Date of Approval: March 9, 2017   PIA ID Number: **2083**

A. SYSTEM DESCRIPTION

1.   Enter the full name and acronym for the system, project, application and/or database. Joint Operation Center National Data Center, JOC NDC

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.

  Joint Operation Center National Data Center, JOC NDC PCLIA ID Number 748 MS4B

  Next, enter the **date** of the most recent PIA.   3/12/2014

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

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

  Were there other system changes not listed above?   No

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
Yes	System Development/Milestone 4B
No	System Deployment/Milestone 5
No	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.

The Excise Tax Program operates the Joint Operations Center (JOC) for National Fuel Tax Compliance, created under a cross-agency/federal-state Memorandum of Understanding (MOU) (signed by the IRS Commissioner) in response to legislative mandates targeting highway use tax evasion in the 2005 Highway Trust Fund reauthorization bill. The JOC integrates advanced analytics, IRS data, third-party information not available via IRS tax and information returns, and the ability to collaborate among the IRS, state tax administrators, and other member and aligned agencies to take full advantage of combined IRS state and other federal initiatives on compliance. The JOC National Data Center (NDC) creates a technical foundation for a common Excise Tax data repository used to support federal and state excise tax compliance. It provides for the innovative use of technology to collect, analyze, and share information to facilitate the access of "real time" and historical tracking of fuel movement and fuel supply chain dynamics, to develop and depict trends and anomalies and to establish situational awareness over the national fuel marketplace and supply chain.

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   No   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)
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).

The Office of Management and Budget Memorandum M-07-16 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs. An exception to that requirement is when the EIN or SSN is uniquely needed to identify a user's record. JOC NDC requires the use of EIN or SSNs because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from Internal Revenue Code 6109, which requires individual taxpayers to include their SSNs on their income tax 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.

Selected	PII Element	On Primary	On Spouse	On Dependent
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
Yes	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
Yes	Vehicle Identifiers	No	No	No
No	Passport Number	No	No	No
No	Alien (A-) Number	No	No	No
Yes	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?   <u>Yes</u>

Selected	SBU Name	SBU Description
Yes	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.
No	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.
Yes	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.

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

If **yes**, describe the other types of SBU/PII that are applicable to this system.   <u>Tax examination information like IRS employee identification number and geographic location; reasons the return was selected for examination; and certain information from tax return like amount of claim, tax year, and business assets are in the system.</u>

In addition, 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, detail the movement of fuel products in the bulk distribution system.

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)
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 JOC NDC is used to analyze excise fuel compliance data to provide a clear perspective on the fuel production and consumption chain for the following: fuel refiners, shippers, importers, transporters, consumers, etc. The JOC NDC provides the functionality to perform the following set of tasks: • Conduct data exploration activities using link analysis and data-mining tools to detect, track, or trend data related to fuel distribution and fuel excise tax compliance • Support the identification of non-compliance activities related to fuel excise tax payments • Use processes, techniques, data, and tools to identify violations of business excise tax rules • Use analytical tools on available data and experiment with new ways to visualize or model data • Support analysts by effectively integrating data from multiple sources The JOC database includes data from Form 720 Quarterly Federal Excise Tax Return, Form 720-CS Carrier Summary Report, Form 720-TO Terminal Operator Report, Form 2290 Heavy Highway Vehicle Use Tax Return, Form 8849 Claim for Refund of Excise Taxes, Form 637 Taxable Fuel Registrants. These forms contain the tax identification number of the filer.

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 records are created from information initially extracted from ExFIRS (Excise Files Information Retrieval System). This information is then imported into JOC NDC database. Other data sets from certain states are also imported. The SBU/PII information exists before being stored in JOC NDC database and no new data is created. The JOC NDC database information does not transmit back to ExFIRS, the states or any other system of record. The JOC NDC database does NOT make taxable determinations. All determination are completed through the examination process with no direct correlation to the JOC NDC database. JOC NDC 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.

