Date of Approval: **April 14, 2022**

PIA ID Number: **6721**

# SYSTEM DESCRIPTION

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

Cade2 MarketPlace, C2DM

*Is this a new system?*

Yes

*What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.*

IMF Modernization Governance Board

*Current ELC (Enterprise Life Cycle) Milestones:*

Project Initiation/Milestone 1

Domain Architecture/Milestone 2

*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.*

CADE 2 Data Marketplace (C2DM) will provide a modernized method for accessing individual taxpayer data to support the retirement of Individual Master File (IMF) and legacy data formats. It will leverage Application Programming Interfaces (APIs) to implement data distribution functionality and support consumer application needs. It will convert Federal Taxpayer Information (FTI) API data requests from downstream consumers, into relational request format (SQL) so FTI can be retrieved from the CADE 2 Database (DB). C2DM will benefit the IRS by accelerating the collection of FTI and providing efficient tax processing by introducing the use of API services to allow easier access to taxpayer data. C2DM will not collect PII/SBU as it does not interact publicly and instead, will only disseminate PII/SBU from the CADE 2 DB. C2DM will provide individual account data for legal, financial, and operational use. The purpose of the C2DM project is to incrementally implement common foundational components that can support multiple CADE 2 Target State Capabilities. This allows for smaller-scale, agile modernization of data distribution

using Data Access Services (DAS) and APIs to make the individual tax account data stored in the CADE 2 database available to downstream systems and enable their transition from the legacy IMF flat file format in parallel with Target State (TS) 2 development.

# 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)

Delivery of governmental benefits, privileges, and services

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

The SSN is the primary means of updating or querying the database by other internal systems. It is the only unique identifier associated with taxpayers, spouses, and dependents that can be used to ensure the correct records are accessed by other IRS systems. This is important when updates are made based on submitted tax forms processed by upstream systems or when information is requested from downstream systems.

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

The TIN will be used as the primary identifier and it's an essential and required query parameter. To keep it from being exposed as a Path or Query parameter, the Hyper Text Transfer Protocol (HTTP) GET that passes the TIN will use a Custom Header. Prior to any connections to downstream IRS systems, the IRS shall examine alternative solutions and will work with the system owner to try and mitigate the need for the SSN. There has been no forecasted implementation date to mitigate the use of SSNs or TINs.

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
Date of Birth
Protection Personal Identification Numbers (IP PIN)
Financial Account Numbers
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:*

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

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?*

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 Taxpayer Identification Numbers (TIN) are used as a query parameter for the API to provide Federal Taxpayer Information (FTI) to downstream consumers for their business needs. It will only transmit the requested information. To receive FTI from the CADE 2 DB, the API must utilize this identifier for validation. SSNs are one of the identification forms required by the IRS.

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

The TIN and a validity code serve as identifiers for a user/application and are mandatory for verification when sending the API request. These identifiers ensure that the FTI being requested is authorized for the requesting application. The API request is sent to the Data Access Service, which retrieves the requested FTI, based off the identifier, from the CADE 2 DB and sends back a response to the requesting application.

# 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 24.030    Customer Account Data Engine Individual Master File

IRS 24.046    Customer Account Data Engine Business Master File

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
Current PCLIA: Yes
Approval Date: 10/26/2021
SA&A: Yes
ATO/IATO Date: 2/23/2022

System Name: Customer Account Data Engine 2
Current PCLIA: Yes
Approval Date: 8/18/2021
SA&A: Yes
ATO/IATO Date: 5/21/2022

System Name: Individual Master File (IMF)
Current PCLIA: Yes
Approval Date: 3/4/2020
SA&A: Yes
ATO/IATO Date: 1/12/2021

System Name: Enterprise Case Management (ECM
Current PCLIA: Yes
Approval Date: 4/13/2021
SA&A: No

System Name: Enterprise Data Platform
Current PCLIA: Yes
Approval Date: 2/8/2022
SA&A: 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)?*

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?*

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: Individual Master File
Current PCLIA: Yes
Approval Date: 10/26/2021
SA&A: Yes
ATO/IATO Date: 1/12/2021

System Name: Integrated Data Retrieval System
Current PCLIA: Yes
Approval Date: 10/1/2018
SA&A: Yes
ATO/IATO Date: 2/23/2022

System Name: Customer Account Data Engine 2
Current PCLIA: Yes
Approval Date: 8/18/2021
SA&A: Yes
ATO/IATO Date: 5/21/2021

System Name: Enterprise Case Management
Current PCLIA: Yes
Approval Date: 4/13/2021
SA&A: No

System Name: Enterprise Data Platform
Current PCLIA: Yes
Approval Date: 2/8/2022
SA&A: No

*Identify the authority.*

The authority for processing taxpayer information is 5 U.S.C. 301 and 26 U.S.C. 7801.

