

Date of Approval: October 11, 2016

PIA ID Number: **1873**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Business Master File/Individual Master File, BMFIMFNOT

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.

Business Master File Individual Master File, BMFIMFNOT, MS 4B #558

Next, enter the **date** of the most recent PIA. 12/12/2013

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

- No ___ Addition of PII
- Yes ___ Conversions
- No ___ Anonymous to Non-Anonymous
- Yes ___ 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? No

If yes, explain what changes were made.

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
- Yes ___ System Development/Milestone 4B
- Yes ___ 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.

Technical System Management Change: Used the Commercial-Off-the Shelf (COTS) software named xPression to replaced the Business Master File/Individual Master File Notices

(BMFIMFNOT) Autograph system that was 508 approved in 2015. (Section 508, an amendment to the United States Workforce Rehabilitation Act of 1973, is a federal law mandating that all electronic and information technology developed, procured, maintained, or used by the federal government be accessible to people with disabilities). The BMFIMFNOT system function is strictly transactional, machine-to-machine or batch processing transactions in a group and no user interactions are impacted by this maintenance. The BMFIMFNOT programs build notices using the data obtained through extraction files and detailed account examination programs. The Business Master File (BMF) data is obtained from the Reporting Agent File (RAF) to generate Power of Attorney (POA) notices. The Individual Master File (IMF) data is obtained from the Centralized Authorization File (CAF). The IMF notices, also, provide a spousal record which is generated and mailed to the spouse. xPression is the tool used to compose the IMF, BMF,CAF, Customer Account Data Engine (CADE), Taxpayer Delinquent Account (TDA), Taxpayer Delinquency Investigation (TDI), Real Time System-Individual Taxpayer Identification Number (RTS-ITIN) and E-Authentication notices. (eAuth or E-Authentication verifies individuals' identity by using existing Internal Revenue Service (IRS) tax records. Once verified they are issued credentials (i.e., ID/Password) for access to IRS applications.) xPression is an upgrade from the Autograph application for managing content items (for example, paragraphs to be included in notices based on business rules) and composing notices.

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 Yes On Spouse Yes 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)
No	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).

On certain taxpayer notices that the business customer has identified, the BMFIMFNOT project mitigation strategy involves masking the social security number (SSN) on the correspondence notice and only printing out the last four digits of their SSN to process notice data. The masking of the SSN practice was implemented several years ago.

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	Yes	Yes
Yes	Mailing address	No	No	No

Yes	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
Yes	Date of Birth	Yes	Yes	Yes
No	Place of Birth	No	No	No
Yes	SEID	No	No	No
Yes	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
Yes	Financial Account Numbers	No	No	No
No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
Yes	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	Yes

. 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
Yes	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.
Yes	Proprietary data	Business information that does not belong to the IRS
Yes	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? 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>Yes</u>	SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397
<u>No</u>	PII for personnel administration is 5 USC
<u>Yes</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 SSN is the unique key identifying the field to process an individual's return information. An assigned SSN is a method for uniquely identifying the earning records and social security benefits for millions of people.

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

Data is validated upstream of the Business Master File/ Individual Master File Notice processing. All the date values are determined by the information provided to the BMFIMFNOT processing from the master file or the system date. Taxpayers see plainly on the notice the due date for response and the Internal Revenue Service (IRS) phone numbers are provided for a taxpayer to call if the information is not clear to them. Any taxpayer can challenge in the court of law a notice received by them for anything they determine is inaccurate. The BMFIMFNOT project have service level agreements with the processing centers to deliver the notice 2 weeks in advance of the date of the notice which provide the print sites enough time to print/stuff and mail the notice to the taxpayer in advance of the notice date.

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.

SORNS Number	SORNS Name
IRS 24.030	Customer Account Data Engine Individual Master Fil
IRS 24.046	Customer Account Data Engine Business Master File
IRS 34.037	Audit Trail and Security 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. ##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	Yes	12/12/2013	No	
Individual Master File	Yes	12/12/2013	No	

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

If **yes**, for each federal interface, identify the organization 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>
Social Security Administration	XML	Yes
Small Business Administration	XML	Yes

11c. Does the system receive SBU/PII from State or local agency (-ies)? Yes

If **yes**, for each state and local interface identify the organization 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>
Criminal Investigation Division	XML	Yes
Census Bureau	XML	Yes

financial institutions	XML	Yes
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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>
Taxpayers	XML	Yes
banks	XML	Yes
other financial institution	XML	Yes

11e. Does the system receive SBU/PII from **Taxpayer** forms? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
1040	U.S. Individual Income Tax Return
1040EZ	Income Tax Return for Single and Joint Filers With No Dependents

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
w-4	Employee's Withholding Allowance Certificate
I-9	Employment Eligibility Verification
w-9	Request for Taxpayer Identification Number (TIN) and Certification

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>
Notice Conversion (NOTCON)	Yes	12/12/2013	No	

Identify the authority and for what purpose? Notice Conversion (NOTCON) convert the Business Master File and Individual Master File records with the xPression database. The xPression system replaced the Autograph that was retired.

