

Date of Approval: February 8, 2017

PIA ID Number: **2084**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. National Research Program, NRP

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.

National Research Program, NRP, ID 615

Next, enter the **date** of the most recent PIA. 12/18/2013

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

<u>No</u>	Addition of PII
<u>No</u>	Conversions
<u>No</u>	Anonymous to Non-Anonymous
<u>No</u>	Significant System Management Changes
<u>No</u>	Significant Merging with Another System
<u>No</u>	New Access by IRS employees or Members of the Public
<u>No</u>	Addition of Commercial Data / Sources
<u>No</u>	New Interagency Use
<u>No</u>	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)

<u>No</u>	Vision & Strategy/Milestone 0
<u>No</u>	Project Initiation/Milestone 1
<u>No</u>	Domain Architecture/Milestone 2
<u>No</u>	Preliminary Design/Milestone 3
<u>No</u>	Detailed Design/Milestone 4A
<u>No</u>	System Development/Milestone 4B
<u>No</u>	System Deployment/Milestone 5
<u>Yes</u>	Operations & Maintenance (i.e., system is currently operational)

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

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 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 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.

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)
No	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).

The Office of Management and Budget memorandum M-17-12 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.

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</u> <u>Primary</u>	<u>On</u> <u>Spouse</u>	<u>On</u> <u>Dependent</u>
Yes	Name	Yes	Yes	Yes
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
Yes	E-mail Address	No	No	No
Yes	Date of Birth	Yes	Yes	No
No	Place of Birth	No	No	No
Yes	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
Yes	Certificate or License Numbers	No	No	No
Yes	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
No	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	Yes

6c. Does this system contain SBU information that is not PII, 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)

No	PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
Yes	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 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. 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.

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

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.

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.

<u>SORNS Number</u>	<u>SORNS Name</u>
22.061	Individual Return Master File
24.030	CADE Individual Master File
24.046	CADE Business Master File
34.037	IRD Audit Trail and Security System
36.003	General Personnel and Payroll Records
42.021	Compliance Programs and Project Files

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>
BMF (Business Master File)	Yes	04/24/2015	Yes	03/13/2013
CDEr3 (Compliance Data Environment, Release 3)	Yes	02/05/2016	Yes	01/22/2016
CDW (Compliance Data Warehouse)	Yes	03/18/2016	Yes	02/11/2015
IRMF (Information Returns Master File Processing)	Yes	03/04/2014	No	02/11/2015
WebCBRS (Web Currency & Banking Retrieval System)	Yes	03/16/2016	No	02/11/2015
EOAD (Examination Operational Automation Database)	Yes	09/22/2015	No	02/11/2015
IMF (Individual Master File)	Yes	05/02/2014	No	02/11/2015
IRP (Information Returns Processing)	Yes	03/12/2014	No	02/11/2015

11b. Does the system receive SBU/PII from other federal agency or agencies? No

11c. Does the system receive SBU/PII from State or local agency (-ies)? No

11d. Does the system receive SBU/PII from other sources? No

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

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
F1040	U.S. Individual Income Tax Return
F1120	U.S. Corporation Income Tax Return
F941	Employer's Quarterly Federal Tax Return
F720	Quarterly Federal Excise Tax Return

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)? No

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII? No

G. PRIVACY SENSITIVE TECHNOLOGY

13. Does this system use social media channels? No

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? No

17b. If **no**, why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources. 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.

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? 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.

19. 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.

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

Contractor Employees? No

21a. 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.

- 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? 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.

NRP master data files are approved as permanent records under National Archives (NARA) Job No. N1-58-05-7, item 6 (Final Perfected Research Files [Study File]). Disposition instructions dictate that electronic files be transferred to NARA in 5-year blocks when 30 years old. When next published/updated, item 6 and other NRP-related records can be found in Document 12990 under Records Control Schedule (RCS) 27 for Compliance Research. The associated IRM Number is 1.15.2.3.

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)? In-process

- 23b. If **in process**, when is the anticipated date of the SA&A or ECM-R completion? 3/1/2017

23.1 Describe in detail 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.

J. PRIVACY TESTING

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

- 24b. If **yes**, Is the test plan in process or completed: In Process

If **in process**, when is the test plan scheduled for completion? 3/1/2017

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? We are currently in the middle of testing on a wide range of issues, including vulnerability scanning, configuration settings, flaw remediation, authenticator management, account management, and audit generation. The results of these tests are being documented and stored on a SharePoint site.

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: Not Applicable
26b. Contractors: Not Applicable
26c. Members of the Public: 100,000 to 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? 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
