

**Management Advisory Report: Various Risks
Remain in the Year 2000 Conversion Effort
for Personal Computer Systems**

December 1999

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

December 28, 1999

MEMORANDUM FOR COMMISSIONER ROSSOTTI

FROM: 
Pamela J. Gardener
Deputy Inspector General for Audit

SUBJECT: Final Management Advisory Report: Various Risks
Remain in the Year 2000 Conversion Effort for Personal
Computer Systems

This report provides updated information on the status of actions taken to address the concerns we included in an audit memorandum issued in April 1999, and again in our draft audit report, *Improved Project Management Is Needed To Ready Personal Computers for the Year 2000* (dated November 1999).

In summary, we found that actions have been taken to improve management of the personal computer conversion effort. However, due to conversion delays, risks remain. For example, as of November 1, 1999, progress has been made in software testing, but approximately 180 products still had not been tested. In addition, over 57,000 products slated for retirement were still installed on the Internal Revenue Service's (IRS) personal computer systems. Lastly, problems in perfecting personal computer inventory resulted in a request for additional funding and delays in completing computer replacements.

Although the IRS' official comments were not available as of the date of this report, we incorporated comments provided by the Century Date Change Project Director. Copies of this report are also being sent to the IRS managers affected by the results.

Please contact me at (202) 622-6510 if you have questions, or your staff may call Scott E. Wilson, Associate Inspector General for Audit (Information Systems Programs), at (202) 622-8510.

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Executive Summary

One of the most critical issues that the Internal Revenue Service (IRS) faces this year is the need to make all of its computers Year 2000 (Y2K) compliant. The IRS depends on automated systems to process tax returns, issue refunds, deposit payments, and provide employees access to taxpayer account data. Many of the IRS' mission critical systems have personal computer workstations that enable employees to perform their duties. Several mission critical IRS systems conduct tax processing activities on personal computer workstations and networks. Because the IRS has become increasingly dependent on personal computers for processing, it is important that they be converted for Y2K compliance.

The objective of our review was to determine the status of IRS actions to address the concerns we reported in an audit memorandum issued in April 1999, and again in our draft audit report entitled, *Improved Project Management Is Needed To Ready Personal Computers for the Year 2000* (dated November 1999). Our review focused on recommendations in three primary areas: 1) monitoring the conversion progress of mission critical systems, 2) testing of software products, and 3) inventory verification.

In addition, we followed up on two personal computer related recommendations from another audit report entitled, *The Internal Revenue Service Needs Additional Emphasis on Computer Component Retirement Decisions To Be Ready For The Year 2000*, (Report Reference # 093506, dated September 1999), as follows:

- Track the personal computer Commercial-Off-the-Shelf (COTS) product identification process going on in the Field and Customer Organizations until resolution.
- Finalize the personal computer COTS hardware and software budget.

Results

Although management of the personal computer conversion effort has improved, the IRS is facing various risks associated with conversion of personal computers and related systems. Additional attention and oversight of personal computer system conversion is needed through the end of the calendar year and into the Year 2000 to ensure that any problems resulting from these risks are quickly and effectively addressed.

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Conversion Progress of the Internal Revenue Service's Personal Computers Associated with Certain Mission Critical Systems is Not Being Separately Tracked, But Other Activities Are Underway to Identify Problems

Our April 1999 memorandum stated that the IRS was not separately tracking the conversion progress of the personal computer portion of some mission critical systems. We found that this condition still exists, but other processes have been implemented that help reduce the risks, such as requiring final testing for all systems, and monitoring the progress of the rollout of Y2K compliant standardized personal computers.

However, much of the testing has been performed in an environment that may not exactly mirror what is in place in the various field locations, and some conversion efforts remain incomplete. As a result, there is still some risk that upgraded systems will not be fully implemented in field locations by the Year 2000.

