

Date of Approval: **December 10, 2020**

PIA ID Number: **5473**

SYSTEM DESCRIPTION

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

Department of Labor Standards Enforcement, DLSE

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?

Department of Labor Standards Enforcement, DLSE #876

What is the approval date of the most recent PCLIA?

11/20/2017

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.

This is a legacy system. At the time it was built it was not required.

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.

DLSE is primarily used to process information submitted by taxpayers from the California garment, agricultural, car washing and polishing industries (companies). DLSE automates the research for federal employment tax requirements in an accurate and timely fashion. These industries (companies) taxpayers complete Form 8821 and send it to the IRS for processing. These industries must be cleared by the IRS in order to successfully operate. If the industry (company) taxpayer is in compliance with federal requirements, a letter is provided to the taxpayer to be presented to the state.

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)

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

The DLSE system requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from the Internal Revenue Service (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. DLSE requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer at this time.

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

Certificate or License Numbers

Tax Account Information

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

No

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.

We report to the State of California Department of Labor the employers that are deemed to be compliant and non-compliant in filing and paying their employment taxes.

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

DLSE users manually compare the reports to ensure accuracy, timeliness and completeness of each data item on a weekly basis. A monthly Embedded Quality Review System (EQRS) quality review also takes place.

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 24.046 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?

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?

Yes

Please identify the form number and name:

Form Number: Form 8821 Form Name: Tax Information Authorization

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?

No

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: State of California Licensing and Registration Unit, Division of Labor Standards Enforcement (DLSE)
Transmission Method: MOU
ISA/MOU: Yes

Identify the authority.

Per IRC 6103c and IRM 4.19.11.2.23.1 Par 2: DLSE will require the applicant to furnish the IRS with a valid Form 8821, "Tax Information Authorization", naming DLSE as the appointee to receive tax information and a copy of their State business license application. The current state industry application is Car Washing and Polishing Registration Application.

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

IRS 24.046

For what purpose?

The DLSE Access Database is not linked to the CA Dept of Labor in any way. The only way the state can verify compliance of a car wash business is by contacting the IRS and are returned a copy of the PDF letter.

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 sent from Department of Labor Standards Enforcement (DLSE_ to taxpayer stating information is required in order to renew business license.

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):

Taxpayer can choose to decline providing required documentation and is subject to a \$10,000 fine.

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

If the taxpayer is in compliance with federal requirements, a license is provided giving the taxpayer the authority to operate. Negatively affected parties may respond to a negative determination prior to final action by resubmitting the required form.

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: Read Write

Developers: Read Write

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

Approval for access is determined by the supervisor in accordance with the OL5081 process. The system administrator would then add the user to the global access group.

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.

DLSE data is approved for destruction 3 years after the end of the processing year under National Archives and Records Administration (NARA) Job No. N1-58-09-15. Disposition instructions are published in IRS Records Control Schedule (RCS) Document 12990 under RCS 28 for Tax Administration - Collection, item 153.22b.

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.

The DLSE application itself does not require a separate login. The user is granted a shortcut to the application on his or her desktop so that logging onto the IRS network equates to access to DLSE. The following IRS network user activities are logged and the data reviewed by the Information Technology security team on an ad hoc basis: logon/logoff by User ID password change create/delete/open/close file name program initiation all Systems administrator (SA) and database administrator (DBA) actions.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

DLSE is an Access database stored in a secure location and is not FISMA reportable.

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: Under 100,000

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?

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