SORNS Number	SORNS Name
Treasury/IRS 34.037	IRS Audit Trail and Security Records System
Treasury/IRS 42.002	Excise Compliance Programs
Treasury/IRS 22.060	Automated Non Master File (ANMF)
Treasury/IRS 24.046	(CADE) Business Master File (BMF)
Treasury/IRS 42.008	Audit Information Management System (AIMS)
Treasury/IRS 24.030	(CADE) Individual Master File (IMF)

        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.

System Name	Current PIA?	PIA Approval Date	SA & A?	Authorization Date
ExFIRS (Excise Files Information Retrieval System)	Yes	01/13/2017	Yes	06/03/2011

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

    If **yes**, for each federal interface, identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA)/Memorandum of Understanding (MOU).

Organization Name	Transmission method	ISA/MOU
Bureau of Transportation, specifically for Air Transportation Excise	secure file transfer	No

11c. Does the system receive SBU/PII from State or local agency (-ies)?   Yes

If **yes**, for each state and local interface identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agenc Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name	Transmission method	ISA/MOU
Idaho State Tax Commission	secure email	Yes
Pennsylvania Department of Revenue, Bureau of Motor & Alternative Fuel Taxes	secure email	Yes
Florida Department of Revenue	secure email	Yes
Utah State Tax Commission	secure email	Yes
New York State Department of Taxation and Finance	secure email	Yes
Virginia Department of Motor Vehicles	secure email	Yes
Revenue and Fuel Tax Administration, Arizona Department of	secure email	Yes
State of Texas, Comptroller of Public Accounts	secure email	Yes
State of North Carolina, Department of Revenue	secure email	Yes
Property and Special Taxes Department, California State Board of	secure email	Yes

11d. Does the system receive SBU/PII from other sources?   Yes

If **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).

Organization Name	Transmission method	ISA/MOU
Customs and Border Protection (CBP)	CD	No

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

If **yes**, identify the forms

Form Number	Form Name
720	Quarterly Federal Excise Tax Return
720-CS	Carrier Summary Report
720-TO	Terminal Operator Report
2290	Heavy Highway Vehicle Use Tax Return
8849	Claim for Refund of Excise Taxes
11-C	Occupational Tax and Registration Return for Wagering
637	Application for Registration (For Certain Excise Tax Activities)

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?   No

    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).

Organization Name	Transmission method	ISA/MOU
Idaho State Tax Commission	Secure Email or OCS	Yes
Pennsylvania Department of Revenue, Bureau of Motor & Alternative Fuel Taxes	Secure Email or OCS	Yes
Florida Department of Revenue	Secure Email or OCS	Yes
Utah State Tax Commission	Secure Email or OCS	Yes
New York State Department of Taxation and Finance	Secure Email or OCS	Yes
Virginia Department of Motor Vehicles	Secure Email or OCS	Yes
Revenue and Fuel Tax Administration, Arizona Department of	Secure Email or OCS	Yes
State of Texas, Comptroller of Public Accounts	Secure Email or OCS	Yes
State of North Carolina, Department of Revenue	Secure Email or OCS	Yes
Property and Special Taxes Department, California State Board of	Secure Email or OCS	Yes

Identify the authority and for what purpose?   NOTE: All state partners/agents have IRS laptops and are considered "Contractors" in the IRS administrative HR-type systems. MOU verbiage: 6. Responsibilities of the IRS: B. The IRS will provide federal tax data and other available information to the JOC consistent with Internal Revenue Code (IRC) section 6103. C. The IRS will provide the data management infrastructure to collect, store, and query information. D. The IRS will provide secure centralized facilities for the data warehouse and the data analysis team. 7. Responsibilities of the States: C. The participating states will provide state tax data and other available information to the JOC. F. Each state will directly issue any audit notices, tax change notices, or deficiency assessments related to taxes within its jurisdiction. MOU verbiage for Disclosure, Safeguards, and Record Keeping Requirements is available upon request.

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

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

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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?   No

    17b. If **no**, why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.
In regards to JOC NDC, information is not collected directly from an individual. However, in general, the IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. When a return is selected for examination, the taxpayer is also sent notices including the Privacy Act Notice 609 and Publication 1, Your Rights as a Taxpayer.