Certain Software Products Used to Run Personal Computer Systems Have Not Been Fully Tested

The goal for completion of software testing was July 31, 1999, according to management's response to our April 1999 memorandum. However, software testing was not completed by July 31, 1999. As of November 1, 1999, approximately 180 of the 578 (31 percent) software products being monitored had not yet been through a complete systems test. Because so many products have not been through a complete test, we believe that some of this software testing will not be completed by December 31, 1999.

In an effort to accelerate testing measures, a memorandum was issued by the Century Date Change (CDC) Project Office on July 31, 1999, requesting information from the users to identify the COTS products that resided on their machines. A list of COTS software products was prepared as a result. It is important for CDC Project Office management to ensure that any non-compliant COTS software products included on this list are replaced on the corresponding systems to ensure that Y2K problems are not caused by these products.

Numerous Products Scheduled to Be Retired Remain on Internal Revenue Service Systems

IRS inventory reports dated October 29, 1999, show that 57,289 items, including both hardware products and software packages, associated with personal computers are scheduled to be retired, but remain on IRS systems. These items have not been made Y2K compliant, and should have been removed from IRS computer systems as well as the inventory system.

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Without visiting all field locations, it is virtually impossible to identify the total numbers of these items that actually remain active on the IRS' computer systems. However, we identified some of these software products scheduled to be retired that are currently installed on eight mission critical systems, including those supporting customer service and payment processing activities.

Problems in Perfecting the Personal Computer Inventory Resulted in Additional Requests for Funds and Delays in Replacement of Non-Compliant Computers

In response to our previous draft audit report, the IRS stated that it had finalized the budget for personal computer COTS hardware and software at \$31 million. However, an additional \$41.9 million had to be requested in July 1999 from the Office of Management and Budget (OMB) to supplement original budget estimates. This money was needed to fund purchases of personal computers to replace those that are not compliant. Delays in obtaining this funding resulted in corresponding delays in replacing these computers. As of October 28, 1999, over 7,000 personal computers designated to replace non-compliant machines were still awaiting installation. Most of these computers were from a group of machines purchased with the additional money obtained from the OMB.

Management's Response: The IRS' official comments were not available as of the date of this report. However, we summarized comments provided by the CDC Project Director below and incorporated more details in the body of the report.

The CDC Project Director stated that because the inventory system does not identify personal computers as to the system they support, and because personal computers often support multiple systems, tracking personal computer conversion progress by system is not feasible. The CDC Project Office uses several mechanisms to track key elements and tasks associated with the conversion effort. The ability to track progress at this level of detail has allowed responsible executives to prioritize the conversion of their products, greatly reducing the risk of a Y2K failure within the associated mission-critical system.

Although software testing for personal computer software products is still not complete, Information Systems management has implemented a methodology to ensure that software testing is completed before the end of the year. A risk management methodology has been established, and only 89 low-risk products remain to be tested. As of December 10, 1999, 94 percent of the personal computer hardware and COTS software inventory was compliant. The IRS continues to focus on removing products scheduled for retirement from IRS' systems. As of December 10, 1999, 17,868 devices remain to be retired.

As of December 3, 1999, 10,352 new Pentium personal computers, procured with the additional OMB funds, have been delivered and fewer than 400 remain to be installed.

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Objective and Scope

Our objective was to determine the status of actions taken by Internal Revenue Service (IRS) management to address concerns reported in an audit memorandum issued in April 1999, and again in our draft audit report entitled, *Improved Project Management is Needed To Ready Personal Computers for the Year 2000* (dated November 1999). We followed up on recommendations in the areas noted below.

- Determined if the project management team responsible for converting mission critical personal computer systems implemented adequate procedures to monitor the Year 2000 (Y2K) conversion progress of these systems.
- Determined whether the Commercial-Off-the-Shelf (COTS) software the IRS will be using on its personal computers in the Year 2000 will be Y2K compliant.
- Evaluated the progress made on validating the inventory for personal computers and software.

