
A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Excise Summary Terminal Activity Reporting System, ExSTARS

2. Is this a new system? No

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

If **yes**, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.

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

- No Vision & Strategy/Milestone 0
- No Project Initiation/Milestone 1
- No Domain Architecture/Milestone 2
- No Preliminary Design/Milestone 3
- No Detailed Design/Milestone 4A
- No System Development/Milestone 4B
- No System Deployment/Milestone 5
- Yes 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. ExSTARS (Excise Summary Terminal Activity Reporting System) is a sub-application to the over-arching ExFIRS (Excise Fuel Information Reporting System) system. ExSTARS is a forward-facing system that allows taxpayers to electronically file with the IRS their informational returns about Fuel Movement and Fuel Stocks. This information is stored within the ExFIRS system. This information allows the IRS to determine if there is fuel that is being moved that should be subject to tax. This can then be compared with the Form 720 tax returns that the taxpayers file with the IRS.

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 (SSNs) 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 No On Spouse No On Dependent

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

- No Social Security Number (SSN)
- Yes Employer Identification Number (EIN)
- No 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). Since this application is a mechanism for taxpayers to electronically submit their Forms 720-TO and 720-CS, the EIN needs to be collected to ensure that the taxpayers have submitted their returns.

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	No	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
Yes	E-mail Address	No	No	No
No	Date of Birth	No	No	No
No	Place of Birth	No	No	No
Yes	SEID	No	No	No
No	Mother's Maiden Name	No	No	No
No	Protection Personal Identification Numbers (IP PIN)	No	No	No
Yes	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
No	Tax Account Information	No	No	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? Yes

If **yes**, select the types of SBU

<u>Selected</u>	<u>SBU Name</u>	<u>SBU Description</u>
No	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement sensitive data	Contract proposals, bids, etc.
Yes	Official Use Only (OUO) or Limited Official Use (LOU)	Information designated as OUO or LOU is information that: is exempt under one of the statutory Freedom of Information Act exemptions; is prohibited by other laws or regulations; would significantly impede the agency in carrying out a responsibility or function; or would constitute an unwarranted invasion of privacy.
No	Proprietary data	Business information that does not belong to the IRS
No	Protected Information	Information which if modified, destroyed or disclosed in an unauthorized manner could cause: loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government
No	Physical Security Information	Security information containing details of serious weaknesses and vulnerabilities associated with specific systems and facilities
No	Criminal Investigation Information	Information concerning IRS criminal investigations or the agents conducting the investigations.

6d. Are there other types of SBU/PII used in the system? Yes

If **yes**, describe the other types of SBU/PII that are applicable to this system. Taxpayer: Excise Summary Terminal Activity Reporting System (ExSTARS) monthly information reports (Form 720-TO and 720-CS) required of "637-Taxable Fuel Registrants", Terminal Operators and Fuel Carriers, detailing the movement of fuel products in the bulk distribution system. The data in these information returns is matched against the Taxable Fuel areas of the quarterly Excise Tax Return (Form 720), similar to how 1099/W-2 information is matched against information reported on individual tax returns. Taxpayers engaged in a range of business activities including fuel, manufacturing or purchase of products, heavy vehicle sales, may, or in some cases must, register with the submission of Form 637 Application for Registration (for Certain Excise Tax Activities). The application comes directly from the taxpayer and would contain: Taxpayer name, EIN, Business activity engaged in. The application is processed through IMS and the resulting actions and basic taxpayer data is stored in the ExFIRS DataWarehouse.

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

Yes	PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
No	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 the criteria. Be specific. Taxpayer: Excise Summary Terminal Activity Reporting System (ExSTARS) monthly information reports (Form 720-TO and 720-CS) required of "637-Taxable Fuel Registrants", Terminal Operators and Fuel Carriers, detailing the movement of fuel products in the bulk distribution system. The data in these information returns is matched against the Taxable Fuel areas of the quarterly Excise Tax Return (Form 720), similar to how 1099/W-2 information is matched against information reported on individual tax returns. Taxpayers engaged in a range of business activities including fuel, manufacturing or purchase of products, heavy vehicle sales, may, or in some cases must, register with the submission of Form 637 Application for Registration (for Certain Excise Tax Activities). The application comes directly from the taxpayer and would contain: Taxpayer name, EIN, Business activity engaged in. The application is processed through IMS and the resulting actions and basic taxpayer data is stored in the ExFIRS DataWarehouse.
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 EIN that is submitted through ExSTARS is matched against the list of approved taxpayers. The applications that are submitted to use the system are matched against IDRS to ensure accuracy. There is no taxable determination made through the ExSTARS system. It is an informational reporting system only.

