

Enforcement Revenue Information System (ERIS) – Privacy Impact Assessment

PIA Approval Date – Nov. 10, 2011

System Overview

The Enforcement Revenue Information System (ERIS) is used to analyze and track enforcement activities across the various Internal Revenue Service (IRS) enforcement functions from the inception of an enforcement case until the case is closed. Additionally, ERIS tracks Civil Penalty (IRC 6721), Federal Tax Deposit (FTD) Alerts, Advance Payment of Deficiencies, and enforcement penalty assessments that occur on enforcement cases. ERIS is a data repository, external to the enforcement process, which contains the results of analysis of data, spanning multiple functions and years, obtained from several sources. These sources comprise extracts of data from existing taxpayer account and enforcement information systems. Through merging the extracted enforcement case information with extracted taxpayer revenue information, ERIS provides a link between monies assessed and collected for the different types of cases tracked by the enforcement functions. The summary data can then be used to create comprehensive reports on the effectiveness of enforcement activities. The IRS Commissioner, executives, and managers use ERIS information to improve the accuracy of functional planning models and to direct their attention to areas where concentrated efforts will be most effective.

Systems of Records Notice (SORN):

- IRS 24.030--Customer Account Data Engine Individual Master File
- IRS 24.046--Customer Account Data Engine Business Master File

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

- A. Taxpayer –The Taxpayer Identification Number (TIN) (such as the taxpayer Social Security Number (SSN), Employer Identification Number (EIN)) is found in a large number of ERIS files.
- B. Audit Trail Information – ERIS relies on the Resources Access Control Facility (RACF) auditing capabilities at the mainframe system log. At a minimum, an event record shall specify the following:
 - Logon and logoff information
 - Password changes
 - All systems administrator (SA) actions while logged on to the system as an SA and as a user
 - Files accessed, modified and deleted

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

- A. IRS – ERIS receives and combines information from the following systems:
 - **Master Files (Individual Master File (IMF), Business Master File (BMF), and Non-Master File (NMF)):**
 - ERIS pulls the master files' flat files from the IBM mainframe via a weekly schedule batch process. Included in the flat files from the three master file systems are information such as:
 - EIN
 - SSN

- Taxpayer's address (ZIP Code only)
- Principle business
- Paid preparer's SSN or Preparer TIN (PTIN)
- Preparing firm's EIN
- Income and payments information
- Total assets
- Taxes owed information

After the initial filing of the tax return, any changes or updates (adjustments) to a taxpayer account, whether initiated by the taxpayer or the IRS, are submitted as a transaction to post to the master file so that the file reflects a continuously updated and current record of each taxpayer's account.

- **Audit Information Management System–Reference (AIMS–R):**
 - ERIS pulls the AIMS–R flat file from the IBM mainframe via a monthly schedule batch process. Included in the flat file are information such as:
 - TIN
 - Claim amount
 - Tax owed/Tax refunded amount
 - Adjustment Amount
 - Zip code
 - State
 - Total positive income
 - AIMS–R Assignee Code

- **Information Returns Program Case Analysis (IRPCA) (Subsystem of Information Returns Processing (IRP)):**
 - ERIS pulls the IRPCA flat file from the IBM mainframe via a monthly schedule batch process. Included in the flat file are information such as:
 - SSN
 - IRS Location
 - Additional information to allow users to classify, type, and track returns by:
 - Category Code
 - Processing Code

- **Individual Return Transaction File (IRTF) (Subsystem of IMF) and Business Return Transaction File (BRTF) (Subsystem of BMF):** ERIS pulls the IRTF and BRTF flat files from the IBM mainframe via a monthly schedule batch process. Included in these IRTF and BRTF flat files are information from the following tax forms, if applicable :
 - Form CT–1 Employer's Quarterly Railroad Retirement Tax Return
 - Form 11B Special Tax Return – Gaming Devices
 - Form 11C Special Tax Return & Application for Registry – Wagering
 - Form 706 U.S. Estate Tax Return
 - Form 706GS(D) Generation Skipping Transfer Tax for Distribution
 - Form 706GS(D) Generation Skipping Transfer Tax for Termination
 - Form 709 U.S. Quarterly Gift Tax Return
 - Form 720 Quarterly Federal Excise Tax Return
 - Form 730 Tax on Wagering

