

**NOMINATIONS OF ROBERT HOYT,  
HON. MICHELE DAVIS, PAUL CHERECWICH, JR.,  
AND HON. DEBORAH WINCE-SMITH**

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**HEARING**

BEFORE THE

**COMMITTEE ON FINANCE  
UNITED STATES SENATE**

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

ON THE

NOMINATIONS OF

ROBERT HOYT, TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF THE  
TREASURY; HON. MICHELE DAVIS, TO BE ASSISTANT SECRETARY FOR  
PUBLIC AFFAIRS, U.S. DEPARTMENT OF THE TREASURY; AND PAUL  
CHERECWICH, JR. AND HON. DEBORAH WINCE-SMITH, TO BE MEM-  
BERS OF THE IRS OVERSIGHT BOARD, U.S. DEPARTMENT OF THE  
TREASURY

NOVEMBER 14, 2006



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TUESDAY, NOVEMBER 14, 2006

U.S. SENATE,  
COMMITTEE ON FINANCE,  
*Washington, DC.*

The hearing was convened, pursuant to notice, at 10:04 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Charles E. Grassley (chairman of the committee) presiding.

Present: Senator Hatch.

**OPENING STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE**

The CHAIRMAN. Thank you all very much. It is my pleasure to welcome four nominees. They each will bring a great deal of experience to the positions for which the President has nominated them.

I am sure all of them are eager to get started in their new roles, and we in the Senate only stand in your way, more because of facilitating time and moving people around, not any reason to you folks, personally.

We welcome Robert Hoyt, the President's nominee to be General Counsel, Treasury Department. Mr. Hoyt currently serves as Associate Counsel to the President and has previously worked for many years with the law firm of Wilmer, Cutler, Pickering, Hale, & Dorr.

The next person is Michele Davis, nominated to be Assistant Secretary of Treasury for Public Affairs. Ms. Davis currently serves as Deputy Assistant to the President and Deputy National Security Advisor for Communications and has previously held the post of Assistant Secretary for Public Affairs.

Paul Cherecwich has been nominated to be a Member of the Internal Revenue Service Oversight Board. Throughout his career, Mr. Cherecwich has served in several corporations as an employee with the responsibility of tax compliance, and has extensive experience working with tax policy and administration.

Finally, we welcome Deborah Wince-Smith, also nominated to be a Member of the Internal Revenue Service Oversight Board. In addition to having served as an Assistant Secretary of Commerce, Ms. Wince-Smith has acquired significant operational experience from serving on many boards and oversight bodies and is currently president of the Council on Competitiveness.

**OPENING STATEMENT OF HON. MAX BAUCUS,  
A U.S. SENATOR FROM MONTANA**

Senator BAUCUS. Mr. Chairman, at the Federal Convention of 1787, Alexander Hamilton said: "Real liberty is neither found in despotism or the extremes of democracy, but in moderate governments." We meet today to consider nominees for the Department that Hamilton once headed, the Department of the Treasury, and the IRS Oversight Board. In the times in which we now live, and in our newly divided government, these nominees—and we here—will need to bring new meaning to that idea of "moderate government."

The nominees before us today bring extensive experience and knowledge to their positions. The President has nominated Michele Davis to be Treasury Assistant Secretary for Public Affairs, Robert Hoyt to be Treasury General Counsel, and Paul Cherecwich, Jr. and Deborah Wince-Smith to be Members of the IRS Oversight Board. I want to welcome the nominees to the Finance Committee.

Michele Davis is certainly qualified for the job to which she has been nominated. Ms. Davis has already served for 2 years as Treasury's Assistant Secretary for Public Affairs, before she left to work in the private sector, and then as Deputy National Security Advisor for Communications. Ms. Davis will bring these experiences, along with her Congressional experience and skills in communications, back to her old job as Assistant Secretary for Public Affairs. Ms. Davis, I look forward to your using your position as Assistant Secretary for Public Affairs to elevate awareness of the tax gap problem that we currently face.

The President nominated Robert Hoyt to be Treasury's top lawyer. He will oversee more than 2,000 attorneys and 1,600 support staff. This is a job with great responsibility. And Mr. Hoyt's years in private practice, as well as his current job as Associate Counsel to the President, make him well-qualified for this position. Mr. Hoyt, I look forward to your using your position to increase enforcement and improve compliance to decrease the tax gap.

The President nominated Paul Cherecwich, Jr. and Deborah Wince-Smith to be Members of the IRS Oversight Board. The IRS Oversight Board serves an important function. The Board oversees the Internal Revenue Service in its administration, execution, and application of the tax laws.

Both Mr. Cherecwich and Ms. Wince-Smith will bring years of advisory experience to the IRS Oversight Board. Mr. Cherecwich was the Chair of the IRS Advisory Council in 2002 and a Member in 2001. He is also the former International President of the Tax Executives Institute.

Ms. Wince-Smith has served on the boards of directors of several high-technology companies and various organizations. Ms. Wince-Smith currently is the President of the Council on Competitiveness.

And she previously served as Assistant Secretary for Technology Policy in the Department of Commerce.

At its meeting September 27th and 28th, the IRS Oversight Board discussed with the Treasury the Department's recently released document on the tax gap. The Treasury plan included many of the Board's recommendations made before the Senate Finance Committee in July, 2006 and in its fiscal year 2007 budget recommendations.

Mr. Cherecwich and Ms. Wince-Smith, I will be looking for you to be willing to be independent and confront the IRS Commissioner and the Secretary of Treasury on the tax gap and other issues.

On the south side of the Treasury Building stands a statue of Alexander Hamilton. Hamilton's image, and his admonition to moderate government, would be well for our nominees to remember in their new roles at the Treasury and the IRS Board. We will look forward to working with the nominees and to implementing that moderation.

The CHAIRMAN. Senator Hatch would like to speak at greater length about one of the nominees, and I will call on you at this point.

**OPENING STATEMENT OF HON. ORRIN G. HATCH,  
A U.S. SENATOR FROM UTAH**

Senator HATCH. Well, thank you, Mr. Chairman. I want to welcome all of you here today. You are very good nominees. We are very appreciative of your willingness to serve in this administration, and we know that each and every one of you will do a very good job.

But in particular, I want to thank you, Mr. Chairman, for holding this nomination hearing today. I especially want to thank you for allowing me to say a few words of introduction for one of the nominees, Mr. Paul Cherecwich of Utah, who has been nominated by the President to serve as a Member of the IRS Oversight Board.

I have known Paul Cherecwich for many years, and I heartily endorse the President's nomination, as I do for each of you others. It is difficult to think of anyone who is more qualified to serve as a Member of the IRS Oversight Board.

Paul comes to this nomination with a wide variety of tax experience, which he will use to help the Oversight Board in its mission, which is to improve the IRS so that it may better serve the public and meet the needs of taxpayers.

Mr. Cherecwich certainly has the education and experience to equip him as a strong contributor to the success of the IRS Oversight Board. He received his JD, along with MBA and an LLM in Taxation. He taught tax law as an adjunct professor for several years.

Paul served as the director of Tax at several important corporations, including Cordon Technologies in Utah, where he has decided to make his home in retirement.

Moreover, Mr. Cherecwich has a great deal of experience working with the IRS and the taxpayer community. He has served as the chair of the IRS Advisory Council and was the international president of Tax Executives Institute, which is the premier association of tax directors in all of North America.

In these positions, Paul has had many interactions and experiences with the challenges facing the IRS and taxpayers alike. Now Paul—I wonder about him to a degree, because he is willing to sacrifice some of the pleasures of skiing, golfing, and fishing in Utah, where all of those things are just great, along with some of the companionship of his many grandchildren, to share his experience and expertise to help oversee and improve our Federal tax system.

So, Paul, I applaud your service and your attitude, and I urge my colleagues to join me in supporting your nomination, and as well the nominations of these other wonderful people on this panel today.

So, I am thankful that you have given me this opportunity, Mr. Chairman. I hope we can push these nominations through pretty quickly.

Mr. CHERECWICH. Thank you, Senator.

The CHAIRMAN. We do not swear witnesses in on this committee. We assume everybody is going to tell us the truth.

Before we start with each of you giving a short opening statement, whatever you want to say about yourself, I would like to have each of you now introduce family and friends who are with you, because that is a tradition in this committee.

Mr. Hoyt, would you start out, please?

Mr. HOYT. Thank you, Mr. Chairman. I would like to introduce my family members who are here today and who support me and mean so much to me. First, my wife of 17 years, Alysia Hoyt, and my son Justin, who is about to turn 7.

Anyone who knows me knows that Alysia and Justin mean the world to me. They have been wonderfully tolerant of the sacrifices required of my jobs. I could not have embarked on this new venture without their commitment, love, and support.

Also with us today are Alicia's parents, Tony and Barbara Cuilwik, my sisters, Michelle Kirkpatrick and Lisa Lawrence, and my brother, Michael Hoyt, along with his wife Ro, and their children, Ashley and Robert.

I have a great many friends. I will not introduce all of them who are here today, because it would extend the hearing, I think, by double. But I am very grateful to have their support.

Also, if you would permit me, I would just like to acknowledge my parents, Joan and Bob Hoyt, both of whom have passed. I am, of course, very sad that they cannot be here today, but I have always considered myself very lucky to know without reservation that they were proud of the son they raised in me.

I hope very much that, if confirmed, I will conduct myself as General Counsel in a way that would reflect the values that they taught me. Thank you.

The CHAIRMAN. Thank you, Mr. Hoyt.

Now, Ms. Davis?

Ms. DAVIS. No.

The CHAIRMAN. All right.

Mr. Cherecwich?

Mr. CHERECWICH. I do not have anyone with me, sir.

The CHAIRMAN. All right.

And how about you, Ms. Wince-Smith?

Ms. WINCE-SMITH. Thank you, Mr. Chairman. I would like to introduce my husband, Ambassador Michael Smith, and my son, Christian Smith. I am very sorry my older son, Devereux Smith, cannot be with me. He is at school.

