



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

June 15, 2010

Jim Fish, Executive Director NAPAA
The National Association of Professional Allstate Agents, Inc.
PO Box 7666
Gulfport, MS 39506

Dear Mr. Fish:

This letter is in response to your letter dated June 3, 2010 confirming your knowledge of several anonymous letters sent to IRS. These anonymous letters identify you as a point of contact and request that the IRS open an investigation of Allstate Insurance Corporation for its alleged misclassification of its agent sales force as independent contractors. In addition, these letters request IRS to announce that "Allstate is being investigated for its improper independent contractor classification scheme."

We appreciate the concerns raised and want to assure you that all information received regarding noncompliance with the federal tax laws is taken seriously. We will consider the information provided in each letter for appropriate action. However, Internal Revenue Code section 6103 prohibits the IRS from discussing the tax return information or examination activity of a specific taxpayer without written authorization from that taxpayer. As a result, we are unable to make an announcement as requested, nor disclose whether or not any actions have been taken.

I would also like to make you aware of a process that is available in situations like this. Individuals who believe their employment status has been misclassified may request a determination from the IRS by filing Form SS-8 *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding*. Both individual workers and businesses may use the Form SS-8 to request a determination of a worker's past status. Our written determination letter advises the firm that the determination may apply to other individuals engaged by the firm under similar circumstances. Information on the SS-8 process and procedures can be found on our website at www.irs.gov.

If you have additional questions, please contact me at (617) 316-2539 or Don Segal, Acting Program Manager, Employment Tax Policy at (203) 781-3057.

Sincerely,

A handwritten signature in cursive script that reads "Joe Tiberio".

Joe Tiberio
Acting Chief, SB/SE Employment Tax