
A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Preparer Inventory, PREP-INV

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.

Preparer Inventory, PREP-INV,657, MS5

Next, enter the **date** of the most recent PIA. 7/2/2014

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

If yes, explain what changes were made.

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>Yes</u>	System Development/Milestone 4B
<u>Yes</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? 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.

Preparers Inventory (PREP INV) is a system that runs weekly and produces an inventory file of taxpayer preparer information extracted from Individual Master File (IMF) returns data from form 1040 and Business Master File (BMF) for many different form numbers. RPVOL is the child system of PREP INV. The Return Preparer Inventory On-Line (RPVOL) system provides users access to Tax Preparer and associated taxpayer data. This information is extracted from the Individual Return Transaction File (IRTF) and the Business Return Transaction File (BRTF). The current year data and three prior years are maintained. The Return Preparer Inventory On-Line (RPVOL) system consists of three command codes and two batch programs. Command code RPVCU is used to search for the current cycle data. Command code RPVUE retrieves current year or any three prior years' information. Command code RPPRT will generate a print request along with a confirmation screen.

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)
Yes	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-07-16 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. The Preparer Inventory system requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. 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 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
Yes	E-mail Address	No	No	No
Yes	Date of Birth	Yes	Yes	Yes
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
Yes	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
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? 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
No	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.
No	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? Yes

If **yes**, describe the other types of SBU/PII that are applicable to this system. PII Name on Public? On Employee? employer's identification number Yes No Company Name Yes No Phone Number Yes No spouse's name Yes No spouse's phone number Yes No spouse's SSN Yes No Bank Routing Number Yes No Bank Account Number Yes No Beneficiary's Identification Number Yes No Beneficiary's address Yes No Business Partner's name Yes No Business Partner's Address Yes No Partnership Identifying Number Yes No Bank Name Yes No Bank Address Yes No Date of Death Yes No Citizenship Indicators Yes 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)
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.

This command code displays PTIN information for both business and individual filers at the request of field users enabling researching of various tax issues. All filed information is of potential interest. Some PII information is used as the key to identifying the requested return.

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

No verification of the PII data elements is done through the Preparer Inventory programs. Preparer Inventory only reads the data on the IMF and BMF files. Verification is done by Individual Master File (IMF) and Business Master File (BMF).

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>
IRS 24.046	CADE Business Master File
IRS 24.030	CADE Individual Master File
IRS 34.037	IRS Audit Trail and Security Records System
IRS 22.063	Electronic Filing 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>
National Account Profile (NAP)	Yes	03/21/2017	No	
Stakeholder Partnerships, Education & Communication Total Relationship Management (SPECTRM)	Yes	08/14/2014	No	

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? 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>
Tax Professional PTIN System (TPPS) data from Accenture	Enterprise File Transfer Utility (EFTU)	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>
941	Employer's Quarterly Federal Tax Return
1120-C	U.S. Income Tax Return for Cooperative Associations
1120-RIC	U.S. Income Tax Return for Regulated Investment Companies
1120-SF	U.S. Income Tax Return for Settlement Funds (Under Section 468B)
1120-FSC	U.S. Income Tax Return of a Foreign Sales Corporation
1120-ND	Return for Nuclear Decommissioning Funds and Certain Related Persons
1120	U.S. Corporation Income Tax Return
1120-RIC	U.S. Income Tax Return for Regulated Investment Companies
1120-REIT	U.S. Income Tax Return for Real Estate Investment Trusts
1120-PC	U.S. Property and Casualty Insurance Company Income Tax Return
1120-S	U.S. Income Tax Return for an S Corporation
1120-POL	U.S. Income Tax Return for Certain Political Organizations
1120-X	Amended U.S. Corporation Income Tax Return
1120-F	U.S. Income Tax Return of a Foreign Corporation
1120-H	U.S. Income Tax Return for Homeowners Associations
720	Quarterly Federal Excise Tax Return
1041	U.S. Income Tax Return for Estates and Trusts
1041-N(QFT)	U.S. Income Tax Return for Electing Alaska Native Settlement Trusts
1065	U.S. Return of Partnership Income
1065-B	U.S. Return of Income for Electing Large Partnerships
1066	U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return
8804	Annual Return for Partnership Withholding Tax (Section 1446)
CT-1	Employer's Annual Railroad Retirement Tax Return
940EZ	Employer's Annual Federal Unemployment (FUTA) Tax Return
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
943	Employer's Annual Federal Tax Return for Agricultural Employees
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
944(SS)	Employer's ANNUAL Federal Tax Return
8752	Required Payment or Refund Under Section 7519
945	Annual Return of Withheld Federal Income Tax
1040	U.S. Individual Income Tax Return
990c	Return of Organization Exempt From Income Tax
990t	Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))
5227	Split-Interest Trust Information Return
3520-A	Annual Information Return of Foreign Trust With a U.S. Owner (Under Section 6048(b))
990PF	Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private F
8038	Information Return for Tax-Exempt Private Activity Bond Issues
8038-G	Information Return for Tax-Exempt Governmental Obligations
8038-GC	Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales
8038-T	Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
8328	Carryforward Election of Unused Private Activity Bond Volume Cap
8038-CP	Returns for Credit Payments to Issuers of Qualified Bonds
5227	Split-Interest Trust Information Return