But I am very proud that my husband and son could be with me. I would also like to echo that my husband and family have been tremendous supporters for me, and I am very honored they could be with me today. Thank you.

The CHAIRMAN. All right.

Now we will go back and, in the same order, give your opening statements.

**STATEMENT OF ROBERT HOYT, TO BE GENERAL COUNSEL,  
U.S. DEPARTMENT OF THE TREASURY, WASHINGTON**

Mr. HOYT. Thank you, Mr. Chairman, Senator Baucus, Senator Hatch, and members of the committee.

The CHAIRMAN. And let me explain that Senator Baucus or other Democrats cannot be with us right this minute—they will be here shortly, I think—because the traditional post-election caucus is going on with the select leadership.

Proceed.

Mr. HOYT. Thank you. I greatly appreciate the opportunity to appear before you today, and I am especially appreciative of the very prompt scheduling of this hearing.

I am very honored to be President Bush's nominee to serve as General Counsel of the Department of Treasury. My period of service in President Bush's White House and my exposure to his leadership and integrity have left a deep impression on me.

I am also grateful to Secretary Paulson for his confidence in recommending me for this position. If confirmed, I look forward to working with the Secretary and furthering the administration's economic agenda.

Nearly 20 years ago I decided to build my legal career in Washington. I believe the many professional experiences I have had since then have prepared me well to assume the role of general counsel.

These include 15 years of private practice with a focus on representing companies on issues involving government regulation and the capital markets; 6 years at the senior management levels of an international law firm that has grown to have more than 1,000 lawyers; and close to a year and a half of working in the White House Counsel's office.

More than anything else, these experiences have taught me the value of providing legal advice that reflects the highest levels of integrity, analysis, vision, and hard work.

Mr. Chairman, I come to this hearing with a keen understanding that the legal issues facing the Treasury Department today are among the most critical in government. The Department is a key player in the continual strengthening of our National security and the development and the implementation of our tax policy, and in maintaining and expanding the most impressive economy in the world.

I understand that these areas, and many others, are of great importance to the members of this committee and to the Congress as

a whole. If confirmed, I undertake to work with you to ensure that the Department receives the best legal advice as it continues in its great tradition at the center of America's economic agenda.

Thank you.

The CHAIRMAN. Thank you, Mr. Hoyt.

[The prepared statement of Mr. Hoyt appears in the appendix.]

The CHAIRMAN. Now, Ms. Davis?

**STATEMENT OF HON. MICHELE DAVIS, TO BE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS, U.S. DEPARTMENT OF THE TREASURY, WASHINGTON, DC**

Ms. DAVIS. Thank you, Chairman Grassley, for the opportunity to appear before you today. It is a great privilege to be considered for the position of Assistant Secretary of the Treasury for Public Affairs.

I am honored that President Bush has nominated me to serve in this position and that you are taking the time to consider my nomination today. I also thank Secretary Paulson for his leadership and for having the confidence in me to serve in this post.

The Treasury Department is at the center of President Bush's efforts to work with Congress to keep America's economy strong, to promote global economic growth, and to prevent the use of the financial system to support terrorism and weapons proliferation.

The Public Affairs Office at Treasury plays an essential role in explaining the work of the Department in these, and other areas. I learned in my previous years working at the Treasury Department that informed public debate leads to a better policy.

If confirmed, I look forward to communicating our work to the public, news media, financial markets, international audiences, and to the Congress. I can think of no greater honor than to be asked to do this job again and to work with Secretary Paulson. I am eager to get to work with the talented people at the Department, across the administration, and here in the Congress.

Thank you.

The CHAIRMAN. Thank you, Ms. Davis.

[The prepared statement of Ms. Davis appears in the appendix.]

The CHAIRMAN. Now, Mr. Cherecwich?

**STATEMENT OF PAUL CHERECWICH, JR., TO BE A MEMBER OF THE INTERNAL REVENUE SERVICE OVERSIGHT BOARD, U.S. DEPARTMENT OF THE TREASURY, WASHINGTON, DC**

Mr. CHERECWICH. Mr. Chairman, I am honored to appear before this committee today as you consider my nomination to be a member of the IRS Oversight Board. It is an honor to have been nominated by President Bush to serve on this important board, and an honor to have been introduced by Senator Hatch.

I am presently retired, having had a successful career as a tax attorney, employed both in the business world and practitioner world. Employed by three Fortune 500 corporations, I retired in 2000 from Cordon Technologies as vice president of Tax and Tax Counsel, whereupon I joined the law firm of Miller & Chevalier as "of counsel." I retired from that firm at the end of 2004.

During my career, I participated in several professional groups. As a result of my contributions, I was asked to serve in leadership roles on several trade association tax committees.

I was also selected by my peers to be the 1997–1998 international president of Tax Executives Institute, the preeminent association of corporate tax executives in North America.

Being a firm believer that we should all give something back to the society and country which nurtures us, I served on the boards of several charitable organizations.

I also served on several government advisory groups, including the Massachusetts Governor's Management Task Force, USTR's Industry Advisory Committee on Customs, and the IRS Advisory Council, where I was selected by its members to be the 2002 chair.

I am quite familiar with the IRS Oversight Board's requirement that they oversee the IRS and its administration, management, conduct, direction, and supervision of the execution and application of Internal Revenue laws.

In my capacity as TEI president, I met with the National Commission on Restructuring the IRS and testified both before the House Ways and Means Committee and this committee in connection with pending legislation that was eventually enacted as the IRS Restructuring and Reform Act of 1998.

Thus, I can say that I was present at the birth of the IRS Oversight Board, and hopefully my views at that time were of use to those crafting the legislation that created it. Private life members of the board are required to have professional experience and expertise in one or more of several critical skills areas.

Having worked in large business organizations as a tax professional, having served on the boards of several charitable organizations that deliver services to large numbers of clients, and having served on government advisory boards, I believe I am qualified to serve on the IRS Oversight Board.

Senator Hatch wondered why I would give up my favorite pastimes of golfing, skiing, and fishing. My wife had the same idea. My wife, Ruth, of 42 years, asked me why I would want to serve on the board. I told her that I did not want to pass up the opportunity to try to assist our government and its employees to be the best that they can.

She asked me if I could make a difference. I told her I would not know until I tried. I assure you, if confirmed, I will do my best to help the IRS Oversight Board fulfill the mission that Congress has established for it.

Thank you, Mr. Chairman. I will be pleased to answer questions that you or others may have.

[The prepared statement of Mr. Cherecwich appears in the appendix.]

The CHAIRMAN. Ms. Wince-Smith?

**STATEMENT OF HON. DEBORAH WINCE-SMITH, TO BE A MEMBER OF THE INTERNAL REVENUE SERVICE OVERSIGHT BOARD, U.S. DEPARTMENT OF THE TREASURY, WASHINGTON, DC**

Ms. WINCE-SMITH. Chairman Grassley, I thank you very much for the opportunity to appear before you and this committee to con-

sider my nomination to become a Member of the IRS Oversight Board.

I am very honored that President Bush has nominated me for this important position, and, if confirmed, I look forward to working with Congress and the administration to support the board's statutory mission to provide strategic guidance and oversight to the operations of the Internal Revenue Service, and thereby strengthen our Nation's tax system.

Currently, I am the president of the U.S. Council on Competitiveness, a nonprofit, nonpartisan membership organization that brings together leading CEOs, university presidents, and labor leaders, all committed to improving U.S. productivity growth, our success in global markets, and ensuring a rising standard of living for all Americans.

Currently celebrating our 20th anniversary, the council yesterday released our anniversary index "Where America Stands" that is benchmarking U.S. economic performance against our global competitors and identifying the key issues to strengthen our economy going forward.

I also serve on a number of public- and private-sector boards of directors and national policy committees, including the board of directors of the NASDAQ stock market, the Board of Governors of Argonne National Laboratory, and the University of California's President's Council for the Department of Energy's Los Alamos and Lawrence Livermore National Laboratories.

The corporate governance systems for these large, complex organizations in both the public and private sectors encompass diverse fiduciary and oversight responsibilities, such as strategic direction, budget and audit, executive management, compensation, technology development, and operational risk. As a director, I am committed to the highest standards of ethics, transparency, and accountability.

Prior to 1993, I had the privilege to serve in the U.S. Government for 17 years, beginning my career as a Federal employee at the National Science Foundation, and then serving in the administration of President George H.W. Bush as the Assistant Secretary for Technology Policy in the Department of Commerce.

If confirmed, Mr. Chairman, I will draw upon my diverse expertise and executive management experience in both the government and the private sector to support the efficient and effective management of the IRS, an agency that is so central to U.S. Government operations, our Nation's financial stability, and the efficacy of our tax system.

As set forth in the Restructuring and Reform Act this committee enacted in 1998, this Oversight Board clearly plays a critical function in ensuring that the IRS's strategic management goals, operational efficiency, and cost-effective execution align with its mission to implement and enforce the Nation's tax revenues and laws.

Integral to this mission, in my view, is the need for the IRS to accelerate its delivery of best-in-class customer service to all taxpayers, making the twin pillars of customer service and compliance, hallmarks of excellence for our Nation's tax system.

Mr. Chairman, if confirmed, I pledge to work on behalf of the American people to fulfill my duties as a Member of the Oversight

Board, and I hope I will bring some innovation to this important public sector institution, so critical to the health of our economy.

Thank you.

[The prepared statement of Ms. Wince-Smith appears in the appendix.]

The CHAIRMAN. Thank you very much.

We have three questions that we always ask every nominee. They are very short questions, and I would ask each of you, after I read the first question, to respond as I call your name.

First, is there anything that you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated? Mr. Hoyt?

Mr. HOYT. No, Mr. Chairman.

The CHAIRMAN. Ms. Davis?

Ms. DAVIS. No.

The CHAIRMAN. Mr. Cherecwich?

Mr. CHERECWICH. No, sir.

The CHAIRMAN. Ms. Wince-Smith?

Ms. WINCE-SMITH. No, Mr. Chairman.