Because of the short period of time left before Y2K, we decided not follow up on the recommendations from the earlier report in the areas of hardware testing and comprehensive planning.

While performing our audit tests, we also followed up on two recommendations from another audit report entitled, *The Internal Revenue Service Needs Additional Emphasis on Computer Component Retirement Decisions To Be Ready For The Year 2000* (Report Reference # 093506, dated September 1999):

- Track the personal computer COTS product identification process going on in the Field and Customer Organizations until resolution.
- Finalize the personal computer COTS hardware and software budget.

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This review was conducted in the Century Date Change (CDC) Project Office and the End User Computing Support (ECS) Division at the National Office from September 1999 through October 1999. Appendix I contains the detailed objective, scope, and methodology of our review. A list of major contributors to the report is shown in Appendix II.

Background

The Y2K conversion effort is a significant challenge to the IRS.

The Y2K conversion effort presents a significant challenge to IRS operations. The IRS is highly dependent on computer technology to process tax returns, issue refunds and collect tax revenue. By January 1, 2000, calculations and other critical computer operations using, manipulating, or updating two-digit year fields will not work correctly. Affected software, data files and hardware must be modified or replaced to correct Y2K problems.

The IRS created the CDC Project Office in 1996 as an oversight group to direct the conversion of all Information Technology systems for the Year 2000. Part of its oversight responsibility was to review the conversion of IRS' systems that run using personal computers.

The IRS is converting hardware and software products located on both mission critical and non-mission critical systems. A mission critical system is a system supporting a significant IRS business activity or process.

Such a system is deemed mission critical if it:

- Is used for core tax processing activities.
- Will cause significant loss of revenue if not operational.
- Will cause major work stoppage if not operational.
- Is an IRS standard application used across the country by various field offices.

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If the IRS' personal computer inventory is not made compliant, the effects could be widespread.

As of June 1999, 40 mission critical systems used personal computers to conduct input, processing or output of data. Appendix IV lists these systems and describes their purpose. Some of these mission critical systems conduct tax processing activities on personal computer workstations and networks. Personal computers and associated software products are located in all IRS offices. If personal computer systems are not made Y2K compliant, the effects could be widespread.

The IRS is using Y2K as an opportunity to standardize its personal computer products.

The IRS has a massive effort underway to ensure that its personal computers operate in the Year 2000. The effort included purchasing and installing nearly 70,000 personal computers and implementing a standard suite of software. The IRS' strategy is to ensure that not only will the new products be Y2K compliant, but that the personal computer workstations will be standardized.

Results

Although management of the personal computer conversion effort has improved, various risks remain.

We believe that although project management of the personal computer conversion effort has improved, there are still various risks in the IRS' personal computer conversion process that could result in Y2K problems. We identified the following issues:

- Conversion progress of the IRS' personal computers associated with certain mission critical systems is not being separately tracked, but activities are underway to help identify problems.
- Certain software products used to run personal computer systems have not been tested.
- Numerous products scheduled to be retired remain on IRS systems.
- Problems in perfecting the personal computer inventory resulted in additional requests for funds and delays in replacement of non-compliant computers.

Additional oversight should be provided to the personal computer conversion effort through the end of 1999 and

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into the Year 2000 to ensure that any problems resulting from these risks are quickly and effectively addressed.

Conversion Progress of the Internal Revenue Service's Personal Computers Associated with Certain Mission Critical Systems is Not Being Separately Tracked, But Other Activities Are Underway to Identify Problems

Our April 1999 memorandum stated that the IRS was not separately tracking the conversion progress of the personal computer portion of some mission critical systems. We recommended that the IRS re-establish a conversion tracking system such as the "dashboard," a one-page report used to track the progress of personal computer conversions, and include all mission critical systems so that they could be closely monitored.

In response, IRS management advised us that it needed to conduct an analysis to determine the feasibility of tracking personal computer systems. A decision would be made to either put tracking mechanisms in place or develop a way to reduce the risk caused by not having such a tracking program.

