preparer's part and they are suspected of criminal violations and collecting the information directly from them is not practicable because it would notify them that they are under investigation and may cause them to alter their practices to avoid detection.

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 data is gathered from third party sources reporting and is designed to capture and maintain information about Return Preparer.

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

The data contained within the return preparer database is available for analysis and view by the business units who have approved access to the system. All of the data contained and reported in

the database is extracted from existing systems or data sources not readily accessible to the business units or end users. The database does not directly communicate or deliver actionable determinations to affected parties. The consolidation of preparer information within the database that is used by other business units in their processes and procedures are covered under existing Internal Revenue Manuals. For example Wage and Investment, Identity Theft Victim Assistance has IRM 25.24, Small Business Self Employment has IRM 4.1.10.

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

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

Contractor Employees? No

Contractor Employees?	Yes/No	Access Level	Background Invest.
Contractor Users			
Contractor Managers			
Contractor Sys. Admin.			
Contractor Developers			

21a. How is access to SBU/PII determined and by whom? The database sits on a secure server and employees have to submit a OL 5081 to be granted access. Access to the Return Preparer Database is available to those employees demonstrating the need to gather and analyze data to assist in their programs and processes involving return preparers. Access is not available to front line field employees or those who do not demonstrate a business justification for access to the database and its contents. Program Managers determine access on a need to know basis.

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 ? No

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? No

22b. If **no**, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.

The Return Preparer Database (RPD) is unscheduled. A request for records disposition authority for RPD and associated records is awaiting drafting through the Small Business/Self-Employed (SB/SE) Points of Contact, the IRS Records and Information Management (RIM) Program Office, and Records Officer. When approved by the National Archives and Records Administration (NARA), disposition instructions for RPD inputs, system data, outputs and system documentation will be published in IRS Document 12990, Records Control Schedule 22, item number to be determined.

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)? No

23c. If **no**, is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements? Yes

23.1 Describe in detail the system s audit trail. Access is granted via the IRS OL5081 approval system to IRS employees only. The database is User ID and Password Protected through normal IRS user logon requirements. There is an existing application that allows the User to log into the server only with an approved use. The database is password protected and we have audit trails based on Internal Revenue Manual (IRM) 10.8.3, Information Technology (IT) Security, Audit Logging Security Standards. (# Exhibit 10.8.3-4 Auditable Events for FIPS 199.)

J. PRIVACY TESTING

24. Does the system require a System Test Plan? No

24c. If **no**, please explain why. Database has been approved and in process since 2004.

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

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: Under 50,000
26b. Contractors: Not Applicable
26c. Members of the Public: More than 1,000,000
26d. Other: No

M. CIVIL LIBERTIES

27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment? No

28. Is the system information used to conduct data-mining as defined in the *Implementing the 9/11 Commission Recommendations Act of 2007, Public Law 110-53, Section 804*? No

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

N. ACCOUNTING OF DISCLOSURES

30. Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax or Privacy Act consent? No

End of Report
