Date of Approval: March 31, 2017   PIA ID Number: **2244**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Selection and Workload Classification, SWC

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.

        Selection and Workload Classification - Release 2.5 MS4B, (SWC) (772)

        Next, enter the **date** of the most recent PIA.   4/8/2014

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

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

        Were there other system changes not listed above?   Yes

        If yes, explain what changes were made.   Updated in 2014 due to periodic update/renewal timeline for SWC Application PIA. Additionally, each year new rules are added to the BLAZE Rules Engine of the SWC Application, per change control board approved customer requirements. Since original deployment, we have had an annual release of the application; new rules added each time. SWC currently operates in Operations and Maintenance mode.

3. Check the current ELC (Enterprise Life Cycle) Milestones (select all that apply)

Yes	Vision & Strategy/Milestone 0
Yes	Project Initiation/Milestone 1
Yes	Domain Architecture/Milestone 2
Yes	Preliminary Design/Milestone 3
Yes	Detailed Design/Milestone 4A
Yes	System Development/Milestone 4B
Yes	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?   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.

   The Selection and Workload Classification (SWC) application provides a Business Rules Engine (Fair Isaac Corporation Blaze, a commercial off-the-shelf software product), which will execute business rules and filters against data obtained from the Large Business and International (LB&I) Division production database system, named LB&I Data Capture System (DCS-2). The objective of the SWC application is to identify the tax returns that are the highest risk for errors and score those returns so that they may be selected for further review and possible examination. The system also provides explanations as to why a particular item on the return was identified as a potential risk. Due process is provided pursuant to 26 USC.

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.)? No

   If **yes**, check who the SSN (or tax identification number) is collected on.

   No   On Primary   No   On Spouse   No   On Dependent

   If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

No	Social Security Number (SSN)
No	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).

   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.

Selected	PII Element	On Primary	On Spouse	On Dependent
No	Name	No	No	No
Yes	Mailing address	No	No	No
No	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
No	Date of Birth	No	No	No
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
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	No	No

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

Selected	SBU Name	SBU Description
No	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
No	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.   SWC also utilizes other types of SBU/PII entity information which includes name, EIN, address and tax return information for Large Business population.

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)
No	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?   <u>Yes</u>

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.

<u>SWC utilizes entity information which includes name, EIN, address and tax return information for Large Business population in order to format Business Objects Reports with all identifying information in the event the tax return meets the criteria for undergoing further review and possible examination. If the criteria is met for the return undergoing further review, a report for that tax return is formatted and sent to the Case Built Folder (CBF) for their review. All determinations are based on the data. All reports are generated internally and shipped automatically to CBF.</u>

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

<u>Business Data from Large Business entities is interrogated via "Rules" stored in Blaze software that comprises the system (SWC Application) and if certain outliers or anomalies are found, Results Data for a given EIN are written to Results Tables. Thereafter, Business Objects runs and generates reports for any EINs that have been identified as subjects for further review and possible examination. The reports generated are automatically shipped to a secure location set up by/for the CBF.</u>

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?   <u>Yes</u>

   9a. If **yes**, are records in the system retrieved by any personal identifier (e.g., name, SSN, Photograph, IP Address) for an individual?   <u>No</u>

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?   <u>No</u>

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?   Yes

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

System Name	Current PIA?	PIA Approval Date	SA & A?	Authorization Date
LMSB Workload Identification System (LWIS)	Yes	10/05/2015	No	
Content Management and Collaboration System (CMC)	No		No	
LMSB Electronic Classification System (LECS)	No		No	

    Identify the authority and for what purpose?   Business Objects Reporting for the SWC application generates and ships reports to the CBF for further review and possible examination based on individual report details which provide explanations as to why a particular item on the return was identified as a potential risk.

    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, 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.
Information about a specific Large Business entity comes straight from their tax returns. The information stored is tax data, and for LB&I, it is stored on the LB&I DCS-2 (Datamart) databases. This is about LB&I tax returns, not Individual tax returns.

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?   There is no "individual" data stored on our system. We are LB&I.

19. How does the system or business process ensure due process regarding information access, correction and redress?
Matters of this nature would be handled by CBF personnel or downstream systems from them, should the situation warrant.

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

IRS Employees?	Yes/No	Access Level(Read Only/Read Write/ Administrator)
Users	No	
Managers	Yes	Read-Only
Sys. Administrators	Yes	Read-Only
Developers	No	

    Contractor Employees?   No

    21a. How is access to SBU/PII determined and by whom? SWC is a batch system. There is no visibility to Rule Details or Large Business data. Our WINTEL application allows one or two users (part of the SWC Team) to launch jobs that run rules for certain Tax Form types. After those jobs have run, SWC individuals that work on Business Objects Reporting launch jobs which generate reports (again, based on Form Type) and ship them, automatically, to the CBF system. All of this activity is done "inside the box", without any visibility or oversight of any IRS team member. Nowhere in the cycle of development, testing, quarterly RuleSet Runs or monthly Report Generation does anyone on the SWC Application Team have direct visibility to EINs or their accompanying/underlying SBU data.

    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.

> SWC is non-record-keeping and all records housed in the SWC will be erased or purged from the system in accordance with approved retention periods. It is not the official repository for data and documents and does not require National Archives approval to affect data disposition. Any new records generated by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6, and will be destroyed using IRS Records Control Schedules 26, and as coordinated with the IRS Records and Information Management Program and IRS Records Officer. Records are not stored in system. The system provides a Business Rules Engine that identifies potential high risk tax returns for further review and possible examination. Data used for executing business rules is pulled from LB&I's DCS-2 system. SWC only retains the most recent data necessary to identify current potential areas of risk. Data is overwritten with each subsequent data load on a quarterly basis.

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)?   Yes

    23a. If **yes**, what date was it completed?   5/24/2016

23.1 Describe in detail the system s audit trail.   SWC was reclassified as a Tier IV system in the autumn of 2016. Consequently, it is no longer obliged to engage in the   annual FISMA Security and Assessment activities. As far as Enterprise Security Audit Trails (ESAT) goes, however, we are planning on revisiting the remainder of that   work in May of 2017 when our contractor is back on board. Until then, there is no budget allocated for that work. When we tried implementing the ESAT audit plan for   SWC in late autumn 2016, we ran into some issues with generating one of the audit files. There had been no prior hindrance in getting our audit plan to work in our   Development Domain & Test system and the pre-production (test) environment for the Data Solutions production domain until it came time to test it in production. We will   be revisiting and reanalyzing the issue in May of 2017.

J. PRIVACY TESTING

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

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

    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?
    SWC application personnel follow the Enterprise Life Cycle process as defined for the IRS. That process would include the appropriate handling of all aspects of the data, including Accountability, Purpose Limitation, Minimization of Collection, Use, Retention, and Disclosure, Strict Confidentiality, Security, Privacy Awareness and Training.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?   All documentation for each and every release of SWC application software is stored, by release, on the Application SharePoint Server. We are currently in preparations for Release 4.2 of our Application, which will have a November 2017 deployment.

24b.2. If **completed**, were all the Privacy Requirements successfully tested?   Yes

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K. SBU Data Use

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

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: Not Applicable
26d. Other: Yes

If **other**, identify the category of records and the number of corresponding records (to the nearest 10,000).   Large Business and International - maybe upwards of 10,000, but likely between 1,000 - 8,000.

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

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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

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End of Report