PIA Approval Date – March 22, 2011

System Overview

Integrated Production Model (IPM) supports the Business Operating Divisions (BODs) in the identification and selection of cases, measurement of noncompliance, and in the development of treatment strategies to deal with identified areas of noncompliance among individual and business filers. Integrated Production Model (IPM) is a common, read–only data store (database) containing core IRS data (e.g., tax accounts, tax returns, and information returns) needed by a wide range of Tier B modernization projects to support case identification, selection, prioritization and delivery, compliance analysis and decision analytics. This application extracts data from the Individual Master File (IMF) and Business Master File (BMF) and reformats it into the necessary relational structure. IPM Release 6.0 consolidates supplementary data into a centralized read–only database to provide a single point of access to corporate data. IPM Release 6.0 is for the purpose of adding the remaining BMF data to IPM.

Systems of Records Notice (SORN):

- IRS 42.021--Compliance Programs and Projects Files

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer:
- Business Master File (BMF) Entities; Tax Modules; Entity Transactions; Tax Return Transactions; Tax Return Statuses.
- Transcribed sections of Business Tax Returns.
- Wage Related Documents from Social Security Administration (SSA).
- Name Control; Date of Death; Birth Data; Citizenship Indicator.
- Employee Plan Master File Entities and Tax Modules.
- Information Return Documents and Payer Documents.
- Individual Master File (IMF) Entities; Tax Modules; Entity Transactions; Tax Return Transactions; Tax Return Statuses.
- Examination Inventory and controls.
- Transcribed sections of Individual Tax Returns: Form 1040.
- Form 1099–MISC Income.
- SS–8 Inventory and Case Development
- Earned Income Credit.
- Calculated variables based on IMF and BMF tax returns as received from the Compliance Data Environment (CDE) System.
- Allowable Living Expenses – Collection Financial Standards used to determine a taxpayer's ability to pay a delinquent tax liability.
- Employment Tax Schedule R – Allocation Schedule for Aggregate Form Filers.
- Computer Paragraph (CP) Notices 2100 (CP2100) Backup Withholding (BWH) "B" Notices.
- Withholding Compliance Program (WHC) data.

B. Audit Trail Information: Audit trails will be created using Oracle 11g auditing features. There are no individual end users that will access IPM. The audit tables within the DBS are written to an operating system file each day and then the DBS tables, categorized as sys.aud$ tables, are cleared. The file on the operating system is backed up to tape and retained for seven years.

C. Other:
  - Mapping Data (USPS) that maps zip codes to Exam Post of Duty (PODs) were added to IPM at Release 4.
  - Census Bureau; National American Industry Classification System (NAICS) Codes; Industry Codes to include Occupational Codes (OCC) and Standard Occupational Classification (SOC) Codes.

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. IRS: Approximately 29067 data elements exist and can be viewed at the IPM SharePoint link: http://wsep.ds.irsnet.gov/sites/co/dcse/sbse/dsi/IPM/default.aspx.

B. Other Federal Agencies:
  - Census Bureau – Manual Excel spreadsheet download from http: site. IPM will not connect to this source.

C. Other Third Party Sources: Mapping Data (USPS) that maps zip codes to Exam PODS is received from the United States Postal Service.

3. Is each data item required for the business purpose of the system? Explain.
Yes each data item is required for the business purpose of the system. The system is designed to serve as a common data repository for a number of client projects and system. All of the information identified as being required for IPM was derived by reviewing the client applications needs.

4. How will each data item be verified for accuracy, timeliness, and completeness?
Data contained in IPM comes from IRS authoritative sources which IPM relies on for accuracy. Data record element fields which are input to the Data Preparation component have already been extensively validated by their respective components. For example, delinquency data obtained from Business Master File has already been validated by that system. Run–to–run balancing controls will be maintained by all programs which extract data for the IPM. The Log Accounting Reporting System (LARS) will be utilized to maintain control totals.

All Data Loads will employ the following Data Validation Rules:
  - BMF and EPMF data is loaded as is from the master files on DB2. The exception to this is that any data that is acceptable on Tier I (DB2), but not acceptable on Tier II (Oracle), will be set to "null".

For all other sources:
  - When a value that is to be loaded into a DATE formatted attribute is found to be invalid, the value of the attribute is set to "null". The SSA_DM1_REF table is an exception. Dates from SSA are loaded as received since some are known to be invalid.

  - When a value that is to be loaded into a NUMERICAL formatted attribute is found to be invalid, the value of the attribute is set to "null".

