
A. SYSTEM DESCRIPTION

Authority: Office of Management Budget (OMB) Memorandum (M) 03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 & PVR #1--Privacy Accountability and #21--Privacy Risk Management

Date of Submission: **May 29 2012**

PIA ID Number: **162**

1. What type of system is this? Legacy, Non-Major System

1a. Is this a Federal Information Security Management Act (FISMA) reportable system? No

2. Full System Name, Acronym, and Release/Milestone (if appropriate):

Notice Review Processing System, NRPS, Filing Season 2012/Milestone 4B

2a. Has the name of the system changed? No

If yes, please state the previous system name, acronym, and release/milestone (if appropriate):

3. Identify how many individuals the system contains information on

Number of Employees: Not Applicable

Number of Contractors: Not Applicable

Members of the Public: Over 1,000,000

4. Responsible Parties:

N/A

5. General Business Purpose of System

The Internal Revenue Service (IRS) corresponds with taxpayers for a variety of reasons. One of the reasons the IRS corresponds with a taxpayer is to inform that taxpayer of a settlement amount owed or due. The amounts of these settlements are handled within a mainframe environment. Notices are routed through the Notice Review Process System (NRPS) front end processing programs for possible selection. Selected notices are reviewed and updated, retyped, deleted via Online Notice Review (OLNR) processing. Depending on the action taken during the OLNLR process, notices are sent back in to the print system via the NRPS back end processing. Notices are sorted by selections based on SSN and tax period/MFT within selection criteria. These notices are put into batches with a maximum of 20 CPs per batch and each selection criteria is batched separate. Settlement notices are reviewed at several locations. Each site receives approximately 10% of the settlement notices (for subsequent review) that are sent by the IRS for that particular site location. Thus, approximately 10% of all settlement notices sent by the IRS are reviewed within OLNLR. The settlement data is received from the Notice Review Processing System (NRPS) mainframes. This data contains personally identifiable information (PII), such as Social Security Numbers (SSN), name, address, and other information typically located on a tax return.

6. Has a PIA for this system, application, or database been submitted previously to the Office of Privacy Compliance? (If you do not know, please contact *Privacy and request a search) No

6a. If Yes, please indicate the date the latest PIA was approved:

6b. If Yes, please indicate which of the following changes occurred to require this update.

- System Change (1 or more of the 9 examples listed in OMB 03-22 applies) (refer to PIA Training Reference Guide for the list of system changes)
 - System is undergoing Security Assessment and Authorization
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6c. State any changes that have occurred to the system since the last PIA

7. If this system has an Exhibit 53 or Exhibit 300 please provide the Unique Project Identifier (UPI) number (XXX-XX-XX-XX-XX-XXXX-XX). Otherwise, enter the word 'none' or 'NA'. NRPS Project ID is '2219'

B. DATA CATEGORIZATION

Authority: OMB M 03-22 & PVR #23-P11 Management

8. Does this system collect, display, store, maintain or disseminate Personally Identifiable Information (PII)? Yes
- 8a. If No, what types of information does the system collect, display, store, maintain or disseminate?
9. Indicate the category that best describes the source that provides or originates the PII collected, displayed, stored, maintained or disseminated by this system. Most common categories follow:

Taxpayers/Public/Tax Systems Yes
Employees/Personnel/HR Systems No
Other No

Other Source: _____

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10. Indicate all of the types of PII collected, displayed, stored, maintained or disseminated by this system. Then state if the PII collected is on the Public and/or Employees. Most common fields follow:

TYPE OF PII	Collected?	On Public?	On IRS Employees or Contractors?
Name	No	Yes	No
Social Security Number (SSN)	No	Yes	No
Tax Payer ID Number (TIN)	No	Yes	No
Address	No	Yes	No
Date of Birth	No	No	Yes

Additional Types of PII: No

No Other PII Records found.

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- 10a. Briefly describe the PII available in the system referred to in question 10 above.

