Date of Approval: **June 17, 2020**

PIA ID Number: **4731**

SYSTEM DESCRIPTION

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

Dependent Database, DEPDB

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?

Dependent Database, DEPDB, MS4B

What is the approval date of the most recent PCLIA?

9/26/2017

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

Yes

What were those changes?

Small Business/Self-Employed (SB/SE) Campus Case Selection (CCS) uses a set of business rules to screen tax returns for potential audit selection using the Discretionary Examination Business Rules (DEBR) program. DEBR is a sub-program of the Dependent Database program (DDB). DEBR is administered by SB/SE Exam, DDB is owned by Wage and Investment (W&I) Return Integrity and Compliance Services (RICS). In the DEBR rule for the moving expense deduction, the filter is built to exclude active Military taxpayers. The Tax Cuts and Jobs Act (TCJA) suspended eligibility for the moving expense deduction for other than active Military personal. The DEBR filter looks at tax returns where the moving expense deduction was claimed and if the primary or secondary taxpayer has a W-2 on file with IRS and the wage payer is one of these Military Employer Identification Numbers

(EIN), they are bypassed as potential audit cases. It is important to note that this filter and the EIN list is used to exclude tax returns, not to select them. On October 9, 2019, SB/SE CCS obtained an updated list of the relevant Military wage-payers from the Department of Defense, Defense Finance and Accounting Service. There are a total of four EINs being used in the DEBR filter - one for each Military branch. DEBR does not have a need to store anything other than these four EINs. Nothing linking these EINs to any entity, individual taxpayer, or tax returns is stored. Further, once a return has been excluded due to the presence of one of these EINs on Information Returns Processing (IRP), no record is retained of the screening and subsequent dismissal from audit consideration under that rule.

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

Corporate Data Domain Governance Board (CPDGB)

Current ELC (Enterprise Life Cycle) Milestones:

System Development/Milestone 4B

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.

Dependent Database (DEPDB) supports the Wage & Investment (W&I) business unit and is used to address the subject of non-compliance relevant to the Earned Income Tax Credit (EITC) and other refundable credits. DEPDB is also instrumental in identifying other tax benefits related to the dependency and residency of children. The DEPDB project was operational in March 2000 to fulfill and address two congressional mandates. The first legislative mandate is the Kohl amendment to the Taxpayer Relief Act of 1997, Section 1090 which authorized the IRS to access data from the Federal Case Registry (FCR). The second mandate is Section 1085 of the Taxpayer Relief Act of 1997, which was established to reduce non-compliance relative to the Earned Income Tax Credit. This special appropriation provided additional resources to eliminate fraud and abuse relevant to EITC. To consistently apply the tax laws to a return claiming EITC, other tax issues had to be addressed at the same time, such as, dependent exemptions, filing status, Child and Dependent Care Credit, Child Tax Credit, and education benefits. The DEPDB has been expanded to include selection criteria for Premium Tax Credit, Fuel Tax Credit, and Health Coverage Tax Credit issues. The Dependent Database Project is a 'Rules Based' system that examines refundable credits

on tax returns and applies a set of rules, Fair Isaac Model and Systems Research and Application (SRA) Clementine model to determine potential audit issues. Tax majority of the returns are examined in a pre-refund environment. This means the money is stopped before going out the door. In the past, the IRS would send out the refund and then work the cases in a post-refund environment. In many cases, once the money is gone it becomes very difficult to get it back. The DEPDB system incorporates data (Department of Health and Human Services (HHS), Social Security Administration (SSA) & IRS to more accurately validate refunds entitled to a taxpayer; thus, allowing the IRS to enforce laws passed by Congress more effectively.

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)

Dependent Database (DEPDB) 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.

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

DEPDB has no plans to mitigate or eliminate the use of SSNs. 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. Dependent Database (DEPDB) 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

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

Date of Birth

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

Proprietary data   Business information that does not belong to the IRS

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.

Federal Tax Information

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.

Dependent Database (DEPDB) supports the Wage & Investment (W&I) business unit and is used to address the subject of non-compliance relevant to the Earned Income Tax Credit (EITC) and other refundable credits and tax benefits related to the relationship and residency of children. SSNs and date of births are used to cross-reference and identify primary taxpayers, spouses and dependents in the cases where the EITC is being claimed. DEPDB is also used to support other business organizations.

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

The data received by DEPDB is verified by the various applications as being complete and accurate prior to being transmitted to DEPDB. Additionally, DEPDB schema is configured in accordance with its data sources; thus, the data, when it is retrieved via batch processing, will automatically load in the right format. DEPDB also perform Log Analysis and Reporting Services (LARS) Counters to verify that all records coming into a particular DEPDB batch job are processed/ accounted for.