- Form 940 Employer's Annual Federal Unemployment Tax Return (FUTA)
 - Form 941 Employer's Quarterly Federal Tax Return
 - Form 942 Employer's Quarterly Federal Tax Return for Household Employees
 - Form 943 Employer's Annual Federal Tax Return for Agricultural Employees
 - Form 944 Employer's Annual Federal Tax Return
 - Form 945 Payer's Annual Tax Return
 - Form 990 Organization Exempt from Income Tax
 - Form 990PF Private Foundation Exempt from Income Tax
 - Form 990T Exempt Organization Business Income Tax Return
 - Form 1040 Individual Income Tax Return
 - Form 1041 U.S. Income Tax Refund for Estates and Trusts
 - Form 1041A Trust Accumulation of Charitable Amounts
 - Form 1042 U.S. Annual Return of Income to be Paid at the Source
 - Form 1065 U.S. Return of Partnership Income
 - Form 1066 Real Estate Investment Conduit Return
 - Form 1120 U.S. Corporation Income Tax Return
 - Form 2290 Federal Use Tax Return on Highway Motor Vehicles
 - Form 3520 Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts
 - Form 4720 Return of Initial Excise Taxes on Private Foundations, Foundation Managers, and Disqualified Persons
 - Form 5227 Return of Non-exempt Charitable or Split-Interest Trust Treated as a Private Foundation
 - Form 5330 Excise Taxes Related to Employee Benefit Plans
 - Form 8038 Information Return for Tax-Exempt Private Activity Bond Issues
 - Form 8038-G Information Return for Tax Exempt Government Obligations
 - Form 8038-GC Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales
 - Form 8038-T Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate
 - Form 8328 Carry-forward Election of Unused Private Activity Bond Volume Cap
 - Form 8453 U.S. Individual Income Tax Declarations for an IRS e-file Return
 - Form 8610 Annual Low-Income Housing Credit Agencies Report
 - Form 8609 Low Income Housing Credit Allocation Certification
 - Form 8693 Low-Income Housing Credit Disposition Bond
 - Form 8752 Required Payment for Refund Under Section 7519
 - Form 8804 Foreign Partnership Withholding Income Tax Return
 - Form 8871 Political Organization Notice of Section 527 Status
 - Form 8872 Political Organization Report of Contributions and Expenditures
 - Form 9465 Instalment Agreement Request
- **Integrated Collection System (ICS):** ERIS pulls the ICS flat file from the IBM mainframe via a monthly schedule batch process. Included in the flat file are information such as:
 - TIN
 - Identification of tax return
 - IRS location
 - Date
 - Grade level of case
 - Hours worked on case

- **Examination Returns Control System (ERCS):** ERIS pulls the ERCS flat file from the IBM mainframe via a monthly schedule batch process. Included in the flat file are information such as:
 - TIN
 - EIN
 - Related return information, such as:
 - Amounts claimed by taxpayer filing an amended return or claim
 - SSN
 - Activity Code
 - Source Code
 - Status Code
 - Assessment amounts (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.

3. Is each data item required for the business purpose of the system? Explain.

Yes each data item is required for the business purpose of the system. ERIS is the only application that tracks an enforcement case from start to finish, incorporating information from all of the various enforcement functions where the case was worked. ERIS delivers data, provides tools, and computing services to the Research Community to support projects, data analysis, prediction, simulation, and optimization –studies.

