

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Examination Returns Control System, ERCS

2. Is this a new system? No

2a. If **no**, is there a PIA for this system? Yes

If **yes**, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.
#596 Examination Returns Control System (ERCS)

Next, enter the **date** of the most recent PIA. 1/29/2014

Indicate which of the following changes occurred to require this update (check all that apply).

<u>No</u>	Addition of PII
<u>No</u>	Conversions
<u>No</u>	Anonymous to Non-Anonymous
<u>No</u>	Significant System Management Changes
<u>No</u>	Significant Merging with Another System
<u>No</u>	New Access by IRS employees or Members of the Public
<u>No</u>	Addition of Commercial Data / Sources
<u>No</u>	New Interagency Use
<u>No</u>	Internal Flow or Collection

Were there other system changes not listed above? No

If yes, explain what changes were made.

3. Check the current ELC (Enterprise Life Cycle) Milestones (select all that apply)

<u>No</u>	Vision & Strategy/Milestone 0
<u>No</u>	Project Initiation/Milestone 1
<u>No</u>	Domain Architecture/Milestone 2
<u>No</u>	Preliminary Design/Milestone 3
<u>No</u>	Detailed Design/Milestone 4A
<u>No</u>	System Development/Milestone 4B
<u>No</u>	System Deployment/Milestone 5
<u>Yes</u>	Operations & Maintenance (i.e., system is currently operational)

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

A.1 General Business Purpose

5. 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. 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 types of 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), 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 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.

B. PII DETAIL

6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any type of Sensitive but Unclassified (SBU) or Personally Identifiable Information (PII)? Yes

6a. If **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

If **yes**, check who the SSN (or tax identification number) is collected on.

Yes On Primary Yes On Spouse No On Dependent

If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

Yes	Social Security Number (SSN)
Yes	Employer Identification Number (EIN)
Yes	Individual Taxpayer Identification Number (ITIN)
No	Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
No	Practitioner Tax Identification Number (PTIN)

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.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) Yes

If **yes**, specify the information.

<u>Selected</u>	<u>PII Element</u>	<u>On Primary</u>	<u>On Spouse</u>	<u>On Dependent</u>
Yes	Name	Yes	Yes	No
Yes	Mailing address	No	No	No
No	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
No	Date of Birth	No	No	No
No	Place of Birth	No	No	No
No	SEID	No	No	No
No	Mother's Maiden Name	No	No	No
No	Protection Personal Identification Numbers (IP PIN)	No	No	No
No	Internet Protocol Address (IP Address)	No	No	No
No	Criminal History	No	No	No
No	Medical Information	No	No	No
No	Certificate or License Numbers	No	No	No
No	Vehicle Identifiers	No	No	No
No	Passport Number	No	No	No
No	Alien (A-) Number	No	No	No
No	Financial Account Numbers	No	No	No
No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
No	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? No

6d. Are there other types of SBU/PII used in the system? No

6e. Cite the authority for collecting SBU/PII (including SSN if relevant)

No	PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
Yes	SSN for tax returns and return information is Internal Revenue Code Section 6109
No	SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397
No	PII for personnel administration is 5 USC
No	PII about individuals for Bank Secrecy Act compliance 31 USC
No	Information by CI for certain money laundering cases may be 18 USC

6f. Has the authority been verified with the system owner? Yes

B.1 BUSINESS NEEDS AND ACCURACY

7. 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 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.

8. How is the SBU/PII verified for accuracy, timeliness, and completeness? Explain how steps are taken to ensure that all information maintained by the system that is used by IRS to make any adverse determination about an individual's rights, benefits, and/or privileges is maintained with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination

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.

C. PRIVACY ACT AND SYSTEM OF RECORDS

9. Are 10 or more records containing SBU/PII maintained, stored, and/or transmitted by or through this system? Yes

9a. If **yes**, are records in the system retrieved by any personal identifier (e.g., name, SSN, Photograph, IP Address) for an individual? Yes

If **yes**, is there a System of Records Notice(s) or SORNs that addresses the PII records in this system? Yes

If **yes**, enter the SORN number(s) and the complete the name of the SORN.

