Dun & Bradstreet Full Service Restaurants Database (DB FSRDB) – Privacy Impact Assessment

PIA Approval Date – Jan. 14, 2010

System Overview:
The Dun & Bradstreet Full Service Restaurants Database (DB FSRDB) will address the related compliance issues by identifying establishments that fail to file either information return Forms 8027 Employer's Annual Information Return of Tip Income & Allocated Tips or Forms 941 Employer's Quarterly Federal Tax Return. The data from Dun & Bradstreet will be used to match against the Form 8027 database to quantify and identify potential non–filers; will provide us with an electronic listing of all full–service restaurants that includes the year the business started, number of employees, and sales dollars. We will also use the electronic listing to match against the database of Form 8027 filers from Tax Year 2007, to identify potential non–filers. These databases are on the Service Wide Employment Tax Research System (SWETRS). The results of the match will provide the number of full–service restaurants with more than 10 employees who did not file Form 8027 in 2007, and further match up against the Form 941, to identify non–filers of this employment tax return.

According to the National Restaurant Association's 2008 Restaurant Industry Forecast, the nation's 945,000 restaurants should reach $566 billion in sales in 2009. The restaurant industry in the U.S. employs over 13 million people, making it the nation's largest employer besides the government. The restaurant industry is expected to add 1.8 million jobs by 2019, yet Form 8027 filings have averaged a little over 55,000 returns for the last five years. It is estimated that Form 8027 filings are less than 50 percent of the correct number. The Form 8027 filings are critical to employment tax tip compliance monitoring within the food and beverage industry. Increasing 8027 compliance and filings is directly tied to increasing the reporting of tip income and ultimately in reducing the employment tax gap.

Systems of Records Notice (SORN):
- IRS 24.046--CADE Business Master File
- IRS 42.021--Compliance programs & Project Files

Data in the System

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

A. Audit Trail Information – Research would send a database of Form 8027 matches and non–matches to Employment Tax. Users would have to get 5081 approval, and only the Headquarter National Tip Reporting Compliance Program (HQ NTRCP) analyst would have deletion authority.

B. Other – The data purchased from the vendor will give us the following information on each identified full service restaurant:
- Company Name
- EIN: Employer Identification Number
- Mailing and Physical Address for the employer
- Sales Telephone Number
- CEO Name
- Sales Volume
- Employee Total
- Year Business Started
- Status (Headquarters or Branch)

- Subsidiary Code
- SIC Code
- Out of Business Indicator

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

A. IRS – From the data furnished by Dun & Bradstreet, SBSE will create the working database that will contain matches and non–matches, with "match" indicators. (see 2..F. below)

B. Other third party sources – Dun & Bradstreet, the vendor, will provide a listing of full service restaurants located in the United States. Each data unit will have the information shown above. While it will provide us with the employer name and address, it will not provide any workers/employees employed by these employers. We are not requesting any federal, state, or local agency information.

3. Is each data item required for the business purpose of the system? Explain.
Yes. The data elements and data shown above are needed to identify potential non–filers.

4. How will each data item be verified for accuracy, timeliness, and completeness?
SBSE Specialty Programs office will perform further Internet research to certify that these are large food or beverage establishments. The Program office will search the Internet, such as yellow pages or Google, or the business web site, to gather information on the type of establishment, and get current business information. This will provide information related to if it's fine dining, fast food, cafeteria style operation, etc. The program office will also search internal Accurint, a research tool that gives us details on the business, related entities, such as if the identified business is a group or chain of restaurants.

5. Is there another source for the data? Explain how that source is or is not used.
No. The reason for securing vendor information is to identify non–filers from a highly regarded and creditable source for U.S. corporate business information.

6. Generally, how will data be retrieved by the user?
Research will provide Employment Tax a CD ROM with the data, so that authorized Employment Tax analysts can manipulate the data and perform necessary inquiries. Research will comply with all applicable SBU/PII data shipping requirements.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Business owner EIN may or may not be available, but the Service can use NAMEB, a command code that allows us to search by name for the taxpayer's TIN (taxpayer identification number and perform all necessary IDRS research. However, if the listed entity is a non–filer, no, the data could not be retrieved via an SSN or EIN.

Access to the Data

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

Role: SBSE NTRCP Program Analysts
Permission: Access

Role: SBSE NTRCP Research Analysts
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 NTRCP Program Manager will assign access based on business purpose.

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.
No. However, we may use IDRS to further research for related entities to the one identified by D&B, as well as use the Internet to get updated information on the business, such as type of facility; fine dining, or fast food, or cafeteria style, and confirm that the entity is still in business. We will match the D&B data against the 8027 Database as well as the 941 database to identify non–filers not just of Form 8027, but also as a possible 941 non–filer. The 8027 database is on SWETRS but the most current 941 database we will request from Research.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?
Not applicable.

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?
Small Business/Self-Employed will work with the IRS Records office to assure that the legal requirements for disposal of all records associated with the "D&B Full Services Restaurants" forms and database included will meet all IRS Compliance Initiative Project standards including the records and disposal requirements. This PIA will be updated to reflect the approved Record Control Schedule once it is established and approved.

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.
The system/data will be used to identify business owners failing to file Form 8027 and/or Form 941, Employer's Quarterly Federal Tax Return.

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.

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?
Yes, a letter indicating that the taxpayer has been identified as meeting the requirement for filing Form 8027 will be sent to taxpayers. The letter will give the requirements and consequences for failing to file the necessary information return, such as applicable failure to file penalties. It will allow the taxpayer an opportunity to respond to our inquiry prior to the IRS taking any enforcement action. All Due Process rights are afforded and taxpayers are given every legal opportunity to provide information in their favor before actions are taken against the taxpayer in accordance with laws and regulations, including a blank Form 8027 that the taxpayer can voluntarily fill out and mail back to us, if the taxpayer meets the filing requirements.

19. If the system is web–based, does it use persistent cookies or other tracking devices to identify web visitors?
No, system will not be web–based.

[View other PIAs on IRS.gov](https://www.irs.gov)