

Exhibit 300 (BY2010)

PART ONE

OVERVIEW

1. Date of Submission:
2009-04-10
2. Agency:
015
3. Bureau:
45
4. Name of this Capital Asset:
Implement RRP (replaces EFDS)
5. Unique Project Identifier:
015-45-01-12-01-2554-00
6. What kind of investment will this be in FY2010?
Planning
7. What was the first budget year this investment was submitted to OMB?
FY2010
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.
The Return Review Program (RRP) is a mission-critical, web-based automated system that will be used to enhance IRS capabilities to detect, resolve, and prevent criminal and civil non-compliance, thereby reducing issuance of fraudulent tax refunds. RRP will be deployed in three releases. The IRS Questionable Refund Program (QRP) has as its objective the timely detection, investigation, and prevention of questionable tax return-based refunds, thereby aiding in closing the tax gap. The RRP will be developed based on the specific Criminal Investigation (CI) and Pre-Refund new business models and requirements to provide a flexible and scalable system that supports IRS' new cross-functional approach for criminal and civil tax non-compliance treatments. The first release of the RRP system will replace the operational Client Server Electronic Fraud Detection System (EFDS). While Client Server EFDS is in production today, limitations and obsolescence are expected to render this system too risky to maintain, upgrade, or operate beyond 2013. Fundamental limitations in technology and design also render it incapable of supporting any significant change in the business model. The RRP will develop a case selection process that provides for flexible workload selection based on issue detection. RRP will also develop an enterprise-wide process that identifies potential civil and criminal non-compliance issues by return preparer. RRP will also: 1) Reduce the percentage of non-fraudulent refund claims frozen by the IRS; 2) Establish capabilities to coordinate detection and resolution of criminal and civil compliance issues, 3) prevent criminal and civil compliance issues; 4) Promote increased taxpayer compliance through targeted educational information and deterrent activities; and 5) Create more effective and innovative treatments through research and analysis of both real-time trends and long-term studies.
9. Did the Agency's Executive/Investment Committee approve this request?
no
10. Did the Program/Project Manager review this Exhibit?
yes
11. Program/Project Manager Name:
MacNaught, Patricia
Program/Project Manager Phone:
202-283-5345
Program/Project Manager Email:
Patricia.A.Macnaught@irs.gov
- 11.a. What is the current FAC-P/PM certification level of the project/program manager?
New Program Manager
- 11.b. When was the Program/Project Manager Assigned?
2009-01-01

11.c. What date did the Program/Project Manager receive the FACP/PM certification? If the certification has not been issued, what is the anticipated date for certification?
2010-01-01

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.
no

12.a. Will this investment include electronic assets (including computers)?
yes

12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)
no

13. Does this investment directly support one of the PMA initiatives?
yes

If yes, select the initiatives that apply:

Financial Performance

13.a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)

The RRP supports the Improved Financial Performance PMA initiative. This PMA initiative addresses erroneous benefit and assistance payments associated with several government programs. The RRP will be used to identify and stop payment of erroneous tax refunds related to fraudulent and non-compliant refund claims.

14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?
yes

14.a. If yes, does this investment address a weakness found during the PART review?
yes

14.b. If yes, what is the name of the PARTed program?
10004103 - Internal Revenue Service Criminal Investigations

14.c. If yes, what rating did the PART receive?
Moderately Effective

15. Is this investment for information technology?
yes

16. What is the level of the IT Project (per CIO Council's PM Guidance)?
Level 3

17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)
(4) Project manager assigned but qualification status review has not yet started

18. Is this investment identified as high risk on the Q4 - FY 2008 agency high risk report (per OMB memorandum M-05-23)?
no

19. Is this a financial management system?
no

19.a.2. If no, what does it address?

RRP will deliver an integrated and unified system that will enhance IRS capabilities to detect, resolve, and prevent criminal and civil tax non-compliance. It also provides a flexible and scalable system to support the new IRS cross-functional approach to coordinate treatments for criminal and civil tax non-compliance, revenue protection, accounts management, taxpayer communications, and support the data, analytical, and case processing needs of civil and criminal investigative personnel.

