

Date of Approval: **September 16, 2020**

PIA ID Number: **5431**

## **SYSTEM DESCRIPTION**

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

Lead Management - Blue Bag, LMBB

*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?*

Lead Management - Blue Bag, LMBB, #2890, Operations & Maintenance

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

10/11/2017

*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.*

Wage and Investment Division Risk Committee (W&I RC)

*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?*

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.*

The Lead Management - Blue Bag (LMBB) Program is part of the Return Integrity & Compliance Services (RICS) under the purview of the Director of the Refund Integrity Correspondence, Wage and Investment (W&I). The LMBB Program manages questionable federal tax refunds, any federal tax related correspondence, and federal tax return from sources such as: Federal, State, County, and local prisons. The LMBB database is primarily responsible for storing leads received through the prisoner\_file@irs.gov mailbox, general mail delivery, or Blue Bag Hotline. This allows standard users to monitor the inventory assigned to each tax examiner in order mitigate inventory receipts and closures. The following functionalities can be accessed through the LMBB database: storing lead records, searching records and editing existing lead information; and managing department logistics and analyzing report statistics. RICS work is part of an overall revenue protection strategy. RICS' main mission is to protect public interest by improving IRS' ability to detect and prevent improper refunds. The exchange of data between the IRS and federal, state, county and local prisons is documented in a binding mutual arrangement, within IRC 6103 federal-state information sharing provisions, but not under a Memo of Understanding (MOU).

## 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:*

Legal/statutory basis (e.g. where collection is expressly required by statute)

When there is no reasonable alternative means for meeting business requirements

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

The SSN is only field that uniquely identifies the account. 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. The LMBB system requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer for intergovernmental communications. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

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

Standard Employee Identifier (SEID)

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*

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.*

PUBLIC PII INFORMATION: The database maintains data received from the prison systems. Each lead contains a combination of taxpayer and prison data to include for taxpayer: SSN; for prison: prison name, state located in, and comments field. Comments field is a free form field that can contain additional information on the taxpayer. IRS PII INFORMATION: The database maintains for each employee: SEID, first name, last name, Integrated Data Retrieval System (IDRS) ID, and a last updated by field. The last updated by field can contain additional IRS SEIDS of employees associated with that case as it goes through the research process.

*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

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.*

RICS' main mission is to protect public interest by improving IRS' ability to detect and prevent improper refunds. The LMBB database is primarily utilized by employees of RICS for assignment and management of cases to tax examiners for research into questionable federal tax refunds, any federal tax related correspondence, and federal tax returns received from Federal, State, County, and local prisons. Collection of PII is necessary for tax examiners to mitigate inventory receipts and closures and SSN is the primary field used to conduct research.

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

The PII information maintained in the LMBB database is provided directly from Federal, State, County and Local Prison Systems. Input of the data received is manually entered into the LMBB database. Assignment of LMBB to tax examiners is manually entered by managers/administrators. Accuracy and completeness of data is inherited from the Prison Systems in order for LMBB tax examiners to research cases provided.

## **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 42.021 Compliance Programs and Projects Files

IRS 34.037 Audit Trail and Security Records

## 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?*

Yes

*Enter the files and databases:*

System Name: Integrated Data Retrieval System (IDRS)

Current PCLIA: Yes

Approval Date: 10/1/2018

SA&A: Yes

ATO/IATO Date: 6/18/2020

*Does the system receive SBU/PII from other federal agency or agencies?*

Yes

*For each federal 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).*

Name: Federal Prison Systems

Transmission Method: Manual-email, general mail delivery, or Phone Hotline

ISA/MOU: 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: State, County and Local Prisons  
Transmission Method: Manual-email, general mail delivery, or Phone Hotline  
ISA/MOU No

*Does the system receive SBU/PII from other sources?*

No

*Does the system receive SBU/PII from Taxpayer forms?*

Yes

*Please identify the form number and name:*

Form Number: Form 1040 Form Name: U.S. Individual Income Tax Return

*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: Integrated Data Retrieval System  
Current PCLIA: Yes  
Approval Date: 10/1/2018  
SA&A: Yes  
ATO/IATO Date: 6/18/2020

System Name: Electronic Fraud Detection System (EFDS)  
Current PCLIA: Yes  
Approval Date: 1/10/2018  
SA&A: Yes  
ATO/IATO Date: 4/21/2020

*Identify the authority*

Internal Revenue Code (IRC) Sections 6001, 6011, 6012e(a) gives authority to disseminate information to the IRS Systems for the purposes of tax administration.