Processes currently in place could help reduce the risk of not having an overall tracking mechanism for conversion of personal computers associated with mission critical systems.

At the time of this review, there was no mechanism in place to track the conversion and implementation progress of personal computers associated with mission critical systems. Therefore, we reviewed processes in place that could reduce the risks of not having an overall tracking mechanism to monitor conversion of personal computers tied to mission critical systems. For example, the CDC Project Office monitors the completion of code conversion for IRS systems on a special report entitled, "Internal Revenue Service Mission Critical and Non-mission Critical Applications and Selected Portions of the Infrastructure Report." This report also contains limited information on the conversion status of the mainframe and minicomputer COTS software and hardware products, but this limited information does not cover personal computer COTS software and hardware products.

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Another process that the CDC Project Office is following that will help reduce risk of Y2K failure is requiring final testing for all systems, either by the Product Assurance Division or the system owners. To ensure that the testing is fully completed for those systems assigned to be tested by their owners, the CDC Project Office has assigned a staff to perform audits of various systems, including 27 mission critical systems that use personal computers. As of October 13, 1999, 8 of these 27 systems had successfully gone through a system audit.

Lastly, the ECS Division is monitoring the progress of the rollout of Y2K compliant standardized personal computers. The ECS purchases compliant hardware and software and ensures that the hardware, software, and specific applications work properly in the Year 2000 environment.

There is still some risk that critical field upgrades have not been made.

These tracking and validating processes will help reduce the risk of a Y2K failure. However, much of the testing is done in an environment that may not exactly mirror what is in place in the various field locations. In addition, some of the conversion efforts are still not complete. As a result, there is still some risk that upgraded systems will not be fully implemented in field locations by the Year 2000.

Management's Response: The CDC Project Director provided additional actions the IRS has taken to assure that Year 2000 compliant versions of mission critical personal computer systems have been implemented. The CDC Project Director noted that because the inventory system does not identify personal computers as to the system they support, and because personal computers often support multiple systems, tracking personal computer conversion progress by system is not feasible. However the following tracking mechanisms are used to monitor the key elements and tasks associated with the conversion effort:

- Status of Tier 3 (personal computers) Action Items
- Tier 3 Inventory Analysis

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- Device Inventory Y2K Compliance Status
- Detailed COTS software and hardware testing reports

Information Systems (IS) tracks the Tier 3 mission critical systems and associated COTS software transition to standard products by working closely with system owners. The ability to track progress at this level of detail allows responsible executives to prioritize the conversion of their products, greatly reducing the risk of a Y2K failure within the associated mission-critical system.

The CDC Project Director did not specifically address our concern that much of the testing is done in an environment that may not exactly mirror what is in place in the various field locations.

**Certain Software Products Used to Run
Personal Computer Systems Have Not Been
Fully Tested**

In our April 1999 memorandum, we recommended that the IRS develop an effective methodology to ensure that the results of software testing for personal computers be communicated to all users and that all users make necessary changes. In addition, we recommended that the IRS determine, by April 30, 1999, whether the July 31, 1999, conversion deadline could be met. This determination would enable the IRS to set priorities so that the most important hardware and software could be converted.

The IRS responded, on April 28, 1999, that the results of software product testing are regularly posted to its web site and discussed in weekly conference calls. The IRS also stated that it believed that, through centralized management, tracking, and oversight, the July 31, 1999, conversion deadline could be met. In addition, the IRS stated that software testing was planned for 238 products, and should be completed in time for

Software testing was initially planned for 238 products--this has now expanded to 578 products.

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As of November 1, 1999, approximately 180 personal computer products had not undergone a complete test.

replacement of non-compliant products by July 31, 1999.

Although testing progress reports were posted regularly and discussed in conference calls, software testing had not been completed by July 31, 1999. Reports indicated that approximately 180 products had still not undergone a complete test by November 1, 1999. One reason this work has not been completed is that the number of products to be tested increased from 238 as of April 28, 1999, to 578 at the time of our review. Because of the number of products that remain to be tested, we believe that some software testing will not be completed by December 31, 1999.

