Date of Approval: **January 22, 2020**

PIA ID Number: **4598**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

Examination Returns Control System, ERCS

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym and milestone of the most recent PCLIA?

2095, Examination Returns Control System, ERCS, 1/24/2017

What is the approval date of the most recent PCLIA?

2/7/2017

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

Examination Returns Control System, (ERCS) governance board and steering committee.

Current ELC (Enterprise Life Cycle) Milestones:

System Development/Milestone 4B

Operations & Maintenance (i.e. system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

Yes

GENERAL BUSINESS PURPOSE

What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

Examination Returns Control System (ERCS) is an inventory management database application used by the Small Business/Self-Employed (SB/SE) and Large Business and International Division (LB&I) for controlling and monitoring tax returns and technical time charges for returns under examination in all areas. ERCS is used to requisition tax returns, assign returns to examiners, and change codes such as status codes, project codes, and charge time. Examination records (taxpayer) can be requested, updated, reassigned and closed for an area. ERCS allows managers to track statute information, manage inventory by group or examiner, monitor time applied, conduct workload reviews, and determine what type of cases need to be requested. When cases are closed or transferred, ERCS generates Form 3210 for the shipping of cases, as well as, to acknowledge shipped cases. ERCS also provides managers of Examination groups and functions with inventory management reports. Examination return information is stored in the ERCS database to be used for inventory management for returns under examination in the area. Examination records are added and updated in ERCS in two ways: 1) manual inputs from ERCS users; and 2) through weekly downloads of a file extracted from the Audit Information Management System - Reference (AIMS-R) database via Secure File Transfer Protocol (SFTP). All information for manual input comes from taxpayer records and is input by IRS employees. On a weekly basis, information is extracted from the AIMS-R database and compared to the ERCS database. Reports are generated to alert ERCS users of discrepancies to be corrected either on ERCS or AIMS-R to bring the databases into agreement. The record with the most current data determines whether ERCS or AIMS-R is updated. The program assumes if a record is under ERCS control, the user makes changes to the record on ERCS and not AIMS-R. The opposite is assumed if the return is not under ERCS control. In order to link returns under examination to AIM-R, the following taxpayer data are stored in the ERCS database: Taxpayer Identification Numbers (TIN), Employer Identification Number (EIN), Taxpayer/Employer Name, Taxpayer/Employer Address, and related return information, such as amounts claimed by taxpayer filing an amended return or claim, Secondary Social Security Number (SSN), Activity Code, Source Code, Status Code, and Name Control. Assessment amounts are also stored for closed returns. Additional information is contained in the database, which is locally defined, to allow users to classify, type, and track returns and local projects. ERCS also contains information on employees in Exam, which are personnel in SB/SE or LB&I that are connected with the auditing, monitoring, and processing of returns under examination. Employee Name and SSN are stored for inventory control purposes (including controls to prevent unauthorized access to employee returns under audit). This is required for security purposes and is used to see if an employee,

attempts to access his/her own return or spouse's return. Additional information, such as the employee's AIMS Assignee Code (AAC), Post of Duty (POD), position code, position code date, prior position code, grade, prior grade, employee's date of activation on the ERCS application, and duty hours, are stored on each employee accessing ERCS and is used to control user access to the ERCS main menu and data in the database. For the purpose of recording time charges, a Unique Employee Identification Number is stored in ERCS. The Unique Employee Identification Number is a sequence number generated by the ERCS application. This number is in a format required by the Summary Examination Time Transmittal System (SETTS), a subsystem of ERCS. At the end of each time cycle (typically every four weeks, sometimes 5-6 weeks), the SETTS information along with a summary of the employee's time charges for the cycle is electronically transmitted to SETTS system via Enterprise File Transfer Utility (EFTU). The SETTS information is also used for creating various types of time reports used by the group manager to determine overage cases, high time cases, etc. Due process is provided by provisions of 26 USC.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

Yes

Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e. last 4 digits, etc.)?

Yes

What types of tax identification numbers (TIN) apply to this system?

Social Security Number (SSN)

List the approved Treasury uses of the SSN:

Another compelling reason for collecting the SSN

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers)

Internal tracking of examinations.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).