- When a new attribute is added to a table, the value of that attribute will be null in any rows that were already on the database.

- Right Trim (RTRIM) is used on all Name and Address attributes as well as the Condition Code Field and City attributes to conserve space on these variable length fields. Spaces to the right of the last significant character in these attributes are set to null.

- Money fields are represented as taken from the master files, dollars only or dollars and cents depending on the legacy field definition.

5. Is there another source for the data? Explain how that source is or is not used.
Yes, IPM extracts data from various internal authoritative sources into a centralized location. These authoritative sources, as listed in Question 2, are the original sources of the data contained in IPM; however, there is no other source that centralizes this data into one database.

6. Generally, how will data be retrieved by the user?
Individual users will not have access to the IPM to retrieve data. The system's design is that it will be a data repository that will be accessed by client applications through a direct link. All client applications will connect to IPM via an application to DB connection. There is no direct IPM User Interface. The design of the using application to IPM DB interface is the responsibility of the using application.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. Data is retrievable by TIN: SSN; EIN. The client projects will build queries that will be run against IPM to retrieve data that fits the queries. These queries can contain personal identifiers.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

Role: Database Administrators (DBA).
Permission: Access to maintain the system.

Note: No contractors have access to IPM. There are no individual end users with access to data, as client applications utilize the data in the system.

9. How is access to the data by a user determined and by whom?
The IPM application does not provide end user access to the application. The only authentication that takes place is by the DBAs via the Oracle Database Management System (DBMS). Client applications utilize the data within the database and access is controlled via the On–Line 5081.

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.
IPM will receive data from a number of systems. For release 6, the data sources will be:
- Business Master File (BMF) Tier 1 DB2 database.
- Business Master File (BMF) – IRS Tier 1 Repository.
- Business Return Transaction File (BRTF) – IRS Tier 1 Repository.

- Combined Annual Wage Reporting (CAWR) – IRS Tier 1 Repository of wage related documents from SSA.
- Compliance Data Environment (CDE) – IMF derived variables calculated from IMF transactions.
- Compliance Data Environment (CDE) – BMF derived variables calculated from BMF transactions.
- Data Master – 1 (DM–1) – IRS Tier 1 Repository.
- Employee Plan Master File (EPMF–DB2) – IRS Database.
- Information Returns Master File (IRMF) – IRS Tier 1 Repository.
- Payer Master File (PMF) – IRS Tier 1 Repository.
- Individual Master File (IMF) – IRS Tier 1 Repository.
- Individual Return Transaction File (IRTF) – IRS Tier 1 Repository.
- Audit Information Management System–Reference (AIMS–R) – IRS Database.
- Employment Tax Examination Program (ETEP) – IRS Database.
- SS8 Integrated Case Processing (SS8ICP) – IRS Database.
- Research Earned Income Credit Extract (R–EIC) – A 701 extract.
- IPM Data Inputs (AIR File) – Flat File from BMFCCNIP.
- Mapping Data (USPS) – Zip codes.
- Us Census Bureau – Census data.

IPM will share data from a number of systems. For release 6, the data sources will be:
- Service Wide Employment Tax Research System (SWETRS).
- Risk Based Scoring System (RBSS).
- Excise Files Information Retrieval System (ExFIRS).
- Large Business and International Division Data Capture System (LB&I DCS).
- Business Master File Case Creation Non–Filer Identification Project (BMF CCNIP).

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?

Yes. No Client Applications will be allowed access to the IPM without an approved Security Assessment and Authorization (SA&A). Each client application must request access through the IPM Configuration Control Board prior to gaining access to IPM.

Business Master File Database (BMF–DB2) (Part of Business Master File)
- Authority to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment – March 16, 2010

Business Master File (BMF)
- Authority to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment – March 16, 2010

Business Return Transaction File (BRTF) (Part of Business Master File)
- Authority to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment – March 16, 2010

Combined Annual Wage Reporting (CAWR)
- Authority to Operate (ATO) – (ATO with Conditions) June 9, 2010
- Privacy Impact Assessment – December 10, 2009

Combined Data Environment (CDE)
- Authority to Operate (ATO) – May 7, 2010
- Privacy Impact Assessment – March 25, 2010

Data Master–1 (DM–1) (Part of Customer Account Data Engine)
- Authority to Operate (ATO) – April 2, 2009
- Privacy Impact Assessment – October 19, 2009

