

Date of Approval: **June 12, 2019**

PIA ID Number: **3895**

SYSTEM DESCRIPTION

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

Reimbursable Accounts Systems, REACS

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?

Reimbursable Accounts Systems, REACS, MS-4B

What is the approval date of the most recent PCLIA?

2/29/2016

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.

Internal Management Domain Governance Board (IMGB)

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?

No

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.

REACS (Reimbursable Accounts Systems) provides taxpayer extract information to TIGTA (Treasury Inspector General for Tax Administration), HCO (Human Capital Office), State agencies and serves as an information-clearing house for the Governmental Liaison. REACS provides programming Services to supply taxpayer extract information, on a contractual basis, to various external-trading partners (i.e. Statistics of Income, IRS Gov't Liaison Data Exchange Program (GLDEP), U.S. Census Bureau, and the Social Security Administration (SSA)). REACS also provides Employee Tax Compliance (ETC) information to Human Capital Office (HCO) for IRS (Internal Revenue Service) and TIGTA employees.

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

Statistical and other research purposes

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

REACS runs extract data for the IRS Governmental Liaison (GL) Data Exchange Program. They disseminate requested and approved portions of the extract data to other Federal and State (or City) agencies. The Governmental Liaison Data Exchange Program (GLDEP) was created with the specific intent of sharing Federal return and return information with state agencies to assist with state tax administration. The goals and benefits of the GLDEP is help the states as follows: to leverage resources, to increase revenue & compliance, and to provide opportunities for enhanced taxpayer outreach & education.

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 Circular A-130 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. There is no alternative to the use of the SSN. The SSN is the significant part of the data being processed. There is no planned mitigation strategy to mitigate or eliminate the use of the SSN on the system.

Employer Identification Number

Other Taxpayer 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

Mailing address

Date of Birth

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 (SBUList)

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

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

Are there other types of SBU/PII used in the system?

No

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

PII for personnel administration is 5 USC

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.

The use of SSN/EIN/TIN is contractual agreements between IRS and Federal and State agencies. Failure to provide this data would violate the contractually obligated agreement between the Internal Revenue Service and the Bureau of the Census approved per the inter-agency agreement (Kincannon-Mazur) effective on June 2003 as authorized by section 26 USC 6103(P)(4) of the Internal Revenue Code. Business needs are dependent upon the approved Unified Work Requests. TINs are the primary data used to identify taxpayers accounts. Employee TIN/Name/Address/ Date of Birth/Account information Business Need -

To receive extract data to continue processing potential non-compliant employees for the next program/tax year. This would result in a work stoppage for the ETC unit and would represent a failure on the agency's part to monitor employee compliance with tax filing requirements. SSN/EIN/TIN/Name/Address/ Date of Birth/Account information Business Need - Maintenance of GLD Data Services Governmental Liaison Data Exchange Program (GLDEP) extracts is provided to state taxing agencies under the authority of IRC 6103(d). IRS provides this Federal tax data to states for purposes of state tax administration providing states meet Need and Use criteria. The data assists states with their compliance efforts to include identifying non-filers and under-reporter increasing state revenue. If this work request was not completed it would cost our state agency trading partners significant revenue and impede compliance efforts. It would also have a negative impact on the Internal Revenue Service State Reverse File Match Initiative (SRFMI) potentially impacting IRS revenue and compliance efforts.

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

The information is received directly from the Individual and Business Master File database. The database is deemed reliable and accurate. The information is not altered in any way. The Reimbursable Accounts System receives data from various systems which have their own verification process for data accuracy, timeliness and completeness.

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 24.030 Customer Account Data Engine Individual Master File

IRS 24.046 Customer Account Data Engine Business Master File

IRS 34.037 Audit Trail and Security Records System

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: Individual Master File

Current PCLIA: Yes

Approval Date: 3/6/2017

SA&A: Yes

ATO/IATO Date: 3/17/2017

System Name: Business Master File

Current PCLIA: Yes

Approval Date: 3/8/2018

SA&A: Yes

ATO/IATO Date: 3/6/2018

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?

No

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.

System Name: ALERTS

Current PCLIA: Yes

Approval Date: 2/24/2017

SA&A: Yes

ATO/IATO Date: 4/17/2015

Identify the authority

REACS runs extract data for the IRS Governmental Liaison Data Exchange Program (GLDEP). The authority IRC 6103 covers the exchange of information.

For what purpose?

REACS runs extract data for the IRS GL Data Exchange Program. They disseminate requested and approved portions of the extract data to other Federal and State (or City) agencies. The Governmental Liaison Data Exchange Program (GLDEP) was created with the specific intent of sharing Federal return and return information with state agencies to assist with state tax administration. The goals and benefits of the GLDEP is help the states as follows: to leverage resources, to increase revenue & compliance, and to provide opportunities for enhanced taxpayer outreach & education.