SSN is required for the system. It is part of the unique identifier for AIMS and ERCS. There is no planned mitigation strategy to eliminate the use of SSNs.

Employer Identification Number

Other Taxpayer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e. names, addresses, etc.)?

Yes

Specify the PII Elements:

Name

Mailing address

Standard Employee Identifier (SEID)

Internet Protocol Address (IP Address)

Tax Account Information

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

Yes

Specify the types of SBU from the SBU Types List

Agency Sensitive Information   Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission

Criminal Investigation Information   Information concerning IRS criminal investigations or the agents conducting the investigations.

Are there other types of SBU/PII used in the system?

No

Cite the authority for collecting SBU/PII (including SSN if relevant

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

SSN for tax returns and return information is Internal Revenue Code Section 6109

PII about individuals for Bank Secrecy Act compliance 31 USC

Information by CI for certain money laundering cases may be 18 USC

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The use of the PII data is both relevant and necessary to the purpose for which ERCS has been designed. It has automated activities that were previously done manually. Examination return information is stored on the system to allow ERCS to be used for an inventory system for returns under examination in the area. The information is used to create Integrated Data Retrieval System (IDRS) command codes to be uploaded to AIMS-R; for inventory, statute, time and monitoring reports; to schedule appointments and for comparison to the AIMS-R data. During weekly processing of an AIMS-R data file against the ERCS database, reports are generated to alert the ERCS users of discrepancies to be corrected either on ERCS or AIMS-R. The record with the most current data determines whether ERCS or AIMS-R is updated. The program assumes if a record is under ERCS control, the user makes changes to the record on ERCS and not AIMS-R. The opposite is assumed if the return is not under ERCS control. Technical time charges are stored on the ERCS system and uploaded to Summary Examination Time Transmittal System (SETTS) each cycle. The information is also used for creating various types of time reports used by the group manager to determine overage cases, high time cases, etc. Employee information is stored on the ERCS system to link employees with their inventory, to produce the SETTS file, and to prevent unauthorized access to the system and employee returns under audit.

How is the SBU/PII verified for accuracy, timeliness and completion?

The application has field level checks for all input text fields of the menu interface and input is limited to cell defined values for character types and maximum character length. In addition, the application also enforces input for these required fields. On a weekly basis, information is extracted from the AIMS-R database and compared to the ERCS database. Reports are generated to alert ERCS users of discrepancies to be corrected on either ERCS or AIMS-R to bring the databases into agreement. The record with the most current data determines whether ERCS or AIMS-R is updated. The program assumes if a record is under ERCS control, the user makes changes to the record on ERCS and not AIMS-R. The opposite is assumed if the return is not under ERCS control. Process logs are utilized to ensure that the correct batch process data is imported, executed and complete. The record layout of an imported file is validated including its character length and cannot contain null values. If an invalid layout is detected or if the file is not processed for any reason the error is logged to a log file. All code entered is validated using various consistency checks. These checks verify that only certain activities codes are valid for the appropriate activities that it was run for. They also check to make sure that the required fields are entered appropriately. Reports are used to monitor whether information is processed in a timely manner. The application also monitors for timeliness in moving from one function to another.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

Yes

Identify the Privacy Act SORN(s) that cover these records.

IRS 24.030   Customer Account Data Engine Individual Master File

IRS 24.046   Customer Account Data Engine Business Master File

IRS 34.037   Audit Trail and Security Records

IRS 36.003   General Personnel and Payroll Records

IRS 42.008   Audit Information Management System

IRS 42.001   Examination Administrative Files

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: Enterprise Systems Domain (formerly CADS)
Current PCLIA: Yes
Approval Date: 7/17/2017
SA&A: Yes
ATO/IATO Date: 1/31/2017

System Name: Issue Management System (IMS)
Current PCLIA: Yes
Approval Date: 9/3/2019
SA&A: Yes
ATO/IATO Date: 5/7/2017

System Name: Negative Taxpayer Identification Number (NTIN)
Current PCLIA: Yes
Approval Date: 10/22/2015
SA&A: Yes
ATO/IATO Date: 11/5/2014

System Name: Audit Information Management System (AIMS)
Current PCLIA: Yes
Approval Date: 8/30/2018
SA&A: No

System Name: Audit Information Management System Data Store (AIMS DS)
Current PCLIA: Yes
Approval Date: 8/30/2018
SA&A: No

Does the system receive SBU/PII from other federal agency or agencies?

