

IRS Turns to Private Tax Collectors

CRITICS FEAR MOVE COULD ESCALATE SCAMS THAT TARGET OLDER AMERICANS

Two of life's sources of aggravation, bill collectors and the IRS, will be joining forces this spring to go after people with lingering federal tax debt.

Collectors from four private contractors will begin calling Americans who owe overdue taxes and penalties to demand payment. The law was passed in late 2015 to capture some of the \$400 billion in tax debt that eludes the IRS.

The private contractors will be assigned accounts that the IRS has given up on. Those targeted will get a letter in the mail before anyone calls, to alert them that their account has been transferred to a private agency.

The bill collectors will be al-

lowed to identify themselves as IRS contractors. They won't take money directly, but they will lay out options for people to pay the U.S. Treasury by check or electronically.

The measure had bipartisan support in Congress. "This program would create hundreds of jobs ... all while increasing federal revenues," said

Sen. Charles Schumer (D-N.Y.) in support of the law. But the plan has drawn criticism from fraud experts concerned that it will sow confusion among Americans targeted by scam artists.



Sen. Schumer:
Program creates jobs

AARP fraud expert Doug Shadel said, "We fear scammers might pretend they are calling from collection agencies contracted by the IRS and persuade people to send them nonexistent back taxes through a wire transfer or debit card."