



COMMUNICATIONS AND LIAISON

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SEP 24 2003

MEMORANDUM FOR EVELYN PETSCHKEK
COMMISSIONER
TAX EXEMPT/GOVERNMENT ENTITIES

FROM: Maya A. Bernstein 
Privacy Advocate

SUBJECT: TE/GE Reporting and Electronic Examination System
Privacy Impact Assessment (PIA)

The Office of the Privacy Advocate has reviewed the Privacy Impact Assessment for the TE/GE Reporting and Electronic Examination System (TREES) system. Based on the information you provided, we do not have any privacy concerns that would preclude this system from operating. However, a revised PIA is required when considering any future upgrades or major modifications to the system or at the scheduled recertification of this system.

We will forward a copy of the PIA to the Director of the Security Services Mission Assurance Certification Program Office to be included in the Security Accreditation Package for formal acceptance for operation. The Director, Security Policy Support and Oversight, who has security oversight responsibility, may request information concerning the statements contained in the PIA to ascertain compliance with applicable security requirements.

If you have any questions please contact me at 202-927-5170; or your staff may contact Priscilla Hopkins at 202-927-9758.

Attachment

cc: Director, Security Services Mission Assurance, Certification Program
Office M:S:A
Director, Security Policy Support and Oversight M:S:S
Division Information Officer Barbara Bisson M:R:DIO-TEGE

July 8, 2003

MEMORANDUM FOR CHARLENE WRIGHT THOMAS
ACTING PRIVACY ADVOCATE CL:PA

FROM: Jerry Dalpiaz, Chief, Compliance Development Branch
M:I:B:CA:CD

SUBJECT: Request for Privacy Impact Assessment (PIA) –
TE/GE Reporting & Electronic Examination System (TREES)

Purpose of the System: The TE/GE (Tax Exempt and Government Entities) Reporting and Electronic Examination System (TREES) project is intended to provide a new tool for TE/GE personnel which will give them the capability to perform operating division-wide inventory control, compliance testing, tax computing and team examination monitoring. The TE/GE workforce is comprised of revenue agents (Employee Plans (EP), Exempt Organization (EO) and Tax Exempt Bond (TEB) specialists), tax law specialists, tax auditors, and Indian Tribal Governments/Federal, State, and Local Government (ITG/FSLG) specialists and also includes researchers, analysts, management, tax examiners and clerks.

Name of Request Contact:

Name: Susan Howell
Organization Name & Symbols: M:I:B:CA:IS:OU
Mailing Address: 1973 North Rulon White Blvd M/S 6502, Ogden UT 84201
Phone Number (with area code): 801-620-4022

Name of Business System Owner:

Name: Ted Ballard, Director, Business Systems Plan
Organization Name & Symbols: T:BSP
Mailing Address: 1750 Pennsylvania Ave NW, Washington DC 20006
Phone Number (with area code): 202-283-9967

Requested Operational Date: December 2004

Category

New System?: Y
Recertification? (if no change, enter date of last certification) _____
Modification of existing system?: _____

Is this a National Standard Application (NSA)?: _____

Is this a Modernization Project or System? Y

If yes, the current milestone?: 2/3

Privacy Impact Assessment – TE/GE Reporting and Electronic Examination System (TREES)

System of Records Notice(s) (SORN) #:

Treasury/IRS 24.030 CADE Individual Master File

Treasury/IRS 24.046 CADE Business Master File

Treasury/IRS 42.008 Audit Information Management System (AIMS)

Treasury/IRS 42.001 Examination Administrative File

Treasury/IRS 34.037 IRS Audit Trail and Security Records System

The SORN was approved by David Silverman on April 22, 2003.