Employee Plan Master File (EPMF– DB2)
- Authority to Operate (ATO) – February 5, 2009
- Privacy Impact Assessment – November 19, 2008

Information Returns Master File (IRMF) (Part of Information Returns Processing)
- Authority to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment – October 9, 2009

Payer Master File (PMF)
- Authority to Operate (ATO) – March 29, 2010
- Privacy Impact Assessment – October 23, 2009

Individual Master File (IMF)
- Authority to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment – November 10, 2009

Individual Return Transaction File (IRTF) (Part of Individual Master File)
- Authority to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment – November 10, 2009

Audit Information Management System – Reference (AIMS–R)
- Authority to Operate (ATO) – May 1, 2009
- Privacy Impact Assessment – February 11, 2009

Employment Tax Examination Program (ETEP) (Part of Business Master File)
- Authority to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment – March 16, 2010

SS8 Integrated Case Professing (SS8ICP)
- Authority to Operate (ATO) – May 29, 2009
- Privacy Impact Assessment – March 12, 2009

Research Earned Income Credit Extract (R–EIC) (Part of Business Master File)
- Authority to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment – March 16, 2010

Aggregated Information Returns (AIR) (Part of Information Returns Master File)
- Authority to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment – October 9, 2009

Mapping Data (Compact Disc purchased from USPS)
- Not applicable
- Not applicable

US Census Bureau (manual download of public data from Census website)
- Not applicable
- Not applicable

Service Wide Employment Tax Research System (SWETRS)
- Authority to Operate (ATO) – February 2, 2010
- Privacy Impact Assessment – October 10, 2009

Risk Based Scoring System (RBSS)
- Authority to Operate (ATO) – February 2, 2010
- Privacy Impact Assessment – April 7, 2010

Excise Files Information Retrieval System (ExFIRS)
- Authority to Operate (ATO) – June 26, 2008
- Privacy Impact Assessment – March 1, 2011

Large Business and International Division Data Capture System (LB&I DCS)
- Authority to Operate (ATO) – October 25, 2010
- Privacy Impact Assessment – May 26, 2010

Business Master File Case Creation Non–Filer Identification Project (BMF CCNIP)
- Authority to Operate (ATO) – October 22, 2009
- Privacy Impact Assessment – September 24, 2008

12. Will other agencies provide, receive, or share data in any form with this system?
Yes. IPM will receive data from wage related documents from SSA, as listed in 1A above; however, the source of this data for IPM is CAWR, which is an internal IRS System. IPM will also receive Census Data, as described in 2d above. This data will be secured via a manual download from the Census Bureau website. IPM will receive Mapping Data from the United States Postal Service as noted in 2F above.

Note: No agencies outside of the IRS will receive data from this system.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
IPM is non–recordkeeping. It is not the official repository for data and documents. IPM is a read only reference set of data pulled from multiple systems. The data loaded into IPM from the various data sources listed in this questionnaire will be updated with current information from weekly, monthly or annual loads. W–4 paper case files and National Computer Center (NCC) magnetic tape records are destroyed two years after the cases have been inactive. Records associated with the examination of returns are disposed of in accordance with 1.15.23 Records Control Schedule 23 for Examination. Records not associated with the examination of returns will be destroyed at the completion of the program or project, and in accordance with Records Management Policy Handbook, IRM 1.15.2 Types of Records and Their Life Cycle.

14. Will this system use technology in a new way?
No. The IPM will use IRS Enterprise Architecture approved systems and software to store data compliance related data in a format that is easily accessed by the client applications.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
Yes. The Client Applications will access data from the IPM that will be matched against their business rules that will include case selection. The business purpose for this capability is to ensure that taxpayers are compliant in their tax obligations. The system will be used to address tax gap issues.

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.
No. The IPM will be designed to allow compliance functions to identify non compliant taxpayers. The system is not designed to monitor individuals or groups except for those taxpayers or groups of taxpayers who are non compliant.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
No. The IPM will be designed to allow compliance functions to identify non compliant taxpayers. The system is not designed to nor will it contain information on Race, Gender, Sexual Preference, or any other issue not related to tax compliance.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
No. The system does not make determinations negative or otherwise. These actions are in the purview of the client applications and ensuring "due process" is the responsibility of these client applications. The discovery and correction of errors in the source file data would fall under the existing procedures for the system in question. IPM does not have write capabilities to any source systems nor are client applications permitted to modify IPM data.

19. If the system is web–based, does it use persistent cookies or other tracking devices to identify web visitors?
The system is not web–based.

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