

Date of Approval: **January 23, 2020**

PIA ID Number: **4606**

SYSTEM DESCRIPTION

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

Excise Files Information Retrieval System, ExFIRS

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?

Excise Files Information Retrieval System, ExFIRS 2015

What is the approval date of the most recent PCLIA?

1/6/2017

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.

Excise Files Information Retrieval System (ExFIRS) reports to the Data Delivery Services (DDS) Governance Board and has its own Configuration Control Board (CCB). The ExFIRS CCB evaluates, reviews, votes on and ranks proposed changes to ExFIRS and related sub-applications (such as Excise Summary Terminal Activity Reporting System (ExSTARS)) and their impact to business processes.

Current ELC (Enterprise Life Cycle) Milestones:

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.

Excise Files Information Retrieval System (ExFIRS) is a collection of applications used to receive and store data from fuel terminal operators and carriers detailing the receipts and disbursements of liquid products flowing through a taxable fuel storage and distribution center. Its primary sub-application, Excise Summary Terminal Activity Reporting System (ExSTARS), intakes monthly information returns (Forms 720-TO and 720-CS), detailing the movements of fuel, which are required to be filed by business entities specified by Internal Revenue Code (IRC) 4103.

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?

Employer 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

Phone Numbers

E-mail Address

Standard Employee Identifier (SEID)

Internet Protocol Address (IP Address)

Vehicle Identifiers

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

Proprietary data Business information that does not belong to the IRS

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

Yes

Describe the other types of SBU/PII that are applicable to this system.

ExFIRS intakes monthly information returns (Forms 720-TO and 720-CS), detailing the movements of fuel, which are required to be filed by business entities specified by Internal Revenue Code (IRC) 4103. Therefore, the application stores details such as 637 Registration Numbers (Required to be held by businesses involved in the fuel industry), Terminal Control Numbers, Facility Control Numbers, Excise Tax Fuel Quantities & Fact of Filing. Furthermore, as the application is accessed by internal IRS employees, Government Contractors & approved State Users, the system stores information such as First Names, Last Names, Standard Employee Identifier (SEID) numbers and posts of duty.

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)

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.

ExFIRS tracks the movement of fuel to and from approved terminals by filed monthly reports (Forms 720-TO and 720-CS) [electronically or by paper] reflecting fuel quantity and type as it moves through the distribution chain. This information, including the EIN of the Information Provider [fuel terminal operators, blenders and carriers], is used to predict and analyze quarterly fuel volumes and is compared to the information entered on Form 720, Quarterly Federal Excise Tax return. All significant discrepancies are referred to the IRS's Excise Tax Program for further analysis. The Excise Tax Program will use the results of the analyses to efficiently identify entities that appear to be in noncompliance and to redirect compliance resources to those entities. Efficiently and accurately identifying potentially noncompliant entities will help ensure collection of the appropriate excise tax revenue, removing the advantage obtained by those who seek to operate by illegally evading the excise fuel taxes.

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

Qualification testing is mandatory for Information Providers. IRS has established a qualification process that exchanges test and feedback files that are processed by the IRS prior to submitting production files of electronic Form 720-TO and 720-CS information reports. To ensure the quality of the information obtained, the IRS will subject the information received to a set of tests. In addition to qualification for new participants, existing participants should contact IRS Excise in the event of a change of terminals in their Letter of Application (LOA), Electronic Data Interchange (EDI) map version changes, new software implementations, or other EDI-related changes to conduct requalification in support of these changes. The IRS acknowledges the receipt of every electronic information report by the transmission of two acknowledgment (ACK) files: 1) Transmission ACK (997) file and 2) Validation (151) ACK file. The TS-997 ACK file is created every time an Information Provider or Approved Excise Third Party Transmitter submission is successfully transmitted and should be retained by the Information Provider as evidence that the information report(s) has been filed timely provided no TS-151 Level I Error transaction is received. This ACK notifies the Electronic Participant that their electronic report was received and accepted or rejected. Note: The ACK file is looking at the American National Standards Institute (ANSI) structure or layout of the file, not for errors associated with the data, and, accordingly, there are no math or data validations performed on the information report. The validation ACK file is the ANSI Transaction Set 151 (TS-151) - known as the Electronic Filing of Tax Report Data Acknowledgment. The TS-151 ACK file is created each time an

Electronic Participant receives a TS-997 indicating that their electronic report was received and accepted. The TS-151 ACK file will be generated whether or not data errors exist on the transmitted file. The Electronic Participant will not receive a TS-151 if they receive a TS-997R (rejection). In the case of out of balance reports, duplicate sequence numbers or previous months errors that have not be resolved, a TS-997A (accepted) will be followed by a TS-151 Level 1 error indicating file rejection. For Level 1 errors, the transaction set will be immediately rejected. The Information Provider should correct the data errors and resubmit another original file for that period.

