

Date of Approval: **March 19, 2019**

PIA ID Number: **3920**

SYSTEM DESCRIPTION

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

Return Preparer Database, RPD

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?

Return Preparer Database, RPD 1593, Final Approval

What is the approval date of the most recent PCLIA?

1/8/2016

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.

Small Business Self Employed (SBSE) Exam Risk Council SBSE Governance Board

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 Internal Revenue Service (IRS) Small Business/Self-Employed (SB/SE) Examination and Return Preparer Office (RPO) ensures that all tax practitioners, tax preparers and other third parties in the tax system adhere to professional standards and follow the law. The RPD is used to assist the Examination and RPO with their mission and to oversee the federal tax return preparer industry. The RPO also uses the RPD to analyze adherence to return preparer standards and e-file provider policy. The primary users of the database are the RPO, Return Preparer Coordinators, and the Criminal Investigation Division.

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

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 Small Business/Self-Employed (SB/SE) and Return Preparer Offices is taking steps to ensure that all tax practitioners, tax preparers and other third parties in the tax system adhere to professional standards and follow the law. In order to do this

successfully, the PII data captured in this database will aid the SB/SE and Return Preparer Office to monitor and measure specific targeted segments that may or may not be complying and determine reasons behind certain behaviors. It will also identify segments that need assistance with understanding new third-party regulations so that key messages can be targeted to such segments.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).

There is no planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers) at this time. The Office of Management and Budget memorandum M-17-12 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. RPD requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time. 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

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

Standard Employee Identifier (SEID)

Criminal History

Certificate or License Numbers

Employment Information

Centralized Authorization File (CAF)

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

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

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.

Criminal Investigation Information Information concerning IRS criminal investigations or the agents conducting the investigations.

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

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 Small Business/Self-Employed (SB/SE) and Return Preparer Offices is taking steps to ensure that all tax practitioners, tax preparers and other third parties in the tax system adhere to professional standards and follow the law. In order to do this successfully, the PII data captured in this database will aid the SB/SE and Return Preparer Office to monitor and measure specific targeted segments that may or may not be complying and determine reasons behind certain behaviors. It will also identify segments that need assistance with understanding new third-party regulations so that key messages can be targeted to such segments.

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

We aggregate all variables on the preparer ID (Preparer Social Security Number (SSN) or Preparer Tax Identification Number (PTIN)). For example, we count the number of Form 1040 schedules by preparer ID. We also count the number of refunds and all the other individual variables. The database sits on a secure server and employees have to submit an On-line (OL)5081 to be granted access. There is an audit trail for users. Access to the Return Preparer Database is available to those employees demonstrating the need to gather and analyze data to assist in their programs and processes involving return preparers. Access is not available to those who do not demonstrate a business justification for access to the database and its contents.

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 22.062 Electronic Filing Records

IRS 37.111 Preparer Tax Identification Number 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: Tax Professional PTIN System (TPPS)

Current PCLIA: Yes

Approval Date: 3/9/2017

SA&A: Yes

ATO/IATO Date: 9/13/2018

System Name: Compliance Data Warehouse (CDW)

Current PCLIA: Yes

Approval Date: 8/30/2018

SA&A: Yes

ATO/IATO Date: 5/29/2018

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?

Yes

Please identify the form number and name:

Form Number: 14157 Form Name: Complaint Tax Preparer

Form Number: 14157-A Form Name: Tax Return Preparer Fraud or Misconduct

Form Number: 3949-A Form Name: Information Referral

Form Number: 14242 Form Name: Report Suspected Abusive Tax Promotions or Preparers

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.

Some of the time the return preparers are aware that the IRS is collecting information on them such as when a preparer fills out an application to become an Electronic Return Originator (ERO) or Acceptance Agent (AA). Another example of this is when an individual fills out the information to obtain a Preparer Tax Identification Number (PTIN). Another data source for the database is from public court records for Criminal Sanction and Civil Injunction. Some of the information captured in the database has to deal with taxpayers complaining about return preparers and is not practical for the preparer to be made aware of this information. There is other information in the database that has to do with egregious behavior on the preparer's part and they are suspected of criminal violations and collecting the information directly from them is not practicable because it would notify them that they are under investigation and may cause them to alter their practices to avoid detection.

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

No

Why not?

As stated above, a main data source for the database is from public court records for Criminal Sanction and Civil Injunction. Some of the information captured in the database has to deal with taxpayers complaining about return preparers and is not practical for the preparer to be made aware of this information. This information is provided to the service at times from taxpayers about tax preparers that has to do with egregious behavior on the preparer's part. Collecting the information directly from them is not practicable because it would notify them that they are under investigation and may cause them to alter their practices to avoid detection.

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 in denying benefits or disciplinary actions. Due Process is provided pursuant to 5 USC. The process and procedures are dictated by the Internal Revenue Manual guidelines. 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 Write

Managers: Administrator

System Administrators: Read Write

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

The database sits on a secure server and employees have to submit an Online 5081 to be granted access. Access to the Return Preparer Database is available to those employees demonstrating the need to gather and analyze data to assist in their programs and processes involving return preparers. Access is not available to those who do not demonstrate a business justification for access to the database and its contents. Program Managers determine access on a need to know basis.

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.

All records housed in the Return Preparer Database (RPD) system 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 approval to affect data disposition. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6 and will be destroyed using IRS Records Control Schedule (RCS) 32, Item 46 and 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)?

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.

In the current application database, audit trailing is implemented. IRM 10.8.1 require auditing processes on each table and event. This auditing will include capturing the following: insert date and time, inserted by, update date and time, updated by. The data that RPD 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. RPD 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 RPD has been operational since 2004. RPD is currently in the Operations and Maintenance phase of its lifecycle. Continuous Monitoring (now called Annual Security Control Assessment (ASCA)) occurs annually to ensure that controls remain in place to properly safeguard PII.

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: 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?

Yes

Describe the type of information derived from these efforts and the technical (e.g., audit trails) or other processes used to limit unauthorized monitoring.

The database is used to house SBSE inventory records for managing and maintenance system.

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