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CITY CONTROLLER WENDY GREUEL UNVEILS CITY HAS COLLECTED MILLIONS FROM DELINQUENT TAXPAYERS

(Los Angeles) – Continuing her efforts to reduce the City's budget deficit, City Controller Wendy Greuel revealed today, that her delinquent taxpayer program has successfully collected nearly \$3 million from 16 delinquent taxpayers in just the past 4 months. In late February 2009, Controller Greuel unveiled the City's first delinquent taxpayer list, to crack down on the most egregious delinquent business taxpayers in the City of Los Angeles.

"I'm pleased that we were able to collect nearly \$3 million since the inception of the delinquent taxpayer program. The millions of dollars we have saved will allow us to close the City's massive budget deficit," said City Controller Greuel. "With over \$107 million in delinquent taxes still to be collected, we will remain vigilant cracking down on tax cheats. Cheating on your business taxes may seem appealing in the short-term, but costing the city such sorely needed revenues puts an unfair burden on the millions of law-abiding Angelenos."

Controller Greuel also announced that her delinquent taxpayer program has notified - and is working to collect - an additional \$107 million in delinquent taxes from 126 tax scofflaws. These scofflaws have their names, and the amounts they owe, posted on a website <http://www.lacity.org/finance/delinquent.htm> that is regularly updated.

"It's no secret that Los Angeles has one of the highest business tax rates in the state, but the law is the law. Businesses are expected to pay their fair share and as a business organization, we will partner with the Controller to hold their feet to the fire," said Carol Schatz, CEO of the Central City Association

Controller Greuel hopes that by publicizing the names of those taxpayers who refuse to pay their fair share, they will quickly come forward and settle their debt. The list also serves to create a fairer business climate, by preventing scofflaw businesses from gaining an advantage over their competitors.

"VICA is impressed with the progress that has been made on collecting delinquent taxes and Controller Greuel's hard work on this issue," said VICA Chair Greg Lippe. "While we recognize this success, it also reminds us that there is still a lot of work to be done and that these uncollected funds are needed to help close the city's budget gap. We have confidence that Controller Greuel will get the job done."

"During this historic economic downturn every dollar counts," said Gary Toebben, President & CEO, Los Angeles Area Chamber of Commerce. "The L.A. Area Chamber applauds Controller Wendy Greuel for her efforts to collect from delinquent taxpayers bringing nearly \$3 million to the City in just a few months."

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NEWS

LOS ANGELES CITY CONTROLLER

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"We are pleased with the results of the Top Tax Debtor's program thus far. It is one of many collection tools available to the Office of Finance to help increase tax compliance and lessen the burden on those taxpayers who pay their fair share of taxes to the city," said Antoinette Christovale the GM of the City's Office of Finance.

Other jurisdictions have successfully implemented delinquent taxpayer lists and have collected millions of dollars in overdue taxes. Connecticut was the first state to create a public list, and has collected \$108 million in the first four years of the program. California is the biggest state to create a delinquent taxpayer list. Since the state's list was published in December 2007, California has collected \$18.25 million in delinquent taxes. At least 10 other states have similar lists.

The delinquent taxpayers were sent a certified letter advising them that they had 30 days to pay or settle their debt. Those debtors who did not respond or enter into settlement negotiations were immediately posted to the City's website.

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