The CHAIRMAN. Second, do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated? Mr. Hoyt?

Mr. HOYT. No, Mr. Chairman.

The CHAIRMAN. Ms. Davis?

Ms. DAVIS. No, Mr. Chairman.

The CHAIRMAN. Mr. Cherecwich?

Mr. CHERECWICH. No, Mr. Chairman.

The CHAIRMAN. And Ms. Wince-Smith?

Ms. WINCE-SMITH. No, Mr. Chairman.

The CHAIRMAN. Third, do you agree, without reservation, to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress, if confirmed? Mr. Hoyt?

Mr. HOYT. Yes, Mr. Chairman.

The CHAIRMAN. Ms. Davis?

Ms. DAVIS. Yes, sir.

The CHAIRMAN. Mr. Cherecwich?

Mr. CHERECWICH. Yes, Mr. Chairman.

The CHAIRMAN. And Ms. Wince-Smith?

Ms. WINCE-SMITH. Yes, Mr. Chairman.

The CHAIRMAN. Thank you.

I do not have very many questions, and do not take it personally if we do not ask some of your questions.

First, for the nominees of the Oversight Board, please tell me what you believe the role of the IRS Oversight Board to be and what your goals will be as members of that board.

Before you answer, maybe just a short bit of advice for you to do your job effectively from a person that was involved in the Commission studying and bringing about the reconstituting of the IRS: just do not become captives of the bureaucracy.

Mr. Cherecwich, you do not need to respond to my comment. That is just advice for you. Just answer my question.

Mr. CHERECWICH. Well, I understand that the IRS Oversight Board is to function in a manner very similar to that of a private

sector board of directors, and that is supervising the administration, management conduct, and direction of the execution and application of the Internal Revenue laws.

I know that a number of the principal functions of the IRS Oversight Board are to review the strategic plans of the IRS and to approve them, and to review the annual budget and to provide an independent submission of the budget to the Congress.

The CHAIRMAN. Ms. Wince-Smith?

Ms. WINCE-SMITH. I would echo what my colleague has said, that having served on corporate boards I am very much aware that the IRS Oversight Board should be very much involved in working with the IRS to develop its strategic direction to ensure that its goals and efficiency are aligned with its core mission, and also to play a very important role in ensuring that many of the strategic goals for modernization are moving forward.

The CHAIRMAN. Thank you.

The next question is for Mr. Hoyt. That is in regard to what your priorities would be as General Counsel and how you would see your role in terms of tax guidance and regulation. How has your background prepared you for this position, and how will it help you accomplish your objectives?

Mr. HOYT. Thank you, Mr. Chairman.

In terms of the priorities that I would bring to the job, if confirmed, I think there are three that stand out. The first is clearly to be providing the Secretary with the best legal advice that he can get on all the various issues that he needs to deal with and pursue as he helps pursue the President's economic agenda.

A second priority is to ensure that the Treasury Legal Division is operating at peak performance to provide all of the various departments within the Treasury, and other departments within the executive branch, with the best possible legal advice on all of the various issues that emanate out of Treasury and affect area operations of the government.

Then, finally, a priority for myself is I would like to leave the job, if confirmed, knowing that I have helped in the pursuit of successful economic policy for the country.

To come to the part of your question that relates to the tax code and tax policy, I think that is clearly one of the essential roles of the department. It is one of the essential roles of the General Counsel's Office, to make sure that the tax code and all of the tax professionals within the Department, both within the Legal Division and the Department as a whole, within the Internal Revenue Service, are being responsive to the various provisions of the laws that need to be implemented, that need to be implemented effectively, in a timely fashion, and to be sure that we are communicating with the committee to make sure that we are in synch with implementing the laws that the committee is helping to draft, that the Congress is passing, that are very important to successful tax policy of the country.

The CHAIRMAN. All right. Another question for you, Mr. Hoyt, is, in regard to Sarbanes-Oxley. Through the newspapers, we have gotten some idea about Treasury being involved with reforming Sarbanes-Oxley, specifically mentioning Secretary Paulson as being

active in the area. Of course, this is primarily within the jurisdiction of the SEC.

Could you explain what role or leadership Treasury is taking in this area and what priority this is for Treasury compared to other responsibilities, particularly jurisdiction over taxes? Please also explain, what is the relationship between Treasury and outside groups that are providing proposals in this area.

Mr. HOYT. Certainly, Mr. Chairman. I think, perhaps, a core principal to begin with when one is talking about Sarbanes-Oxley or any of these issues, is that investor confidence is the bedrock of the American capital markets and the key to our markets being competitive on an international level. The Sarbanes-Oxley legislation went a long way to restore and preserve that confidence when the markets were reacting to a variety of corporate scandals.

As I understand the policies articulated by the Secretary, and the priorities, it is to participate in a multi-agency review of our markets, of the various forms of government activity that regulate those markets, and all with the objective of maintaining and preserving a balance that preserves integrity, preserves investor confidence, but also without impairing businesses, to the extent that our markets become unattractive and non-competitive.

As I understand the process, it is, to be clear, a multi-agency process with involvement by the Securities and Exchange Commission, the Public Accounting Oversight Board, and various other departments and agencies.

But it is also of great interest to the Treasury Department, which has among its responsibilities ensuring the integrity of the American capital markets and the financial system.

It, I am sure, would not come at any sacrifice to any of the other important priorities of the Treasury Department, and I know that the Secretary is attentive to all of the various priorities that need to be on his plate.

The CHAIRMAN. All right.

To you, Mr. Hoyt. The President recently signed the pension bill, and it had some reforms for charities in it that I was very much involved in. One of the important provisions was one dealing with supporting organizations and directing Treasury to put out guidance requiring a more effective pay-out requirement.

An increase in pay-out requirement would mean more money going to the public charities that do so much important work to help the poor in our communities. That is obviously a goal of President Bush. Congress made it clear that Treasury should be looking at the pay-out requirements that have been in place and have been very effective for the foundations and charities.

I recognize that IRS and Treasury staff are very busy putting out guidance in response to the pension bill, but I would like to have your commitment that when you are in place and sworn in as General Counsel, that you will make it a priority to get guidance out within 90 days on the issue of pay-out.

Also, that you will ensure that the guidance follows the intent of Congress by putting more money into the hands of public charities with a pay-out requirement that is at least equal to private foundations.

Finally, given the amount of work that must be done and the guidance in this area of tax-exempt organizations after the pension bill, I encourage you to show leadership in encouraging and supporting adequate staffing at the IRS's Chief Counsel and Treasury Tax Policy.

Mr. HOYT. Mr. Chairman, I am aware of your concern, and the committee's overall concern, with supporting organizations. I am also aware of the legislation that passed this summer on pension reform that contained a number of provisions directed at charities.

I understand that many of the bill's provisions, both the pure pension provisions and also those provisions going to charitable organizations, were immediately effective, and the Department has been working very hard, I understand, to issue essential guidance for the individuals and the companies that need to come into compliance with those new rules this year.

I can, and will, certainly commit that, if confirmed, I will work closely with the various components in Treasury, Internal Revenue Service, the Chief Counsel's Office there, the Office of Tax Policy, and other professionals to facilitate the issuance of guidance, all of the guidance, required by the pension bill as quickly as that can be done.

The CHAIRMAN. Yes. One more statement, and not a question, to the new members of the Oversight Board. As I recall now, almost 8 years ago, I suppose, is when the Commission was operating, when we had our hearings on abuses that the IRS was doing, that there was kind of an attitude that seemed to be more punitive and aggressive towards small business than large corporations, and probably more towards individuals than corporations generally, but small business particularly.

I think one of the reasons for setting up the IRS Oversight Board was to make sure that we had some input in those areas. We have seen some change of direction by IRS, so I am not saying this to scold anybody.

I am just saying I hope you feel a special responsibility to look out for the people whom we felt were being hurt by the IRS, people who were powerless versus the government bureaucracy. Quite frankly, we found an attitude that people tended to fear the IRS more than the FBI, or any other agency of government. Also, that sort of attitude might lead to people in the underground economy more than it would otherwise be if we were open.

We came to the conclusion that two things would help people to pay their taxes, not one penny more than they owed, not one penny less: the extent to which we provided, the first time people made a contact with the IRS, a real person talking to them, and, second, getting correct information. That is probably the best way to get the maximum amount of money coming in.

Assuming that what I just told you is not contrary to the record of that time, because I do not review that record every day before I have people like you before me, I would appreciate it very much if you would look out for those powerless people who used to be harassed, and maybe to some extent may still be harassed by the IRS, more than the people who can hire the high-priced lawyers to protect themselves.

So, I have no more questions to ask, but, because other members could not be here, I would ask that the staff of those members, if they want questions for the record for you folks to answer in writing, that those be in by 6 p.m. tomorrow.

Then I would also ask unanimous consent, which I give, to making sure that Senator Baucus' statement is put in the record at the point after my opening statement, and again emphasize that Senator Baucus takes the work of the Oversight Board very seriously. I am sure he would emphasize some of the things that I have said, but he just could not be here because of the leadership caucus.

Thank you all very much. The hearing is adjourned.

[Whereupon, at 10:37 a.m., the hearing was adjourned.]



## A P P E N D I X

### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

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#### **Statement of Senator George Allen regarding Deborah Wince-Smith, Nominee for IRS Oversight Board**

Chairman Grassley, I am pleased to support the nomination of Deborah Wince-Smith of McLean, Virginia, to become a member of the IRS Oversight Board. As the president of the Council on Competitiveness, Deborah leads a dynamic organization of CEOs, university presidents and labor leaders dedicated to improving the nation's economic growth. Her leadership led to development the report *Innovate America*, which paved the way for much of the current debate in Congress on competitiveness and innovation. Public sector innovation is a key part of the Council's agenda and I know she will carry this message forward as a member of the IRS Board.

Deborah's experience is not limited to the Council on Competitiveness, however, as she also serves on a number of public and private sector Boards of Directors and national policy committees, including the Board of Directors of the NASDAQ Stock Market; the Board of Governors of Argonne National Laboratory; and the University of California's President's Council for the Department of Energy's Los Alamos and Lawrence Livermore National Laboratories.