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 22.060 Automated Non-Master File
- IRS 22.062 Electronic Filing Records
- IRS 34.037 Audit Trail and Security Records
- IRS 42.002 Excise Compliance Programs
- IRS 42.008 Audit Information Management System

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: Integrated Production Model (IPM)

Current PCLIA: Yes

Approval Date: 6/6/2019

SA&A: Yes

ATO/IATO Date: 6/13/2019

System Name: AIMS Centralized Information System (A-CIS)

Current PCLIA: Yes

Approval Date: 11/26/2018

SA&A: Yes

ATO/IATO Date: 12/20/2019

System Name: Big Data Analytics (BDA)

Current PCLIA: Yes

Approval Date: 11/3/2017

SA&A: Yes

ATO/IATO Date: 7/29/2019

System Name: Information Management System (IMS)

Current PCLIA: Yes

Approval Date: 9/3/2019

SA&A: Yes

ATO/IATO Date: 6/26/2019

System Name: Web Currency and Banking Retrieval System (WebCBRS)

Current PCLIA: Yes

Approval Date: 4/28/2019

SA&A: Yes

ATO/IATO Date: 6/21/2019

System Name: Examination Return Control System (ERCS)
Current PCLIA: Yes
Approval Date: 2/7/2017
SA&A: Yes
ATO/IATO Date: 6/7/2019

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?

Yes

Identify the source that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Transmission Method: EDI through ExSTARS
ISA/MOU: No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 720-TO Form Name: Terminal Operator

Form Number: 720-CS Form Name: Carrier Summary

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: Security Audit and Analysis System (SAAS)

Current PCLIA: Yes

Approval Date: 4/13/2018

SA&A: No

System Name: Taxpayers (TAXPAYERS)

Current PCLIA: No

SA&A: No

System Name: Compliance Data Warehouse (CDW)

Current PCLIA: Yes

Approval Date: 8/30/2018

SA&A: Yes

ATO/IATO Date: 3/25/2019

Identify the authority

Mandated by Congress as the result of motor fuel tax evasion schemes perpetrated by organized crime syndicates in the late 1980's and early 1990's, the ExFIRS application and its processes resulted primarily from the following acts of Congressional legislation: The 1998 "Transportation Equity Act for the 21st Century, or Highway Bill 'TEA-21', that provided funding to the IRS for the development of a "federal and state motor fuel information reporting system." The 2005 "Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users" (SAFETEA-LU) which addressed funding issues. In 2014, Fixing America's Surface Transportation Act (FAST) (Pub. L. 114-94) authorized the Department of Transportation (DoT), at their sole discretion, to allocate funds to the IRS to carry out highway use tax evasion projects in an amount "not to exceed \$4,000,000 for each of fiscal years 2016 through 2020." Funding is authorized for FYs 2016 through 2020. Beginning FY18, funding was reduced to \$2M.

For what purpose?

Information Transmitted from ExFIRS to the CDW supports collaboration efforts carried on by the Joint Operations Committee and Excise Tax Compliance. More specifically the data is used for management reporting and evaluation of motor fuel excise tax compliance, resource utilization, and issue coordination between Federal and State jurisdictions.

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

No

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

Yes

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

Organization Name: Alabama Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Arkansas Department of Finance and Administration
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Arizona Department of Transportation
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: California Department of Tax and Fee Administration
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Kansas Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Kentucky Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Louisiana Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Massachusetts Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Comptroller of Maryland
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Missouri Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Mississippi Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: North Carolina Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Nebraska Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: New Hampshire Department of Safety
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: New Jersey Division of Taxation
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: New Mexico Taxation and Revenue Department
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: New York State Department of Taxation and Finance
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Ohio Department of Taxation
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Pennsylvania Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Rhode Island Division of Taxation
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Tennessee Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Texas Comptroller of Public Accounts
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Wisconsin Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: West Virginia State Tax Department
Transmission Method: Download Via ExSTARS
ISA/MOU: Yes

Organization Name: Wyoming Department of Transportation, Fuel Tax Div
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Georgia Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Colorado Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Idaho State Tax Commission
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Illinois Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Organization Name: Indiana Department of Revenue
Transmission Method: Download via ExSTARS
ISA/MOU: Yes

Identify the authority

For the legislative authority, see the answer to question 12a

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

Each prospective Electronic Participant must complete a Letter of Application (LOA) for electronic filing of Forms 720-TO and 720-CS. As part of this process, an applicant may sign 6103(c) consents to allow the IRS to make available to the states monthly motor fuel information based on specific permission of the motor fuel industry filers as submitted and authorized on Form 8821. The 6103 consent is submitted with the LOA and must contain specific language (as specified in PUBLICATION 3536) on Form 8821. If a state is not designated on the Form 8821, the information will not be made available to any state under 6103(c). Consents must be renewed every 3 years.

