



Contact: Mark Schiffman, PR Director
Tel. (952) 928-8000 X 124 or Schiffman@acainternational.org

Third Party Debt Collectors an Important Partner in the Recovery of Government-Owed Debt

MINNEAPOLIS - (October 27, 2010) - ACA International, the leading voice for the debt collection industry, is pleased to learn of the September 2010 Government Accounting Office (GAO) report reinforcing the value debt collectors provide American taxpayers in the collection of unpaid taxes to the Internal Revenue Services (IRS).

In 2009, when the IRS moved to stop using private debt collectors, ACA vehemently opposed the move based on the same findings as the GAO: "IRS's comparative study of the PDC program (private debt collection) was not soundly designed to support its decision on whether to continue contracting out debt collection."

"Debt collectors provide a very important public service to taxpayers by returning billions of uncollected fines, fees and taxes to federal, state and local government," said ACA International CEO Rozanne M. Andersen, Esq. "Collecting these government-owed tax dollars reduces the need for future tax increases, keeping more money in the pocket of hard working America consumers."

In 2009, third party debt collectors recovered \$788 million of the reported \$30.9 billion owed to the federal government, not including the Internal Revenue Service. From 2006-2009, the last year the IRS used third party debt collectors, \$80 million in unpaid taxes was returned to taxpayers.

More than 43 states currently use third party debt collectors to help recover delinquent receivables. In 2009 the National Association of Counties reported that local governments had more than \$40 billion in uncollected taxes and fees for which they were using third party debt collection firms to recover. Typically, third party debt collectors recover an estimated 15 percent of government debt; or approximately \$6 billion to local government taxpayers.

"We applaud the support Senator Charles Grassley has shown regarding private debt collectors working on behalf of the IRS. We hope he continues his efforts and look forward to working with him and other Members of Congress to renew this important initiative that once allowed \$80 million to be returned to the federal government," said ACA International President Martin Sher.

If a consumer is contacted, talk with the debt collector to verify or dispute the debt; never allow yourself to be threatened or harassed; and visit www.askdoctordebt.com to find reliable information about debt collection and consumer rights.

ACA International, the Association of Credit and Collection Professionals, is the comprehensive, knowledge-based resource for success in the credit and collection industry. Founded in 1939, ACA brings together more than 5,000 members worldwide, including third-party collection agencies, asset buyers, attorneys, creditors and vendor affiliates. ACA International establishes ethical standards, produces a wide variety of products, services and publications, and articulates the value of the credit and collection industry to businesses, policymakers and consumers. For more information about ACA International, visit www.acainternational.org.