

## Mail Labels and Media Support (MLMS) – Privacy Impact Assessment

PIA Approval Date – Mar. 14, 2011

### **System Overview:**

Mail Label and Media Support (MLMS) consists of numerous independent batch applications for extracting and cleansing taxpayer addresses. This includes applying address cleansing software to domestic and international taxpayer addresses on the Individual Master File (IMF), Business Master File (BMF), and Employee Plan Master File (EPMF) databases. The international process of address cleansing is new and phase 1 is scheduled to be deployed in January 2012. Additional address cleansing is conducted by MLMS through creating/maintaining the Location Code File (LCF), Deleted Zip Code Transactions, and the Location Code Assignment process. MLMS extracts the name and addresses of taxpayers for the 1040ES, 1041ES, and Pub15 tax package types. The taxpayer information for these mailings is extracted from the appropriate master file based on criteria provided by Wage and Investment for the package target group. MLMS extracts taxpayer information for the Shared Secrets database, then merges these records with data received from Tax Return Database/ Modernized Tax Return Data Base (TRDB/MTRDB). This merged taxpayer data file is then sent to NAP to be used when taxpayers enter their Personal Identification Number (PIN) during the electronic filing (efile) process. MLMS also provides Quality Review Program (QRP) support to the Criminal Investigation Division (CID) by creating a weekly listing of taxpayers who have filed for multiple tax refunds during the same year and have met predetermined criteria established by address and amount of refund.

### **Systems of Records Notice (SORN):**

- IRS 24.030--Customer Account Data Engine Individual Master File
- IRS 24.046--Customer Account Data Engine Business Master File
- IRS 34.037--IRS Audit Trail and Security Records System

### **Data in the System**

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

- A. Taxpayer – Taxpayer address information is extracted from the IMF, BMF, and EPMF master files for numerous MLMS projects including Mail Labels, Address Cleansing, QRP duplicate refund reports, and shared secrets processing. The following packages are mailed to taxpayers by printing contractors using data extracted by MLMS:
- 1041ES – Payment Voucher, Estimated Tax
  - 1096 – Annual Summary and Transmittal of US Information Returns
  - 1040ES – Estimated Tax for Individuals
  - Pub 15 – Employers Tax Guide
- B. Audit Trail Information – All online data access is through batch processing. Data needed for taxpayer mailings are viewed by authorized IRS employees or printing contractors via a copy of the MLMS data loaded onto encrypted CD's. The CD's are password protected and the online files are protected by the Mainframe authentication and authorization process, including the use of audit trail information.

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

- A. IRS – MLMS data is obtained through batch extract programs from IMF, BMF, and EPMF. Data received from these master files may include: Taxpayer Name, Address, Business Name, and Adjusted Gross Income (AGI)

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

Yes, the Taxpayer Name, Address, Business Name is required to mail the appropriate tax package to the Taxpayer.

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

There are several validation procedures to ensure that batches have run properly and contain properly formatted information; some of these are:

- Control codes are used to verify complete files are transmitted
- The Log Analysis and Reporting Services (LARS) system performs run-to-run balancing for each batch job run to ensure that no data is lost
- Run to run balancing is used to verify that all files are processed through the complete input system and extract system as appropriate
- Unit testing, system acceptability testing, and integration testing are used to ensure runs process data correctly
- Validity checks are in place using the previously mentioned entity data to insure that if multiple taxpayers have the same first and last name that they are properly distinguished one from the other via the entity check information
- There are a series of tests performed on data such as the Compatibility Tests and the Final Integration tests to ensure the accuracy, timeliness and completeness of all MLMS processing.
- The data is processed through an address hygiene software to verify that the addresses are deliverable.

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

No. No other source is needed for the data.

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

Data needed for taxpayer packages is written to a encrypted/password protected CD and shipped to the printing contractor. The password is secure emailed to the IRS contact for each appropriate contractor. The master file data is only retrievable by IRS personnel with the required security using batch processes.

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

The data can be viewed by the printing contractor only after receiving the password from their IRS Publishing Services contact.

**Access to the Data**

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

MLMS data on the mainframe system is only accessible by those developers with the appropriate RACF security.

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

Only MLMS developers have mainframe access to the data. The data that is shipped to the printer contractor is password protected, Publishing Services will provide that password to the contractor.

**10. Do other IRS systems provide, receive, or share data in the system?**

No.

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

Not applicable.

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

No.

**Administrative Controls of Data**

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

MLMS is unscheduled. A request for records disposition authority for MLMS 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 MLMS inputs, system data, outputs and system documentation will be published under IRM 1.15.29 Records Control Schedule for Submissions Processing Campus Records, item number to be determined

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

No.

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

Yes, the Mail Label project within MLMS allows for taxpayers to receive the tax package (1040ES, 1041ES, 1096 and Pub15) that meets their filing requirements.

**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, this is used as a means to provide tax packages.

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

No. The 1040ES, 1041ES, 1096 and Pub15 tax packages are sent to the taxpayer strictly based on the filing requirements of that taxpayer.

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

Not applicable. This only provides tax packages to individuals and businesses that meet specific filing requirements.

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

Not applicable.

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