
A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Business Master File - Statistics of Income, BMF SOI

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.

BMF SOI, PIAMS # 1173

Next, enter the **date** of the most recent PIA. 2/5/2015

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
- Yes 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? No

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
- Yes System Development/Milestone 4B
- No System Deployment/Milestone 5
- No 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 Business Master File Statistics of Income (BMF SOI) extracts tax account and other data from the Business Master File (BMF) for the Statistics of Income Distributed Processing System (SOI DPS). This information is used by SOI for statistical reporting to Health and Human Services (HHS), Treasury, and Congressional committees.

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.)? 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:

No 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 Business Master File Statistics of Income (BMF SOI) system requires the use of EIN's because no other identifier can be used to uniquely identify a taxpayer for intergovernmental communications. There is no known mitigation strategy planned to eliminate the use of EINs for the system. The EIN is required for the use of this system. The EIN number is needed to research and locate records in response to the request. BMF SOI uses batch applications to extract taxpayer data from the BMF. This data is used as input into the Statistics of Income Distributed Processing System (SOI DPS).

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	Yes
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	Yes	Yes

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

<u>Selected</u>	<u>SBU Name</u>	<u>SBU Description</u>
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.
No	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
Yes	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? No

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
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? Yes

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.

Business Master File Statistics of Income (BMF SOI) extracts taxpayer data which could include names, address, social security numbers, tax account information etc. for Statistics of Income Distributed Processing System (SOI DPS) and various other projects within SOI. BMF SOI uses batch applications to extract taxpayer data (including PII) from the BMF from requirements that are developed by the business owner. SOI statistical gathering of return information for tax administration purposes.

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

There are several validation procedures to ensure that batches have run properly and contain properly formatted information; some of these are: - Control codes are used to verify complete files are transmitted - The Log Analysis and Reporting Services (LARS) system performs run-to-run balancing for each batch job run to ensure that no data is lost - Run to run balancing is used to verify that all files are processed through the complete input system and extract system as appropriate -Unit testing, system acceptability testing, and integration testing are used to ensure runs process data correctly -There are a series of tests performed on data such as the Compatibility Tests and the Final Integration tests to ensure the accuracy, timeliness and completeness of all Business Master File Statistics of Income (BMF SOI) processing. There are internal programming consistency checks and a record count to validate the data that is loaded into the SOI system is accurate. The data that SOI receives is from internal IRS systems which are deemed reliable and the data is validated for accuracy by the system sending the data as described in that system's PCLIA. Any determinations made are validated during the collection process and the taxpayer has appeal rights for any determinations made from the data.

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? 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>
Treas/IRS 24.046	Business Master File

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

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? 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 & A?</u>	<u>Authorization Date</u>
Business Master File	Yes	04/24/2015	Yes	03/13/2013

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.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Statistics of Income Distributed Processing System (SOI DPS)	Yes	04/11/2017	Yes	01/05/2016

Identify the authority and for what purpose? Needed by the Statistics of Income Distributed Processing System (SOI DPS) system for further processing. This system uses statistical gathering of return information for tax administration purposes under Internal Revenue Code (IRC) 6103(b)(4)(B). This system provides statistical tax information to Treasury and Congressional committees.

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, 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? 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?

Business Master File Statistics of Income (BMF SOI) uses batch applications to extract taxpayer data from the BMF. This system uses statistical gathering of return information for tax administration purposes under Internal Revenue Code (IRC) 6103(b)(4)(B). Notice, consent and due process are provided pursuant to 5 United States Code (USC).

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? BMF SOI uses batch applications to extract taxpayer data from the BMF. This system uses statistical gathering of return information for tax administration purposes under IRC 6103(b)(4)(B). Notice, consent and due process are provided pursuant to 5 USC.

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

BMF SOI uses batch applications to extract taxpayer data from the BMF. Requirements are provided by the business owner. This system uses statistical gathering of return information for tax administration purposes under IRC 6103(b)(4)(B). Notice, consent and due process are provided pursuant to 5 USC.

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

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

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? The Business Master File Statistics of Income (BMF SOI) system utilizes the IRS On-Line application (OL-5081) application to document approvals for access to the IBM mainframe. Data access is granted on a need-to-know basis. A potential user must submit a request for access via IRS OL5081 to their local management for approval consideration. Users are not permitted access without a signed 5081 form from an authorized management official. Specific permissions (Read, Write, Modify, Delete, and/or Print) are defined on the OL5081 form and set (activated) by the System Administrator prior to the user being allowed access. User privileges and user roles determine the types of data that each user has access to. Management monitors system access and removes permissions when individuals no longer require access. Users are assigned to specific modules of the application and specific roles within the modules and accounts follow the principle of least privilege which provide them the least amount of access to PII data that is required to perform their business function after receiving appropriate approval. Data access is also Resource Access Control Facility (RACF) protected, and is granted on a need-to-know basis.

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.

The Business Master File Statistics of Income (BMF SOI) extracts are approved for destruction in accordance with update cycles as outlined in National Archives and Records Administration (NARA) Job No. NC1-58-76-8. These retention requirements are published in Records Control Schedule (RCS) Document 12990 under RCS 19 for the Martinsburg Computing Center, Item 30. This data is not retrievable by the user, and only used as input into the Statistics of Income Distributed Processing System (SOI DPS).

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)? No

23c. If **no**, is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements? Yes

23.1 Describe in detail the system's audit trail. Business Master File Statistics of Income (BMF SOI) is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards which is handled by the General Support System (GSS). The BMF SOI batch processes use Resource Access Control Facility (RACF) to manage security and access to the programs and data.

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?

All unit and system testing was complete as outlined in the System Test Plan. All requirements were met.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? DocIT - (DocIT is a web-based electronic document management system).

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

24.2 If **completed**, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved? No

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing? Yes
25a. If **yes**, was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request? Yes

If **yes**, provide the date the permission was granted. 10/1/2014
If **no**, explain why not.

25b. If **yes**, was testing performed in conformance with IRM 10.5.8, Sensitive But Unclassified (SBU) Data Policy: Protecting SBU in Non-Production Environments? Yes

L. NUMBER AND CATEGORY OF PII RECORDS

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> |

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

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

End of Report