<u>SORNS Number</u>	<u>SORNS Name</u>
Treasury/IRS 24.030	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 36.003	General Personnel and Payroll Records
Treasury/IRS 42.008	Audit Information Management System
Treasury/IRS 42.001	Exam Admin Records

If **yes**, does the System of Records Notice(s) (SORN) published in the Federal Register adequately describe the records as required by the Privacy Act? Yes

D. RESPONSIBLE PARTIES

10. Identify the individuals for the following system roles. ## Official Use Only

E. INCOMING PII INTERFACES

11. Does the system receive SBU/PII from other system or agencies? Yes

11a. If **yes**, does the system receive SBU/PII from IRS files and databases? Yes

If **yes**, enter the files and databases.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Audit Information Management System	Yes	12/15/2015	Yes	07/02/2014

Issue Management System	Yes	08/24/2016	Yes	04/30/2014
Enterprise Systems Domain (formerly CADS)	Yes	07/02/2014	Yes	04/14/2014
Integrated Data Retrieval System	Yes	08/03/2014	Yes	12/09/2014

11b. Does the system receive SBU/PII from other federal agency or agencies? No

11c. Does the system receive SBU/PII from State or local agency (-ies)? No

11d. Does the system receive SBU/PII from other sources? No

11e. Does the system receive SBU/PII from **Taxpayer** forms? No

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)? No

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? Yes

If **yes**, identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Treasury Inspector General for Tax Administration	Yes	09/30/2016	Yes	11/02/2016
Excise File Information Reporting System	Yes	02/26/2014	Yes	01/14/2016
Appeals Centralized Database System	Yes	02/02/2015	Yes	04/14/2014
EQRS/NQRS	Yes	03/16/2016	Yes	05/03/2016
Issue Management System	Yes	08/24/2016	Yes	04/30/2014
Integrated Data Retrieval System	Yes	08/03/2014	Yes	12/09/2014
ERIS	Yes	03/31/2015	Yes	07/17/2014

Identify the authority and for what purpose? Information from ERCS is used to populate other systems.

12b . Does this system disseminate SBU/PII to other Federal agencies? No

12c. Does this system disseminate SBU/PII to State and local agencies? No

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? No

12e. Does this system disseminate SBU/PII to other Sources? No

G. PRIVACY SENSITIVE TECHNOLOGY

13. Does this system use social media channels? No

14. Does this system use privacy-sensitive technologies such as mobile, cloud, global position system (GPS), biometrics, RFID, etc.? No

15. Does the system use cloud computing? No
16. Does this system/application interact with the public? No

H. INDIVIDUAL NOTICE AND CONSENT

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

17a. If **yes**, how is notice provided? Was the individual notified about the authority to collect the information, whether such is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects, if any, if they decide not to provide 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.

18. Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information? No

18b. If 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.

19. 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.

I. INFORMATION PROTECTION

20. 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

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

IRS Employees? Yes

<u>IRS Employees?</u>	<u>Yes/No</u>	<u>Access Level(Read Only/Read Write/Administrator)</u>
Users	Yes	Read and Write
Managers	Yes	Read and Write
Sys. Administrators	No	
Developers	No	

Contractor Employees? No

21a. 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.

- 21b. If computer matching occurs, can the business owner certify that it meets requirements of IRM 11.3.39 Disclosure of Official Information, Computer Matching & Privacy Protection Act ? No

I.1 RECORDS RETENTION SCHEDULE

22. Are these records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule (RCS) for the retention and destruction of official agency records stored in this system? Yes

- 22a. If **yes**, how long are the records required to be held under the corresponding RCS and how are they disposed of? In your response, please include the complete IRM number 1.15.XX and specific item number and 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.

I.2 SA&A OR ECM-R

23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? Yes

- 23a. If **yes**, what date was it completed? 12/15/2016

23.1 Describe in detail 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.)

J. PRIVACY TESTING

24. Does the system require a System Test Plan? Yes

24b. If **yes**, Is the test plan in process or completed: Completed

24.3 If **completed/ or in process**, 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.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? The test results are stored in a repository.

24b.2. If **completed**, were all the Privacy Requirements successfully tested? Yes

24.2 If **completed**, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved? No

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing? Yes
25a. If **yes**, was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request? Yes
If **yes**, provide the date the permission was granted. 12/5/2016
- 25b. If **yes**, was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy? Yes

L. NUMBER AND CATEGORY OF PII RECORDS

26. Identify the number of individual records in the system for each category:
- 26a. IRS Employees: Under 50,000
26b. Contractors: Under 5,000
26c. Members of the Public: More than 1,000,000
26d. Other: No

M. CIVIL LIBERTIES

27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment? No
28. Is the system information used to conduct data-mining as defined in the *Implementing the 9/11 Commission Recommendations Act of 2007, Public Law 110-53, Section 804*? No
29. Will this system have the capability to identify, locate, and monitor individuals or groups of people? No

N. ACCOUNTING OF DISCLOSURES

30. 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

End of Report
