

Date of Approval: **September 03, 2019**

PIA ID Number: **4354**

## **SYSTEM DESCRIPTION**

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

Issue Management System, IMS

*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?*

Issue Management System, IMS PIA #1799

*What is the approval date of the most recent PCLIA?*

8/24/2016

*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.*

Compliance Domain Management-Level Governance Board (CDMLGB)

*Current ELC (Enterprise Life Cycle) Milestones:*

System Development/Milestone 4B

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.*

Issue Management System (IMS) is a legacy, non-major (high impact), planned maintenance system/application sponsored by Large Business and International (LBI). This system/application initially went into production in 2004 and provides the following functionality to LBI, LBI-Tax Treaty (TT), LBI- Exchange of Information (EOI); Small Business/Self Employed (SBSE)- Excise, SBSE- 637, SBSE- Estate and Gift Tax Field (EGT), SBSE- Estate and Gift Tax Campus/Estate Tax Program (ETP), SBSE- Fraud Inventory Tracking System (FITS), SBSE- Employment Tax Program (ET); and Office of Appeals user groups: Supports issue identification and reporting, enables management of documents, case inventories, and approvals; Facilitates remote and disconnected work and supports planning and forecasting.

### **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:*

Interfaces with external entities that require the SSN

Legal/statutory basis (e.g. where collection is expressly required by statute)

When there is no reasonable alternative means for meeting business requirements

Statistical and other research purposes

Delivery of governmental benefits, privileges, and services

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

Examination issues represents areas of non-compliance with the tax code. By tracking these issues, the IRS will be in a better position to offer taxpayer assistance to correct or eliminate areas of non-compliance.

*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 uses 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. IMS requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time.

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

Phone Numbers

Date of Birth

Standard Employee Identifier (SEID)

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 (SBU List)*

Agency Sensitive Information - Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission

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.

*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.*

Federal Tax Information.

*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

SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

*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.*

Examination issues represents areas of non-compliance with the tax code. By tracking these issues, the IRS will be in a better position to offer taxpayer assistance to correct or eliminate areas of non-compliance.

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

Completeness and accuracy will be verified by managerial review of system generated correspondence and forms, by built in validation rules and record normalization routines, and by matching to commercial locator service databases. Timeliness will be verified by IMS reviewers and coordinators and by managerial review of system generated correspondence.

## **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 42.021 Compliance Programs and Projects Files

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## For 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: Issue Based Management Information System (IBMIS)

Current PCLIA: Yes

Approval Date: 12/22/2016

SA&A: Yes

ATO/IATO Date: 12/8/2018

System Name: Security Audit and Analysis System (SAAS)

Current PCLIA: Yes

Approval Date: 4/13/2018

SA&A: Yes

ATO/IATO Date: 6/12/2017

System Name: Examination Returns Control System (ERCS)

Current PCLIA: Yes

Approval Date: 2/7/2017

SA&A: Yes

ATO/IATO Date: 12/15/2018

System Name: Total Automated Personnel System (TAPS/SETR)

Current PCLIA: Yes

Approval Date: 10/5/2017

SA&A: Yes

ATO/IATO Date: 3/10/2019

*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: 1040 Form Name: US Individual Income Tax Return

Form Number: 1065 Form Name: US Return of Partnership Income

Form Number: 1120 Form Name: US Corporation Income Tax Return

Form Number: 940 Form Name: Employer's Annual Federal Unemployment Tax Return  
(FUTA)

Form Number: 941 Form Name: Employer's Quarterly Federal Tax Return Series

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

No

## DISSEMINATION OF PII

*Does this system disseminate SBU/PII?*

Yes

*Does this system disseminate SBU/PII to other IRS Systems?*

Yes

*Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.*

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Current PCLIA: Yes

Approval Date: 12/22/2016

SA&A: Yes

ATO/IATO Date: 12/8/2018

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Current PCLIA: Yes

Approval Date: 2/7/2017

SA&A: Yes

ATO/IATO Date: 12/15/2018

*Identify the authority*

Delegation Order 4-12 (Rev. 2).