Notices are routed through the Notice Review Process System (NRPS) front end processing programs for possible selection. Selections are based on criteria based on priority of the notices needing review. The selections are modifiable by service center by altering the local control file (LCF). Selected notices are reviewed and updated, retyped, deleted via Online Notice Review (OLNR) processing. Depending on the action taken during the OLNR process, notices are sent back in to the print system via the NRPS back end processing. Notices are sorted by selections based on SSN and tax period/MFT within selection criteria. These notices are put into batches with a maximum of 20 CPs per batch and each selection criteria is batched separately by service center.

If you answered Yes to Social Security Number (SSN) in question 10, answer 10b, 10c, and 10d.

- 10b. Cite the authority that allows this system to contain SSN's? (e.g. specific regulations, statutes, etc.)

IRS (IRC 6011, IRC 6109-1, and 26 CFR Section 301.6109-1)

- 10c. What alternative solution to the use of the SSN has/or will be applied to this system? (e.g. masking, truncation, alternative identifier)

None.

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- 10d. Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of Social Security Numbers on this system?

None

11. Describe in detail the system's audit trail. State what data elements and fields are collected. Include employee log-in information. If the system does not have audit capabilities, explain why an audit trail is not needed.

NRPS system is a batch project , there is no need for manual interaction with data

11a. Does the audit trail contain the audit trail elements as required in current IRM 10.8.3 Audit Logging Security Standards? No

12. What are the sources of the PII in the system? Please indicate specific sources:

a. IRS files and databases: Yes

If Yes, the system(s) are listed below:

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Notice Review ProcessingSystem	No		Yes	04/04/2012
MCC Mainframe (SYSM)	No		No	04/04/2012
TCC Mainframe (SYSL)	No		No	04/04/2012

b. Other federal agency or agencies: No

If Yes, please list the agency (or agencies) below:

c. State and local agency or agencies: No

If Yes, please list the agency (or agencies) below:

d. Third party sources: No

If yes, the third party sources that were used are:

e. Taxpayers (such as the 1040): No

f. Employees (such as the I-9): No

g. Other: No If Yes, specify:

C. PURPOSE OF COLLECTION

Authorities: OMB M 03-22 & Internal Revenue Manual (IRM) 10.8.8, IT Security, Live Data Protection Policy & PVR #16, Acceptable Use

13. What is the business need for the collection of PII in this system? Be specific.

Notice Review Processing System (NRPS) contain PII information. Notice Review Processing Systems main goal of increasing the accuracy of correspondence mailed to taxpayers. When NRPS flags a notice record for review, the programs create edited information which is passed to the Online Notice Review Project (OLNR), enabling the tax examiner to determine if the notice should be mailed as is, modified and mailed, or destroyed. The TEs must have to make sure a correct notices with the most up-to-date information available within the IRS before notices are mailed out to the Tax Payers.

D. PII USAGE

Authority: OMB M 03-22 & PVR #16, Acceptable Use

14. What is the specific use(s) of the PII?

To conduct tax administration	<u>No</u>
To provide taxpayer services	<u>Yes</u>
To collect demographic data	<u>No</u>
For employee purposes	<u>No</u>

If other, what is the use?

Other:

No

E. INFORMATION DISSEMINATION

Authority: OMB M 03-22 & PVR #14-Privacy Notice and #19-Authorizations

15. Will the information be shared outside the IRS? (for purposes such as computer matching, statistical purposes, etc.) No

15a. If yes, with whom will the information be shared? The specific parties are listed below:

	Yes/No	Who?	ISA OR MOU**?
Other federal agency (-ies)			
State and local agency (-ies)			
Third party sources			
Other:			

** Inter-agency agreement (ISA) or Memorandum of Understanding (MOU)

16. Does this system host a website for purposes of interacting with the public? No

17. Does the website use any means to track visitors' activity on the Internet?

If yes, please indicate means:

	YES/NO	AUTHORITY
Persistent Cookies	_____	_____
Web Beacons	_____	_____
Session Cookies	_____	_____
Other:	_____	<i>If other, specify:</i> _____

F. INDIVIDUAL CONSENT

Authority: OMB M 03-22 & PVR #15-Consent and #18-Individual Rights

18. Do individuals have the opportunity to decline to provide information or to consent to particular uses of the information? Not Applicable

18a. If Yes, how is their permission granted?

19. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action? Not Applicable

19a. If Yes, how does the system ensure "due process"?

20. Did any of the PII provided to this system originate from any IRS issued forms? Yes

20a. If Yes, please provide the corresponding form(s) number and name of the form.

<u>Form Number</u>	<u>Form Name</u>
Form ID:38 Number 1	Master Files
Form ID: 39 Number 2	Notice Review Processing System
Form ID:40 Number 3	On-line Notice Review
Form ID: 55 Number IMF 1040	U.S. Individual Income Tax Return
Form ID: 56 Number: IMF 1040A	U.S. Individual Tax Return
Form ID: 57 Number: IMF 1040C	U.S Departing Alien Income Tax Return
Form ID: 58 Number: IMF 1040EZ	U.S. Individual Income Tax Return

Form ID: 59 Number: IMF 1040NR	U.S Non-Resident Alien Income Tax Return
Form ID: 60 Number: IMF 1040NR-EZ	U.S Income Tax Return for Certain Non-Resident Aliens with No Dependents
Form ID: 61 Number: IMF 1040 PC	U.S Individual Tax Return (Personal Computer)
Form ID: 62 Number: IMF 1040PR	U.S Self-Employment Tax Return-Puerto Rico
Form ID: 63 Number: IMF 1040SS	U.S Self-Employment Tax Return-VIRGIN Islands, Guam, American Samoa
Form ID: 64 Number: IMF 1040TEL	U.S Individual Income Tax Return (Telefile)
Form ID: 65 Number: IMF 2363	Master File Entity Change
Form ID: 66 Number: IMF 2650	TDA/TDI Transfer
Form ID: 67 Number: IMF 4136	Computation of Credit for Federal Tax on Fuels
Form ID: 68 Number: IMF 4136T	Computation of Credit for Federal Tax on Fuels
Form ID: 69 Number: IMF 5329	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts
Form ID: 70 Number: IMF 5449	Undelivered Refund Check
Form ID: 71 Number: IMF CVL PEN	Civil Penalty
Form ID: 72 Number: BMF 1041	U.S Fiduciary Income Tax Return (for Estates and Trust)
Form ID: 73 Number: 1040A	U.S Information Return-Trust Accumulation of Charitable Amounts
Form ID: 74 Number: BMF 1041N	U.S Income Tax Return for Electing Alaska Native Settlement Trusts
Form ID: 75 Number: BMF 1041PF	See Form 5227 - Split-Interest Trust Information Return
Form ID: 76 Number: BMF 1040QFT	Qualified Funeral Trust
Form ID: 77 Number: BMF 1040S	Obsolete
Form ID: 78 Number: BMF 1042	Annual Withholding Tax Return for US Source Income of Foreign Persons
Form ID: 79 Number: BMF 1042S	Foreign Persons US Source Income Subject to Withholding
Form ID: 80 Number: BMF 1065	U.S Partnership Return of Income
Form ID: 81 Number: BMF 1066	Real Estate Mortgage Investment Conduit Income Tax Return
Form ID: 82 Number: BMF 1099	Income That You Did Not Fully Include on Your Return
Form ID: 83 Number: BMF 1120	U.S Corporation Income Tax Return
Form ID: 84 Number: BMF 1120A	U.S Corporation Short-Form Income Tax Return
Form ID: 85 Number: BMF 1120C	U.S Income Tax Return for Cooperative Associations
Form ID: 86 Number: BMF 1120F	U.S Income Tax Returns for Foreign Corporations
Form ID: 87 Number: BMF 1120FSC	U.S Income Tax Return of a Foreign Sales Corporation
Form ID: 88 Number: BMF 1120H	U.S Income Tax Return for Homeowners Associations
Form ID: 89 Number: BMF1120ICDISC	T/P Corres. Relating to Loose Sched's
Form ID: 90 Number: BMF 1120L	U.S Life Insurance Company Income Tax Return
Form ID: 91 Number: BMF 1120M	U.S Corporation Income Tax Return
Form ID: 92 Number: BMF 1120ND	Return for Nuclear Decommissioning Trusts and Certain Related Persons
Form ID: 93 Number: BMF 1120PC	U.S Property and Casualty Insurance Company Income Tax Return
Form ID: 94 Number: BMF 1120POL	U.S Income Tax Return of Political Organization
Form ID: 95 Number: BMF 1120REIT	U.S Income Tax Return for Real Estate Investment Trust
Form ID: 96 Number: BMF 1120RIC	U.S Income Tax Return for Regulated Investment Companies
Form ID: 97 Number: BMF 1120S	U.S Small Business Corporation Income Tax Return
Form ID: 98 Number: BMF 1120SF	U.S Income Tax Return for Settlement Funds (Under Section 468B)
Form ID: 99 Number: BMF 1120X	Amended U.S Corporation Income Tax Return
Form ID: 100 Number: BMF 11C	Special Tax Return and Application for Registry-Wagering
Form ID: 101 Number: BMF 2290	Heavy Vehicle Use Tax Return
Form ID: 102 Number: BMF 2290EZ	Heavy Vehicle Use Tax Return for Filers With A Single Vehicle
Form ID: 103 Number: BMF 2363	Master File Entity Change
Form ID: 104 Number: BMF 2650	TDA/TDI Transfer
Form ID: 105 Number: BMF 2758	Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns
Form ID: 106 Number: BMF 3520	Annual Return to Report Transaction With Foreign Trusts and Receipt of