She served in the US Government for seventeen years with the National Science Foundation and later as the first Assistant Secretary for Technology Policy in the Department of Commerce.

Having worked closely with Deborah and the Council on Competitiveness on many of the most pressing issues facing America's competitiveness in the global economy, I have no doubt she will be a tremendous asset to the IRS Oversight Board and serve the interests of the American taxpayer by ensuring a strong and engaged Board.

Thank you, Mr. Chairman.

**Statement of Paul Cherecwich, Jr.  
IRS Oversight Board Nominee  
November 14, 2006**

Mr. Chairman, Senator Baucus and Members of the Committee, I am honored to appear before this Committee today as you consider my nomination to be a member of the IRS Oversight Board. It is an honor to have been nominated by President Bush to serve on this important Board.

I am presently retired, having had a successful career as a tax attorney employed both in the business world and practitioner world. Employed by three Fortune 500 corporations, I retired in 2000 from Cordant Technologies, Inc. as Vice President of Tax and Tax Counsel, whereupon I joined the law firm Miller & Chevalier Chartered as Of Counsel. I retired from that firm at the end of 2004. During my career, I participated in several professional groups. As a result of my contributions, I was asked to serve leadership roles on several trade association tax committees. I also was selected by my peers to be the 1997-1998 International President of The Tax Executives Institute (TEI), the preeminent association of corporate tax executives in North America.

Being a firm believer that we should all give something back to the society and country which nurtures us, I served on the Boards of several charitable organizations. I also served on several government advisory groups, including the Massachusetts Governors Management Task Force, the Industry Advisory Committee on Customs, USTR, and the IRS Advisory Counsel, where I was selected by its members to be the 2002 Chair.

I am quite familiar with the requirement that the IRS Oversight Board oversee the IRS in its administration, management, conduct, direction and supervision of the execution and application of internal revenue laws. In my capacity as TEI President, I met with the National Commission on Restructuring the IRS, and testified before both the House Ways and Means Committee and this Committee in connection with pending legislation that was eventually enacted as the IRS Restructuring and Reform Act of 1998. Thus I can say I was present at the birth of the IRS Oversight Board and hopefully my views at that time were of use to those crafting the legislation that created it.

Private life members of the Board are required to have professional experience and expertise in one or more of several critical skills areas. Having worked in large business organizations as a tax professional, having served on the boards of several charitable organizations that deliver services to large numbers of clients, and having served on government advisory boards, I believe I am qualified to serve on the IRS Oversight Board. Ruth, my wife of forty-two years, asked me why I would want to serve on the Board. I told her that I did not want to pass up the opportunity to try to assist our government and its employees to be the best that they can be. She asked me if I could make a difference. I told her that I wouldn't know until I tried. I assure you, that if confirmed, I will do my best to help the IRS Oversight Board fulfill the mission that Congress has established for it.

Thank you, Mr. Chairman. I would be pleased to answer any questions you or other members of the Committee may have.

SENATE FINANCE COMMITTEE  
STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.) Paul Cherecwich, Jr.
2. Position to which nominated: Member, IRS Oversight Board
3. Date of nomination: April 27, 2006
4. Address: (List current residence, office, and mailing addresses.)  

2845 St. Mary's Way  
Salt Lake City, UT 84108

(residence only, no work address – retired)
5. Date and place of birth: March 4, 1941; Nyack, New York
6. Marital status: (Include maiden name of wife or husband's name.)  

Married: Ruth Anne Cherecwich (Schmitz)
7. Names and ages of children:  

David James Cherecwich (deceased)  
Peter Brian Cherecwich (41)  
Pamela Ruth Schuller (36)  
Steven Paul Cherecwich (32)
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)  

Nyack High School, 9/1955-6/1959, New York Regents Diploma, 6/1959  
Rensselaer Polytechnic Institute, 9/1959-5/1963, B.E.E., 5/1963  
Northeastern University, 9/1963-5/1967. M.B.A., 5/1967  
Suffolk University Law School, 9/1967-5/1971, J.D., 5/1971  
Boston University Law School, 9/1977-5/1982. LL.M. (Taxation), 5/1982

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

The Foxboro Company, Foxboro, MA (6/1963-6/1984)  
Corporate Tax Manager, 11/1978-6/1984  
Other Various Positions, 6/1963-11/1978

Unisys Corporation, Blue Bell, PA (7/1984-10/1989)  
Staff Vice President, International Taxes (6/1988-10/1989)  
Other Various Positions (7/1984-6/1988)  
Note: Predecessor Burroughs Corporation had work site in Detroit, MI

Cordant Technologies, Inc., Salt Lake City, UT (10/1989-10/2000)  
Vice President of Tax and Tax Counsel (1/1994-10/2000)  
Director of Tax and Tax Counsel (10/1989-1/1994)  
Note: Predecessor Thiokol Corporation had work site in Ogden, UT

Miller & Chevalier Chartered, Washington, DC (11/2000-12/2004)  
Of Counsel  
Note: Job duties were primarily business development and internal training

Bentley College, Waltham, MA (9/1977-6/1984)  
Adjunct Assistant Professor, Master of Science in Taxation program

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

Massachusetts Governor's Management Task Force (1975)  
Member, Industry Advisory Committee on Customs, USTR (1970-1989)  
Member, IRS Advisory Council (2001)  
Chair, IRS Advisory Council (2002)

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

None, other than as a full time employee as listed in #9. However, see also #12.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Member, Pi Kappa Phi (college fraternity – now inactive)

Various Episcopal Church Parish Leadership Positions dating from 1965  
 Currently Vestry Member, All Saints Church, Salt Lake City, UT  
 Secretary and Board Member, St. Anne's Center, Ogden, UT (1991-1997)  
 This charity operated a homeless shelter and soup kitchen  
 President and Board Member, Norfolk Fellowship Foundation, MA (1970-1984)  
 This charity provided rehabilitation services to prison inmates  
 Board Member, Catholic Community Services, Salt Lake City, UT (2000-present)  
 This charity provides numerous social services  
 Member, American Bar Association (1972-2000) [not active]  
 Tax Committee Chair, Scientific Apparatus Mfg Association (1979-1984)  
 Tax Committee Chair, Aerospace Industries Association (1995-1997)  
 Member, Tax Council, Manufacturers Alliance/MAPI (1972-2000)  
 International President, Tax Executives Institute (1997-1998)  
 Held numerous leadership positions since joining TEI in 1983

13. Political affiliations and activities:
  - a. List all public offices for which you have been a candidate. (none)
  - b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years. (none)
  - c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years. (none)
  
14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)
 

New York State Regents Scholarship (for undergraduate school)  
 Electrical Contractors Association Scholarship (for undergraduate school)  
 Pi Delta Epsilon (national honorary collegiate journalism fraternity)  
 Awarded Medal for Significant Contributions (1963)  
 Dean's List, Suffolk University Law School (graduated cum laude)  
 Utah State Bar Association "Tax Practitioner of the Year" (1988-89)  
 Honorary Member, Tax Executives Institute (2001)
  
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)
 

International Tax Practice Outlines, privately published textbook (1983-85)  
 Various articles on technical tax subjects (no log has been kept)

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

While employed by Miller & Chevalier Chartered, I participated in several technical panel discussions for TEI groups. These were not formal speeches prepared by me.

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I believe I am qualified to serve as a member of the IRS Oversight Board due to my experience as a major corporation employee/corporate tax attorney with responsibility for compliance with tax laws; my experience with Tax Executives Institute as a leader addressing tax policy, compliance and administration issues; my experience as a board member of several professional and civic organizations that provide services to its members or to the general public; and my experience as a manager in large business organizations.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I am presently retired from active employment.  
I intend to continue participation in charitable activities, including board memberships.  
I intend to continue to attend meetings of Tax Executives Institute, in order to maintain contacts with many friends and acquaintances.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

None

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

None

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

I will serve a full term.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

I do not believe I have any conflicts of interest. The IRS Oversight Board does not get involved in individual taxpayer (personal and corporate) issues.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

I represented my employer Cordant Technologies before the IRS, and while with Miller & Chevalier worked with attorneys who represented clients before the IRS and in court with respect to tax issues. I do not see that as a potential conflict, but rather relevant experience to aid in the work of the Oversight Board.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

While active in the leadership of Tax Executives Institute, I frequently advocated that organization's positions before Congress, Treasury and the IRS. As an employee of Cordant Technologies, Inc., I frequently advocated my employer's positions before Congress, Treasury and the IRS, as well as relevant state organizations.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

I would recuse myself from any deliberations.

5. Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.
6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

No

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees? Yes

**Questions for the Record From Mr. Paul Cherecwich, Jr.  
November 14, 2006**

**From Senator Baucus:**

1. Are you familiar with Treasury's recently released tax gap plan? To what extent do you believe it is adequate to close the gap? What would you change, add or subtract? What role should the Oversight Board play in closing the tax gap? What dollar figure would you consider to be an acceptable tax gap each year?

*Response:* Although I have not had the opportunity to study the Treasury Department's tax gap plan in detail, I share your concern about the tax gap and understand that it is a significant issue. I understand that many of the IRS Oversight Board's recommendations that former IRS Oversight Board Chairman Raymond T. Wagner made before the Senate Finance Committee in testimony in July 2006 were reflected in the Treasury Department's strategy. Reducing the tax gap will require a multi-faceted effort, and, if confirmed, I look forward to working further with the IRS on the tax gap issues that fall within the scope of the IRS Oversight Board's responsibilities.

2. Describe the appropriate relationship between the IRS Oversight Board and the IRS. To what extent should the Board influence tax policy and administration? How should differences of opinion between the IRS and the Board be resolved?

*Response:* It is my understanding that the statute creating the IRS Oversight Board requires the Board to oversee the IRS in its administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws, as well as ensure that the IRS organization and operation allows it to carry out its mission. However, I understand that the IRS Oversight Board has no responsibilities or authority for the development of Federal tax policy. Because the IRS Commissioner also is a member of the IRS Oversight Board, I look forward to an open and honest dialogue with him, as well as with the entire agency, to quickly resolve any differences of opinion with the Board.