For what purpose?

Information collected by ExSTARS is shared with state agencies that have responsibility for enforcement of state motor fuel tax laws. The sharing of the data facilitates efficient electronic filing and dissemination of motor fuel information with other taxing or information collecting authorities.

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?

Yes

Was an electronic risk assessment (e-RA) conducted on the system/application?

Yes

When was the e-RA completed?

12/2/2019

What was the approved level of authentication?

Level 2: Some confidence in the asserted identity's validity
Confidence based on Single Factor Identity Validation

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?

ExSTARS, a sub-system of ExFIRS is used to collect, electronically, taxpayer-mandated informational returns. If an information provider has more than 25 specified fuel transactions during a specific filing period, then they must file their information returns (720-TO, 720-CS) electronically. Publication 3536 provides instructions on how to apply for participation in the electronic filing program and provides notification on the uses and disclosure of such information. Furthermore, for those filers which are not required to file electronically, instructions to Forms 720-TO and 720-CS provide notification.

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

Yes

Describe the mechanism by which individuals indicate their consent choice(s):

Information providers have the option of completing a Section 6103(c) Consent Agreement. This will allow the sharing of information filed with the IRS with States affected by the specific transactions. Information Providers can decline to complete a Consent Agreement. In so doing, information sharing will be subject to the federal disclosure requirements under IRC 6103(c).

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

The information is provided electronically by either the Taxpayer or a Third Party. In the event that there is an error or omission in what has been submitted, the EDI Help Desk assists the taxpayer in submitting a corrected report. The system will allow affected parties the opportunity to clarify or dispute negative information that could be used against them. Due process is provided pursuant to 5 United States Code (USC).

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

System Administrators: Administrator

IRS Contractor Employees

Contractor Users: Read Write

Contractor Developers: Read Write

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

The principle of least privilege is applied to access to SBU/PII. To the extent possible, synthetic data is used by the developers. Although in Question 20 it is noted that Contractor Developers have Read/Write privileges, this is true only with respect to the Development and Test Environments. For security reasons, the developers have no access to ExFIRS production. Therefore, they cannot make changes to live taxpayer data. Access to data is determined by the manager based on a user's position and need-to-know. The manager will request the employee be added to the application by approval of the OL 5081. They must comply with the Online 5081, Information System User Registration/Change Request process 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 Online 5081. The information collected by ExFIRS may be shared with state agencies that have responsibility for enforcement of state motor fuel tax laws. If the Information Provider so chooses, this information will be disseminated without restricting the state agencies to the IRS confidentiality laws.

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.

All records housed in the ExFIRS system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has National Archives approval to administer data disposition. Any records generated and maintained by the system will be managed according to Records Control Schedule (RCS) 23 - Tax Administration - Examination, Item 84 in Document 12990, which publishes the Records Control Schedules of the Internal Revenue Service is available from the Electronic Publishing Catalog.

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?

5/22/2019

Describe the system's audit trail.

ExFIRS audit trail data is transmitted to the Application Messaging and Data Access Services (AMDAS) interface with SAAS. As ExFIRS applications are used, audit data is automatically captured in real-time by the applications and sent using AMDAS messages to SAAS for storage of the audit trail. Information is also captured and stored in the ExSTARS

Gateway database. A nightly cron job is executed to extract new audit trail data and write it to a file in XML format. Upon completion, the XML file of audit data is transferred to SAAS via Enterprise File Transfer Utility (EFTU). The following transactions fall under the criteria of an Auditable Event: Employee and contractor transactions that add, delete, modify, or research a tax filer's record. Employee and contractor transactions that add, delete, modify, or research an employee's record (personnel and financial), Any employee or contractor transactions identified by the system business owner as requiring additional oversight. Any third-party transactions identified by the system business owner as requiring additional oversight.

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 DocIT, a web-based electronic document management system powered by the enterprise standard tool Documentum. The tool provides documentation control for IT projects. Test plans also are kept on an internal SharePoint.

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?

Details on this can be found in the customer provided document: Excise File Information Retrieval System (ExFIRS) Test and Evaluation Master Plan, August 3, 2018. The test results are documented in a Software Test Report (STR). All flaws identified in the development/test environment are remediated to correct any resulting weaknesses and deficiencies, and all results of the flaw remediation process are documented.

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.

6/7/2016

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: Under 100,000

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?

No