4. How will each data item be verified for accuracy, timeliness, and completeness?

- Accuracy/Completeness – ERIS receives data from trusted internal sources. The data received by ERIS is verified by the various applications as being complete and accurate prior to being transmitted to ERIS. Additionally, ERIS schema is configured in accordance with its data sources; thus the data, when it is retrieved via batch processing, will automatically load in the right format. One of ERIS’s objectives is to provide reports that directly reflect the information provided by the various divisions with little or no modification.
- Timeliness – Data is received on regularly batch processes schedule (either weekly or monthly depending on the systems providing the data to ERIS). The schedule is base in accordance with established agreements between the ERIS project office and the project offices of the individual suppliers.

5. Is there another source for the data? Explain how that source is or is not used.

No, data is not collected from another source beyond the sources mentioned previously in this document.

6. Generally, how will data be retrieved by the user?

Access is contingent upon On–Line 5081 (OL5081) approval. ERIS data exist in 4 states: Raw, Detail, Pre–summary and Summary. Regular users such as the External Data Analysts have no access to the Raw, Detail or Pre–summary data. Those data are only retrievable by ERIS Application Administrators. The ERIS Application Administrators retrieve the data by querying on the TIN. This data is only provided to approved sources with a valid business need and level of access, such as: RAS, Office of Management and Budget (OMB), Government Accounting Office (GAO), Treasury Inspector General for Tax Administration (TIGTA).

The External Data Analysts have access to the ERIS summary data. They access the data on a monthly basis via the Hyperion application. They have read only access and do not have the ability to change the system data. The users, through a point–and–click option, select the fields from all the

tables listed in the Hyperion graphical user interface (GUI) front end. The application then generates the results from the query.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?

Access is role based and limited to the job assigned to the IRS employees and/or contractors who have the required approval through an OL5081 and a legitimate business need to know. Raw, Detail and Pre–summary data are retrievable by TIN by ERIS Application Administrators. Summary data is stripped of information that would identify an individual taxpayer or business entity and exist as an accumulation of tax records with similar characteristics.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

Access is role based and limited to the job assigned to the IRS employees and/or contractors who have the required approval through an OL5081 and a legitimate business need to know.

Role: ERIS Application Administrators

Permission: Access to the Raw, Detail, and Pre–summary data

Role: External Data Analysts

Permission: Access to the ERIS summary data, access the data on a monthly basis via the Hyperion application. They have read only access and do not have the ability to change the system data.

Role: IRS employees

Permission: Only IRS employees currently employed by the ERIS project office who have proper approval(s), have completed background investigations, and mandatory security training are able to access the data. All required policies, standards, procedures, and safeguards are in place.

Note: Authorized ERIS contractors have access to the development environment of the ERIS system only. All development information is sanitized, and does not contain any information that would identify an individual taxpayer or business entity.

9. How is access to the data by a user determined and by whom?

Requests for access to ERIS by IRS personnel are made through the OL5081 process and must be approved by the requestor’s manager and/or security representative. External requestors (such as contractors, Treasury, GAO et al) must use the paper Form 5081, and obtain approvals from the Contractor Technical Representative (COTR), security representative, ERIS Project Manager. Approval and authorization are granted based on signatory acknowledgement and agreement to comply with the Rules of Behaviours, complete security–related training. The level of data access is limited to that which is specified in the approved proposal request and those established through assigned rights and privileges.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.

Yes, there are 9 IRS systems that send data indirectly to ERIS. ERIS receives and combines information from the following systems:

- **Master Files (Individual Master File(IMF), Business Master File (BMF), Non–Master File (NMF)):**

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- EIN
- SSN
- Taxpayer's address (ZIP Code only)
- Principle business
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- TIN
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- State
- Total positive income
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- SSN
- IRS Location
- Additional information to allow users to classify, type, and track returns by:
- Category Code
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- **Individual Return Transaction File (IRTF) (Subsystem of Individual Master File (IMF)) and Business Return Transaction File (BRTF) (Subsystem of Business Master File):**

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11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?

Yes.

