

# **Bank Secrecy Act Dun & Bradstreet Data Analysis (BSA – D&B) Project and Automated Internet Research Process (AIRP) – Privacy Impact Assessment**

**PIA Approval Date – June 16, 2010**

## **System Overview:**

The Bank Secrecy Act (BSA) program is embedded within the Small Business/Self–Employed (SB/SE) Division. The BSA Program is continuously facing the challenge of identifying non–banking financial institutions (NBFIs). There are two separate information–gathering processes to assist BSA with the identification of these certain business entities which are potentially Money Services Businesses (MSB) subject to the provisions of the Bank Secrecy Act under IRS jurisdiction as specifically delegated to SBSE–FRAUD/BSA. The first process is an approved research project, Bank Secrecy Act Dun & Bradstreet Data Analysis (BSA–D&B). In addition to the information gathering, the D&B project will contain a stratified approach to determine compliance levels within the previously unidentified potential MSBs. The second process is an internal automated system, Automated Internet Research Process (IARP) was developed and will be used by BSA’s Workload Identification Selection Delivery and Monitoring (WISDM) operations. The AIRP allows an automated approach to gathering information from traditional sources which were previously queried manually by BSA WISDM. The data constitutes non–record/reference material and does not require NARA approval for destruction. The IRS Records Office concurs with the destruction of this data, as described.

## **Systems of Records Notice (SORN):**

- IRS 42.031--Anti–Money Laundering/Bank Secrecy Act and Form 8300 Records
- IRS 34.037--IRS Audit Trail and Security Records System
- IRS 46.050--Automated Information System

## **Data in the System**

### **1. Describe the information (data elements and fields) available in the system in the following categories:**

- A. Taxpayer – Records and databases that are researched outside the IRS may contain information that when combined with other data could identify certain entities doing business. Internet records may contain names, addresses, phone numbers and other public information. No SSNs are collected.
- B. Employee – Only a small number of selected IRS employees within BSA–D&B will have access to the Internet Research Process. No identifying information will be in the system.
- C. Audit Trail Information – No audit trail is planned due to the small specific usage of the data, and the very limited numbers of IRS employees who will have access.
- D. Other – Dun & Bradstreet (D&B) data records package will be received and analyzed by SBSE Research in an approved project entitled BSA D&B Data Analysis.

In the AIRP, internet records from sources such as the Yellow Pages, Accurint, will be copied and gathered into a table and matched to BSA’s existing T31 NBFID Database. Information in the table will be eliminated after matching. Types of data may include business name, business address, business telephone number, business owner, and other publicly available business information.

**2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.**

- A. IRS – T31 NBFi Database Listing of Bank Secrecy Act entities for the D&B Research Project
- B. Other third party sources – Dun & Bradstreet data records will be received and analyzed by SBSE Research according to project guidelines.

For AIRP, internet records will be accessed, name address, phone and other public information will be copied and gathered into a database table

**3. Is each data item required for the business purpose of the system? Explain.**

Yes, both SBSE research and AIRP will evaluate data records to determine entities currently in the business of providing certain financial services subject to the Bank Secrecy Act (BSA). It is BSA's responsibility to identify and notify all MSBs of their filing and registration obligations under the law.

**4. How will each data item be verified for accuracy, timeliness, and completeness?**

Both SBSE Research and BSA WISDM will match data records to existing list of NBFi entities.

**5. Is there another source for the data? Explain how that source is or is not used.**

No, BSA may not use other IRS data systems due to disclosure issues of 26 USC.

**6. Generally, how will data be retrieved by the user?**

SBSE Research will obtain data package from D&B. AIRP table will be used to update existing MSB information and identify potential MSBs. .

**7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?**

There are no unique personal identifiers, however, the combination of business name, address, telephone number and other business data in considered Personally Identifiable Information (PII)

**Access to the Data**

**8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?**

For the D&B Project SBSE Research:

**Role:** BSA Program Manager

**Permission:** Access

**Role:** BSA WISDM Analysts

**Permission:** Access

**Role:** T31 database administrator(s)

**Permission:** Access

For the AIRP:

**Role:** BSA Program Manager

**Permission:** Access

**Role:** BSA WISDM Analysts

**Permission:** Access

**Role:** T31 database administrator(s) will have access to the data.

**Permission:** Access

*.Note: Contractors do not have access to the data.*

**9. How is access to the data by a user determined and by whom?**

The D&B Project access is defined within approved research project guidelines. AIRP data will be used to update existing database information. The BSA Program Manager determined the limited need to the information to the above listed personal in conjunction with which entities would be added to the T31 database. Access to the data will be limited to the positions described above.

**10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.**

Yes, Title 31 Database is the only system that will interact with the data. NBF1 list will be generated from data within T31 database. Results of newly identified entities will be added to T31 Database entities.

**11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?**

Yes, T31 Database has its own PIA and C&A and has completed its annual continuous monitoring.

**12. Will other agencies provide, receive, or share data in any form with this system?**

No.

**Administrative Controls of Data**

**13. What are the procedures for eliminating the data at the end of the retention period?**

The IRS Records Office reviewed this PIA and stated that the data constitutes non-record/reference material and does not require NARA approval for destruction. The D&B data will follow "BSA D&B" project guidelines (destruction – one year after completion of the project). For AIRP, the gathered data will be destroyed after data matching is completed.

**14. Will this system use technology in a new way?**

No.

**15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.**

Yes, it is intended to identify potential non-banking financial institutions who may not be complying with federal laws. Both the D&B Project and the AIRP will identify potential MSBs for regular BSA compliance activities.

**16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.**

No. Neither system will be used to monitor individuals or groups. The T31 database is used for monitoring. T31 Database has its own PIA and C&A and has completed its annual continuous monitoring.

**17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?**

No.

**18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?**

Although one aspect of the D&B Project will help determine MSB filer compliance, neither project will lead to a final action.

**19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?**

The D&B system is not web based. Although the AIRP uses web data, it is a database system and not a web-based system.

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