No

Does the system receive SBU/PII from State or local agency (-ies)?

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

No

Does the system receive SBU/PII from Employee forms (e.g. the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

Yes

Does this system disseminate SBU/PII to other IRS Systems?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: Excise File Information Retrieval System (EXFIRS)
Current PCLIA: Yes
Approval Date: 1/13/2017
SA&A: No

System Name: Appeals Centralized Database System (ACDS)
Current PCLIA: Yes
Approval Date: 12/18/2017
SA&A: Yes
ATO/IATO Date: 11/19/2014

System Name: Embedded Quality Review System (EQRS)
Current PCLIA: Yes
Approval Date: 2/25/2019
SA&A: Yes
ATO/IATO Date: 5/9/2018

System Name: Issue Management System (IMS)
Current PCLIA: Yes
Approval Date: 9/3/2019
SA&A: Yes
ATO/IATO Date: 5/7/2017

System Name: Enforcement Revenue Information System (ERIS)
Current PCLIA: Yes
Approval Date: 2/8/2018
SA&A: Yes
ATO/IATO Date: 7/17/2014

System Name: National Quality Review System (NQRS)
Current PCLIA: Yes
Approval Date: 2/25/2019
SA&A: Yes
ATO/IATO Date: 5/9/2018

System Name: Security Audit & Analysis System (SAAS)
Current PCLIA: Yes
Approval Date: 4/13/2018
SA&A: Yes
ATO/IATO Date: 6/12/2017

System Name: Audit Information Management System (AIMS)
Current PCLIA: Yes
Approval Date: 8/30/2018
SA&A: No

Identify the authority

Tax administration.

For what purpose?

Information from ERCS is used to populate other systems.

Does this system disseminate SBU/PII to other Federal agencies?

Yes

Identify the full names of the federal agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) / Memorandum of Understanding (MOU).

Organization Name: Treasury Inspector General for Tax Administration (TIGTA)
Transmission Method: EFTU
ISA/MOU: Yes

Identify the authority

An independent agency whose mission is to promote the economy, efficiency, and effectiveness in the administration of Internal Revenue laws.

Identify the Routine Use in the applicable SORN (or Privacy Act exception)

IRS 42.001, Examination Administrative Files

For what purpose?

Information is reviewed by TIGTA for inappropriate viewing of taxpayer data.

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

Does this system disseminate SBU/PII to other Sources?

No

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

Yes

How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?

The IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice which provides the legal right to ask for information under Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. Under these sections, response is mandatory. Code section 6109 requires the individual provide an identifying number.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

No

Why not?

The information is collected while carrying out the Internal Revenue laws of the United States; an individual cannot decline providing the information.

How does the system or business process ensure 'due process' regarding information access, correction and redress?

The system restricts users to tax information based on a need to know. Publication 1 "Your Rights as a Taxpayer" explains the rights of the taxpayer, which includes the right to challenge the IRS' position and be heard; and the right to appeal an IRS decision in an independent forum.

INFORMATION PROTECTION

Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated)

IRS Owned and Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Write

Managers: Read Write

How is access to SBU/PII determined and by whom?

ERCS users are identified and authenticated for access to the application via a unique eight-character login and password. Users gain access to ERCS via the OL5081 process. OL5081 is used to document access requests, modifications, terminations for all types of users, including system administrators, system accounts requiring FTP access. When a new user needs access to IRS systems or applications, the user's manager, or designated official, accesses the OL5081 Form to grant system access. The OL5081 application is used to request access for the new user. OL5081 is an online form, which includes information, such as the name of the system or application, type of access, and the manager's signature approving authorization of access. The completed OL5081 is submitted to the AIMS/ERCS Analyst who performs a verification of the need for access to the application. Once verified by the AIMS/ERCS Analyst, the system administrator assigns an eight-character login and an initial password. After the eight-character login and initial password is assigned, the AIMS/ERCS Analyst adds the user to ERCS allowing the users access to the application based on their assigned group codes.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

ERCS archived history data is maintained/approved for destruction after 7 years (Job No. N1-58-11-26, approved 6/30/2012). Disposition instructions for ERCS inputs, system data, outputs and system documentation are published in IRS Document 12990 under Records Control Schedule (RCS) 23 for Tax Administration - Examination, item 85. ERCS audit trail archival logs are also retained for 7 years. ERCS data/Media Protection (MP) Controls are documented in the IRS Site Physical Security Control Assessment. This application relies on the Site Physical Security Control Assessment for the implementation of this control. ERCS has the capability to generate several types of managerial and statistical reports that remain internal to the IRS. All printed output is handled and secured in accordance with the IRS sensitive output handling organizational policy and IRM 2.7.4.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

Yes

What date was it completed?

