

**STRICKLAND AGAINST IRS HIRING BILL-COLLECTORS ;  
Agency may get outside help for debt collection**

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WASHINGTON -- The Internal Revenue Service may hire private collection agencies to pursue tax debts.

But an Ohio lawmaker fears potential privacy breaches and questions whether such a move would even give the government a good return on the taxpayer money spent to contract with private firms.

Rep. Ted Strickland, D-Lucasville, sent a letter yesterday to IRS Commissioner Charles O. Rossotti raising questions about the initiative. Strickland wants to know "what steps the agency has taken to ensure the rights and privacy of American citizens are protected and the cost savings are real," according to the letter he co-wrote with Rep. Janice Schakowsky of Illinois, the top Democrat on the House Committee on Government Reform's government-efficiency subcommittee.

Strickland's interest in the issue was piqued when his office received an e-mail last week from the IRS about the possibility of farming out debt-collection work.

The e-mail was intended to provide lawmakers with information "on how collectors can prepare to bid on federal contracts." The e-mail added that "the IRS is working with consultants to try to develop a program, and we may be ready to hire private collectors next year."

Using private contractors to go after tax debts is an idea that has been pushed by Rep. Steve Horn, R-Cal., chairman of the government-efficiency subcommittee.

The federal government is owed \$239 billion in tax debts, and about \$100 billion of that is still considered "collectable," said Bonnie Heald, deputy staff director of Horn's subcommittee. Heald said the IRS doesn't have the manpower to pursue most of those debts.

Horn says the initiative could protect privacy rights. He has been "strongly encouraging" the IRS to launch a private collection effort, Heald said.

Although the issue received little attention at the time, an IRS official told a Senate committee in April that the "use of private collection agencies is a feasible, cost-effective approach to working certain IRS delinquent accounts."

IRS official Brady R. Bennett said the IRS has been studying how to best carry out such a program, but added that "interest in this program exists in the collection-agency community."

But Strickland said many lawmakers, and their constituents, would like to know more before the IRS actually undertakes the hiring of private collection agencies.

Any perception that the IRS is acting in a secretive manner or doing something that could threaten taxpayer privacy could spark "a real rebellion among the American taxpayer public," Strickland said.

An IRS spokesman yesterday said only that "we continue to aggressively study the issue.'