Attachment: PIA

Data in the System


<p>1. Describe the information (data elements and fields) available in the system in the following categories:</p> <ul style="list-style-type: none">A. TaxpayerB. EmployeeC. Audit Trail Information (including employee log-in info)D. Other (Describe)	<ul style="list-style-type: none">a. TREES contains individual taxpayer data extracted from the Master File and contained in the Return Transaction File (RTF). Please refer to the Reports Generation Software (RGS) Section within the Dallas Development Site (DDS) Intranet site for a complete record of all data elements. The data in TREES is SSNs, Entity and Tax Period information.b. TREES contains the Employee's name, NT Username, Phone Number, Address, and SEID (Standard Employee Identifier).c. The system the user uses to access the application collects the employee log-in information.d. TREES contains data obtained from the IRS, the taxpayer, and the employee only.
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<p>2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.</p> <ul style="list-style-type: none"> A. IRS B. Taxpayer C. Employee D. Other Federal Agencies (List agency) E. State and Local Agencies (List agency) F. Other third party sources (Describe) 	<ul style="list-style-type: none"> a. Data is received from Master File, RTF, AIMS (Audit Information Management System), CFOL (Corporate Files On-line), RICS (Return Inventory Control System), EDS (Employee Plans & Exempt Organization Determination System), TEDS (Tax Exempt Determination System) and Discovery Directory. b. Info related to Exempt Organization determinations & examinations, Employee Plan determinations and examinations, and Government Entity examinations. Returns used: 1023, 1024, 1028, 4461, 4461-A, 4461-B, 5300, 5306, 5306-SEP, 5307, 5310, 5310-A, 6406, 8734, 11-C, 720, 730, 940, 941, 942, 943, 945, 990, 990-BL, 990-EZ, 990-PF, 990-T, 1040, 1040-A, 1040-EZ, 1040-NR, 1040-PR, 1040-SS, 1041, 1041-A, 1042, 1065, 1066, 1120, 1120-A, 1120-F, 1120-FSC, 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-S, 2290, 4720, 5227, 5330, 5500, 5500-EZ, 8038, 8038-G, 8038-GC, 8038-R, 8038-T, 8328, 8329, 8330, 8871, 8872, CT-1, CT-2. c. The Employee's name, NT Username, Phone Number, Address, and SEID are obtained from the employee. d. No other Federal Agencies provide data for TREES. e. No State or Local Agencies provide data for TREES. f. No other third party sources provide data for TREES.
<p>3. Is each data item required for the business purpose of the system? Explain.</p>	<p>Each data item is necessary to perform the required business action (inventory control, compliance testing, tax computing, team monitoring).</p>
<p>4. How will each data item be verified for accuracy, timeliness, and completeness?</p>	<p>The data is checked for completeness by SC personnel. The data is for the year(s) under review. Currency checks are accomplished by SC personnel.</p>

5. Is there another source for the data? Explain how that source is or is not used.	No.
6. Generally, how will data be retrieved by the user?	Data is retrieved using personal identifiers.
7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?	Yes, data is retrievable by name and SSN. There are returns in TE/GE that are individually based: Form 1040, 5330, 4720, etc.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?	The TE/GE workforce is comprised of revenue agents (Employee Plans (EP), Exempt Organization (EO) and Tax Exempt Bond (TEB) specialists), tax law specialists, tax auditors, and Indian Tribal Governments/Federal, State, and Local Government (ITG/FSLG) specialists and also includes researchers, analysts, management, tax examiners and clerks. Access to the data is determined by the manager based on a user's position and need-to-know. Users have access permissions to individual work assignments. Access is restricted to only those cases assigned to an employee.
9. How is access to the data by a user determined and by whom?	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 be added. They must fill out Form 5081, Information System User Registration/Change Request, to request access to the application. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on Form 5081.

<p>10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared. If NO, continue to Question 12.</p>	<p>Data is received from RICS (Return Inventory Classification System), TEDS (TE/GE Electronic Determination System), CFOL (Corporate Files On-Line), TRDB (Tax Return Database), MTRDB (Modernized Tax Return Database), CAF (Centralized Authorization File), AIMS (Audit Information Management System), Third Party, Masterfile, HR Connect, SETR (Single Entry Timesheet Report) and CADE (Customer Account Database Engine). Third Party is a database required by RRA 98 that stores those individuals or companies contacted during an audit of a return. The taxpayer can request from the IRS the list of third parties contacted from the IRS.</p>
<p>11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?</p>	<p>It is unknown if the IRS systems described in Item 10 above have received an approved Security Certification and Privacy Impact Assessment.</p> 
<p>12. Will other agencies provide, receive, or share data in any form with this system?</p>	<p>No.</p>

Administrative Controls of Data

<p>13. What are the procedures for eliminating the data at the end of the retention period?</p>	<p>Data will remain on-line for six years and then archived off-line permanently. TREES will replace the service centers as the official case repository.</p>
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<p>14. Will this system use technology in a new way? If "YES" describe. If "NO" go to Question 15.</p>	<p>No.</p>
<p>15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.</p>	<p>Yes, to identify other individuals working on taxpayers with similar issues for work collaboration to better serve taxpayers with consistent and accurate compliance information. No case identifying information will be shared, only individuals who work those issues.</p>
<p>16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.</p>	<p>Yes, workflow management will be implemented. Individuals will be given permissions only to access data that is needed to do their job. No browsing of the data will be allowed. Security Audit logs will be in place to track every transaction done by every individual.</p>
<p>17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.</p>	<p>No, all taxpayers and employees will be treated equally.</p>
<p>18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?</p>	<p>The system cannot make determinations.</p>
<p>19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?</p>	<p>TREES is not a web-based application.</p>