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Congress of the United States
House of Representatives
Committee on Appropriations
Washington, DC 20515-6015

August 28, 2006

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The Honorable Mark W. Everson
Commissioner, Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Everson:

I am writing to express my strong opposition to the IRS plan to immediately hand thousands of tax collection cases over to private debt collectors. This is an extremely misguided and harmful plan that will ultimately waste taxpayer money while entangling taxpayers with private debt collectors, and the House of Representatives has already registered its clear opposition to this plan.

IRS revenue officers are extremely cost-effective. It costs the government just three cents for every dollar of taxes collected by IRS employees. By contrast, each dollar in taxes collected by private debt collectors will cost the government as much as 24 cents, as the debt collectors will get to pocket this portion of all the taxes they collect.

Indeed, you yourself acknowledged, at a March 29, 2006 hearing before the Transportation-Treasury-HUD appropriations subcommittee, that private debt collection will be costlier to the government than the traditional work of IRS revenue officers.

This is taxpayer money that should go into the U.S. Treasury, not the pockets of private debt collection companies.

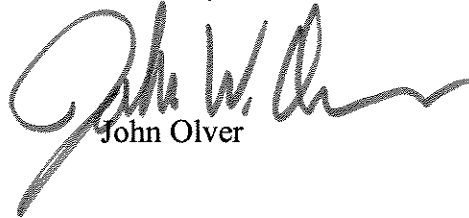
In addition, the abuses of the private debt collection industry led to more than 66,000 consumer complaints filed with the Federal Trade Commission in 2005. No other industry generated more complaints with the FTC. Private debt collectors will also be given access to the personal information of taxpayers.

Furthermore, section 208 of the Fiscal Year 2007 Transportation-Treasury-HUD appropriations bill, as passed by the House of Representatives, reads as follows: "None

of the funds made available in this Act may be used to enter into, renew, extend, administer, implement, enforce, or provide oversight of any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986).” While Congress has not yet completed action on a final appropriations bill, the IRS should at the very least delay the debt collection initiative given this strong objection from the House of Representatives. The IRS would clearly be disregarding the will of the House of Representatives by proceeding with this plan.

For all of these reasons, I strongly object to the IRS proceeding with the private debt collection initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Oliver". The signature is fluid and cursive, with a long horizontal stroke at the end. It is positioned above the printed name "John Oliver".

John Oliver