

Date of Approval: May 22, 2015

PIA ID Number: **1253**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Lead Development Center Database, LDC-DB

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.

Lead Development Center Database, LDC-DB

Next, enter the **date** of the most recent PIA. 6/6/2013

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

Yes 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

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 SBSE Lead Development Center (LDC) was established in April 2002 as authorized in SB/SE Delegation Order 4.60(<http://mysbse.web.irs.gov/reflibrary/imd/delorders/functional/examination/21716.aspx>). The LDC's overall objective is to identify and deter individuals who promote abusive tax schemes and/or prepare abusive returns. The LDC evaluates and develops information from internal and external sources. Additionally, we conduct internet research to identify promoters/preparers and detect promotional material that market abusive tax schemes through the Internet. As the national clearinghouse for promoter and preparer leads LDC's role is to conduct research and develop leads relating to Abusive Transactions, authorize IRC 6700/6701 investigations, provide field support for on-going investigations, coordinate with Criminal Investigation, Counsel, and DOJ to ensure that appropriate penalties and/or sanctions are pursued when warranted. The LDC Database provides a central resource for keeping track of all promoter and preparer leads received as well as the disposition of each lead and work status of any examinations authorized.

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 variations of SSN s (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or SSN variation) is collected on.

Yes On Primary No On Spouse No On Dependent

If **yes**, check all types SSN s (or variations of SSN s) 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 Preparer Taxpayer Identification Number (PTIN)

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN s (or variations of SSN s).

None. We need the SSN identifier to pull in data from ERCS and CIMIS systems. As well LDC employees use the SSN to confirm the identity of abusive promoters and preparers.

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
No	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 it uses, collects, receives, displays, stores, maintains, or disseminates? No

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)

- Yes PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
- No 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 variations) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The SB/SE Lead Development Center is charged with authorizing all promoter and preparer investigations of individuals and entities suspected of participating in abusive activities within the purview of both the SB/SE and TE/GE operating divisions. As the sole authority to authorize these investigations, the LDC must maintain an accurate, complete database of all information (leads) received regarding individuals/entities suspected and/or authorized for investigation and the results

of any investigation authorized. In order to properly identify referred individuals/entities, and track results of the investigations, SSNs, EINS, PTINs, and other such PII must be utilized.

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

Most PII is manually entered into the system, and there are cross checks via visual verification and use of the data by the databases users. The data is updated bi-monthly by the Field end-users (the authorized leads currently being worked).

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

Treas/IRS 42.021 Special Projects and Program Files

Treas/IRS 34.037 IRS audit trail and security records system

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.

System Name **Current PIA?** **PIA Approval Date** **SA & A?** **Authorization Date**

18b. If no, why not? The data is gathered from third party sources reporting suspected abusive transactions, promoters or preparers. The LDC records the data reported and subsequent actions taken, such as authorized investigations and the results of those investigations. The result could be a determination that no action was required (discontinued investigation or survey), penalties assessed, or a civil injunction secured, with or without penalties. If a report is received about a matter or person that does not rise to the level of an abusive transaction, that data is not gathered or entered.

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

If the individual/entity is authorized for investigation, all due process is addressed as part of that investigation. The results of the investigation are also recorded in the database for future reference. Any errors contained in the database are generally identified by the Agents assigned to an investigation and are corrected when identified, on the bi-monthly reports. Much as other internal systems such as IDRS don't contain a "due process" or redress procedure, this system also does not have that feature.

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-Only
Managers	No	
Sys. Administrators	Yes	Read and Write
Developers	No	

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? SB/SE LDC Program Manager determines 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 ? 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? 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.

In process. We are presently discussing retention needs with RMO, and will prepare a records destruction plan for data no longer needed with their assistance.

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? Do not know

23.1 Describe in detail the system s audit trail. No audit trails. System is only used by a small number of Analysts within SBSE Headquarters Exam, working in Abusive Transactions. Since the last approved PIA, certain elements of the database have been appended to the the Return Preparers Office database, which is accessed by users controlled via the OL 5081 system and may contain an audit trail, but is not under the control of the SB/SE LDC.

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 2002.

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>Under 50,000</u>
26b. Contractors:	<u>Not Applicable</u>
26c. Members of the Public:	<u>Under 100,000</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
