

Notice Delivery System (NDS) – Privacy Impact Assessment

Approval Date: March 29, 2010

System Overview

NDS is an Internal Revenue Service (IRS) application/system within the Wage and Investment (W&I) division and was developed to provide a more efficient mail piece processing function. This system enables faster processing of taxpayer notices, higher levels of postal discount and addresses the print site operation requirements for being able to meet critical mailing windows by sending multiple notices to taxpayers. NDS provides control over all taxpayer notice print and distribution processes through the Correspondence Production Services (CPS) print sites and the Notice Delivery Systems print sites. U.S. Postal Service mail manifest data is printed from the NDS servers for postal acceptance and processing.

Systems of Records Notice (SORN):

- Treasury/IRS 00.001 - Correspondence Files and Correspondence Control Files
- Treasury/IRS 24.030 – Customer Account Data Engine (CADE) Individual Master File
- Treasury/IRS 24.046 – CADE Business Master File
- Treasury/IRS 34.037 – IRS Audit Trail and Security Records System
- Treasury/IRS 26.019 – Taxpayer Delinquent Accounts (TDA) Files
- Treasury/IRS 26.020 - Taxpayer Delinquency Investigation (TDI) Files
- Treasury/IRS 22.061 – Individual Return Master File (IRMF)

Data in the System

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

A. Taxpayer – The Notice Delivery System (NDS) is the transferring point for print files. NDS does not allow the input or manipulation of data. NDS's functionality is to serve as a print system that generates notices from IRS Correspondence files to taxpayers, which includes the following data elements:

- Addressee Social Security Number (SSN)
- Taxpayer Identification Number (TIN)
- Individual TIN (ITIN)
- Adoption TIN (ATIN)
- Employee Identification Number (EIN)
- Taxpayer Name
- Taxpayer Mailing Address
- Balance Due
- Type of Letter
- Type of Mailing
- Tax Periods
- Master File Tax (MFT)

B. Employee – Employees are granted access through the use of OL5081 and require manager's approval, and use a userid and password to log into the system.

C. Audit Trail Information – Audit trail information for login is available, including:

- User ID
- Logon Time
- Logoff Time
- Security Level
- Host (Workstation ID)
- Modified Date/Time Stamp

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

A. IRS – NDS does not obtain any files or data elements from IRS systems.

B. Taxpayer – The Notice Delivery System (NDS) is the transferring point for print files. NDS does not allow the input or manipulation of data. NDS's functionality is to serve as a print system that generates notices from IRS Correspondence files to taxpayers, which includes the following data elements. No data elements are obtained from the taxpayer.

- Addressee Social Security Number (SSN)
- Taxpayer Identification Number (TIN)
- Individual TIN (ITIN)
- Adoption TIN (ATIN)
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C. Employee – Employees are granted access through the use of OL5081 and require manager's approval, and use a userid and password to log into the system.

D. Other Federal Agencies – United States Postal Service sends files to NDS containing the results of mail delivery. Types of data elements used (but not limited to) are:

- Electronic File Header Record ID
- Electronic File Type
- Electronic File Number
- Date of Mailing
- Time of Mailing
- Entry Facility
- Payment Account Number
- Method of Payment
- Post Office of Account ZIP Code
- Database Security Audit System (DSAS) Confirmation Number
- Destination ZIP Code
- Destination ZIP+4

- Country Code
- Postage

3. Is each data item required for the business purpose of the system? Explain.

Yes, these data elements are required for reporting mailing results to other IRS systems.

4. How will each data item be verified for accuracy, timeliness, and completeness?

NDS does not verify the accuracy or the timeliness of the data beyond the acceptability of the IRS mailing address for USPS mail delivery. Users do not input any information into the system. When print jobs are received into the NDS application, it reviews control files associated with the file in order to assign the correct NDS parameters. Each notice print file is given an identifying job number and each notice within a file is given a sequence number so that each notice is accounted for. Validation is performed by validating specific parts of the defined Tag Logic Element (TLE) throughout the NDS process. An Information Technology Asset Management System (ITAMS) ticket is generated for files that can not be validated or contain discrepancies.

5. Is there another source for the data? Explain how that source is or is not used.

No. There is no other source for the data.

6. Generally, how will data be retrieved by the user?

A Database 2 (DB2) client is installed on each user's desktop. The DB2 client provides access to the NDS application. Users are required to login using userID and password assigned by NDS administrator. NDS application users are given an initial password and required to change password after first login. The username and password is sent via Online 5081 (OL5081) after it is signed by an immediate manager and an account is added by the NDS security administrator.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?

Yes. Data can be retrieved by TIN/SSN. There are no other personal identifiers that can be used to retrieve data.

Access to the Data

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

Only authorized users within Correspondence Production Services can access the data. The user groups are identified by a numeric identifier 0 – 11 and users are assigned to specific groups based on their needs and OL5081 submission.