*For what purpose?*

IDRS contains individual taxpayer account records that are updated as needed upon resolution of LMBB cases with tax processing and transaction information. IDRS is the system the tax examiners use to reference taxpayer account information, and it is also used to make account adjustments and generate taxpayer correspondence.

*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: Bureau of Fiscal Services  
Transmission Method: Manual as Needed  
ISA/MOU No

*Identify the authority*

Title 26, United States Code (U.S.C.), Section 6103, Subsections (j) and (n)

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

Provides authority for the IRS to transmit federal tax information to other federal agencies to maintain and support the confidentiality of information in the system of records suspected of potentially fraudulent activities and prevent, minimize, and remedy such activities.

*For what purpose?*

To place stops on improper paper check payments.

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

No



*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 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 (IRC) 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 legal right to ask for information is IRC sections 6001, 6011, and 6012(a), and their regulations. They say that you must file a return or statement with IRS for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires you to provide your identifying number on the return.

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

The system will allow affected parties the opportunity to clarify or dispute negative information that could be used against them. Due process is provided pursuant to 5 USC.

## **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 Write

Managers: Read Write

System Administrators: Administrator

Developers: Read Write

*IRS Contractor Employees*

Contractor System Administrators: Administrator

Contractor Developers: Read Write

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

In order to obtain access to the LMBB database, all prospective users must adhere to the RICS permissions portal process. Users are authenticated through Active Directory validating their Standard Employee Identifier Number (SEID). This permission portal is used for controlling access, managing (create, modify, disable, delete) user accounts, and providing administrative rights to users. All requests are handled by the RICS Administrators and stored for auditing purposes. All standard access requests must be authorized by the user's manager as well as a LMBB administrator. All approved database accounts will be logged in and authenticated through the Windows main frame. User level and access permissions are automatically configured to the database server.

## **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?*

No

*You must work with the IRS Records and Information Management (RIM) Program Office to address records retention requirements before you dispose of any records in this system.*

## **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.*

LMBB was developed by a vendor and the system audit trails have been put in place by the vendor as the requirements were specified. LMBB does contain all the audit trail elements as required by Internal Revenue Manual.

## 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)?*

All test results are stored in RICS project management software. RICS .Net and Microsoft Access applications have a development (Dev) environment which is used for development and testing activities. This environment does not contain any PII data. All development and testing efforts are completed using simulated data. The development process involves developers releasing new functionality, enhancements, and defect fixes to the development environment. Each release is reviewed by the quality assurance team to ensure that both the business and technical requirements are met. All business requirement verification, functional testing, regression testing, and Section 508 testing is completed in the (Dev) environment. Issues found are remedied and subsequently released to the (Dev) environment for further testing and verification. All defects are tracked via project management software where team members can track the defects from opening to closure. The quality assurance team uses automated test scripts for regression and load testing on a secure intranet testing site for the (Dev) environment to further identify defects and verify against previous builds. Once defects are remedied, the latest code is released to the development environment. Once development is completed, User Acceptability Testing (UAT) is conducted. Upon completion of UAT, the application is released into Production Environment. The quality assurance team conducts preliminary testing in the Production environment to make sure the release meets the desired results and upon confirmation the application users are notified of the new release.

*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?*

The PII maintained in the LMBB database is provided from Federal, State, and Local Prison systems. Input of the data received is manually entered into the LMBB database. Assignment of LMBB cases to tax examiners is manually entered by managers/administrators. Accuracy and completeness of data is inherited from the Prison Systems.

## **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: Under 50,000

Contractors: Not Applicable

Members of the Public: Under 100,000

Other: Yes

*Identify the category of records and the number of corresponding records (to the nearest 10,000).*

Name and State of Federal, County and Local prisons

## **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.*

No

*Accounting of Disclosures risk noted. Contact Disclosure to develop an accounting of disclosures. Explain steps taken to develop accounting of disclosures process.*

Exempt from accounting under IRC §6103(h)(1). Disclosure is made to Treasury officials (BFS) in connection with their official duties to issue, cancel and pay out refund checks on behalf of the IRS.