

Date of Approval: **May 11, 2020**

PIA ID Number: **4675**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

National Research Program, NRP

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym and milestone of the most recent PCLIA?

National Research Program, NRP, ID 2084

What is the approval date of the most recent PCLIA?

2/8/2017

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

Research Directors' Coordinating Council, RDCC

Current ELC (Enterprise Life Cycle) Milestones:

Operations & Maintenance (i.e. system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

Yes

GENERAL BUSINESS PURPOSE

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 National Research Program (NRP), which is part of Research, Applied Analytics and Statistics (RAAS), was designed to facilitate the collection and use of data that describe taxpayer compliance with federal requirements for filing tax returns, reporting income, deductions, taxes and credits, and paying taxes owed. In 2000, IRS established the NRP office as part of its efforts to develop and monitor strategic measures of taxpayer compliance. The NRP seeks to increase public confidence in the fairness of our tax system by helping the IRS identify where voluntary compliance problems occur so that the IRS can efficiently utilize its resources to address those problems. The NRP application is a web-based application that provides general users including examiners, classifiers, managers, Report Generation System (RGS) coordinators, NRP coordinators, national office staff, and transcribers with current information on NRP studies in progress. The application also provides historical information on previous NRP studies. Each NRP study currently resides in its own database. NRP System Administrators and Database Administrators provide day-to-day administration of the underlying operating system and Database Management System (DBMS). NRP users access the application through one of several internal IRS Websites using their IRS UserID and password. NRP does not require any additional user authentication. Due process is provided outside the database by the provisions by title 26.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

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

What types of tax identification numbers (TIN) apply to this system?

Social Security Number (SSN)

List the approved Treasury uses of the SSN:

When there is no reasonable alternative means for meeting business requirements

Statistical and other research purposes

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers)

SSNs are the primary key, used by auditors and analysts to tie together tax forms relating to a tax case. There is no other feasible way to perform the work of NRP without having the ability to use SBU/PII for this purpose. It is also not feasible to have an alternative method that still links all the elements of a tax audit to particular taxpayers.

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

The Office of Management and Budget circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs, which the Service continues to develop strategies to meet. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. The NRP system requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Employer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e. names, addresses, etc.)?

Yes

Specify the PII Elements:

Name

Mailing address

Phone Numbers

E-mail Address

Date of Birth

Standard Employee Identifier (SEID)

Certificate or License Numbers

Vehicle Identifiers

Financial Account Numbers

Tax Account Information

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

Yes

Specify the types of SBU from the SBU Types List

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.

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

Are there other types of SBU/PII used in the system?

Yes

Describe the other types of SBU/PII that are applicable to this system.

Tax returns & associated schedules, results of taxpayer examinations

Cite the authority for collecting SBU/PII (including SSN if relevant)

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

SSN for tax returns and return information is Internal Revenue Code Section 6109

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

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.

SSNs are the primary key, used by auditors and analysts to tie together tax forms relating to a tax case. Other tax information associated with tax returns and results of taxpayer examinations are needed to allow for analysis concerning the nature of noncompliance in the taxpayer population and to develop algorithms to determine efficient workload selection. This information is also used to answer congressionally-mandated reporting requirements and to inform policy making for Treasury and other agencies. There is no other feasible way to perform the work of NRP without having the ability to use SBU/PII for this purpose. It is also not feasible to have an alternative method that still links all the elements of a tax audit to particular taxpayers or provides a comprehensive view of noncompliance and reliable means to address reporting requirements from Congress & Treasury.

How is the SBU/PII verified for accuracy, timeliness and completion?

EOAD (Examination Operational Automation Database) data is verified through consistency checks done by NRP and compared to the return data to ensure no false data has been processed. NRP also does additional verification checks during data loads to ensure accuracy of the data.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

Yes

Identify the Privacy Act SORN(s) that cover these records.

