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Why Do White House Staffers Have Trouble Paying Taxes?

By *ERIK HAYDEN* | September 10, 2010 3:58pm



In a Washington Post research [article](#) that is sure to garner plenty of attention over the next few weeks, T.W. Farnham unearthed figures for how much back taxes federal employees owed at the end of last year. And the numbers aren't pretty: White House Staffers owed \$831,000, Capitol Hill employees had a tax debt of \$9.3 million, while federal employees nationwide owed nearly \$1 billion in back taxes out of the \$103 billion owed by taxpayers in general. While these numbers are in line with previous year's estimates, they will surely be exploited (especially the numbers for the White House staffers) as Republicans and Democrats sharpen their rhetoric in the final weeks before the November election. And because Obama administration officials, particularly Treasury Secretary Timothy Geithner, have previously [demonstrated](#) this to be nagging problem. The backlash is brewing:

- **'And They're Checking Our Pockets For Metal and Coins?'** [writes](#) an incredulous Andrew Malcom at The Los Angeles Times. With all the "political jabber" of giving middle-class Americans a tax cut it seems like a slap-in-the-face that, "thousands of feds have been giving themselves one all along -- unofficially. And these tax scofflaws include more than three dozen folks who work for the president with that newly decorated Oval Office." To say the least, this does nothing to assuage some Americans suspicions that D.C. is filled with, "opportunistic transients coming to see themselves as a special kind of person, somehow above average working Americans who don't labor down in that monument-strewn former swamp."
- **The Biggest Offenders** appear to be, "the folks at the Postal Service," [notes](#) Daniel J. Mitchell at the Cato Institute, "who have accumulated more than \$283 million of unpaid taxes. Retired bureaucrats, meanwhile, have amassed nearly \$455 million of back taxes. Even tax collectors sometimes fall behind. Treasury Department bureaucrats owe \$7.7 million. How hard can it be for them to walk down the hallway and cough up?"
- **It's 'Just Wrong'** "for someone who draws a federal paycheck to owe the government they work for money," [conclude](#) the editors of 24/7 Wall Street. "The best way to address the situation is to set a benchmark — say \$10,000 — where a federal employee would have to stay current in their payments to the IRS or face suspension. Workers who owe less should be subject to wage garnishments. It's a simple way to make sure that people are treated fairly and that Uncle Sam gets paid."
- **This Isn't Something New** "From 2004 through 2006, the last three years Republicans held the majority, staffers owed around \$9 million," [reports](#) Vicki Needham at The Hill. That number is comparable to this years figure of \$9.3 million, but the most telling trend is that this is a rising percentage: "In 2007, when Democrats took over, that amount dropped to \$6.8 million. Since then, it

has increased by 37 percent, possibly caused by the high turnover rate of Capitol Hill staffers."

- **Three Gov't Employees Are Clearly in the Wrong Line of Work** and those would be, "three people at the Office of Government Ethics [who] owed a total of \$75,000 in back taxes," [observes](#) Tom Shoop at Government Executive. "Also worth noting is that 84,034 military retirees owed more than \$1.5 billion at the end of 2009, and 40,000 civilian retirees owed \$454 million."

And finally, Mort Zuckerman, Editor-in-Chief of U.S. News and Report, appears prescient in a op-ed contribution he wrote for The Financial Times on Friday morning:

- **There Is A Growing Divide Between the Public And Private Sector** [argues](#) Mort Zuckerman in The Financial Times. "Public workers have become a privileged class – an elite who live better than their private-sector counterparts. Public servants have become the public's masters." Zuckerman, explains how the public sector employees have continued to "gain annual salary increases" and also manage to retire earlier with "benefits paid for with the taxes of those very same private-sector workers." The current situation is untenable:

More troubling still is the inherent political corruption. Elected officials tend to be accommodating when confronted by powerful constituencies such as the public service unions that agitate for plush benefits and often provide (or deny) a steady flow of cash to election campaign funds. Their successors will have to cope with the inherited debt burden – and ultimately the nation's taxpayers are stuck with the bill.

Sources

- [White House Aides Owe IRS](#) *Andrew Malcom*, The Los Angeles Times
- [Overpaid and Undertaxed](#) *Daniel J. Mitchell*, Cato At Liberty
- [Staffers Owe IRS](#) *Vicki Needham*, The Hill
- [Just Wrong](#) *The Editors*, 24/7 Wall Street
- [Behind On Their Taxes](#) *Tom Shoop*, Government Executive
- [Public Servants Are Now Masters](#) *Mort Zuckerman*, The Financial Times

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