3. Name the three most serious challenges facing the IRS. What do you think should be done to resolve them?

*Response:* The IRS Oversight Board has listed a number of items that it has thoughtfully considered in its annual reports. If confirmed, I look forward to working with the IRS and the other Board members to identify and prioritize the issues that are the most serious challenges facing this organization, including the modernization of information technology. In addition, as a tax practitioner, I believe the complexity of our current tax law presents significant challenges for taxpayers as well as the IRS, and I look forward to looking into ways that the Board can help address that issue.

4. What are your priority issues that you bring to the Board? What unique contribution will you make to improve tax administration?

*Response:* If confirmed, I will review all the IRS issues and then help set the Board's priorities in consultation with the other IRS Oversight Board members. I also believe that adequate training of IRS employees and an adequate IRS budget are important priority issues. I also will exercise my independence when reviewing all the tax administration issues. Additionally, as noted above, I am interested in addressing the complexities that the tax law means for taxpayers and the IRS.

5. You are a former Chair of the IRS Advisory Council, and also are a former International President of the Tax Executives Institute, a group representing 2,700 leading businesses. How will your experiences with these organizations influence your contributions to the IRS Oversight Board? Particularly, how will your experiences influence your contributions in big business compliance issues such as back drafting of stock options?

*Response:* Having worked in large business organizations as a tax professional, having served on the boards of several charitable organizations that deliver services to large numbers of clients, and having served on government advisory boards, I have had the opportunity to understand a number of the of tax administration issues that large and small taxpayers are facing. As the former Chair of the IRS Advisory Council and as a former International President of the Tax Executives Institute, I expect to make helpful suggestions when reviewing and approving the IRS strategic plans based on my experiences if confirmed to the IRS Oversight Board.

**STATEMENT OF MICHELE DAVIS**  
**NOMINEE TO BE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS,**  
**DEPARTMENT OF THE TREASURY**  
**NOVEMBER 14, 2006**

Chairman Grassley, Ranking Member Baucus, and members of the Senate Finance Committee, thank you for the opportunity to appear before you today. It is a great privilege to be considered for the position of Assistant Secretary of the Treasury for Public Affairs. I am honored that President Bush has nominated me to serve in this position and that you are taking the time to consider my nomination today. I also thank Secretary Paulson for his leadership and for having the confidence in me to serve in this post.

The Treasury Department is at the center of President Bush's efforts to work with Congress to keep America's economy strong and to promote global economic growth and to prevent the use of our financial system to support terrorism and weapons proliferation. The public affairs office at Treasury plays an essential role in explaining the work of the Department in these and other areas. I learned in my previous years working at the Treasury Department that an informed public debate leads to better policy. If confirmed, I look forward to communicating our work to the public, news media, financial markets, international audiences, and to the Congress.

I can think of no greater honor than to be asked to do this job again and to work with Secretary Paulson. I am eager to get to work with the talented people in the Department, across the Administration and here in the Congress. Thank you.

SENATE FINANCE COMMITTEE  
STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name: Michele A Davis
2. Position to which nominated: Assistant Secretary of the Treasury (Public Affairs)
3. Date of nomination:
4. Address:  
Home: 1200 N Jefferson St Arlington VA 22205  
Work: National Security Council, The White House, Washington DC 20504
5. Date and place of birth: October 5, 1966 Passaic NJ
6. Marital status: Married – Franz Roland
7. Names and ages of children: none
8. Education:  
Georgetown University, 1984-88, BS in Foreign Service awarded 5/88  
London School of Economics, 1986-87, Certificate awarded 6/87  
American University, 1989-92, MA in Economics, awarded 5/92
9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
  - Waitress, Clyde's of Georgetown, Washington, DC 1988-92
  - Economist, Citizens for a Sound Economy, Washington DC 1991-1994
  - Economist, Joint Economic Committee, Washington DC, 1994
  - Press Secretary, House Majority Leader, Washington DC, 1995-97
  - Communications Director, House Majority Leader, Washington DC, 1997-2001
  - Assistant Secretary (Public Affairs), Department of the Treasury, Washington DC, 2001-2002
  - Vice President for Regulatory Policy, Fannie Mae, Washington DC, 2003-2004

- Senior Vice President for Regulatory Policy, Fannie Mae, Washington DC, 2004-2005
  - Deputy Assistant to the President and Deputy National Security Advisor for Communications, the White House, Washington DC, 2005-2006
10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)
- none
11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)
- Officer, Fannie Mae, 2003-2005.
12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)
- Arlington County Tennis Association, United States Tennis Association, St. Ann's Catholic Church (Arlington), Freedom Works
13. Political affiliations and activities:
- a. List all public offices for which you have been a candidate.
    - None
  - b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
    - None
  - c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.
    - Value in Electing Women Political Action Committee, \$500, 2/28/2003
    - Shelby for Senate, \$500, 6/13/2003
    - American Liberty Political Action Committee, \$500, 7/16/2003
    - Bush-Cheney Primary, \$250, 10/15/2003
    - Bush-Cheney Primary, \$750, 2/19/2004
    - Martinez for Senate, \$250, 9/14/2004
    - National Republican Congressional Committee, \$500, 5/11/2005
    - Fannie Mae Political Action Committee, \$500, 12/31/2003

- Fannie Mae Political Action Committee, \$4998, paid in biweekly installments in 2004
14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)
- None
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)
- Various policy analysis and advocacy pieces for Citizens for a Sound Economy, on topics of tax increases, wasteful government spending, and health care reform, 1991-1994, including “Wasting America’s Money” (1991) “Medicare’s Self-Destruction” (1993) and “Why Global Spending Caps Won’t Help the Health Care System,” (1993)
16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)
- None
17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I held this position previously, from 2001 through 2003, and therefore bring into the job two years of prior experience with the Department and the issues that the Treasury Department works on every day. My 10 years of communications experience comes from time spent previously at the Treasury, as well as time spent working for House Majority Leader Dick Armey and for the National Security Council. My experience at Treasury and at the National Security Council have both made clear the importance of accuracy and timeliness in communications, as markets and foreign governments so carefully monitor statements from these positions in the US Government. If confirmed, I look forward to drawing on this experience to communicate the President’s economic agenda, the Secretary’s actions and views, and the work of the Department to the public.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.
  - I currently work for the White House, and will continue to be working with White House staff if confirmed for the Treasury position.
2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.
  - None
3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.
  - No
4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.
  - Yes

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.
  - Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of Treasury, which is documented by letter to Bernard Knight, Jr., Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics.
2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.
  - Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of Treasury, which is documented by letter to Bernard Knight, Jr.,

Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.
  - At Fannie Mae, (1/2003-6/2005) part of my job was to oversee preparation of congressional testimony and other materials for presentation by others to policymakers. This included analysis of and comment on GSE reform legislation considered by the Senate Banking Committee and the House Financial Services Committee during that time.
4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)
  - Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by letter to Bernard Knight, Jr., Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflicts of interest arise in the future, I will consult with Treasury ethics officials.
5. Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.
  - These will be provided by the Department of the Treasury and the Office of Government Ethics.
6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:
 

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

## D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.
  - No
2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.
  - No
3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.
  - No
4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.
  - No
5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.
  - None

## E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?
  - Yes.
2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?
  - Yes.

**Questions for the Record From Hon. Michele Davis  
November 14, 2006**

**From Senator Baucus:**

1. How will you use your position as Treasury Assistant Secretary for Public Affairs to increase awareness of the tax gap problem we face? How will you use your communication skills to better convey the extent of this problem?

*Response:* I understand that the tax gap is an issue in which this committee has great interest. I am aware of the importance that the Secretary and the Treasury Department place on this issue, and I believe it is essential that the Internal Revenue Service (IRS) collect taxes that are owed to the federal government. If confirmed, I look forward to working with the experts in the Treasury Department and the IRS to increase understanding of this issue, implement initiatives to address this issue, and provide timely information to the public and the media on the steps the Administration is taking on this important issue.

2. How can you use your position as Treasury Assistant Secretary for Public Affairs to improve compliance with current tax laws?

*Response:* The current complexity of the U.S. tax code undoubtedly places a strain on compliance with current tax laws. As such, communicating with and educating taxpayers on ways to comply better with the tax system must be a top priority. If confirmed as Assistant Secretary for Public Affairs, I will strive to maintain the close working relationship among the Office of Public Affairs, the Office of Tax Policy, and the IRS. This relationship is essential to Treasury's efforts to implement proactive vehicles that effectively open the communications channels between taxpayers and the federal government as well as provide valuable guidance for better compliance with our tax laws.

3. Why are you interested in returning to the Treasury Assistant Secretary for Public Affairs position? How will your experiences affect your goals for this position?

*Response:* Treasury's Office of Public Affairs plays a crucial role in communicating to the public important economic issues facing the nation, such as the health of our economy and the success of economic policies. My background has always been in economic policy, and I have a great affinity for the Treasury Department since my earlier time there. I believe deeply in the President's economic agenda, which has made our economy strong. I can think of no more rewarding way to spend the next two years than communicating the President's economic agenda to keep our economy growing and creating jobs. My previous experience in the Department will expedite this transition, as I bring to the job a greater familiarity with the

issues, and am better prepared to deploy all the resources of the office of Public Affairs to accomplishing the mission of the office.

4. Earlier this year the Office of Tax Policy at Treasury released a document entitled, "Investing in America's Future, Tax Relief Kit" that provided estimated average tax increases if certain tax cuts are not extended. These estimates were used by a number of candidates during the 2006 elections. But this document, and many others recently produced by the Treasury Department, fails to provide the full picture, such as the cost per family for increased debt if tax cuts continue to be deficit financed, as they have in the recent past. During the reconciliation debate earlier this year, Treasury officials continually referred to the investor tax cuts as a boon to low income households by citing as statistic that almost half the equity owners were households earning less than \$50,000. And even when challenged with more detailed information, such as that provided by the Joint Committee on Taxation showing that the average benefit for those households was \$10 compared to \$65,000 for households earning more than \$1 million, Treasury officials would not provide the full picture. As Treasury Assistant Secretary for Public Affairs, how will you ensure the Department of Treasury provides accurate and complete information on the fiscal situation of the nation so that taxpayers can make fully informed decisions?