Form ID: 107 Number: BMF 3520A	Certain Foreign Gifts
Form ID: 108 Number: BMF 3809	Annual Information Return of Foreign Trust With a U.S Owner
Form ID: 109 Number: BMF 4136	Miscellaneous Adjustment Voucher
Form ID 110 Number: BMF 4136T	Computation of Credit for Federal Tax on Fuels
Form ID: 111 Number: BMF 4638	Computation of Credit for Federal Tax on Fuels
Form ID: 112 Number: BMF 4720	Unknown
Form ID: 113 Number: BMF 5227	Return of Certain Excise Taxes of Charities and Other Persons Under Chap. 41 and 42 of the IRC
Form ID: 114 Number: BMF 5330	Split-Interest Trust Information Return
Form ID: 115 Number: BMF 6249	Return of Excise Taxes Related to Employee Benefit Plans
Form ID: 116 Number: BMF 706	Unknown
Form ID: 117 Number: BMF 706GS(D)	United States Estate Tax Return
Form ID: 118 Number: BMF 706GS(T)	Generation-Skipping Transfer Tax Return for Distribution
Form ID: 119 Number: BMF 706NA	Generation-Skipping Transfer Tax Return for Terminations
Form ID: 120 Number: BMF 709	U.S Non-Resident Alien Estate Tax Return
Form ID: 121 Number: BMF709A	U.S Gift Tax Return
	U.S Short Form Gift Tax Return

20b. If No, how was consent granted?

- Written consent _____
- Website Opt In or Out option _____
- Published System of Records Notice in the Federal Register _____
- Other: _____

G. INFORMATION PROTECTIONS

Authority: OMB M 03-22 & PVR #9-Privacy as Part of the Development Life Cycle, #11-Privacy Assurance, #12- Privacy Education and Training, #17- PII Data Quality, #20-Safeguards and #22-Security Measures

21. Identify the owner and operator of the system: IRS Owned and Operated

21a. If Contractor operated, has the business unit provided appropriate notification to execute the annual security review of the contractors, when required?

22. The following people have use of the system with the level of access specified:

	Yes/No	Access Level
IRS Employees:	<u>No</u>	
Users		<u>Read Write</u>
Managers		<u>Read Write</u>
System Administrators		<u>Read Write</u>
Developers		<u>No Access</u>
Contractors:	<u>No</u>	
Contractor Users		_____
Contractor System Administrators		_____
Contractor Developers		_____
Other:	<u>No</u>	_____

If you answered yes to contractors, please answer 22a. (All contractor/contractor employees must hold at minimum, a "Moderate Risk" Background Investigation if they have access to IRS owned SBU/PII data.)

