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## A. SYSTEM DESCRIPTION

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1. Enter the full name and acronym for the system, project, application and/or database. Locator Services System - Address Research, LSS-ADR

2. Is this a new system? Yes

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? Yes

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### A.1 General Business Purpose

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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 general purpose and benefit of Locator Services System - Address Research (LSS-ADR) is to reduce the number of undelivered notices and letters mailed to taxpayers so that postage costs are minimized, and taxpayer contact information is current and accurate. As cited in a 2010 Treasury Inspector General for Tax Administration (TIGTA) report on undeliverable mail: "During Fiscal Year 2009, approximately 19.3 million pieces of mail were returned to the IRS at an estimated cost of \$57.9 million." There are three components of LSS-ADR: two batch processes (Telephone Research, or TNR, and Address Research, or ADR) and one online application (ADR Online). ADR Online is used by Campus clerical employees to scan in undelivered mail and update addresses when appropriate. In response to requests from IRS Compliance customers, address and phone information is obtained from internal IRS tax records (part of Taxpayer Information File (TIF) and Corporate Files Online (CFOL) as well as external research via Procurement-approved vendor contracts to find new "candidate addresses." The batch 2797 letter mailing process (also known as the "R-U-There," or RUT, letter) is done by the IRS' Correspondence Production Service (under Wage & Investment, Media and Publications, Distribution). These letters are mailed to the "candidate addresses" so that the taxpayer will review the "candidate address" and return the letter, either confirming the candidate address and phone number (signature and date required) or giving new contact information. Address and telephone changes confirmed by taxpayers are uploaded as new "addresses of record" to the TIF and CFOL database. Address information is then returned to the IRS Compliance customer who originally requested this research.

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**B. PII DETAIL**

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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            No    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-07-16 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 LSS-ADR 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. The 2797 R-U-There Letters are sent with a truncated SSN (showing only the last four digits of the SSN) and a barcode that when scanned by IRS employees provides the full SSN. Employer Identification Numbers are not truncated. TIN/SSNs are needed to track the individual case reviews conducted by the managers, system owners and customers' quality review staff. Access to TIN/SSN data is limited based on the user's position in the organization and on a need to know basis. Managers can retrieve TIN/SSN data for their employee's taxpayer cases within their chain of command. Access to TIN/SSN data by system owners and quality review staff is limited to users based on a need to know. Potential new customers have limited access to test how LSS-ADR may benefit their compliance programs. All users must first register for access under the On-Line 5081 (OL5081) certification system.

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	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
No	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
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	No

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? Yes

If **yes**, describe the other types of SBU/PII that are applicable to this system. As part of the query function of Toad for Oracle (using the Inventory Delivery System database at the Tennessee Computing Center, IDS-TCC), cross-references can be made from the TIN of the undelivered mail to the taxpayer module account, such as the date of the most recent Collection Statute Expiration Date (CSED). Access to IDS-TCC is controlled via an approval system under the OL5081 system. Users of IDS-TCC must have an official need to know.

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
- Yes 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

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**B.1 BUSINESS NEEDS AND ACCURACY**

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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.

The Locator Services System - Address Research (LSS-ADR) is a batch processing support system that gathers taxpayer data from the Taxpayer Information File (TIF) and Corporate Files Online (CFOL) automatically. Data files are received daily via connection interface from TIF and CFOL. LSS-ADR supports casework by using its research services to obtain the most current address and telephone information for taxpayer accounts.

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

LSS-ADR performs internal testing of each subsystem as well as responses from vendor's external research. Address and telephone information obtained from taxpayers, vendor research or Postal forwarding addresses are included in periodic sample tests to evaluate accuracy, timeliness and completeness. Tests include a comparison of internal address information records with those obtained from R-U-There letters, undelivered mail with expired forwarding addresses, and vendor's external research of publicly available information.