*Response:* If confirmed, I will continue the Treasury Department's long-standing commitment to providing accurate and complete information on tax issues and other economic policies that the Department oversees. Although the document mentioned was released at a time when I was not serving in any capacity at the Department of Treasury, I will work to ensure that all documents continue to adhere to that high standard.

**STATEMENT OF ROBERT F. HOYT**  
**NOMINEE FOR GENERAL COUNSEL, DEPARTMENT OF THE TREASURY**  
**NOVEMBER 14, 2006**

Thank you Mr. Chairman, Senator Baucus and Members of the Committee for the opportunity to appear before you today. I am especially appreciative of your prompt scheduling of this hearing.

I am very honored to be President Bush's nominee to serve as General Counsel of the Department of the Treasury. My period of service in President Bush's White House, and my exposure to his leadership and integrity, have left a deep impression on me. I am also grateful to Secretary Paulson for his confidence in recommending me for this position. If confirmed, I look forward to working with the Secretary in furthering the Administration's economic agenda.

If you will permit me, I'd like to take a moment to introduce the members of my family who are here today, and whose support means so much to me.

Nearly twenty years ago, I decided to build my legal career in Washington. I believe the many professional experiences I have had since then have prepared me well to assume the role of General Counsel. These experiences include 15 years of private practice with a focus on representing public companies on issues involving government regulation and the capital markets; six years at the top management levels of an international law firm that grew to have more than 1,000 lawyers; and close to a year and a half working in the White House Counsel's Office. More than anything else, these experiences have taught me the value of providing legal advice that reflects the highest levels of integrity, analysis, vision and hard work.

I come to this hearing with a keen understanding that the legal issues facing the Treasury Department today are among the most critical in government. The Department is a key player in the continual strengthening of our national security, in the development and implementation of tax policy, and in maintaining and expanding the most impressive economy in the world. I understand that these areas and many others are of great importance to the Members of this

Committee and the Congress as a whole. If confirmed, I undertake to work with you to ensure that the Department receives the best legal advice as it continues in its great tradition of promoting America's economic agenda.

**SENATE FINANCE COMMITTEE  
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

**A. BIOGRAPHICAL INFORMATION**

1. Name: (Include any former names used.)  
**Robert F. Hoyt**
2. Position to which nominated:  
**General Counsel, U.S. Department of the Treasury**
3. Date of nomination:  
**September 29, 2006**
4. Address: (List current residence, office, and mailing addresses.)  
**Home: 5128 Wissioming Road, Bethesda, MD 20816  
Office: The White House, Washington, DC 20502**
5. Date and place of birth:  
**September 8, 1964, Delaware, OH**
6. Marital status: (Include maiden name of wife or husband's name.)  
**Married – Alysia A. (Cuilwik) Hoyt**
7. Names and ages of children:  
**Justin A. Hoyt (age 6)**
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

**9/78 - 6/82, Staples High School, High School Diploma 1982**  
**9/82 - 6/86, Cornell University, B.S. 1986**  
**9/86 - 6/89, University of Pennsylvania Law School, J.D. 1989**  
**9/87 - 6/89, University of Pennsylvania School of Arts and Sciences, A.M. 1989**

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

**6/87 – 8/87 – summer associate, Vorys, Sater, Seymour & Pease, Columbus, OH**

**5/88 – 8/88 – summer associate, Wilmer, Cutler & Pickering, Washington, DC**

**5/89 – 8/89 – summer associate, Wilmer, Cutler & Pickering, Washington, DC**

**9/89 – 8/90 – law clerk, Justice Herbert P. Wilkins, Massachusetts Supreme Judicial Court, Boston, MA**

**10/90 – 6/05 – associate/partner, Wilmer Cutler Pickering Hale and Dorr LLP (and predecessor firms), Washington, DC**

**7/05 – present, Associate Counsel to the President, The White House, Washington, DC**

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

**Congressional internship, Rep. Stewart B. McKinney, winter/spring 1982**

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

**Partner, Wilmer Cutler Pickering Hale and Dorr LLP (and predecessor firms) 1997-2005**

**Director, Life Skills Center, Washington, DC (I served as an outside director**

**for this non-profit organization for approximately one year in or around the mid-1990s)**

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)  
  
**American Bar Association (1990-2005)**  
**District of Columbia Bar (1990-present)**  
**Federalist Society (member active at various points during period of 1990-2005)**  
**Merrimack Park Recreational Association [pool club] (1993-2005)**  
**Mohican Swimming Pool Association (2004-present)**  
**Little Flower Catholic Church 2005-present**  
**Center for Individual Rights (member of Legal Advisory Board during mid-1990s)**
  
13. Political affiliations and activities:
  - a. List all public offices for which you have been a candidate.  
  
**None.**
  
  - b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.  
  
**None.**
  
  - c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.  
  
**None.**
  
14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)  
  
**Recipient, John M. Olin award for Law and Economics (1989)**  
**Order of the Coif (1989)**
  
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

**Robert F. Hoyt and Joseph K. Brenner, Investigating the Investigators, Litigation Magazine (Summer 2004)**

**Gerry Cater, Robert Hoyt & Greg Ewald, US Venture Capital Terms: Moving Towards New Standards? Private Equity and Venture Capital 2001 [International Financial Law Review, supplement]**

**Robert F. Hoyt and Jay V. Prabhu, United States Supreme Court Fails to Protect the Free Speech Rights of Lawyers Federalist Society, Professional Responsibility Section (2001)**

**David M. Becker & Robert F. Hoyt, Secrets and Securities: Who's an Insider?, Legal Times (Sept. 18, 1995)**

**Paul G. Cassell and Robert F. Hoyt, The Tale of Victims' Rights, Legal Times (Dec. 23, 1996) [republished in other periodicals]**

**Law Review Comment: Implementation & Policy: Application of Countervailing Duty Laws To NonMarket Economy Countries, 136 U. Penn. L. Rev. 1647 (1988)**

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with **two** copies of each formal speech.)

**None.**

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

**I believe that my background has prepared me for the responsibilities I will undertake, if confirmed, as General Counsel of the Department of the Treasury. For most of my legal career, my practice has been focused on advising clients in connection with complex business, governance and securities law issues in a regulatory context. This work has included enabled me to develop skills in counseling, advocacy, litigation and negotiation.**

**In my time at the White House, I have provided counsel on a variety of legal and policy-related issues. This experience has given me broad exposure to the different branches of the federal government, as well as many agencies in the Executive Branch.**

Finally, more than seven years of my experience in private practice involved the management of large numbers of lawyers as a result of my service on my law firm's Management Committee and Executive Committee, and my role as Vice Chair of a 200 lawyer securities practice. This aspect of my background has given me considerable experience in managing large groups of legal professionals.

**B. FUTURE EMPLOYMENT RELATIONSHIPS**

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

**I have already severed all connections with my past employers, other than my defined benefit pension plan with Wilmer Cutler Pickering Hale and Dorr LLP.**

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

**No.**

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

**No.**

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

**Yes.**

**C. POTENTIAL CONFLICTS OF INTEREST**

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

**Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by letter to Bernard J.**

**Knight, Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflict of interest arise in the future, I will seek guidance from a Treasury ethics official.**

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

**Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by letter to Bernard J. Knight, Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflict of interest arise in the future, I will seek guidance from a Treasury ethics official.**

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

**None.**

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

**Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by letter to Bernard J. Knight, Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflict of interest arise in the future, I will seek guidance from a Treasury ethics official.**

5. Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

**N/A.**

6. The following information is to be provided only by nominees to the positions of

United States Trade Representative and Deputy United States Trade Representative

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

**D. LEGAL AND OTHER MATTERS**

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

**No.**

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

**No.**

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

**No.**

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

**No.**

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

**None.**

**E. TESTIFYING BEFORE CONGRESS**

1. If you are confirmed by the Senate, are you willing to appear and testify before

any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

**Yes.**

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

**Yes.**

**Questions for the Record From Mr. Robert Hoyt  
November 14, 2006**

**From Chairman Grassley:**

1. It is my understanding that the SEC is, in some instances, depending on companies to provide a self-review as to possible violations of backdating of stock options. In many cases this self-review is done by outside counsel. Please inform me to what extent, if any, Treasury is depending on self-reviews of backdating by companies to determine whether there is any tax due and owing – either from the company or the involved individuals. Please provide a list of those companies who have conducted or are conducting such self-reviews.

**Response**

**I know that the backdating of stock options may raise issues under the tax law, but I am not specifically aware of how the IRS is identifying potential violations, nor do I have access to taxpayer-specific information about this issue. I understand, however, that the IRS is not dependent on self-reviews by outside counsel to determine whether there may be tax due and owing. If confirmed, addressing the Federal tax law consequences of corporate compensation practices, including backdated stock options, will be a high priority for me.**

2. Mr. Hoyt, I understand that there is uncertainty among Universities regarding federally sponsored research being categorized as a private activity for tax-exempt bond purposes. A guidance project related to this issue is included on the Treasury Office of Tax Policy and Internal Revenue Service Priority Guidance Plan. Could you provide your assurances that this issue will be addressed expeditiously in order to provide certain to the nation's research Universities?