In an effort to accelerate testing measures, the CDC Project Office issued a memorandum on July 31, 1999, requesting information from the users to identify the COTS software products that resided on their machines. A list of COTS software products was prepared from the results of the memorandum. Using this list, we identified several mission critical systems that are using COTS software products, which, as of November 1, 1999, had not undergone a complete test.

Several mission critical systems continue to use products that have not been fully tested.

Some of the mission critical systems that use products that have not yet been fully tested are:

- Electronic Filing Archive Retrieval Facility (ARF)
- Examination Operational Automation Database (EOAD)
- Integrated Case Processing 1.5
- Integrated Submission and Remittance Processing (ISRP)
- Report Generation System (RGS)

These systems handle aspects of electronically filed returns, tax payments, examination cases, and customer service activities. It is important for CDC Project Office management to ensure that any non-compliant COTS software products are replaced on the corresponding systems to ensure that Y2K problems are not caused by these products.

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Management's Response: The CDC Project Director indicated that while the testing is still not 100 percent complete, IS management has implemented an effective methodology to ensure that software testing of personal computer COTS products is completed before the end of the year. The software has been placed into a high, medium, or low risk category, and all high and medium-risk software has been tested. Only 89 low-risk software products remain to be tested, and none of these remaining products are registered on more than 0.1 percent of all IRS desktops.

In addition, the ECS Division has directed owners to remove any remaining software products, which have not completed the impact analysis step of the Y2K conversion process, from computers or to isolate them on standalone computers by December 7, 1999. As of December 10, 1999, 94 percent of the personal computer hardware and COTS software inventory was compliant.

**Numerous Products Scheduled to Be Retired
Remain on Internal Revenue Service Systems**

In our September 1999 audit report, we recommended that the IRS accelerate the process for making retirement and conversion decisions for personal computer products. The IRS responded that they would leave the decision to retire products, with 10 or fewer copies in use, to the discretion of field and customer organizations. In addition, they agreed to track the product identification process until resolution.

The IRS did track the product identification process, and continued to track the retirement progress of personal computer software and hardware products. However, inventory reports dated October 29, 1999, show that 57,289 items, including both hardware products and software packages, associated with personal computers are scheduled to be retired, but remain on the inventory. These items have not been made Y2K compliant, and should have been removed from IRS computer systems as well as the inventory system.

Inventory reports indicate that 57,289 hardware and software products currently in operation on personal computer systems should have been retired and removed from these systems.

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At least eight mission critical systems still use products that should have been retired and removed.

System owners report that several mission critical systems are still using products that are scheduled to be retired and have not been fully tested. These systems include:

- Electronic Filing Applicant's Database (ADB)
- ARF
- Computer Assisted Pipeline Review (CAPR)
- Electronic Filing Return View (ELFVU)
- EOAD
- International Programs (INTL)
- ISRP
- RGS

The above systems handle aspects of electronic return filing, error processing, examination cases, international forms and returns processing, and tax payment processing.

We discussed this issue with ECS personnel and they agreed to go over each software product and make a determination on these products. If this action is not completed, there is a high risk that products scheduled for retirement that are still in use will not be tested before the Year 2000.

Management's Response: The IRS continues to focus on removing products scheduled for retirement from IRS' systems. Due to this focus, the IRS has made significant progress in retiring both hardware and software associated with personal computers. As of December 10, 1999, 17,868 devices remain to be retired. This is a decrease of 39,421 devices since October 31, 1999.

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**Problems in Perfecting the Personal Computer
Inventory Resulted in Additional Requests for
Funds and Delays in Replacement of
Non-Compliant Computers**

An additional \$41.9 million had to be requested to purchase replacement computers.