3520-A	Annual Information Return of Foreign Trust With a U.S. Owner (Under Section 6048(b))
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8038-T	Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
8328	Carryforward Election of Unused Private Activity Bond Volume Cap
8038-CP	Returns for Credit Payments to Issuers of Qualified Bonds
8871	Political Organization Notice of Section 527 Status
8872	Political Organization Report of Contributions and Expenditures
4720	Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code
709	United States Gift (and Generation-Skipping Transfer) Tax Return
706-NA	United States Estate (and Generation-Skipping Transfer) Tax Return
706	United States Estate (and Generation-Skipping Transfer) Tax Return
2290	Heavy Highway Vehicle Use Tax Return
11-C	Occupational Tax and Registration Return for Wagering
730	Monthly Tax Return for Wagers
990	Return of Organization Exempt From Income Tax
990EZ	Short Form Return of Organization Exempt from Income Tax
990EZ-REV	Short Form Return of Organization Exempt from Income Tax
990N	Return of Organization Exempt From Income Tax
990REV	Return of Organization Exempt From Income Tax
3520	Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts
5330	Return of Excise Taxes Related to Employee Benefit Plans
706-GS(T)	Generation-Skipping Transfer Tax Return for Terminations
706-GS(D)	Generation-Skipping Transfer Tax Return for Distributions
8038-B	Information Return for Build America Bonds and Recovery Zone Economic Development Bonds
8038-TC	Information Return for Tax Credit Bonds

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? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? No

12b. Does this system disseminate SBU/PII to other Federal agencies? No

12c. Does this system disseminate SBU/PII to State and local agencies? No

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? No

14. Does this system use privacy-sensitive technologies such as mobile, 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?

Notice is provided to individuals by other Internal Revenue Service (IRS) applications or through forms (e.g., 1040 forms) that interact directly with the taxpayer at the time of collection. Due Process is provided pursuant to 5 USC.

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

18a. If **yes**, describe the mechanism by which individuals indicate their consent choice(s):

This system does not collect any information directly from taxpayers. All information that is stored in this system comes from the submission of tax returns submitted directly to the IRS through other IRS systems (BMF, IMF, etc.). Information from the tax returns is subsequently shared from the other applications to this system. The tax return form provides taxpayers information regarding the opportunity to decline or consent to providing the information.

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

This system is not a repository of taxpayer information. Preparer Inventory passes data that is submitted directly to the IRS through other IRS applications. This System does not interact with taxpayers directly and thus "due process" is addressed by other IRS applications that directly interact with taxpayers. Any issues that are identified by these other means will submit changes to this system through automated methods so an auditable record may be maintained. Due Process is provided to 5 USC.

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? Users must apply for access via the OL5081 system. Management and security must then approve the request. The Security and Communications System (SACS) system then enforces these access permissions. Developers needing write access to the files must also apply through the OL5081 system and be granted Resource Allocation Control File (RACF) access.

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.

Preparer Inventory data is approved for destruction 3 years after the end of the processing year in which the file is extracted (Job No. N1-58-09-109, approved 12-7-2009). This disposition authority also provides for the retention of system inputs, outputs and documentation. These disposition instructions are published in IRS Document 12990 under Records Control Schedule 19 for the Enterprise Computing Center - Martinsburg, Item 85 as Returns Transaction File on Line System (RTFOL).

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. Preparer Inventory relies upon the monitoring/evaluating activities that are done by the SACS and RACF systems. Security Audit and Analysis System (SAAS) enables users to analyze and report on audit log data for Preparer Inventory application. All audit trail records generated from Preparer Inventory are available for review and analysis in the SAAS Data Warehouse by authorized users. Preparer Inventory audit data is transmitted directly to SAAS via Application Messaging and Data Access Service infrastructure system. SAAS collects, stores, and reports audit trail data for the investigation of instances of Unauthorized Access violations against IRS applications. The audit trail consists of a standardized record and is flexible to capture all events of audit interest. SAAS can be accessed only through the IRS Intranet.

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? 9/18/2017

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?

Preparer Inventory is a non-Federal Information Security Management Act reportable system. It relies on National Institute of Standards and Technology controls from the parent information system -- General Support System (GSS) No 21. Tests and validation activities are conducted on GSS-21 management, technical and operational controls to verify and validate that the applicable privacy requirements have been met.

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. 8/30/2016

25b. If **yes**, was testing performed in conformance with IRM 10.5.8, Sensitive But Unclassified (SBU) Data Policy: Protecting SBU in Non-Production Environments? Yes

L. NUMBER AND CATEGORY OF PII RECORDS

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

26a. IRS Employees:	<u>Not Applicable</u>
26b. Contractors:	<u>Not Applicable</u>
26c. Members of the Public:	<u>More than 1,000,000</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