**Response**

**I understand that the Treasury Department and the IRS have included a public guidance project on their 2006-2007 Priority Guidance Plan to clarify the treatment of Federally-sponsored research for purposes of the private activity bond restrictions under the Internal Revenue Code. I also understand that Treasury and the IRS presently are working on public guidance to clarify this issue. If confirmed, I will work to ensure that the Treasury Department and the IRS address this important issue expeditiously through the publication of public guidance.**

3. Mr. Hoyt, Internal Revenue Code section 7122(c)(2)(C), as added by section 509 of the Tax Increase Prevention and Reconciliation Act of 2005, imposes a new partial payment requirement for offers-in-compromise. That provision also allows the Secretary

to waive this partial payment requirement under certain circumstances. Is a guidance project for this provision currently underway? Will that guidance provide flexibility to allow taxpayers to use a combination of the lump-sum and installment agreement options? For example, will taxpayers be permitted to make an offer that consists of small periodic payments while an offer is being considered and larger periodic payments or a final lump sum payment after the offer is accepted? When is this guidance expected to be released?

**Response**

**I understand that in July 2006, the Treasury Department and the IRS published an official notice, which gave interim guidance to taxpayers regarding changes to section 7122 made by the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA). The Notice provided immediate guidance on how taxpayers could comply with new lump-sum and periodic payment requirements mandated by TIPRA, and also indicated that the Department and the IRS are developing more detailed regulations to implement the TIPRA amendments and revising applicable forms. If confirmed, I will work to ensure that the regulations are published and that they give appropriate consideration to flexibility in structuring installment agreements.**

**From Senator Baucus:**

1. To what extent are you familiar with Treasury's recently released tax gap plan? To what extent do you believe it is adequate to close the gap? What would you change, add or subtract? In your position as General Counsel, what will you done to increase compliance with current tax laws?

**Response**

**I am aware that in September 2006, the Treasury Department's Office of Tax Policy published a comprehensive strategy to reduce the tax gap. I am generally familiar with the strategy and believe that it provides a solid framework on which to build. If confirmed, I will work to ensure that the Treasury Department and the IRS focus their resources on improving compliance and reducing the tax gap.**

2. As Treasury General Counsel you will oversee the work of IRS Counsel. Often there are complaints about how long it takes to receive guidance from Treasury and IRS Counsel to issue guidance on tax laws. To what extent do you believe those complaints are valid and how would you improve the process? To what extent does timely guidance affect voluntary compliance and the tax gap?

**Response**

**I understand that each year, the Treasury Department and IRS publish a priority guidance plan identifying for the public those areas in which published guidance is**

under development. This year's plan has over 250 regulatory and administrative guidance items that Treasury and the IRS hope to publish by next July. As the complexity of the tax law increases, so does the need for administrative guidance interpreting and applying the law also increases. Unfortunately, increased complexity and the enactment of new tax provisions also act to slow down the pace at which guidance can be issued. To the extent these developments result in an inability of the Treasury Department and the IRS to issue timely guidance clarifying a growing number of ambiguities in the tax law, they also contribute to compliance problems which, in turn, add to the tax gap.

The Office of Tax Policy's comprehensive strategy to reduce the tax gap identifies as a key component of the strategy continued use of the regulatory guidance process to address both procedural and substantive issues to improve compliance. If confirmed, I will work to ensure that the Treasury Department and the IRS follow through on this commitment.

3. When the Department of Homeland Security was created, the Treasury department lost several of its enforcement agencies, such as the Secret Service and Customs. How do you believe the Treasury Department has dealt with the lack of investigation and enforcement officers? What do you think needs to happen to make sure that all financial intelligence is appropriately coordinated so that nothing slips through the cracks?

**Response**

My understanding is that the Treasury Department still exercises substantial civil investigatory and enforcement authorities, largely under the aegis of the Office of Terrorism and Financial Intelligence (TFI) and two of its components – the Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control (OFAC). I understand that FinCEN and OFAC coordinate their nationwide activities closely with criminal investigators at the Internal Revenue Service, as well as law enforcement counterparts at the Justice Department and the Department of Homeland Security. If confirmed as General Counsel, I will work to ensure that the Department responsibly uses its legal authorities to coordinate its financial intelligence activities and accomplish its important enforcement and intelligence responsibilities.

**Statement of Deborah Wince-Smith  
To Be a Member of the Internal Revenue Service Oversight Board,  
U.S. Department of Treasury**

**Senate Finance Committee  
November 14, 2006**

Chairman Grassley, Ranking Member Baucus, and Members of the Committee on Finance, I thank you for the opportunity to appear before you as you consider my nomination to become a member of the IRS Oversight Board. I am truly honored President Bush nominated me to this important position. If confirmed, I look forward to working with the Congress and the Administration to support the Board's statutory mission to provide strategic guidance and oversight to the operations of the Internal Revenue Service and strengthen the nation's tax system.

I am the President of the U.S. Council on Competitiveness, a 501(c)(3), non-profit, non-partisan membership organization that brings together CEOs, university presidents, and labor leaders committed to improving U.S. productivity growth, success in global markets, and ensuring a rising standard of living for all Americans. Currently celebrating its twentieth anniversary, the Council's agenda is focused on strengthening the nation's innovation capacity in both the private and public sectors and ensuring that the U.S. remains the global leader in 21<sup>st</sup> century innovation - the sustainable driver for high value investment, economic growth, and national and regional prosperity. This November, the Council will release its flagship Competitiveness Index, entitled "Where America Stands" benchmarking U.S. economic performance against global competitors and addressing key factors shaping America's future global competitiveness.

I also serve on a number of public and private sector Boards of Directors and national policy committees, including the Board of Directors of the NASDAQ Stock Market, the Board of Governors of Argonne National Laboratory, and the University of California's President's Council for the Department of Energy's Los Alamos and Lawrence Livermore National Laboratories. The corporate governance systems for these large, complex organizations in both the public and private sectors encompass diverse fiduciary and oversight responsibilities, such as strategic direction, budget and audit, executive

management, compensation, technology development, and operational risk. As a Director, I am committed to the highest standards of ethics, transparency and accountability.

Prior to 1993, I was privileged to serve in the U.S. Government for seventeen years. I began my career as a federal employee at the National Science Foundation and in 1984 was detailed to the White House Office of Science and Technology Policy. In 1989, President George H.W. Bush appointed me to serve as the first Assistant Secretary for Technology Policy in the Department of Commerce Technology Administration. Trained as an anthropologist and classical archaeologist, I am a Phi Beta Kappa graduate of Vassar College and earned the equivalent of a U.S. Master's degree from King's College, Cambridge University.

If confirmed, I will draw upon my diverse expertise and executive management experience, in both government and the private sector, to support the efficient and effective management of the IRS - an agency central to US government operations, financial stability, and the efficacy of our nation's tax system.

As set forth in the Restructuring and Reform Act this Committee enacted in 1998, the Oversight Board plays a critical function in ensuring that the IRS' strategic management goals, operational efficiency, and cost-effective execution align with its mission to implement and enforce the nation's tax revenue laws and regulations. Integral to this mission, in my view, is the need for the IRS to accelerate its delivery of best in class customer service to all taxpayers - making the twin pillars of "customer service and compliance" hallmarks of excellence for our nation's tax system.

If confirmed, I pledge to work on behalf of the American people to fulfill my duties as a member of the Oversight Board. The interests of all American taxpayers will be served by a strong and engaged Oversight Board and an IRS that embraces innovation in its operations and culture. Thank you, Chairman Grassley, Ranking Member Baucus, and all the members of the committee for this opportunity to be here today, and I welcome your questions.

**Senate Finance Committee**

**A. Biographical Information**

**1. Name: (Include any former names used):**

Deborah Lynne Wince-Smith  
(Maiden Name Deborah Lynne Wince)

**2. Position to which nominated:**

Member, Internal Revenue Service Oversight Board

**3. Date of nomination:**

To Be Announced

**4. Address: (List current residence, office, and mailing addresses.)**

1315 Merrie Ridge Road, McLean, VA 22101 (home)  
1500 K Street, NW, Suite 850, Washington, DC 20005 (office)

**5. Date and Place of Birth:**

October 26, 1950, Akron, Ohio

**6. Marital status: (Include maiden name of wife or husband's name.)**

Married, Husband Ambassador (ret.) Michael B. Smith

**7. Names and ages of children:**

Devereux B. Smith, Age 16  
Christian M. Smith, Age 15

**8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)**

- Old Trail School (high school) 1965 – 1968, Diploma 6/68
- Vassar College, AB, 1968 – 1972, degree awarded 6/72
- King's College, Cambridge University, 1973-1974, post graduate diploma awarded 7/74

- 9. Employment Record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)**
- Teaching Assistant, Vassar College, Poughkeepsie, NY 1972/1973
  - Professional Assistant, Assistant Program Manager, Program Manager, Eastern European Programs, National Science Foundation, Washington, DC 1976 – 1984
  - Policy Analyst, Senior Policy Analyst, Assistant Director, Office of Science and Technology Policy, The White House, Washington, DC 1984-1989 (detail from NSF)
  - Assistant Secretary for Technology Policy, Department of Commerce, Washington, DC 1989 - 1993
  - Senior Fellow, Council on Competitiveness, Washington, DC 1993-2001
  - Self-Employed Consultant, McLean, VA 1993-2001
  - President, Council on Competitiveness, Washington, DC 2001 - Present
- 10. Government experience: (List an advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)**
- Lawrence Livermore National Laboratory, 1996 to Present (Review Committees)
  - Los Alamos National Laboratory, 1994 – 2001 (Review Committees)
  - Argonne National Laboratory, 1996 – 2001, 2006 Board of Governors
  - Jet Propulsion Laboratory, 1997 – 1998, Consultant
  - Sandia National Laboratory, 1994 – 1999, Consultant
  - Chairperson, Secretary of Commerce, Federal Advisory-Committee on Strengthening America's Communities Initiative, appointed, June 2005
  - Secretary, Energy Task Force on Science, 2002 – 2003
  - Secretary of Energy Task Force on Nuclear Power, 2004
  - National Science Board Task Force on Transformational Research, August 2005
- 11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant or any corporations, company, firm, partnership, other business enterprise, or educational or other institution.)**
- Member, Board of Directors, NASDAQ Stock Market, 2004 to present
  - Member, Board of Directors, SCRAM (private firm), 1999 to present