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> |
|---------------------|-------------------|
| Treas/IRS 24.046 | BMF |
- 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>
Issue Management System (IMS)	Yes	08/24/2017	Yes	03/03/2017
Business Master File (BMF)	Yes	04/24/2015	Yes	08/24/2017

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 (s)? No

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

11e. Does the system receive SBU/PII from **Taxpayer** forms? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
720-TO	Terminal Operator
720-CS	Carrier Summary

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>
CDW	Yes	02/29/2016	Yes	05/26/2017

Identify the authority and for what purpose? The JOC NDC (Joint Operations Center - National Data Center) supports compliance enforcement collaboration and analytic efforts mandated by the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users of 2005 (SAFETEA-LU) and Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21), requiring the IRS, Federal Highway Administration (FHWA) and the states to develop, operate and maintain databases and interagency collaboration to fight highway tax evasion. Since taxpayers submit fuel movement reports (F-720-TO and F720-CS), this information is submitted to the JOC-NDC. The JOC-NDC has retired their servers which were in an enclave environment. The data is now sent to CDW (Compliance Data Warehouse) where the JOC-NDC then accesses it.

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

12c. Does this system disseminate SBU/PII to State and local agencies? Yes

If **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).

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
Division of Taxation - New Jersey	Electronic	Yes
Dept of Revenue - Georgia	Electronic	Yes
Dept of Revenue - Mississippi	Electronic	Yes
Board of Equilization - California	Electronic	Yes
Department of Transportation - Montana	Electronic	Yes
Department of Finance and Administration - Arkansas	Electronic	Yes
Department of Transportation - Arizona	Electronic	Yes
Taxation and Revenue Department - New Mexico	Electronic	Yes
Department of Revenue - Tennessee	Electronic	Yes
Department of Revenue - North Carolina	Electronic	Yes
Department of Revenue - Florida	Electronic	Yes
State Tax Commission - Utah	Electronic	Yes
Department of Revenue - Pennsylvania	Electronic	Yes
Department of Revenue - Illinois	Electronic	Yes
Department of Revenue - Alabama	Electronic	Yes
Department of Revenue - Missouri	Electronic	Yes
Department of Taxation and Finance - New York	Electronic	Yes
Department of Revenue - Massachusetts	Electronic	Yes
Division of Taxation - Rhode Island	Electronic	Yes
Comptroller of Public Accounts - Texas	Electronic	Yes
Department of Taxation - Ohio	Electronic	Yes
Department of Revenue - Indiana	Electronic	Yes
Department of Revenue - Louisiana	Electronic	Yes
Department of Revenue - Colorado	Electronic	Yes
Department of Revenue - Colorado	Electronic	Yes
Department of Safety - New Hampshire	Electronic	Yes
Department of Revenue - Nebraska	Electronic	Yes
Comptroller of Maryland	Electronic	Yes
Department of Revenue - Kentucky	Electronic	Yes
Department of Revenue - Iowa	Electronic	Yes
State Tax Commission - Idaho	Electronic	Yes
Department of Revenue - Kansas	Electronic	Yes
Tax Commissioner - West Virginia	Electronic	Yes
Department of Revenue Services - Connecticut	Electronic	Yes
Department of Revenue - Minnesota	Electronic	Yes
Revenue Services - Maine	Electronic	Yes
Department of Revenue - Wisconsin	Electronic	Yes
Department of Transportation - Wyoming	Electronic	Yes
Department of Revenue - South Dakota	Electronic	Yes
Office of State Tax Commissioner - North Dakota	Electronic	Yes
Department of Transportation - Oregon	Electronic	Yes

Identify the authority and for what purpose? ExSTARS Electronic Data Interchange (EDI) filers have the option of completing a Section 6103(c) Consent Agreement. This will allow, at the option of the information provider, the sharing of information filed with the IRS with the States affected by the specific transactions as if provided directly to that State. This data is provided either by the taxpayer directly or by third party providers who provide the service for the taxpayer.

