

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051

<https://oversight.house.gov>

December 11, 2023

The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
1111 Constitution Ave. NW
Washington, D.C. 20224

Dear Commissioner Werfel:

The Committee on Oversight and Accountability is conducting oversight of data sharing agreements between and among the Department of Treasury (Treasury), Consumer Financial Protection Bureau (CFPB), and the Internal Revenue Service (IRS). The Committee has received reports that agreements exist to provide consumer and small business financial transaction data between Treasury, CFPB, and IRS—and potentially other Federal agencies—for tax enforcement or other purposes beyond the stated purpose of the initial information collection. Congress has repeatedly expressed concerns with such types of agreements. We request documents and information to further our oversight of the government’s information collection and data sharing activities.

While we recognize that data sharing among Federal agencies may have legitimate and lawful purposes, in 2021 Congress forcefully pushed back on a Biden Administration proposal for the IRS to broadly collect transaction level data, ultimately forcing the Administration to withdraw the proposal.¹ The American Rescue Plan Act required limited reporting by third-party settlement organizations of transactions above \$600, but even this threshold has been the subject of bipartisan proposals to relieve the burdensome reporting requirement, for example, by raising the threshold to transactions with a \$10,000 annual aggregate.²

We are troubled to hear reports that the Administration may be circumventing the will of Congress by using data collected for approved purposes and reallocating it for different purposes such as tax enforcement. These reports raise questions as to whether the government has failed to abide by information collection requirements by obfuscating the real intent behind a given information collection and circumventing proper rulemaking procedures.

¹ See Sarah Kolinovski and Trish Turner, *Biden admin backs down on tracking bank accounts with over \$600 annual transactions*, ABC NEWS (October 19, 2021).

² TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO MODIFY THE EXCEPTION FOR DE MINIMIS PAYMENTS BY THIRD PARTY SETTLEMENT ORGANIZATION, S. 1761, 118th Congress (2023)

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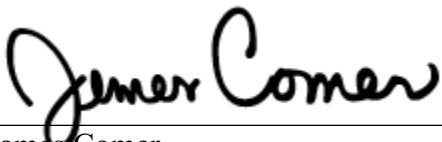
To assist the Committee in conducting oversight over current and proposed data sharing agreements and compliance with information collection laws and regulations, we request the following documents and communications as soon as possible, but no later than December 27, 2023:

1. A complete copy of all information sharing agreements between your agency and any other agency or third party or parties related to the sharing or obtaining of transaction data on individuals or small businesses;
2. Any Systems of Record Notice (SORN) pertaining to an information system maintaining information being shared pursuant to an information sharing agreement identified in Request Number 1;
3. All documents and communications since January 20, 2021, related to the intended use of information being shared pursuant to an information sharing agreement identified in Request Number 1;
4. All documents and communications since January 20, 2021, containing any analysis of whether the use of information shared pursuant to an information sharing agreement identified in Request Number 1 to be used for a given purpose complies with relevant statutory and regulatory requirements;
5. All documents and communications since January 20, 2021, containing any measure of the number of individuals and small businesses whose data has been shared pursuant to an information sharing agreement identified in Request Number 1.

To arrange for delivery of responsive documents or ask any related follow-up questions, please contact the Committee on Oversight and Accountability Majority staff at (202) 225-5074. Attached are instructions for producing the documents and information to the Committee. The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X.

Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer
Chairman
Committee on Oversight and Accountability



Russell Fry
Member of Congress

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cc: The Honorable Jamie Raskin, Ranking Member
Committee on Oversight and Accountability