

Date of Approval: **June 01, 2020**

PIA ID Number: **5185**

## **SYSTEM DESCRIPTION**

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

Data Analytics and Services (DAS) Data Collection, DDC

*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?*

PCLIA #4809, Foreign Investment Real Property Tax Act Database, FIRPTA DB, Operation & Maintenance

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

5/18/2020

*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.*

Governance will be provided by the Risk Inventory Control Board (RICB) and for real property data by Federal and State Memorandum of Understanding (MOU) and Information Sharing Agreements (ISA).

*Current ELC (Enterprise Life Cycle) Milestones:*

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.*

The DAS Data Collection (DDC) is a separate server within the LBI Data Mart/Data Capture System (DCS) bank of servers. The purpose of the initial process was receiving federal, state or local data from agencies or from a third-party vendor to initiate Foreign Investment in Real Property Tax Act (FIRPTA) compliance and potential campaigns. This initiative will cover the process of receiving and sometimes evaluating the data to determine if further investigation or action is warranted. The umbrella PCLIA is to cover the processing, storage and receiving of data from federal, state or local agencies, third-party vendors or between internal IRS sources. Data will be evaluated to determine if further investigation or action is warranted. Additional initiatives and data collection efforts will continue. The data may be used for campaign support, emerging tax issues and for compliance related concerns, such as and not limited to, the Foreign Investment Real Property Tax Act (FIRPTA) income tax withholding issue, pertaining to foreign investment in U.S. real property. The DDC will be a separate server within LBI Data Mart/Data Capture System (DCS) bank of servers and would therefore abide by the proper protocols and controls pertaining to the parent application in PCLIA #3958.

## **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:*

When there is no reasonable alternative means for meeting business requirements

Statistical and other research purposes

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

The DDC 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.

*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 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.

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

Phone Numbers

E-mail Address

Date of Birth

Place of Birth

Mother's Maiden Name

Certificate or License Numbers

Passport Number

Alien Number

Financial Account Numbers

Photographic Identifiers

Biometric Identifiers

Employment Information

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*

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.

Proprietary data Business information that does not belong to the IRS

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?*

Yes

*Describe the other types of SBU/PII that are applicable to this system.*

Transaction details including but are not limited to the following: Historical Ownership, Physical Description of Real Property, Purchaser/Seller. Examinations and Audits Case Files

*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

*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.*

Taxpayer SSN, TINs, property information and other PII are part of the data received from the federal, state, and local agencies to provide IRS third party data to perform research and determine if further investigation or actions are needed.

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

The sources providing SBU/PII are reliable and have been verified by the agency providing the information through completion of audits and reviews. Hence, source of information is considered accurate, timely, and complete. IRS will use the third-party data provided through these referrals to perform further research and verification using IRS systems and IRS data to determine audit potential or other appropriate action. Where indicators of non-compliance exist, IRS will take the necessary enforcement actions to ensure compliance.

## **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 42.017 International Enforcement Program Information Files

IRS 42.021 Compliance Programs and Projects Files

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## 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?*

No

*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)?*

Yes

*for each state and local interface identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).*

Organization Name: New York City Department of Finance

Transmission Method: Secure Data Transfer

ISA/MOU 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?*

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?*

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.*

The information collected is gathered from property appraiser offices in separate counties in various states. This information is not reported to the IRS directly since the counties manage and record the transfer of real estate within their boundaries. This information can be available to public users directly via the property appraiser's website or via other recordable records in the applicable county court and records websites.

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

No

*Why not?*

Information is gathered by third party sources, state, and local agencies in the course of conducting official business. DDC does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent and due process are provided in the tax forms instructions filed by the taxpayer, and pursuant to 5 United States Code (USC).

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

Due process will be offered when further investigative action will be completed in order to identify and select cases that need additional research. Information will be stored in a secure location and only accessible by authorized IRS personnel for official business use. IRS policy allows individuals whose data is in the system the opportunity to clarify or dispute negative determinations through the appeals process.

## **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: Administrator

Developers: Read Write

*IRS Contractor Employees*

Contractor Users: Read Write

Contractor Developers: Read Write



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

All access credential requests are enforced through the Online 5081 process for granting permissions to systems and applications used by IRS personnel. A formal request is made through the IRS employees' management chain. Online 5081 forms are completed. Each request is evaluated and a determination to grant access or deny access is made. IRS employees who are authorized on the system will have access to the data. Administrators utilize the role-based access features on the COTS (commercial off-the-shelf software) product to limit what users can retrieve. Users are only permitted to access data authorized by their manager.

## **RECORDS RETENTION SCHEDULE**

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

The system is defined as a recordkeeping system under 36 Code of Federal Regulations (CFR) Chapter XII. 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. RCS 29 Item 75-Foreign Investment in Real Property Tax Act (FIRPTA) Case Files. -Destroy 6 years after case is closed. Individual (Form 1042, and Partnership Return - Form 1065) tax filing information will be eliminated from the system in accordance with IRS Records Control Schedule (RCS) 29, Item 55 for Electronically Filed Individual Partnership and Fiduciary Income Tax Returns. Corporate (Form 1120) tax filing information will be eliminated from the system in accordance with RCS 19, Item 81 for Modernized e-File System. RCS 29, Item 344 will be followed for the elimination of Information Returns for Foreign Corporation, and Examinations and Audits Case Files will be eliminated in accordance with RCS 23, Item 42. LB&I's Issue Management System records are maintained in accordance with RCS 26, Item 47. Other records series added to the system in future updates to the program will be managed according to requirements under IRM 1.15.1 and 1.15.6 and will be destroyed using IRS Records Control Schedules 8 through 64 as coordinated with the IRS Records and Information Management (RIM) Program and IRS Records Officer.

## **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?*

8/6/2019

*Describe the system's audit trail.*

A complete audit trail of the use of the system is captured and includes every login, logoff, file access and database query. The system monitors for security risks and compliance violations to ensure that the use of the system takes place only for an approved purpose that is within the professional responsibility of each user. The DDC database is included within the Data Capture System (DCS) and is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

## **PRIVACY TESTING**

*Does the system require a System Test Plan?*

No

*Please explain why:*

The records will only be stored in the system. No testing is required.

## **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: Not Applicable

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?*

No