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

Yes

Identify the full names of the federal agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) / Memorandum of Understanding (MOU).

Organization Name: Census

Transmission Method: EFTU

ISA/MOU Yes

Organization Name: The Governmental Liaison Data Exchange Program

Transmission Method: EFTU

ISA/MOU Yes

Identify the authority

REACS runs extract data for the IRS Governmental Liaison Data Exchange Program (GLDEP). The authority IRC 6103 covers the exchange of information.

Identify the Routine Use in the applicable SORN (or Privacy Act exception)

IRS 24.030 Customer Account Data Engine Individual Master File
IRS 24.046 Customer Account Data Engine Business Master File

For what purpose?

REACS runs extract data for the IRS GL Data Exchange Program. They disseminate requested and approved portions of the extract data to other Federal and State (or City) agencies. The Governmental Liaison Data Exchange Program (GLDEP) was created with the specific intent of sharing Federal return and return information with state agencies to assist with state tax administration. The goals and benefits of the GLDEP is help the states as follows: to leverage resources, to increase revenue & compliance, and to provide opportunities for enhanced taxpayer outreach & education.

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

Yes

Identify the full names of the state and local agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: State and Local Agencies

Transmission Method: EFTU

ISA/MOU Yes

Identify the authority

REACS runs extract data for the IRS Governmental Liaison Data Exchange Program (GLDEP). The authority IRC 6103 covers the exchange of information.

Identify the Routine Use in the applicable SORN (or Privacy Act exception)

IRS 34.037 Audit Trail and Security Records System

IRS 24.030 Customer Account Data Engine Individual Master File

IRS 24.046 Customer Account Data Engine Business Master File

For what purpose?

REACS runs extract data for the IRS GL Data Exchange Program. They disseminate requested and approved portions of the extract data to other Federal and State (or City) agencies. The Governmental Liaison Data Exchange Program (GLDEP) was created with the specific intent of sharing Federal return and return information with state agencies to assist with state tax administration. The goals and benefits of the GLDEP is help the states as follows: to leverage resources, to increase revenue & compliance, and to provide opportunities for enhanced taxpayer outreach & education.

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?

The ultimate source of the information are the filed federal tax forms. The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice which provides the legal right to ask for information under Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. Under these sections, response is mandatory. Code section 6109 requires the individual provide an identifying number.

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

No

Why not?

The information is collected while carrying out the Internal Revenue laws of the United States; an individual cannot decline providing the information.

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

The system does not replace any individual taxpayer's right to due process, as dictated by the Internal Revenue Manual guidelines. IRS policy allows individual taxpayers whose data is in the system the opportunity to clarify or dispute negative determinations through the appeals process. However, due to the nature of this system, individuals may not receive specific notice that their information has been collected.

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 Only

Managers: Read Only

System Administrators: Read Only

Developers: Read Only

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

Access to the system (REACS) is requested via an Online (OL) Form 5081. Access is granted on a need-to-know basis. The OL5081 enrollment process requires that an authorized manager approve access requests on a case by case basis. Access approval is based on the Users role(s) and responsibilities. Users are given the minimum set of privileges required to perform their regular and recurring work assignments, they are restricted from changing the boundaries of their access without management approval. The employee's access will be terminated once they no longer require access to the Database. Deletion from the active access role is also performed through the OL5081.

RECORDS SCHEDULE

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

REACS is not the official records keeping repository of the extracted information in the system. All information in the system is properly scheduled in its original forms under the General Records Schedules and the Records Control Schedules of the IRS. Extracted Federal Tax Information is provided to State and Local agencies under the authority of IRC 6103d for purposes of State Taxes administration. 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 Internal Revenue Manual 1.15.6. For different data types, there are different retention periods. Retention schedules are documented in the Functional specification packages.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

No

Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?

Yes

Describe the system's audit trail.

Files transferred into and out of the IRS are logged by the Electronic File Transfer Utility (EFTU). Record counts are collected and reviewed from input files, tickler files, and outgoing files. Analysts browses all outgoing data files to validate data integrity. Qualifying state agencies match the record counts to data records received for quality control. Resource Access Control Facility (REACS) also relies on the standard International Business Machine (IBM) Mainframe audit trail within the RACF database.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

Test results are stored on DocIT, is a web-based electronic document management system.

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

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?

REACS developers complete FISMA training annually.

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: 50,000 to 100,000

Contractors: Not Applicable

Members of the Public: More than 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?

Yes

Does the system have a process in place to account for such disclosures in compliance with IRC §6103(p) (3) (A) or Subsection (c) of the Privacy Act? Contact Disclosure to determine if an accounting is required.

Yes