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: Return Transaction File On-Line (RTFOL)
   Current PCLIA: Yes
   Approval Date: 8/19/2019
   SA&A: No

System Name: Generalized Mainline Framework (GMF)
Current PCLIA: Yes
Approval Date: 10/16/2017
SA&A: Yes
ATO/IATO Date: 10/10/2019

System Name: Integrated Data Retrieval System (IDRS)
Current PCLIA: Yes
Approval Date: 10/1/2018
SA&A: Yes
ATO/IATO Date: 1/17/2018

System Name: Payoff (PAY)
Current PCLIA: Yes
Approval Date: 2/18/2020
SA&A: No

System Name: Individual Master File (IMF)
Current PCLIA: Yes
Approval Date: 3/6/2017
SA&A: Yes
ATO/IATO Date: 11/26/2019

System Name: National Account Profile (NAP)
Current PCLIA: Yes
Approval Date: 3/21/2017
SA&A: No

System Name: Returns Review Program (RRP)
Current PCLIA: Yes
Approval Date: 12/6/2019
SA&A: Yes
ATO/IATO Date: 11/26/2019

System Name: Automated Case Workload Management (ACWM) which is included in
PCLIA for Correspondence Examination Automation Support (CEAS)
Current PCLIA: Yes
Approval Date: 2/14/2018
SA&A: Yes
ATO/IATO Date: 7/15/2019

System Name: Where's My Amended Return (WMAR)
Current PCLIA: Yes
Approval Date: 5/29/2019
SA&A: No

System Name: Integrated Customer Communications Environment Interactive Processor (ICCE IP)
Current PCLIA: No
SA&A: Yes
ATO/IATO Date: 4/3/2020

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: Health and Human Services (HHS) Office of Child Support Enforcement (OCSE)
Transmission Method: via IBM Masterfile Platform
ISA/MOU: Yes

Name: Social Security Administration (SSA)
Transmission Method: via National Account Profile (NAP)
ISA/MOU: Yes

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: Integrated Data Retrieval System (IDRS)
Current PCLIA: Yes
Approval Date: 10/1/2018
SA&A: Yes
ATO/IATO Date: 2/7/2020

System Name: Report Generation Software (RGS)
Current PCLIA: Yes
Approval Date: 3/29/2018
SA&A: Yes
ATO/IATO Date: 7/10/2019

Identify the authority

Authority and purpose is pursuant to section 6103(h)(1) of the Internal Revenue Code (IRC). IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

For what purpose?

Authority and purpose is pursuant to section 6103(h)(1) of the Internal Revenue Code (IRC). IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

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

No

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

Yes

Identify the full names of the state and local agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: Iowa Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Louisiana Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Georgia Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Massachusetts Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Michigan Department of Treasury
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Minnesota Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Nebraska Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: New Jersey Division of Taxation
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: New Mexico Taxation and Revenue Department
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: New York Department of Taxation and Finance
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Indiana Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Oregon Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: West Virginia State Tax Department
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Wisconsin Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: California Franchise Tax Board
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Colorado Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Connecticut Department of Revenue Services
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Delaware Division of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: District of Columbia Chief Financial Officer (primarily Office of Tax &
Revenue)
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Illinois Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Montana Department of Revenue
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Ohio Department of Taxation
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Organization Name: Vermont Department of Taxes
Transmission Method: Secure Data Transfer
ISA/MOU   Yes

Identify the authority

Authority and purpose is pursuant to section 6103(d) of the Internal Revenue Code (IRC).
The information will be used by the State and local agencies for tax administration.

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

Authority and purpose is pursuant to section 6103(d) of the Internal Revenue Code (IRC).
The information will be used by the State and local agencies for tax administration.

For what purpose?

Authority and purpose is pursuant to section 6103(d) of the Internal Revenue Code (IRC).
The information will be used by the State and local agencies for tax administration.

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 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 information is collected while carrying out the Internal Revenue laws of the United States; an individual cannot decline providing the information.

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

PII data comes from tax returns via other IRS systems and other government agencies' systems. The system does not replace any individual taxpayer's right to due process, as dictated by the Internal Revenue Manual guidelines. IRS policy allows individual taxpayers whose data is in the system the opportunity to clarify or dispute negative determinations through the appeals process. However, due to the nature of this system, individuals may not receive specific notice that their information has been collected. Due process is provided pursuant to 5 USC and is included within those systems that feed the data to DEPDB.

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

System Administrators: Read Write

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

DEPDB resides on the MITS-21 GSS (mainframe) and there are no end users with direct access to the DEPDB. Only system administrators can have read/write authority to the DEPDB system. DEPDB is a batch job system. Employees view select data via command codes that are under Security and Communications System (SACS)/IDRS control with Online 5081 (OL5081) requirements. Access to the data is determined by the IDRS user's manager based on a user's position and need-to-know. IDRS users, via the command codes, are restricted to read only access. IDRS users do not have direct access to the DEPDB, access to IDRS must be obtained through Resource Access Control Facility (RACF) permissions.

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.

The records in DEPDB are scheduled in Records Control Schedule 29 for Service Center Operations, Item 417 (NARA Job No. N1-58-07-4, approved 5/14/07). System data is approved for destruction, retention periods vary. Disposition instructions are published in IRS Document 12990 under RCS 29.

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.

Audit Trail Information - DEPDB relies on Resources Access Control Facility (RACF) auditing capabilities.

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)?

Document Management for Information Technology (DocIT) - The System Test Plan documentation is stored in DocIT. DocIT is a web-based electronic document management system powered by the enterprise standard tool Documentum. The tool provides documentation control for IT projects within the IRS.

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?

N/A - No PII data is being used in system testing. DDB is a batch, compliance system where PII data is not exposed outside of the processing of the returns.

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?

No

Does computer matching occur?

Yes

Does your matching meet the Privacy Act definition of a matching program?

Yes

Can the business owner certify that it meets requirements of IRM 11.3.39, Disclosure of Official Information, Computer Matching & Privacy Protection Act?

Yes

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