22a. If the contractors or contractor employees act as System Administrators or have "Root Access", does that person hold a properly adjudicated "High Level" background investigation?

23. How is access to the PII determined and by whom?

The developer must submit OL-5081 request to receive access to the NRPS system. with the manager's approval, OL-5081 gives access to NRPS mainframe. Form 104 gives access for RACF access — it's Batch processing.

24. How will each data element of SBU/PII be verified for accuracy, timeliness, and completeness?

N/A

25. 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

25a. 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.

Notice Review Processing System (NRPS) records are scheduled under IRM 1.15.19 Records Control Schedule for the Enterprise Computing Center - Martinsburg (ECC-MTB), Item 71 (NARA Job No. N1-58-09-83, approved 12/1/09). System data is approved for destruction 2 weeks after printing Notice or when no longer needed for operational purposes, whichever is later.

If 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.

26. Describe how the PII data in this system is secured, including appropriate administrative and technical controls utilized.

Form 104 gives access for RACF access – it's Batch processing.

26a. Next, explain how the data is protected in the system at rest, in flight, or in transition.

Please see answer 26

27. Has a risk assessment (e.g., SA&A) been conducted on the system to ensure that appropriate security controls have been identified and implemented to protect against known risks to the confidentiality, integrity and availability of the PII? Yes

28. Describe the monitoring/evaluating activities undertaken on a regular basis to ensure that controls continue to work properly in safeguarding the PII.

Encrypt any email that contains PII sent among IRS email users including email sent to Criminal Investigation, TIGTA and Chief Counsel employees. It is permissible to send electronic mail to authorized non-IRS parties (other than taxpayers or their representatives), but only if the Sensitive But Unclassified data is protected by an IRS-approved, Federal Information Processing Standards – 140 standards, encryption method. Authorized non-IRS parties include contractors, state partners, the Social Security Administration or the Department of Justice. It is prohibited to send emails containing PII to taxpayers and their representatives unless they are using a technology and methodology approved by agency executives for this purpose. In addition, the EOPs System Administrators regularly run scans against the NRPS system to identify unauthorized changes and vulnerabilities to the configuration settings. NRPS has no outside interaction with other agency.

29. Is testing performed, in accordance with Internal Revenue Manual (IRM) 10.8.8 – IT Security, Live Data Protection Policy? Yes

29a. Has approval been received from the Office of Privacy Compliance to use Live Data in testing (if appropriate)? Yes

29b. If you have received permission from the Office of Privacy Compliance to use Live Data, when was the approval granted?

September 1, 2011

H. PRIVACY ACT & SYSTEM OF RECORDS

Under the statute, any employee who knowingly and willfully maintains a system of records without meeting the Privacy Act notice requirements is guilty of a misdemeanor and may be fined up to \$5000.

Authority: OMB M 03-22 & Privacy Act, 5 U.S.C. 552a (e) (4) & PVR #13-Transparency

30. Are 10 or more records containing PII maintained/stored/transmitted through this system? Yes

31. Are records on the system retrieved by any identifier for an individual? (Examples of identifiers include but are not limited to Name, SSN, Photograph, IP Address) Yes

31a. If YES, the System of Records Notice(s) (SORN) published in the Federal Register adequately describes the records as required by the Privacy Act? Enter the SORN number and the complete name of the SORN.

SORNS Number

SORNS Name

Treasury/IRS 24.030

CADE Individual Master File (IMF)

Treasury/IRS 24.046

CADE Business Master File (BMF)

Treasury/IRS 34.037

IRS Audit Trail and Security Records system

Comments

N/A

I. ANALYSIS

Authority: OMB M 03-22 & PVR #21-Privacy Risk Management

32. What choices were made or actions taken regarding this IT system or collection of information as a result of preparing the PIA?

Resulted in the removal of PII from the system (e.g., SSN use reduced/eliminated)

No

Provided viable alternatives to the use of PII within the system

No

New privacy measures have been considered/implemented

No

Other:

No

32a. If Yes to any of the above, please describe:

N/A

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