USER GROUP:

- 0 = View only Users
- 2 = Operator Level 1 – Read Access to various menu options which differ from Operator Level 2
- 4 = Operator Lev. 2 – Read Only
- 6 = NDS Specialist – Read Only
- 7 = NDS Leads – Read Only
- 8 = System Analyst – Read Only
- 9 = Business Unit System Administrators – Read / Write
- 10 = Certified Mail Repository (CMR) User – Read Only
- 11 = CMR Administrator – Read / Write

Contractors who have access to the system production have had a properly adjudicated background investigation based on the level of their access. At that time they will be granted access via OL5081.

9. How is access to the data by a user determined and by whom?

CPS management determines what level of access to the system controls and data is needed. Through user profiles, they authorize specific employees that level of access. This access is provided through the OL5081 with manager's approval.

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.

- **Tumbleweed Server** – NDS sends Electronic notice documents to a Tumbleweed Server
- **Control D** – NDS sends Electronic notice documents to Control D Server.
- **Standard IDRS Access Tier II (SIA Tier II)** – When NDS submits data extracts for the Integrated Data Retrieval System it must go through a formatting purposes. SIA Tier II will format the request in a readable version for IDRS. IDRS sends an acknowledgement receipt / error receipt records back through SIA Tier II for NDS to complete the interlock for successful transmission. Information, including delivery status from USPS Return Receipt Notices, is sent once per day. Data elements include, but are not limited to:
 - Service Center Code
 - Process ID
 - TIN
 - File Source Code
 - TIN Type
 - MFT
 - Plan Number
 - Tax Period
 - Request Type
 - Status
 - Transaction Type
 - Transaction Code
 - Originating Office Code
- **Automated Under Reporting (AUR)** – NDS sends mail delivery information including certified mail number and indicator stating that it has been mailed via EFTU. Data elements include, but are not limited to:
 - Service Center Code
 - Process ID
 - TIN
 - File Source Code
 - TIN Type
 - MFT
 - Plan Number
 - Tax Period
 - Request Type
 - Status

- Transaction Type
 - Transaction Code
 - Certified Mail Number –Registered Mail Number (CMN-RMN)
- **Automated Substitute For Return (ASFR)** – NDS sends mail delivery information including certified mail number and mailing indicator via EFTU. Data elements include, but are not limited to:
 - Service Center Code
 - Process ID
 - TIN
 - File Source Code
 - TIN Type
 - MFT
 - Plan Number
 - Tax Period
 - Request Type
 - Status
 - Transaction Type
 - Transaction Code
 - Name Control
 - Transaction Date
 - Notice Type
 - Notice Date
- **Compliance Data Warehouse (CDW)** – Notice Information Report sent via EFTU. Data elements include, but are not limited to:
 - Download Job ID
 - Delivery Type
 - Zip Code
 - Zip Code last four digits
 - TIN
 - Service Center
 - Job Type
 - Notice Type
 - Notice Date
 - SSN Check
 - Name Control
 - MFT
 - Tin Type
 - Tax Period
 - Transaction Code
 - Pay/Refund
 - IRS Sequence Number
 - Individual Data Retrieval System Profile Number
 - Certified Mail Number
 - ITIN
 - EIN

- Foreign Bad Address
- TIN Suffix
- Service Center Code
- File Source Code
- Notice Copy Indicator
- Archive Copy Indicator
- Document Locator Number
- Form Name
- Country Code
- Application Name
- Name
- Catalogue Number
- Revision Date
- Description
- Disposition
- Electronic Inserts

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

SIA Tier II

- Certification and Accreditation Authority to Operate (ATO) received on October 5, 2009, expires on October 5, 2012.
- Privacy Impact Assessment (PIA) received on May 20, 2009, expires on May 20, 2012.

AUR

- ATO received on May 6, 2009, expires on May 6, 2012.
- PIA received on February 27, 2009, expires on February 27, 2012.

ASFR

- ATO received on June 19, 2008 expires on June 19, 2011.
- PIA received on March 7, 2008, expires on March 7, 2011.

CDW

- ATO received on June 20, 2008, expires on June 20, 2011.
- PIA received on March 24, 2008 expires on March 24, 2011.

12. Will other agencies provide, receive, or share data in any form with this system?

Yes. USPS will receive NDS data files on certified mail pieces which can only be identified by certified mail number, and provide data files on the results of delivery.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?

A request for records disposition authority for NDS and associated records is currently being drafted with the assistance of the IRS Records and Information Management (RIM) Program Office. When approved by the National Archives and Records Administration (NARA), disposition instructions for NDS inputs, system data, outputs and system documentation will be published in IRM 1.15, exact Records Control Schedule and item number to be determined.

14. Will this system use technology in a new way?

No. NDS does not use technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.

No. NDS is not used to identify or locate individuals or groups.

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. NDS does not provide the capability to monitor individuals or groups.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?

No. Use of NDS will not allow the IRS to treat taxpayers, employees, or others differently.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?

Not Applicable. The system does not provide for any determinations.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?

Not Applicable. The system is not Web-based.

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