Date of Approval: April 24, 2018   PIA ID Number: **3366**

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. <u>Discrepancy,</u>
<u>Discrepancy</u>

2. Is this a new system? <u>No</u>

      2a. If **no**, is there a PIA for this system?   <u>No</u>

        If **yes**, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.

        Next, enter the **date** of the most recent PIA.

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

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

        Were there other system changes not listed above? <u>No</u>

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

<u>No</u>	Vision & Strategy/Milestone 0
<u>No</u>	Project Initiation/Milestone 1
<u>No</u>	Domain Architecture/Milestone 2
<u>No</u>	Preliminary Design/Milestone 3
<u>No</u>	Detailed Design/Milestone 4A
<u>No</u>	System Development/Milestone 4B
<u>No</u>	System Deployment/Milestone 5
<u>No</u>	Operations & Maintenance (i.e., system is currently operational)

4. Is this a Federal Information Security Management Act (FISMA) reportable system?   <u>No</u>

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 Discrepancy database compares the status codes of Exempt Organization cases reported within Reporting Compliance Case Management System (RCCMS) to the Statistical Sampling Inventory Validation Listing (SSIVL) system. The importance of this comparison data is to show managers/agents any inconsistencies between the two systems. It is also used as an annual inventory validation listing (IVL) prep tool.

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   No   On Spouse   No   On Dependent

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

    Yes   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).

    Discrepancy database requires the use of SSN/EIN because no other identifier can be used to uniquely identify a taxpayer for intergovernmental communications. SSN/EINs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSN/EIN on their income tax returns.

    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
Yes	Name	Yes	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
No	Tax Account Information	No	No	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates?   No

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.   SSNs, EINs, names and addresses are used to identify entities in RCCMS and SSIVL.

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

Information is extracted from the RCCMS and SSIVL. Each has its own verification process for data accuracy, timeliness, and completeness; therefore, the Discrepancy database assumes that the data is accurate, timely, and complete when it is provided by either of these systems.

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.

SORNS Number	SORNS Name
Treasury/IRS 50.222	Tax Exempt/Government Entities (TE/GE) Case Management Records

      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.

System Name	Current PIA?	PIA Approval Date	SA & A?	Authorization Date
Reporting Compliance Case Management System (RCCMS)	Yes	10/18/2017	No	
Statistical Sampling Inventory Validation Listing (SSIVL)	No		No	

    11b. Does the system receive SBU/PII from other federal agency or agencies?   No

    11c. Does the system receive SBU/PII from State or local agencies?   No

11d. Does the system receive SBU/PII from other sources?   No

11e. Does the system receive SBU/PII from **Taxpayer** forms?   No

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)?   No

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII?   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?
Discrepancy database 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 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?   The IRS has the legal right to ask for information per IRC sections 6001, 6011, and 6012(a), and their regulations. The regulations state that "taxpayers must file a return or statement with IRS for any tax they are liable for. Their response is mandatory under these sections."

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

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

    Contractor Employees?   No

    21a. How is access to SBU/PII determined and by whom? Access to the server folder is approved by the System Administrator and controlled/maintained by Information Technology (IT) through the OS GetServices system. Only the Database Administrator and the employee assigned to update the database have access.

    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.

    All records housed in the Discrepancy database will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives and Records Administration approval to affect data disposition. RCCMS is scheduled under RCS 24, Item 79. SSIVL is scheduled under RCS 24, Item 5. Any records generated and maintained by the system will be managed according to requirements under Internal Revenue Manual 1.15.1 and 1.15.6, and will be destroyed using IRS Records Control Schedule 24, Item 1 and as coordinated with the IRS Records and Information Management Program and IRS Records Officer.

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?   Do not know

23.1 Describe in detail the system's audit trail.   The audit trail is maintained by IT and access is granted through the OS GetServices. IT maintains records of individuals who have access to the shared server folder. The Discrepancy database is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

J. PRIVACY TESTING

24. Does the system require a System Test Plan? No

    24c. If **no**, please explain why. This is an internally created Access database that did not follow an IT or Business System Planning (BSP) path in development. The BSP office is now in the process of analyzing the current state and considering options for either improving the existing tool or transitioning to an enterprise solution.

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing?   No

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: Under 100,000
    26d. Other: Yes

       If **other**, identify the category of records and the number of corresponding records (to the nearest 10,000).
       10,000 Exempt Organizations

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? <u>No</u>

End of Report