In response to our September 1999 audit report, the IRS stated that it had finalized the budget for personal computer hardware and software replacement at \$31 million. However, because of problems in perfecting the inventory of these systems, an additional \$41.9 million had to be requested in July 1999 from the Office of Management and Budget (OMB) to supplement original budget estimates.

Over 7,000 replacement personal computers are still awaiting installation.

This additional money was used to purchase additional computers to replace those that could have problems with Y2K conversion. Delays in obtaining this money resulted in corresponding delays in replacing the non-compliant inventory of personal computers.

Although IRS reports show that more than 60,000 replacement personal computers have been installed since July 1998, over 7,000 personal computers designated to replace non-compliant machines were still awaiting installation as of October 28, 1999. Most of those computers were from a group of machines purchased with the additional money obtained from the OMB.

Management's Response: The CDC Project Director noted that as a result of more detailed Tier 3 inventory and COTS assessments, the IRS requested and received additional funds from the OMB to supplement original budget estimates. This additional money was used to purchase additional computers to replace those that could have problems being made Y2K compliant. As of December 3, 1999, 10,352 new Pentium personal computers, purchased with the additional OMB funds, have been delivered and fewer than 400 remain to be installed.

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Conclusion

Management of the conversion of personal computers has improved. However, various risks remain due to testing and conversion delays. Additional oversight should be provided to the personal computer mission critical systems conversion through the end of this year and into the Year 2000 to address the problems that could result from these risks.

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Appendix I

Detailed Objective, Scope, and Methodology

Our objective was to determine the status of actions taken by Internal Revenue Service (IRS) management to address concerns reported in an audit memorandum issued in April 1999, and again in our draft audit report entitled, *Improved Project Management is Needed To Ready Personal Computers for the Year 2000* (dated November 1999).

To accomplish our objective, we:

- I. Determined if the project management team responsible for the personal computer portion of the mission critical systems implemented adequate procedures to monitor the Year 2000 (Y2K) conversion progress of these systems.
 - A. Determined if the Century Date Change (CDC) Project Office identified all mission critical systems that use personal computers.
 1. Obtained a listing of all mission critical systems identified, and analyzed them to determine which systems had been identified as using personal computers.
 2. Obtained documentation of reports used to monitor the conversion progress of these systems.
 3. Compared the listing and the reports to determine if there were any mission critical systems that used personal computers that were not being monitored by the CDC Project Office.
 - B. Determined if “at risk” mission critical systems that used personal computers were receiving proper oversight.
 1. Reviewed recent reports used to monitor conversion progress to identify systems “at risk.”
 2. Interviewed CDC Project Office and End User Computing Support (ECS) Division management responsible for this area to determine their methods and techniques used to provide oversight to “at risk” systems.
 3. Determined whether contingency plans had been developed for these “at risk” systems.
- II. Determined whether the Commercial-Off-the-Shelf (COTS) software the IRS will be using in the Year 2000 will be Y2K compliant.

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- A. Determined whether the Tier III Section of the ECS Division met its July 31, 1999, deadline for software testing.
 - 1. Interviewed the Tier III Section management to determine if software testing had been completed, and whether all decisions had been finalized and implemented regarding committing and retiring products.
 - 2. Obtained relevant listings of the software tested.
 - 3. Obtained listings of any software that had not yet been tested.
 - 4. Determined if any software partially or completely failed Y2K testing.
 - 5. Determined which systems relied on software that had not yet been tested or failed Y2K testing, and what impact this could have on production in the Year 2000.
 - 6. Reviewed how the results of the testing were disseminated to determine whether negative results were sent to the affected parties.

- III. Evaluated the progress made on validating the Integrated Network and Operations Management System (INOMS) inventory for personal computer products.
 - A. Interviewed CDC management to determine what progress had been made in making INOMS accurate.
 - B. Obtained documented problems from the Independent Audit and Readiness Verification teams, and evaluated any resulting action plans to correct these problems.
 - C. Discussed how purchasing decisions were made, whether newly purchased compliant computers had been added to the INOMS, and whether the replaced computers had been retired and removed from the INOMS.