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**C. PRIVACY ACT AND SYSTEM OF RECORDS**

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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>
Treasury/IRS 24.030	Customer Account Data Engine Individual Master File
Treasury/IRS 24.046	Customer Account Data Engine Business Master File
Treasury/IRS 26.019	Taxpayer Delinquent Account Files
Treasury/IRS 26.020	Taxpayer Delinquency Investigation Files
Treasury/IRS 34.037	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

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**D. RESPONSIBLE PARTIES**

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10. Identify the individuals for the following system roles. ## Official Use Only

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**E. INCOMING PII INTERFACES**

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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 &amp; A?</u>	<u>Authorization Date</u>
Automated Collection System (ACS)	Yes	12/18/2015	Yes	01/13/2016
Standardized IDRS Access Tier II (SIA)	Yes	02/27/2018	Yes	01/13/2016

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 agencies? 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>
Lexis	The IRS and the Contractor shall send and receive data files via an IRS-approved file distribution system using 128-bit 3DES encryption or better. If the IRS-approved file distribution software and/or transport mechanism or an IRS-approved alternate method is not available on either end and will not be available for seven or more business days, the contractor shall, within 24 hours of notification, accept requests and return responses using compact disks that have been encrypted using 256 bit AES encryption and password protected using SecureZip version 12.5 (or higher) and shipped via an overnight delivery service that tracks package delivery.	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>
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
941	Employer's Quarterly Federal Tax Return
1040	U.S. Individual Income Tax Return
1041	U.S. Income Tax Return for Estates and Trusts
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
1065	U.S. Return of Partnership Income
1120	U.S. Corporation Income Tax Return

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

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**F. PII SENT TO EXTERNAL ORGANIZATIONS**

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12. Does this system disseminate SBU/PII? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? Yes

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

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA &amp; A?</u>	<u>Authorization Date</u>
Automated Collection System (ACS)	Yes	12/18/2015	Yes	01/13/2016
Standardized IDRS Access Tier II (SIA)	Yes	10/27/2018	No	01/13/2016

Identify the authority and for what purpose? Data elements are described in the Locator Services System Data Dictionary. These elements were originally listed under the Inventory Delivery System (IDS) and its Software Requirements Specifications. The IDS/LSS system was implemented in approximately 1995, and in 2008 the two systems separated. The purpose of LSS-ADR is to track undelivered mail and provide a means to locate taxpayers and solicit their response to validate "candidate addresses" and thus update their address of record. Underlying authority is tax administration under IRC6103.

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? Yes

If **yes**, identify the contractor source(s) that receive SBU/PII from this system, 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>
Lexis	The IRS and the Contractor shall send and receive data files via an IRS-approved file distribution system using 128-bit 3DES encryption or better. If the IRS-approved file distribution software and/or transport mechanism or an IRS-approved alternate method is not available on either end and will not be available for seven or more business days, the contractor shall, within 24 hours of notification, accept requests and return responses using compact disks that have been encrypted using 256 bit AES encryption and password protected using SecureZip version 12.5 (or higher) and shipped via an overnight delivery service that tracks package delivery.	No

Identify the authority and for what purpose? Data elements are described in the Locator Services System Data Dictionary. These elements were originally listed under the Inventory Delivery System (IDS) and its Software Requirements Specifications. The IDS/LSS system was implemented in approximately 1995, and in 2008 the two systems separated. The purpose of LSS-ADR is to track undelivered mail and provide a means to locate taxpayers and solicit their

response to validate "candidate addresses" and thus update their address of record. Underlying authority is tax administration under IRC6103.

Did the contract include the appropriate 6103(n) clauses for tax return and return information, and Federal Acquisition Regulations privacy clauses?

12e. Does this system disseminate SBU/PII to other Sources? No

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## **G. PRIVACY SENSITIVE TECHNOLOGY**

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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

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## **H. INDIVIDUAL NOTICE AND CONSENT**

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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?

