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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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April 14, 2015

The Honorable John Koskinen
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Koskinen:

Earlier this year, my Republican Senate Finance Committee colleagues and I wrote to you concerning public threats you made regarding the 2015 tax filing season. These included refund delays and a potential shutdown of Internal Revenue Service operations. In light of those threats, my colleagues and I suggested various ways you might save money that could then be diverted toward taxpayer service and preventing identity theft. These included: 1) stop giving paid vacation days to employees with serious conduct issues, including those owing back taxes; 2) stop spending millions of dollars on organized labor activity, such as the \$23 million and 500,000 working hours your agency devoted to organized labor activity in Fiscal Year 2013; and 3) spend less money and employee time trying to regulate the free speech of Americans through the forthcoming IRS political activity rules.

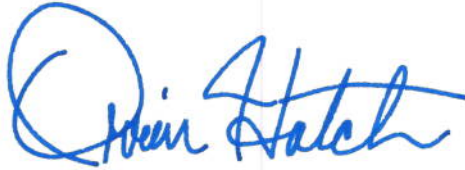
More recently, several news articles have detailed stories of IRS employees turning away those seeking help with their tax filings and hanging up on callers – something your agency bizarrely calls “courtesy disconnects.” Since your agency continues to have problems prioritizing the use of its budget, which has been reduced in recent years after historic growth late in the last decade, I write to offer some suggestions on spending that might be curtailed. This spending includes the following recent examples of wasted taxpayer dollars, which are listed on usaspending.gov or have been documented by the Inspector General:

- 1) \$4.3 million spent on “market research” and “public opinion” polling last fiscal year;
- 2) Over \$8,000 spent on a “fitness equipment stair climber,” which I assume is in a building with actual stairs;
- 3) Thousands of dollars spent on “decorative and give-away items,” such as plush animals, toy footballs, and “kazooos, bathtub toy boats, and Thomas the Tank Engine rubber wristbands, for managers’ meetings.”; and

4) Nearly \$4 million spent on office furniture last fiscal year.

I hope this is helpful in identifying additional areas of wasteful spending that might be better redirected elsewhere, such as helping taxpayers file their taxes.

Sincerely,

A handwritten signature in blue ink that reads "Orrin Hatch". The signature is written in a cursive style with a large initial "O".

Orrin G. Hatch
Chairman, Senate Committee on Finance