- IRS 22.061 Information Return Master File
- IRS 24.030 Customer Account Data Engine Individual Master File
- IRS 24.046 Customer Account Data Engine Business Master File
- IRS 42.021 Compliance Programs and Projects Files

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: BMF (Business Master File)
Current PCLIA: Yes
Approval Date: 8/27/2018
SA&A: Yes
ATO/IATO Date: 1/29/2018

System Name: CDEr3 (Compliance Data Environment, Release 3)
Current PCLIA: Yes
Approval Date: 3/19/2019
SA&A: Yes
ATO/IATO Date: 2/28/2020

System Name: CDW (Compliance Data Warehouse)
Current PCLIA: Yes
Approval Date: 8/30/2018
SA&A: Yes
ATO/IATO Date: 5/29/2018

System Name: IRDM (Information Reporting and Document Matching)
Current PCLIA: Yes
Approval Date: 2/19/2019
SA&A: Yes
ATO/IATO Date: 12/6/2019

System Name: WebCBRS (Web Currency & Banking Retrieval System)
Current PCLIA: Yes
Approval Date: 4/28/2019
SA&A: Yes
ATO/IATO Date: 6/21/2019

System Name: EOAD (Examination Operational Automation Database)
Current PCLIA: Yes
Approval Date: 9/19/2018
SA&A: No

System Name: IMF (Individual Master File)
Current PCLIA: Yes
Approval Date: 3/4/2020
SA&A: Yes
ATO/IATO Date: 11/26/2019

System Name: IRP (Information Returns Processing)
Current PCLIA: Yes
Approval Date: 3/16/2020
SA&A: Yes
ATO/IATO Date: 5/22/2019

Does the system receive SBU/PII from other federal agency or agencies?

No

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

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: F1040 Form Name: U.S. Individual Income Tax Return

Form Number: F1120 Form Name: U.S. Corporation Income Tax Return

Form Number: F941 Form Name: Employer's Quarterly Federal Tax Return

Form Number: F720 Form Name: Quarterly Federal Excise Tax Return

Does the system receive SBU/PII from Employee forms (e.g. the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

No

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

Yes

How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?

The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. When a return is selected for Examination, Collection etc., the taxpayer is sent the Privacy Act Notice, Your Appeals Rights and How to Prepare a Protest and Overview of the Appeals Process.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

No

Why not?

All individuals have the right to decline to provide information. However, they may be subject to Examination or Deficiency procedures, at which time they are provided applicable notices, such as Your Appeals Rights and How to Prepare a Protest.

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

The NRP process and procedures are dictated by the Internal Revenue Manual guidelines. IRS policy allows individuals whose data is in the system the opportunity to clarify or dispute negative determinations through the appeals process.

INFORMATION PROTECTION

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

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Only

Managers: Read Only

System Administrators: Read Only

Developers: Read Write

How is access to SBU/PII determined and by whom?

Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a user be added. They must fill out Form 5081, Information System User Registration/Change Request, to request access to the application. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on Form 5081. All user access must be approved by the NRP Approval Group.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

RCS 27 Item 6-Final Definition or Data Dictionary-Retire to Records Center when 5 years old. Transfer to NARA when 30 years old. RCS 22 Item 29 (1)-National Research Program (NRP)-(1) Official record copy (microfilm or hard copy)-Destroy when 15 years old. RCS 22 Item 29 (2)-National Research Program (NRP)-(2) All other copies-Destroy when no longer needed in current operations or when 5 years old, whichever is earlier. RCS 23 Item 14-National Research Program (NRP)-Destroy when 25 years old. GRS 5.1 Item 010-Administrative records maintained in any agency office-Destroy when business use ceases.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

Yes

What date was it completed?

3/25/2019

Describe the system's audit trail.

The system collects all of the following: employee log-in information, any actions taken by the employee, and the date of the activity.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

Treasury FISMA Inventory Management System (TFIMS).

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

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?

Continuous Monitoring (eCM) (now called Annual Security Control Assessment (ASCA)) occurs annually to ensure that controls remain in place to properly safeguard PII.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

No

NUMBER AND CATEGORY OF PII RECORDS

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

IRS Employees: Not Applicable

Contractors: Not Applicable

Members of the Public: 100,000 to 1,000,000

Other: No

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

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