

United States Senate

WASHINGTON, DC 20510

February 18, 2025

The Honorable Scott Bessent
Secretary
U.S Department of Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Russell Vought
Director
Office of Management and Budget (OMB)
725 17th Street NW
Washington, DC 20503

The Honorable Charles Ezell
Acting Director
Office of Personnel Management (OPM)
1900 E Street NW
Washington, DC 20415

The Honorable Doug O'Donnell
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Dear Messrs. Bessent, Vought, Ezell, and O'Donnell:

We urge you not to implement mass layoffs, which are reportedly being planned at the IRS this week,¹ and immediately lift or clarify the IRS hiring freeze to minimize the catastrophic impact on the filing season and the ability of Americans to quickly get tax refunds and assistance filing their taxes this year.

The tax filing season that started just last month is already off to a bumpy start because OMB illegally froze all federal financial assistance, including grants appropriated by Congress for Volunteer Income Tax Assistance, Tax Counseling for the Elderly, and Low Income Taxpayer Clinics.² Compounding this chaos, the administration ordered all agencies to undertake preparations for large-scale reductions in force (RIFs) and fire their probationary workers, including thousands at the IRS.³

Elon Musk and the so-called Department of Government Efficiency (“DOGE”) also got access to a Treasury system that allows them to snoop through the tax refunds and personal data of hundreds of millions of American individuals and businesses.⁴ More recently, they doubled

¹ Andrew Duehren and Alan Rappeport, *I.R.S. Expected to Lay Off Thousands*, N.Y. Times (Feb. 14, 2025), <https://www.nytimes.com/2025/02/14/us/politics/irs-layoffs.html>

² See OMB Memo M-25-13, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs* (Jan. 27, 2005), which was immediately condemned by appropriators in Congress on both sides of the aisle, “clarified” by a vague Q&A, challenged in court, subject to a temporary injunction, rescinded by OMB, reinstated by a Whitehouse post on social media, and subject to more litigation.

³ *IRS prepares to lay off thousands of workers*, Reuters (Feb. 14, 2025), <https://www.reuters.com/world/us/us-irs-prepares-lay-off-thousands-workers-nyt-reports-2025-02-14/>

⁴ EO, *Implementing The President’s “Department of Government Efficiency” Workforce Optimization Initiative* (February 11, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative/>; *Senior U.S. Official to exit after rift with Musk allies over payment system*, The Washington Post (Jan. 31, 2025), <https://www.washingtonpost.com/business/2025/01/31/elon-musk-treasury-department-payment-systems/>

down on their snooping by asking for access to the IRS's most sensitive systems, potentially disrupting IRS operations and delaying taxpayer refunds.⁵

IRS Hiring is Critical, Especially During the Filing Season

Instead of ensuring the IRS can recruit the staff it needs, the president singled it out for an indefinite hiring freeze, revoked telework, suggested sending most employees to the southern border or firing them, and then offered them a buy-out.⁶ Observers expect a “stampede for the exits,” at a time when the IRS needs all hands on deck.⁷ That is a recipe for disaster.

Americans need the IRS to be fully staffed with employees who can answer their questions, process their returns, send them refunds, and keep IRS systems online and functional.⁸ It is nearly inevitable that this hiring freeze, compounded by layoffs and further reductions in staff mandated as a result of Elon Musk's unprecedented power grab will delay refunds and degrade taxpayer service. Millions of Americans plan their budgets around timely refunds every filing season. These reckless decisions on the part of Elon Musk and the Trump administration will likely cause serious financial hardship for people across the country.

To avoid disaster this filing season, the IRS must be able to replace the employees it loses through regular job changes and retirements. Nearly two-thirds of IRS employees are eligible to retire now or will be eligible within five years.⁹ The IRS has also had a high attrition rate -- ranging from 16 to 36 percent -- in its customer service division.¹⁰ Telework helps the IRS attract and retain employees who live further from the office and who could earn more in the private sector.¹¹ The recent improvements in taxpayer service have proven that the recent approach to telework can be successful.

The Trump administration can prevent a tax refund train wreck by avoiding mass layoffs and ending the freeze. The hiring freeze ends when the Secretary of the Treasury determines that ending it is in the “national interest,” after consulting with the Director of OMB and the Administrator of the United States DOGE Service (USDS).¹² The Director of OPM may also

⁵ Nathan Layne, *Exclusive: Top Elon Musk aide arrives at IRS to scrutinize operations, sources say*, Feb. 13, 2025, <https://www.reuters.com/world/us/top-musk-staffer-goes-irs-examine-operations-sources-say-2025-02-13/>

⁶ EO, *Hiring Freeze* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/hiring-freeze/>; EO, *Return to In-Person Work* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/return-to-in-person-work/>; OMB, *Fork in the Road* (Jan. 28, 2025), <https://www.opm.gov/fork> (email to all government employees); Newsweek, *Donald Trump Issues Major Threat to Nearly 90,000 IRS Agents* (Jan. 26, 2025), <https://www.newsweek.com/donald-trump-issues-major-threat-nearly-90000-irs-agents-2020959>.

⁷ Benjamin Valdez, *Buyouts Expected to Step Up IRS Staff Flight, Spur Legal Fight*, Tax Notes (Jan. 30, 2025), <https://www.taxnotes.com/tax-notes-today-federal/personnel-people-biographies/buyouts-expected-step-irs-staff-flight-spur-legal-fight/2025/01/30/7qtrr>.