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Appendix II

Major Contributors to This Report

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Appendix III

Report Distribution List

Deputy Commissioner Modernization C:DM
Deputy Commissioner Operations C:DO
Chief Information Officer IS
Deputy Chief Information Officer, Operations IS
Deputy Chief Information Officer, Systems IS
Assistant Commissioner (National Operations) IS:O
Assistant Commissioner (Program Evaluation and Risk Analysis) M:OP
Assistant Commissioner (Service Center Operations) IS:SC
Director, End User Computing Support IS:F:SP
Director, System Support Division IS:S:TS
Director, Office of Information Resources Management IS:IR
Project Director, Mainframe Consolidation IS:O:MC
Director, Century Date Change Project Office IS:CD
Office of the Chief Counsel CC
Office of Management Controls M:CFO:A:M
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Appendix IV

**Internal Revenue Service Mission Critical Systems That Use Personal
Computers¹**

| MISSION CRITICAL SYSTEMS | |
|--|---|
| System Name | Description |
| 1. Appeals Automation Environment (AAE) | This system provides inventory and management information systems for the Appeals function. |
| 2. Automated Criminal Investigations (ACI) | This system provides workload management, case assignment/tracking inventory control, electronic mail, case analysis tools, and management information to support the Criminal Investigations function. |
| 3. Electronic Filing Applicant's Database (ADB) | This system records and monitors the information about external parties who submit electronic returns to the Internal Revenue Service (IRS). The ADB allows tax preparers and transmitters to file electronically at specified IRS service centers. |
| 4. Automated Financial System (AFS) | This system is an accounting system that provides standards-compliant financial data management and reporting for IRS operational (non-custodial) accounts. |
| 5. Electronic Filing Archive Retrieval Facility (ARF) | This system allows for the storing, printing, retrieving, and updating of electronically filed tax returns. |
| 6. Automated Underreporter (AUR) | This system generates proposed assessments for cases where data from information returns do not match tax return information. |
| 7. Brookhaven Service Center Electronic Online/Output Network System TSE Pro Editor 2.8 (BSC EONS) | This system displays printouts from the Unisys 4800 on an NT computer. |
| 8. Computer Assisted Pipeline Review (CAPR) | This application is used by service centers and the National Office to input error information into a database that is used to generate error reports. |

¹ Compiled from the IRS Year 2000 (Y2K) Project Management Plan, Appendix D (Version 8) and the Y2K report entitled, "IRS Mission-Critical and Non-Mission Critical Applications and Selected Portions of Infrastructure."

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| MISSION CRITICAL SYSTEMS | |
|---|--|
| System Name | Description |
| 9. Counsel Automated Systems Environment (CASE) | This system supports all of Chief Counsel's applications for case management and control. |
| 10. Currency & Banking Reporting System (CBRS) | This system provides on-line access to currency transactions and bank reporting information documents to IRS staff and other federal law enforcement agencies. |
| 11. Computer Center Operations--Mission Critical (Comp Center Ops MC) | This system contains projects and applications that support computer operations employees in carrying out their business responsibilities. |
| 12. Customer Service Mission Support (CS Mission Support) | This system provides support for tax processing, administration and enforcement functions of the IRS. |
| 13. Discriminate Function (DIF) | This system computes a score for each individual income tax return filed. The score indicates the probability of non-compliance on the return, and is used to identify cases for future audits. |
| 14. Electronic Fraud Detection System (EFDS) | This system provides tools to perform pre-refund detection of potentially fraudulent tax returns. |
| 15. Electronic Filing System (ELF) | This system perfects electronically filed tax returns and passes perfected information to the master files for posting to taxpayer accounts. |
| 16. Electronic Filing Return View (ELFVU) | This program generates displays and prints of electronically filed tax returns. |
| 17. Employee Administration Mission Critical (Employee Admin MC) | This system supports employee programs including compensation and benefits, travel, labor/management, etc. |
| 18. Examination Operational Automation Database (EOAD) | This system maintains a national database of closed examination cases. Statistical software is available for analysis of this data. |
| 19. Examination Return Control System (ERCS) | This system provides the capability to assign returns to individual examiners. It tracks technical time spent on cases and monitors cases for proximity to statute expiration. The system also provides management information on these functions. |

