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IRS Cancels Outsourcing Study; Federal Employees to Keep Fuel Compliance Jobs

Washington, D.C.—The National Treasury Employees Union (NTEU) applauded yesterday’s announcement by the Internal Revenue Service (IRS) canceling a competitive sourcing study involving fuel compliance officers (FCO). From the agency’s initial announcement that it would seek to compete these jobs with the private sector, NTEU has maintained that FCOs perform inherently governmental work that must be done solely by federal employees.

“Throughout this whole process NTEU has repeatedly pointed to the inherently governmental nature of the FCO position and demanded that the IRS stop this illegal job competition,” said NTEU President Colleen M. Kelley. “I am pleased that the IRS has finally done so although this entire process has put unnecessary strain on the employees who have been fearful of losing their jobs for nearly two years.”

FCOs travel the country testing diesel fuel to ensure that the proper federal taxes have been paid. They not only investigate tax fraud in a billion dollar industry, they assess taxes and ensure compliance with our voluntary tax system. Their job duties are clearly inherently governmental and prohibited from being contracted out under the rules for competitive sourcing established by the Office of Management and Budget in Circular A-76. Nonetheless, the IRS has spent the past two years

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FCO Jobs To Stay At IRS—Add One

attempting to find a way around this issue and move this work out of the hands of trained and accountable federal employees.

In fact, in 2002 the IRS listed the FCO position as inherently governmental on its annual FAIR Act list. Every federal agency is required to submit to Congress annual lists, known as the FAIR Act list, which identifies positions the agency believes are “commercial in nature” and thus eligible for a public-private job competition and those that are “inherently governmental” and prohibited from job competitions. When the IRS next published its FAIR Act list in 2004 (having skipped publication for a year), the position of FCO was suddenly identified as commercial in nature, despite no substantive changes to FCO job duties. There are currently about 140 FCOs.

“It is clear that the IRS was simply trying to find a way to contract out these jobs but NTEU fought the agency every step of the way by challenging mysterious reclassifications on the FAIR Act list and raising concerns with the public and members of Congress,” President Kelley said. “I believe that NTEU’s role in shining a light on this situation contributed a great deal to the announcement of the cancellation of the A-76 study.”

As the largest independent federal union, NTEU represents some 150,000 federal workers in 30 agencies and departments, including 90,000 IRS employees.

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