⁸ IRS, *Databook 2023*, <https://www.irs.gov/pub/irs-pdf/p55b.pdf>.

⁹ IRS, Pub. 5530, *Fiscal Year 2024 Budget in Brief* (Feb. 2023), <https://home.treasury.gov/system/files/266/16.-IRS-FY-2024-BIB.pdf>.

¹⁰ Benjamin Valdez, *Buyouts Expected to Step Up IRS Staff Flight, Spur Legal Fight* (Jan. 30, 2025), <https://www.taxnotes.com/tax-notes-today-federal/personnel-people-biographies/buyouts-expected-step-irs-staff-flight-spur-legal-fight/2025/01/30/7qtrr>.

¹¹ Government Accountability Office (GAO), *FEDERAL TELEWORK: Selected Agencies Need to Evaluate the Potential Effects on Agency Performance* (Nov. 2024), <https://www.gao.gov/products/gao-25-106316>; GAO, *HUMAN CAPITAL Administration and Implementation of the General Schedule Locality Pay Program* (Nov. 2021), <https://www.gao.gov/products/gao-22-104580>.

¹² EO, *Hiring Freeze* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/hiring-freeze/>.

grant exemptions where “necessary” and the freeze does not apply to positions related to “national security” or “public safety.”

Exceptions to the Hiring Freeze Should be Used

You should clarify that IRS employees needed for the tax filing season are not covered because they are “necessary” and that positions with IRS Criminal Investigation (IRS CI) are not covered because they are related to “national security or public safety.”

IRS CI is at the forefront of federal law enforcement efforts to investigate fentanyl trafficking by cartels, human trafficking, terrorism financing, and sanctions evasion.¹³ For example, CI was the lead investigative agency in the largest international fentanyl/opioid seizure in U.S. history. This operation took down a massive drug trafficking operation and seized 864 kg of drugs, including an astounding 64kg of fentanyl and fentanyl-laced opioids, enough to kill thousands of people.¹⁴ CI was also responsible for the dismantling of several large fentanyl trafficking networks operated by the Sinaloa cartel, including a collaboration with Chinese money laundering organizations.¹⁵

An indefinite hiring freeze at CI would endanger both public safety and national security by directly hampering multi-agency efforts to pursue and dismantle these highly dangerous criminal networks.

Ending the Hiring Freeze is in the National Interest

It is clearly in the national interest to end the IRS hiring freeze and you should do so immediately. Even if you think the IRS has enough employees to avoid a disaster, it could lose critical employees at any time.

Employees are not interchangeable. Those who operate scanning machines at processing centers cannot fill in for those who answer questions from taxpayers. Those who draft tax forms and instructions cannot replace the IT professionals who keep the IRS’s computers running and defend them from foreign and domestic threats.

For all of these reasons, it is in the national interest to lift the hiring freeze at the IRS. To avoid increasing unnecessary risks to national security, public safety, and the tax filing season, we urge you to:

1. Avoid mass layoffs at the IRS;

¹³ IRS, IR-2024-307, *IRS Criminal Investigation releases FY24 Annual Report; details agency’s global reach, billion-dollar impact* (Dec. 5, 2024), <https://www.irs.gov/newsroom/irs-criminal-investigation-releases-fy24-annual-report-details-agencys-global-reach-billion-dollar-impact>.

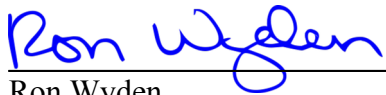
¹⁴ IRS, *Largest international operation against darknet trafficking of fentanyl and opioids results in record arrests and seizures* (May 2, 2023), <https://www.irs.gov/compliance/criminal-investigation/largest-international-operation-against-darknet-trafficking-of-fentanyl-and-opioids-results-in-record-arrests-and-seizures>.

¹⁵ DOJ, *Federal Indictment Alleges Alliance Between Sinaloa Cartel and Money Launderers Linked to Chinese Underground Banking* (June 18, 2024), <https://www.justice.gov/usao-cdca/pr/federal-indictment-alleges-alliance-between-sinaloa-cartel-and-money-launderers-linked>.

2. End the IRS hiring freeze immediately on the basis that it is in the “national interest” or explain when you will end the freeze;
3. Clarify that the IRS-CI positions are not covered by the hiring freeze because they are related to “national security” and “public safety;” and
4. Clarify that hiring to support the filing season is “necessary” to deliver refunds and not subject to the hiring freeze.

We respectfully request a response by February 27, 2025.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance



Charles E. Schumer
United States Senator




Mark R. Warner
United States Senator



Sheldon Whitehouse
United States Senator



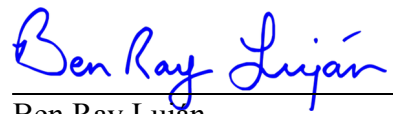
Elizabeth Warren
United States Senator



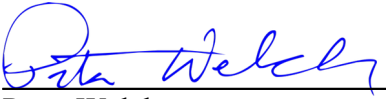
Bernard Sanders
United States Senator



Tina Smith
United States Senator



Ben Ray Lujan
United States Senator



Peter Welch

United States Senator