20. What is the percentage breakout for the total FY2010 funding request for the following? (This should total 100%)

Area	Percentage
Hardware	0
Software	0
Services	98
Other	2

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?
no

22. Contact information of individual responsible for privacy related questions.

Name
Sylvia Felton
Phone Number
(202) 283-6042
Title
Management and Program Analyst
Email
sylvia.s.felton@irs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

no

24. Does this investment directly support one of the GAO High Risk Areas?

yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

Cost Type	Py-1 & Earlier -2007	PY 2008	CY 2009	BY 2010
Planning Budgetary Resources	0.000	0.000	0.000	2.800
Acquisition Budgetary Resources	0.000	0.000	0.000	2.100
Maintenance Budgetary Resources	0.000	0.000	0.000	0.000
Government FTE Cost	0.000	0.000	0.000	1.044
# of FTEs	0	0	0	10

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment

is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding Measurement Area and Measurement Grouping identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov. The table can be extended to include performance measures for years beyond the next President's Budget.

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2014	Effectively Managed U.S. Government Finances	Mission and Business Results	Corrective Action	The percentage of QRP refunds identified as false that are stopped	70%	70%	TBD
2	2014	Effectively Managed U.S. Government Finances	Technology	Technology Improvement	The percentage of cases verified bad referred to treatment streams	51%	51%	TBD
3	2014	Effectively Managed U.S. Government Finances	Customer Results	Delivery Time	The percentage of completed verifications that are potentially fraudulent	65%	65%	TBD
4	2014	Effectively Managed U.S. Government Finances	Processes and Activities	Innovation and Improvement	The percentage of manually verified returns that are confirmed as bad	74%	74%	
5	2015	Effectively Managed U.S. Government Finances	Mission and Business Results	Corrective Action	The percentage of QRP refunds identified as false that are stopped	70%	70%	TBD
6	2015	Effectively Managed U.S. Government Finances	Technology	Technology Improvement	The percentage of cases verified bad referred to treatment streams	51%	51%	TBD
7	2015	Effectively Managed U.S. Government Finances	Customer Results	Delivery Time	The percentage of completed verifications that are potentially fraudulent	65%	65%	TBD
8	2015	Effectively Managed U.S. Government Finances	Processes and Activities	Innovation and Improvement	The percentage of manually verified returns that are confirmed as bad	74%	74%	TBD

Enterprise Architecture

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?
no
- 1.a. If no, please explain why?
RRP is a new investment and will be included in Treasury's target enterprise architecture.
2. Is this investment included in the agency's EA Transition Strategy?
no
- 2.b. If no, please explain why?
RRP is a new investment and will be included in the next version of Treasury's EA Transition Strategy.
3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?
no
- 3.a. If yes, provide the six digit code corresponding to the agency segment architecture. The segment architecture codes are maintained by the agency Chief Architect.
115-000
6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?
no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes
- 1.a. If yes, what is the date of the plan?

2009-03-23
- 1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no
3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

The Return Review Program (RRP) is a major DME project. Both lifecycle cost estimates and the investment schedule will be risk adjusted. The RRP Project Office will use the Item Tracking Reporting and Control (ITRAC) system to record and track all RRP project risks. The RRP project team will estimate cost and schedule factors to mitigate significant project risks identified in the ITRAC system. These mitigation factors will be incorporated into project cost estimations and schedules as part of the budget planning cycle in accordance with accepted Enterprise Life Cycle (ELC) project management practices. All risks will be analyzed during ELC milestone exit lessons learned reviews. Contingency costs will be managed through Applications Development (AD) oversight.

COST & SCHEDULE

1. Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2. Is the CV% or SV% greater than $\hat{A}\pm 10\%$?

no

3. Has the investment re-baselined during the past fiscal year?

no