

United States Senate

WASHINGTON, DC 20510

April 27, 2007

Cosponsor S. 335 to Stop IRS's Private Debt Collector Initiative and Put an End to Private Tax Debt Collector Abuses

Dear Colleague:

We are writing to urge you to consider cosponsoring our legislation, S. 335, to require the IRS to stop its use of private debt collectors.

In previous correspondence, we shared our concerns with you that the IRS's private tax collection initiative was ripe for abuse. The IRS's use of private debt collectors in the 1990s was a dismal failure. Private collectors hounded taxpayers. In many instances, they violated federal debt collection laws. Some sensitive taxpayer information was not properly secured as required by law. The program resulted in no net savings to the U.S. Treasury and the IRS was forced to shut the program down a year earlier than planned!

Regrettably, the IRS's current initiative is plagued by similar problems. The IRS has fired one of the three contractors it had hired despite repeated warnings about the firm's checkered past. Just recently, the IRS has confirmed that dozens of complaints have already been lodged by taxpayers against the private debt collectors – including unauthorized disclosures, inappropriate questioning and a violation of the federal debt collection laws.

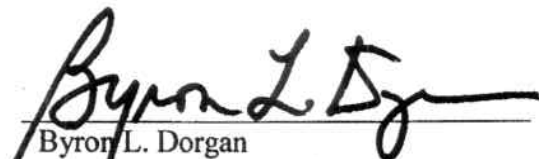
None of these problems are surprising, and all could have easily been avoided by simply using trained professional IRS employees. They are qualified to do this work, do not have a financial stake in the outcome, and, as the IRS Commissioner has repeatedly acknowledged, can collect federal taxes much more efficiently and cost-effectively than the private collectors.

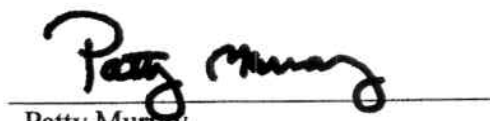
The proponents of the IRS's use of private debt collectors argued that the initial phase of this program would give the IRS and policymakers an opportunity to see if the program would avoid the problems of the past. The evidence is in, and the answer is a resounding no!

If you agree with us that taxpayers should not have to worry about heavy handed private collectors with financial gain, not public service, as their objective, and that the collection of taxes is an inherently governmental function that should be restricted to properly trained and proficient IRS personnel, then we hope you will take a moment to review S. 335 and consider cosponsoring it.

Please give us a call if you would like to cosponsor or have any questions, or have your staff call Allen Huffman with Senator Dorgan's staff by telephone at 224-4304 or email at Allen_Huffman@dorgan.senate.gov or Joshua Jacobs with Senator Murray's staff at 224-7156 or by email at Joshua_Jacobs@murray.senate.gov.

Sincerely,


Byron L. Dorgan
U.S. Senator


Patty Murray
U.S. Senator