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| MISSION CRITICAL SYSTEMS | |
|--|--|
| System Name | Description |
| 20. Electronic Tax Form Distribution (ETFD) | This system generates electronic formats of tax products and transmits them for distribution to the public via a web site. |
| 21. Integrated Case Processing 1.5 (ICP 1.5) | This system supports the work performed by Customer Service Representatives. Access is provided to multiple systems from a single workstation. |
| 22. Integrated Collection System (ICS) | This system provides workload management, case assignment/tracking, inventory control, electronic mail, case analysis tools, and management information to support the Collection function's field work. |
| 23. Integrated Data Retrieval System PS/2 Workstations & Dumb Terminals (IDRS PS2) | This system provides Integrated Data Retrieval System (IDRS) terminals used in district offices and service center pipeline operations. The terminals are limited to IDRS activity and provide no connectivity to other systems or additional functionality. |
| 24. Inventory Delivery System (2.0) (IDS 2.0) | This system's processing includes programs that perform telephone number research service for IRS Collection cases. |
| 25. Individual Masterfile Analysis & Issue Detection (IMF Analysis) | This program analyzes individual accounts, and performs issue detection and analysis for the issuance of notices. |
| 26. International Programs (International Prog) | This system does all international forms and information returns processing. |
| 27. Information Return Processing Input System (IRP Input) | This system receives and controls information returns (e.g., 1099s, W-2s) from financial institutions and the Social Security Administration on magnetic media. The system also validates and perfects the data. |
| 28. Integrated Submission and Remittance Processing (ISRP) | This system replaces and enhances the Distributed Input System and Remittance Processing System employed at all 10 service centers to process tax returns and payments. |
| 29. Martinsburg Computing Center Operations (MCC Comp Center Ops) | This system includes applications and projects which support the mission of the Martinsburg Computing Center (Operations Division). |
| 30. Mission Support Mission Critical (Mission Support MC) | This system supports the tax processing, administration, and enforcement functions of the IRS. |

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| MISSION CRITICAL SYSTEMS | |
|---|--|
| System Name | Description |
| 31. Martinsburg Mission Support (MCC Mission Support) | This system supports the mission of the Martinsburg Computing Center. |
| 32. Product Assurance Mission Support (PA Mission Support) | This system supports IRS systems testing efforts. |
| 33. Philadelphia Mission Support (PSC Mission Support) | This system is multifunctional and contains the remainder of local programs for the Philadelphia Service Center. |
| 34. Report Generation System (RGS) | This system provides applications to assist Examination workers in auditing of tax returns. |
| 35. Remittance Processing System (RPS) | This system processes paper remittances received at IRS service centers. |
| 36. Service Center Recognition Image Processing System (SCRIPS) | This system scans and captures tax data from tax returns and payment coupons. |
| 37. Statistics of Income-Distributive Processing System (SOI) | These are the databases and applications required to support the IRS' requirement to report to the Congress annually on the numbers and types of returns filed, the characteristics of those returns, and the money amounts reported on those returns. |
| 38. Telephone Filing-Business Masterfile (Telefile-BMF) | This system allows business taxpayers to file simple returns through an automated telephone application. |
| 39. Telephone Filing-Individual Masterfile (Telefile-IMF) | This system allows individual taxpayers to file simple returns through an automated telephone application. |
| 40. Trust Fund Recovery Program (TFRP) | This system computes the amount of penalties to be assessed against responsible officials in defunct corporations, and generates forms and other correspondence. |