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, 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? Yes

16a. If **yes**, was (or will) an electronic risk assessment (e-RA) conducted on the system/application? Yes

16a1. If **yes**, when was the **e-RA** conducted? 5/30/2017

If **yes**, what was the approved level of authentication? Level 2: Some confidence in the asserted identity's validity. Single Factor Identity Validation

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? ExSTARS, a sub-system of ExFIRS is used to collect, electronically, taxpayer-mandated informational returns. ExSTARS Electronic Data Interchange (EDI) filers will have the option of completing a Section 6103(c) Consent Agreement. This will allow, at the option of the information provider, the sharing of information filed with the IRS with the States affected by the specific transactions as if provided directly to that State. This data is provided either by the taxpayer directly or by third party providers who provide the service for the taxpayer. Additionally, the taxpayer must submit a Letter of Application (LOA) prior to being given access to ExSTARS.

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

18a. If **yes**, describe the mechanism by which individuals indicate their consent choice(s): The taxpayers can decline to complete the Section 6103(c) Consent Agreement. The data will then NOT be shared with their States.

19. 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 (Electronic Data Interchange) Help Desk assists the taxpayer in submitting a corrected report.

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 Contractor Operated

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

IRS Employees? Yes

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

Contractor Employees? Yes

<u>Contractor Employees?</u>	Yes/No	Access Level	Background Invest. Level
Contractor Users	Yes	Read-Only	High
Contractor Managers	Yes	Read-Only	High
Contractor Sys. Admin.	Yes	Administrator	High
Contractor Developers	Yes	Read and Write	High

21a. 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. Access to the 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 Online 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. Access by State tax agencies will be based on a Letter of Application/Memorandum of Understanding process.

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?

Not Applicable

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. 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 affect data disposition. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6, and will be destroyed using IRS Document 12990 under Records Control Schedule (RCS) 23 for Tax Administration – Examination, Item 84. ExFIRS data is scheduled under Job No. N1-58-12-8 (approved 9/11/12). Several different dispositions have been approved for the destruction/deletion of ExFIRS application data.

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? 11/2/2017

23.1 Describe in detail the system s audit trail. The Integrated Production Model (IPM) Project Greenplum database is reliant upon the Information Technology (IT) Solution Engineering (SE) Enterprise Informatica Platform (EIP) and Big Data Analytics (BDA) Projects to protect IPM's Personally Identifiable Information (PII) data loaded onto the Big Data Analytics-General Support System (BDA-GSS) infrastructure. IPM Greenplum database Access Control and Audit Trails are the responsibility of the IT SE EIP & BDA Projects. IPM Oracle servers (used for data staging) Access Control and Audit Trails are the responsibility of Modernization and Information Technology Services (MITS)-24- General Support Services (GSS).

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? Privacy is ensured by both process validation and application testing. The Letter of Application (LOA) process ensures the fuel industry taxpayer's identity is proven and associates the appropriate and valid Employer Identification Numbers (EINs) with each taxpayer. After validating their LOA form and identity, user IDs are created in the ExSTARS application. The LOA information is used by ExSTARS to associate one or more EINs to each fuel industry user. The Memorandum of Understanding (MOU) process is used to validate State revenue agency users. The taxpayers also file form 6103c if they wish to grant consent for their fuel transaction data to be supplied to the various states. Application testing also ensures that taxpayer privacy is protected thru the following tests: • ExSTARS application administration testing is conducted to validate that fuel industry users can be added, updated, and deleted as needed and that correct/valid EINs can be associated with each user. • ExSTARS application administration testing is conducted to validate that State users can be added, updated, and deleted as needed. • The user login process is tested to verify that only current, valid users are able to login to the system. • Testing is performed to verify that HTTPS is used to ensure security and privacy. • Testing is performed to ensure that each user can upload/download data only for their associated EIN(s). • Testing is performed that each state user can download only the files created for their state. • ExSTARS State Reporting is tested to verify that each state file contains only data that has been consented by taxpayers via the 6103c form.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? System Test Report is uploaded to ExFIRS Stakeholder SharePoint site. A system test report is generated for each release and is uploaded to the same location.

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. 6/7/2016

25b. If **yes**, was testing performed in conformance with IRM 10.5.8, Sensitive But Unclassified (SBU) Data Policy: Protecting SBU in Non-Production Environments? 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: Under 100,000
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? No

End of Report