Individual Master File (IMF)

- Authorization to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment (PIA) – November 10, 2009

Business Master File (BMF)

- Authorization to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment (PIA) – March 16, 2010

Information Returns Program Case Analysis (IRPCA) (Subsystem of Information Returns Processing (IRP)):

- Authorization to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment (PIA) – November 10, 2009

Business Return Transaction File (BRTF) (Subsystem of Business Master File (BMF))

- Authorization to Operate (ATO) – June 14, 2010
- Privacy Impact Assessment (PIA) – March 6, 2010

Integrated Collection System (ICS)

- Authorization to Operate (ATO) – May 19, 2011
- Privacy Impact Assessment (PIA) – December 15, 2010

Information Reporting Program Case Analysis (IRPCA) (Subsystem of IRP)

- Authorization to Operate (ATO) – March 8, 2010
- Privacy Impact Assessment (PIA) – October 9, 2009

Audit Information Management System – Reference (AIMS–R)

- Authorization to Operate (ATO) – May 1, 2009
- Privacy Impact Assessment (PIA) – August 29, 2011

Examination Returns Control System (ERCS)

- Authorization to Operate (ATO) – June 2, 2011
- Privacy Impact Assessment (PIA) – January 19, 2011

Non–Master File (NMF) – Is considered a non FISMA reportable application therefore no ATO or PIA is required

12. Will other agencies provide, receive, or share data in any form with this system?

Yes, Congress, Treasury, GAO, TIGTA, and OMB are some of the agencies that may receive aggregate data as they are entitled under IRC Section 6103, and all other applicable policies, standards, procedures, and safeguards of the Secretary of Treasury. (Such as, Computer Security Act of 1977, Treasury Regulation TDP 71–10, Federal Regulation Title 26 et al) As with any requestor, albeit internal or external to IRS, the standing policies outlined in item#8 must e adhered to before access is granted.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?

ERIS data is approved for destruction 20 years after case is closed, or when no longer needed for operational purposes, whichever is later (Job No. N1–58–10–5, approved by the National Archives and Records Administration 12/21/2010). Data retention requirements, along with disposition instructions for ERIS inputs, outputs and data documentation will be published under IRM 1.15.27 Records Control Schedule for Compliance Research, item 55 when next updated. One–year’s worth of ERIS data is maintained at any one time as a back–up for disaster recover/data validation purposes. Deletion of this reference material occurs monthly on a rolling basis, one–year from its creation data. Every data file placed on ERIS is time/date stamped. After loading data from tapes, they are degaussed at ECC–MTB. Paper data is shredded or burned.

14. Will this system use technology in a new way?

No. The application is not utilizing technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.

Yes. ERIS is used to perform research studies that may identify an individual taxpayer or group of taxpayers. When used to identify individual taxpayers by TIN the requestor must submit a valid request with an approved business purpose with authorization to view sensitive but unclassified (SBU) data. This information can be requested to evaluate the impact of program or policy changes on specific groups of taxpayers, and develop workload models to optimize the use of resources. These aggregate groups could be identified as non–filers, by balance due amounts.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.

No. ERIS business purpose is not to monitor individual or groups. ERIS is a batch processing application that produces statistical data for reports to analyze and track enforcement activities across the various IRS enforcement functions from the inception of an enforcement case until the case closes. The summary data within ERIS is used to create comprehensive reports on the effectiveness of enforcement activities. There is no way to associate the information listed in the ERIS summary reports with any individual or group.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?

No, ERIS does not allow the IRS to treat taxpayers, employees, or other differently. ERIS is a research system that has no direct impact on tax processing or tax administration. ERIS collects data for research purposes.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?

Not Applicable. ERIS is a research system that has no direct impact on tax processing or tax administration. ERIS collects data for research purposes. ERIS is not used to make negative determinations.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?

Not Applicable. ERIS is a batch process and does not interface with the web, therefore no cookies are persistent.

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