*For what purpose?*

Designation to Act as Competent Authority under Tax Treaties, Tax Information Exchange Agreements, Tax Coordination Agreements, and Tax Implementation Agreements to authorize the Disclosure of Tax Information under Mutual Legal Assistance Treaties and to disclose certain Tax Convention Information.

*Does this system disseminate SBU/PII to other Federal agencies?*

No

*Does this system disseminate SBU/PII to State and local agencies?*

No

*Does this system disseminate SBU/PII to IRS or Treasury contractors?*

No

*Does this system disseminate SBU/PII to other Sources?*

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?*

Publication 1, Your Rights as a Taxpayer along with Notice 609, Privacy Act Notice is provided to a taxpayer (in person, by phone, video conference, etc.) during an examination. Publication 5125, LB&I Examination Process and IRC 7602, Examination of Books and Witnesses is shared with the taxpayer to discuss how information will be used in an examination and the resolution options available to them if they do not agree (e.g. managerial conference, Fast Track Settlement, formal appeal, right to petition the United States Tax Court). In addition, the examiner must document receipt of Publication 1 and Notice 609 as part of their casefile.

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

Yes

*Describe the mechanism by which individuals indicate their consent choice(s):*

IMS provides an automated tool to assist its examiners and examination teams in the examination process. IMS provides an issue-driven compliance approach, which identifies and investigates issues. The application collects issue-based information on audits in a way that makes it available centrally for exam monitoring and strategy development. These audit cases are addressed by other IRS applications and forms that directly interact with taxpayers. Due Process is provided pursuant to 5 USC. Thus “notice, consent and due process” are addressed both before the case is added to IMS and during the tracking process. In the planning process, a preliminary risk analysis is performed to determine if the case is worthy of examination. This preliminary analysis may indicate a situation where a survey would be appropriate. Consideration should be given to examining a more current year if the initial analysis so indicates.

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

IMS provides an automated tool to assist its examiners and examination teams in the examination process. IMS provides an issue-driven compliance approach, which identifies and investigates issues. The application collects issue-based information on audits in a way that makes it available centrally for exam monitoring and strategy development. These audit cases are addressed by other IRS applications and forms that directly interact with taxpayers. Due Process is provided pursuant to 5 USC. Thus “notice, consent and due process” are addressed both before the case is added to IMS and during the tracking process. In the planning process, a preliminary risk analysis is performed to determine if the case is worthy of examination. This preliminary analysis may indicate a situation where a survey would be appropriate. Consideration should be given to examining a more current year if the initial analysis so indicates.

## **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 Write

Managers: Read Write

System Administrators: Read Only

Developers: Read Write

*IRS Contractor Employees*

Contractor Users: Read Write

Contractor Developers: Read Write

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

Case Management will associate the tax return with developing issues, working papers and other data relevant to an audit. The team coordinator or manager will assign individuals/teams needed to complete specific tasks for the Examination Access is granted through the On-line 5081 system by the Manager and IMS System Administrator based on a user's position and need-to-know.

## **RECORDS SCHEDULE**

*Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) archives 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.*

IMS is properly scheduled under Records Control Schedule (RCS) 26 for Tax Administration- International (LBI), Item 47 (Job No. N1-58-09-105). All information related to the examination will be removed from the examiner's laptop upon closing the case. All information on the examiner's laptop will be stored in a central repository where it will be retained for five years after cutoff in accordance with the National Archives approved job number referenced above. The approved Job also provides (temporary) dispositions for IMS inputs, outputs and system documentation.

## **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?*

5/7/2017

*Describe the system's audit trail.*

IMS has a Cybersecurity approved audit plan. IMS's audit log shows failed logon attempts because either the user account-name or password is incorrect. Audit events that are application-specific are recorded in an audit trail log, transaction log and error log. Application-level audit trails monitor and log end-user activities (including administrative users). Event records specify data files opened and closed, specific actions, such as reading, editing, deleting records or fields, and printing records, etc. IMS is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

## **PRIVACY TESTING**

*Does the system require a System Test Plan?*

Yes

*Is the test plan completed?*

No

*When is the test plan scheduled for completion?*

10/7/2019 12:00:00 AM

*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?*

IMS is currently in the Operations and Maintenance phase of its lifecycle. Continuous Monitoring (now called Annual Security Control Assessment) 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: Under 50,000

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