12b . Does this system disseminate SBU/PII to other Federal agencies? Yes

If **yes** identify the full names of the federal agency(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>
Cencus Bureau	electronic database	Yes
Criminal Investigation Division	electronic database	Yes

Identify the authority and for what purpose? Census Bureau is a user and requester of this data. Criminal Investigation Division is a user and requester of this data.

12c. Does this system disseminate SBU/PII to State and local agencies? Yes

If **yes**, identify the full names of the state and local agency(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>
local government tax system	electronic transfer	Yes
Social Security Agency	electronic transfer	Yes

Identify the authority and for what purpose? Local government tax system and Social Security Agency to cross check system for identification.

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? No

12e. Does this system disseminate SBU/PII to other Sources? No

G. PRIVACY SENSITIVE TECHNOLOGY

13. Does this system use social media channels? Yes

13a. If **yes**, have you conducted a Social Media PIA? Yes

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? Yes

17a. If **yes**, how is notice provided? Was the individual notified about the authority to collect the information, whether such is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects, if any, if they decide not to provide any of the requested information?

BMFIMFNOT uses batch applications to extract taxpayer data from the BMFIMFNOT System. This system uses and notify individuals of how the data gathering of return information for tax administration purposes under IRC 6103(b)(4)(B).

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? An individual cannot decline providing the information because the information is required to carry out the Internal Revenue laws of the United States. Our notices are based on the return filed by the taxpayer. Our notice informs them that an adjustment has been made to their account. If they believe the IRS is in error, they can write or call.

19. How does the system or business process ensure due process regarding information access, correction and redress?
IRS Publication 1 "Your Rights as a Taxpayer" explains the rights of the taxpayer, which includes the right to challenge the IRS' position and be heard; and the right to appeal an IRS decision in an independent forum.

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>	Yes/No	Access Level(Read Only/Read Write/Administrator)
Users	Yes	Read-Only
Managers	Yes	Read and Write
Sys. Administrators	Yes	Administrator
Developers	Yes	Read And Write

Contractor Employees? Yes

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

21a. How is access to SBU/PII determined and by whom? The BMFIMFNOT project have an approved SBU Form 14664 from Privacy that grant the requirements for use on live data. The BMFIMFNOT project only have read access that allows data to come across from the production environment to the development environment. All usage is grated by OL5081 requests and approved by their system administrators. (Sensitive But Unclassified (SBU) refers to any information which if lost, stolen, misused, or accessed or altered without proper authorization, may adversely affect the national interest or the conduct of federal programs (including IRS operations), or the privacy to which individuals are entitled under Freedom of Information Act (FOIA)).

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 ?
Yes

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.

The Business Master File/Individual Master File Notices extracts are approved for destruction in accordance with update cycles as outlined in National Archives and Records Administration (NARA) Job No. NC1-58-76-8. These retention requirements are published in Records Control Schedule (RCS) Document 12990 under RCS 19 for the Martinsburg Computing Center, Item 30. All records housed in the system will be erased or purged from the system at the conclusion of their retention period(s) as required under IRM 1.15.6.

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. This is a Legacy system that is non-FISMA reportable.

J. PRIVACY TESTING

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

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? All 508 issues were tested and system passed.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? The 508 test plan is kept in the project DocIT repository.

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? Yes

25a. If **yes**, was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request? Yes

If **yes**, provide the date the permission was granted. 1/12/2017

25b. If **yes**, was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy? Yes

L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees: Not Applicable
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? Yes

27a. If **yes**, explain the First Amendment information being collected and how it is used. The main IRS webpage provide taxpayer their "Taxpayer their Bill of Rights":The Right to Be Informed, The Right to Quality Service, The Right to Pay No More than the Correct Amount of Tax, The Right to Challenge the IRS's Position and Be Heard,The Right to Appeal an IRS Decision in an Independent Forum,The Right to Finality,The Right to Privacy,The Right to Confidentiality,The Right to Retain Representation and The Right to a Fair and Just Tax System. The information maintained on an individual is pertinent to and within the scope of an authorized law enforcement activity. There is a statute that expressly authorizes its collection.

27b. If **yes**, please check all of the following exceptions (any one of which allows the maintenance of such information) that apply:

The individual about whom the information was collected or maintained expressly authorizes its collection/maintenance (as noted in Q17). Yes

The information maintained is pertinent to and within the scope of an authorized law enforcement activity. (As noted in Q 7) Yes

There is a statute that expressly authorizes its collection. (Identified in Q6) Yes

27c. If **yes**, will the First Amendment information be used as the basis to make any adverse determination about an individual's rights, benefits, and/or privileges? Yes

If **yes**, explain the determination process. Consult with IRS General Legal Services to complete this section. Yes, all of our notices included the next steps that can be taken by the taxpayer to comply with the notice being sent them. We provide a return stub/voucher, envelope, address and call site phone numbers. The penalty and interest information is explained in detail how we computed those values.

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? Yes

If **yes** , does the system have a process in place to account for such disclosures in compliance with IRC 6103 (p) (3) (A) or Subsection (c) of the Privacy Act? Contact Disclosure to determine if an accounting is required. Yes

End of Report