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?   In regards to JOC NDC, information is not collected directly from an individual. However, in general, the IRS notifies all individuals who file tax returns of such collection via the Privacy Act Notice in tax return instructions. When a return is selected for examination, the taxpayer is also sent notices including the Privacy Act Notice 609 and Publication 1, Your Rights as a Taxpayer.

19. How does the system or business process ensure due process regarding information access, correction and redress?
The JOC NDC does NOT make determinations. All determinations are completed through the examination process with no direct correlation to JOC NDC. IRS policy allows affected parties the opportunity to clarify or dispute negative determinations per the examination appeals process.

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

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

    Contractor Employees?   Yes

Contractor Employees?	**Yes/No**	**Access Level**	**Background Invest. Level**
Contractor Users	Yes	Read-Only	Moderate
Contractor Managers	No		
Contractor Sys. Admin.	No		
Contractor Developers	Yes	Read-Only	Moderate

21a. How is access to SBU/PII determined and by whom? <u>A user's manager, based on a user's position and need-to-know, determines whether access to the JOC data is necessary. The manager approves a user's request to gain access to the JOC data. The Online 5081 (OL5081) request and approval system controls the permission for users to access JOC. The JOC Application Coordinator (business personnel within the JOC) assigns an appropriate role to the requester (user, admin, etc.). There are two levels of approval other than the user's manager: the primary JOC application coordinator & backup and the manager of the coordinator & backup. Once the approvals are obtained, the coordinator submits a ticket for account creation. State partners, which are in the pool of JOC NDC users, must first complete a Minimum Background Investigation (MBI). Upon final approval of the MBI, state JOC users submit various OL5081s to obtain an IRS account, a Standard Employee Identifier (SEID) and an account to the JOC NDC. In addition, the Service provides a laptop to these users. Once a user has obtained the necessary authorization, the Service assigns an SEID, which is the user login for the JOC NDC. The system administrator creates a Citrix account with the appropriate permissions (for workstation access to the JOC database) and the database administrator creates an account with the appropriate permissions to access the JOC database. The system administrator provides a temporary password to the user along with an informational PowerPoint, "JOC NDC System Login and Data Transfer Briefing_Dec 2015." In addition, a new user must read and digitally sign a document "JOC Analyst User Rules of Behavior And USB Drive Policy Form." The process for an IRS employee begins with the submission of an OL5081 and the rest of the process is the same from the point whereby the SysAdmin creates an account, etc. Note, all JOC end-users (business analysts and state partners) have read-only access to the JOC data. The user's manager should monitor removal of access, when appropriate, through an OL5081 action (DELETE).</u>

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 ? <u>Yes</u>

I.1 RECORDS RETENTION SCHEDULE

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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?   <u>Yes</u>

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.

<u>JOC data is approved for deletion/destruction 6 years after end of processing year in accordance with National Archives and Records Administration Job No. N1-58-12-8. In addition, system documentation for JOC (owner's manuals, user manuals, data dictionary, software design description, software requirements) should be deleted/destroyed when superseded or 5 years after the system is terminated, whichever is sooner. Disposition instructions for JOC system data, as well as system inputs, outputs and system documentation are published in IRS Records Control Schedule (RCS) Document 12990 under RCS 23 for Tax Administration Examination, Item 84.</u>

I.2 SA&A OR ECM-R

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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?   4/29/2016

23.1 Describe in detail the system s audit trail.   The Windows operating system captures relevant events and saves a corresponding event record in a separate file capturing each of four main event log named channels: Application, Security, Setup, System. Copies of each file containing the event logs are moved into the F:\Audits folder. Enterprise Security Audit Trails (ESAT) picks up the log files and analyzes accordingly.

J. PRIVACY TESTING

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

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

If **in process**, when is the test plan scheduled for completion?   9/30/2017

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?
JOC NDC undergoes annual Federal Information Security Management Act security testing (Annual Security Controls Assessment & Information Systems Contingency Planning). All accesses and authorizations (OL5081, ESAT event log results, logins to JOC NDC, password change latency) to the system are reviewed on a monthly basis to minimize inappropriate, unnecessary, or unusual usage. Users and developers track flaw and associated resolutions via the Knowledge Incident/Problem Service and Asset Management.

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing?   No

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

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? <u>No</u>

End of Report