3/20/2019

Describe the system's audit trail.

Audit Trail Information includes: Serial Number Entry Time Entry Date Audit Event Process Name Session ID Success Code User ID User SEID Group ID Employee ID IP Address Primary Business Code ERCS has several different types of audit trails some deal with adding or updating employee records or employee permissions, some deal with adding or updating returns, and some deal with accesses to the system. Depending on the type of trail, additional information is captured (action (add, update, etc.), prior and current values, etc.)

PRIVACY TESTING

Does the system require a System Test Plan?

    Yes

Is the test plan completed?

    Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

    Test results are stored in a repository.

Were all the Privacy Requirements successfully tested?

    Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

    No

Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?

Entry and Exit Criteria Entry and Exit criteria are guidelines to ensure the project is prepared to begin test execution and understand what is required to complete test execution. Entry Criteria Entry criteria that needs to be in place for test execution to begin. When required, version Description Documents (VDDs) for all software/hardware components are complete Test tools set up and ready Test cases and scripts have been completed Test data is sufficient (not necessarily complete) to begin testing All support personnel identified and contact lists available Computing support requirements are ready to support testing A test readiness review has been conducted between coding and testing, all required issues have been addressed, and approval has been obtained to begin formal testing Exit Criteria The exit criterion documents the conditions necessary to complete the testing phase and determine if the application is ready to be released into production. All test cases have been completed and dispositioned All scheduled test cases/scripts are either executed, waived, or deferred All Priority/Severity 1 and 2 defects are closed All Priority/Severity 3 and 4 defects have a resolution status or action plan toward resolution IRS customer has agreed to a disposition for all Priority 3 problem tickets (defects) Waived and deferred test cases have been approved/signed Testing will end prematurely if significant issues have been identified making further testing unproductive. Testing will resume when the identified issues have been corrected. Testing is considered complete when the testing team is in agreement that all necessary testing has been successfully performed and the ERCS development team lead and

ERCS section chief have been notified. Metrics status reports have been updated to reflect results Problem Reporting and Resolution A testing problem is defined as a program behavior which does not match the requirements. If a program feature is not clearly covered by a requirement, the determination of whether there is a problem is left up to the discretion of the tester, test team lead and the development team lead. Problems uncovered during testing and documentation modifications are entered as test defects or application bugs (as appropriate) into the repository. Test defects are assigned to the ERCS fix-it team for resolution and then returned back to the testing team for retesting. Application bugs that are problems with prior releases of the software will be fixed in future releases. Risks impacting the ERCS project are entered into the ITRAC system. Risks are managed according to the organizational risk management and contingency management procedures. Test Data ERCS testing includes tester created (synthetic) data and production data that has been sanitized. Production data is received from the Audit Information Management System (AIMS) via secure EFTU. The production data is processed creating sanitized test data and at process completion the production data is destroyed for security. The tester created data and sanitized data is stored in the secured Oracle Database and in the secured development/testing systems. ERCS FIT (Final Integration Testing) testers use production data during their testing. FIT tester must follow the SBU Data Use process.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

Yes

Was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?

Yes

Provide the date the permission was granted.

8/29/2019

Was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy?

Yes

NUMBER AND CATEGORY OF PII RECORDS

Identify the number of individual records in the system for each category:

IRS Employees: Under 50,000

Contractors: Under 5,000

Members of the Public: More than 1,000,000

Other: No

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax or Privacy Act consent?

Yes

Does the system have a process in place to account for such disclosures in compliance with IRC §6103(p) (3) (A) or Subsection (c) of the Privacy Act? Contact Disclosure to determine if an accounting is required.

Yes