*For what purpose?*

The purpose is for processing, reporting, and sharing of FTI that is received and processed by other internal IRS systems in order to pass it along to downstream IRS businesses and applications that evaluate the processed data. Specifically, C2DM retrieves FTI from the CADE 2 DB for ECM business purposes. C2DM only includes the APIs that request FTI from the CADE 2 DB.

*Does this system disseminate SBU/PII to other Federal agencies?*

No

*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?*

Notice is provided to individuals by other IRS applications or through forms (e.g., 1040 forms) that interact directly with the taxpayer at the time of collection where Due Process is provided pursuant to 5 USC. The project extracts data from existing IRS databases (CADE 2 DB) and is several systems removed from the data collection.

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

Yes

*Describe the mechanism by which individuals indicate their consent choice(s):*

No FTI used by C2DM is collected directly from the taxpayers. All information that is processed by C2DM comes from tax collection forms (1040 forms) submitted to the IRS through other IRS systems. At the time of completing these forms, individuals are given the opportunity to decline or consent to providing the information. Due Process is provided pursuant to 5 USC.

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

C2DM supports functions from CADE 2 and requesting downstream applications where FTI is submitted directly to the IRS through these applications. C2DM does not interact with taxpayers directly and thus "Due Process" is addressed by other IRS applications that directly interact with taxpayers pursuant to 5 USC. Any issues that are identified by these other applications will work through the enterprise and submit changes through automated methods so an auditable record may be maintained.

# 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

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

All those with access must go through the Public Trust Clearance process before access is considered. Once cleared, they must complete the proper request forms before access to C2DM is obtained. All access must be approved by the user's manager who reviews the access request form at the time of submission and on an annual basis. The system administrators/approvers will also verify group membership to ensure system rights are limited based on the employee or contractor's need-to-know in order to perform their official duties. For access to an environment where a new or modified system is being tested (i.e., a non-production supporting environment) users must complete the necessary SBU data training, complete an access request form, and in some cases as outlined by the requirements set forth within the Internal Revenue Manual (IRM), submit an elevated access letter that is approved by the Associate Chief Information Officer prior to granting access. Access to the data is determined by the manager based on a user's position and need-to-know. The manager will request a user to be added. They must submit the request via Business Entitlement Access Request System (BEARS) to request access to the System.

# 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

*How long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.*

The CADE 2 Data Marketplace (C2DM) is an API that will transmit data between the CADE 2 DB and downstream applications, it will not store records. Record retention requirements are applicable at the downstream application level. Currently C2DM is in development (Milestone 2/PPR) and will be designed using the Enterprise Architecture (EA) Privacy Requirements that are pertinent to the project, in addition to the IRMs related to privacy necessary for FTI (e.g., Unauthorized Access, SBU Data, SSN Elimination, Incident Response, PCLIA, notices [System of Records Notice, record retention, and interagency agreements]).

# SA&A OR ASCA

*Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?*

No

*Describe the system's audit trail.*

This is not applicable because C2DM is an API and currently in still under development. Security auditing and log management are enterprise functions: capture of security audit logs is performed by Cyber operations via the Computer Security Incident Response Center (CSIRC) Security Audit and Analysis Service, and Security Information and Event Management event logs are captured by the IT Operations Command Center. Per the C2DM VSA, in Release 1, C2DM will not independently implement audit trail functionality, as it will be handled by the API Gateway. In future releases C2DM will integrate with the Enterprise solution.

# PRIVACY TESTING

*Does the system require a System Test Plan?*

Yes

*Is the test plan completed?*

No

*When is the test plan scheduled for completion?*

9/30/2022

*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 development of the CADE 2 Data Marketplace system is on-going. Once the development is completed, a system test plan will be finalized.

# 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?*

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.*

C2DM will be leveraging APIs to retrieve FTI from CADE 2 DB. It uses the individual's TIN and a validity code as query parameters to gather this information. For Release 1, C2DM will not independently implement monitoring functionality and will rely on the API Gateway for this capability. The API Gateway will also be used for mediating API security, abstracts Policy, and provides authentication and authorization.

*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.*

Yes