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 notice of their rights, such as Privacy Act Notice, Your Appeals Rights and How to Prepare a Protest, 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? Yes

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

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## **I. INFORMATION PROTECTION**

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

Contractor Employees? No

<u>Contractor Employees?</u>	Yes/No	Access Level	Background Invest. Level
Contractor Users			
Contractor Managers			
Contractor Sys. Admin.			
Contractor Developers			

21a. How is access to SBU/PII determined and by whom? Access to data will be based on the approved security rules determined by individual roles and responsibilities and will be restricted to "need to know." Users will follow established IRS procedures for access using OL (5081) and rules described in Unauthorized Access (UNAX).

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

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## **I.1 RECORDS RETENTION SCHEDULE**

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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.

All records housed in the system will be erased or purged from the system at the conclusion of their retention period(s) as required under IRM 1.15.6. Information ages off (is deleted from) the database at varying intervals. All records housed in the LSS-ADR system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to affect data disposition under N1-58-97-13, Item 28 for IDS. Data Type: IDS Inputs: includes IDRS, CFOL and ACS Retention Period: 1-year Dating From: 1 year old or when it is no longer needed for administrative, legal audit or other operational purposes whichever is sooner Data Type: LSS-ADR Outputs: includes closing transactions or reassignments via IDRS to the Masterfile Retention Period: 1-year Dating From: 1 year old or when no longer needed for administrative, legal, audit, or other operational purposes whichever is sooner. Data Type: MIS results (Specific taxpayer case results) Retention Period: No Limit Dating From: Completion of the related case Data Type: Self-Monitor Case Reports Retention Period: No Limit Dating From: End of monitoring period Data Type: Self-Monitor Lookup Data Retention Period: 6 months Dating From: Completion of monitoring period Data Type: All other LSS-



ADR Account Data Retention Period: 1 month Dating From: Date of account completion Data Type: Cross Reference Case Data Retention Period: 1 month Dating From: Date of account completion Data Type: Input files from external sources Retention Period: 3 months Dating From: Date file loaded onto LSS-ADR Data Type: Output files to external systems Retention Period: 3 months Dating From: Date file created on LSS-ADR Data Type: Error Files Retention Period: 3 months Dating From: Date file created on IDS Data Type: Run Control Files Retention Period: 3 months Dating From: Date file created on LSS-ADR Data Type: Audit Trails Retention Period: On-line 1 month; Off-line 7 years Dating From: Date file created on LSS-ADR.

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## **I.2 SA&A OR ECM-R**

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23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? Yes

23a. If **yes**, what date was it completed? 11/23/2015

23.1 Describe in detail the system s audit trail. This system inherits the SA&A from Inventory Delivery System (IDS). It was included under IDS. Audit Trail Information: TINs, updated address and date, SEID, TIN Type, file source code (tells the type of account).

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## **J. PRIVACY TESTING**

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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? 5/14/2018

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?

On 5/31/2017 a new vendor for external research was selected by the IRS Office of Servicewide, Policy, Directives and Electronic Research (SPDER). This vendor is near completion of its testing and validation activities. Tentative date of completion and beginning rollout of production is 05/14/2018. As part of its contract, the vendor must meet the following requirements: The Contractor shall provide physical and computer security measures to protect sensitive but unclassified (SBU) data from unauthorized access during duty and non-duty hours in accordance with Publication 4812, Contractor Security Controls. Publication 4812 is available electronically at <http://www.irs.gov/uac/Publication-4812-Contractor-Security-Controls>

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## **K. SBU Data Use**

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25. Does this system use, or plan to use SBU Data in Testing? No

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**L. NUMBER AND CATEGORY OF PII RECORDS**

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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>Under 100,000</u>
26d. Other:	<u>No</u>

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**M. CIVIL LIBERTIES**

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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

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**N. ACCOUNTING OF DISCLOSURES**

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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

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**End of Report**

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