- Member, Board of Directors, Friendly Light (private firm), 2001 to present
- Member, Board of Directors, CLIN (Community Learning Informative Network), (non-profit) 2000 to present
- Member, University of California President's Council for the National Laboratories, 2001 to present
- Member, Board of Directors, Cantabs, Inc. (private firm), 2002 to present
- Member, D-VSI (private firm), 1995 to present
- Member, Federal Advisory Board, SYBASE, 1995 – 1997
- Consultant, Xerox Corp. 1997 – 2001
- Consultant, EMC Corp., 1997 – 2000
- Consultant, University of California, 1995 to present
- Consultant, Sandia National Laboratory, 1993 – 2001
- Consultant, Los Alamos Laboratory, 1993 – 2001
- Consultant, Livermore National Laboratory, 1997 - Present
- Consultant, Kodak, 1995 – 1996
- Consultant, SYBASE, 1996 – 1998
- Consultant, National Center for Manufacturing Sciences, 1993 – 1995
- Senior Fellow, CELI (Congressional Economic Leadership Institute), 1993 - 1995

**12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)**

- Board of Overseers, University of Pennsylvania Museum of Archeology and Anthropology
- Cambridge University Society of America
- King's College, Chapel Foundation, Cambridge UK
- Vassar Club of Washington, DC
- Venerable Order of St. John's Hospitallers
- The Pilgrims Society of America
- Women's Forum of Washington, DC
- International Women's Forum
- Belizean Grove (Women's Professional Group)
- Corporate Women Directors of Washington, DC
- Army-Navy Club of Washington, DC
- DACOR and DACOR Foundation of Washington, DC
- Marblehead Historical Society
- Woodrow Wilson Center Advisory Board
- Trustee, National Inventors Hall of Fame

**13. Political affiliations and activities:**

a. List all public offices for which you have been a candidate.

None

b. List all membership and offices held in and service rendered to all political parties or election committees during the last 10 years.

None

c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

- Bush Presidential Campaign 2000
- Dole Presidential Campaign 1996
- Congressman Ed Whitfield
- Republican National Committee

**14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognition for outstanding service or achievement.)**

- Valedictorian, Old Trail School, June 1968
- Phi Beta Kappa, Vassar College, 1972
- Vassar College, General and Departmental Honors, 1972
- Vassar McGuire Fellowship to King's College, Cambridge, 1973
- William Rana Kennedy Prize, King's College, Cambridge, 1974
- Special Achievement, Merit Increase and Outstanding Service Awards from the National Science Foundation, 1977 - 1989
- Lincoln Gries Award for Distinguished Alumnae, Old Trail School, 2005

**15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)**

**Selected Publications**

Reports from Committees Ms. Wince-Smith was a Member of

- [Chair] *Report of the Strengthening America's Communities Federal Advisory Committee* (2005)
- *Final Report of the Secretary of Energy Advisory Board: Critical Choices: Science Energy and Security* (October 2003)

#### **Major publications of the Council on Competitiveness under Ms. Wince-Smith's Presidency**

- *Innovate America: Thriving in a World of Challenge and Change* (2004)
- *Supercharging U.S. Innovation & Competitiveness: High Performance Computing 2005 Users Conference Report* (2004)
- *Creating Opportunity Out of Adversity: Proceedings of the National Symposium on Competitiveness and Security* (2002)

#### **Reports from Major Council on Competitiveness Co-Sponsored Events**

- EU Summit Report (2005)
- Report of the All Ireland Competitiveness Forum (2003)

#### **Other Publications**

- Deborah L. Wince-Smith, "South must innovate to compete globally [Op-Ed]," *Atlanta Journal-Constitution* (October 31, 2005)
- Deborah L. Wince-Smith, "Advancing Regional Prosperity Through Innovation," *Economic Development America* (Spring 2004)
- Deborah L. Wince-Smith, "National Priorities for Science and Technology: A View from the Industrial Community," *AAAS Science and Technology Policy Yearbook* (2003)
- Deborah L. Wince-Smith, Thomas A. Waltermire, Luis Proenza, and Samir G. Gibar, "Restoring Ohio's Economic Muscle by Building on Its Strengths," *Akron Beacon Journal* (September 10, 2002)
- Deborah L. Wince-Smith, "Incentives for Investment in Innovation: The Strategic Role for Government," in CSIS, *Global Innovation/ National Competitiveness: A Report of the CSIS Senior Policy Group on National Challenges and the Senior Action Group on R&D Investment Strategy* (1996)
- Deborah L. Wince-Smith, "Challenge of Technological Competitiveness," *Les Nouvelles* (March 1993)
- Deborah L. Wince-Smith, "Rising to the Challenge: Advising Change to 40-Year-Old Federal Policy." *Economic Development America* Summer 2005: 3.

#### **Published Interviews**

- "Innovate at Your Own Risk", *Harvard Business Review* (May 2005)
- "Where's My Job?" *Technology Review* (April 2004)

16. **Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)**

I have regular speaking engagements on the issues of competitiveness and innovation with major business, academic, public policy and government organizations regionally, nationally and internationally.

I have never addressed the internal operations of the IRS.

Below is a partial list of recent speaking engagements. I enclose two copies of each of the highlighted speeches as illustrative examples.

***National and Regional***

- Council on Competitiveness Annual Meeting/ Innovation Summit (October 31, 2005)
- American Petroleum Institute (October 17, 2005)
- U.S. Department of Commerce, Economic Development Administration (EDA) National Conference (June 2004)
- EDA Regional Innovation Conferences in Albuquerque, NM; Akron, OH; Wilmington, DE; St. Louis, MO (2003-2005)
- President's Economic Summit, "Preparing for the Jobs of the 21st Century" (Dec. 2004)- Panel chaired by Secretary of Labor Elaine L. Chao
- Department of Labor, Senior Staff Meeting (Jan. 2005)
- Business Higher Education Forum (Feb. 2005)
- Research America National Forum, "Research: The Risks, the Rewards and the Returns." (March 2005)
- National Summit on Regional Innovation (April 2005)- Sponsored by the EDA
- Industrial Research Institute Annual Meeting (May 2005)
- Western Governors' Association Annual Meeting (June 2005)- Panel with Governor Bill Owens of Colorado
- Tennessee Valley Corridor National Summit 2005 (July 2005)- Panel with Congressman Zach Wamp (R-TN), Ray Orbach, Director, Department of Energy Office of Science, and others.
- Johns Hopkins Government Forum, "Rekindling the Passion for Innovation" (July 2005)- A panel discussion with JHU President William R. Brody, Sen. Paul Sarbanes (D-MD) and others.

***International***

- Transatlantic Dialogue on Innovation—The Netherlands (April 2005). Hosted by the Prime Minister of the Netherlands, in cooperation with the Council on Competitiveness and the EU presidency of Luxembourg
  - Partnership for Prosperity—Mexico (June 2003/ June 2004). The first and second meetings in the Partnership for Prosperity established by President Bush and Mexican President Fox.
  - First Brazilian Competitiveness Forum—Brazil (Sept. 2003). President Deborah Wince-Smith delivered the keynote address sharing our strategies for enhancing U.S. competitiveness and discussing ways in which we can collaborate.
  - All-Island Competitiveness Forum—Ireland (Feb. 2003/ June 2004). President Deborah Wince-Smith was invited to keynote the first All-Island Competitiveness Forum in Limerick in February 2003. The Council led a delegation to attend the All Island Competitiveness Forum in June 2004.
- 17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)**

I have had extensive operational experience serving on the Board of Directors and management oversight bodies for non-profit and for-profit entities in both the public and private sectors. I have held senior executive management positions in the public and private sectors as well. As the Assistant Secretary of Commerce for Technology Policy, I was vested with operational responsibility for personnel, budgetary and operational matters. I testified before oversight committees of Congress evaluating performance and program results. As a member of the Board of Governors of Argonne National Laboratory, a Department of Energy National Laboratory operated by the University of Chicago, I served on the budget and administration, audit, and science and technology committees. I chaired the budget committee during my second term on the Argonne Board. As a member of the Board of Directors of the NASDAQ Stock Market, a public traded company, I currently serve on the compensation and policy committees. The NASDAQ Board of Directors is committed to the highest standards of corporate governance in fulfilling its fiduciary responsibilities to shareholders and public equity markets.

Currently, as the President of the Council on Competitiveness, a 501C3, non-profit organization, I report to the Chairman of the Board. The Council is a non-partisan membership organization of Chief Executives Officers of major U.S. Corporations, University Presidents, and Labor Leaders, committed to improving U.S. productivity, the standard and living for all Americans, and success in global markets. The Council's policy studies are funded by membership dues from its members, grants and contracts

from Foundations and Government agencies, and private sector firms. As the senior executive, I am responsible for the fiduciary management and execution of business operations for the Council. In conclusion, I have wide ranging experience and understanding of the corporate governance structure required for the effective management of large scale, complex organizations.

Given the pivotal importance of the Internal Revenue Service to the financial stability and operations of the United States Government, the IRS Oversight Board plays a critical role in ensuring that management goals, operational efficiency and cost-effective execution align with its tax administration mission to ensure tax compliance, collect revenues and deliver customer service to the American taxpayer, and implement and enforce the laws and regulations of the Congress of the United States.

#### **B. Future Employment Relationships**

1. **Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.**

No. The position for which I have been nominated is a part-time position.

2. **Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensations, during your service with the government? If so, provide details.**

Yes, See #1, immediately above.

3. **Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.**

No

4. **If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.**

Yes

**C. Potential Conflicts of Interest**

- 1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.**

None

- 2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.**

None

- 3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.**

2002 – House Government Affairs Committee in support of authorization for EDA in the Department of Commerce.

- 4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)**

N/A

- 5. Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.**

N/A

- 6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:**

**Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade**

matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g. March to December 1995), and the number of hours spent on the representation.

N/A

**D. Legal and Other Matters**

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

No

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None

**E. Testifying Before Congress**

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes

**Questions for the Record From Hon. Deborah Wince-Smith  
November 14, 2006**

**From Senator Baucus:**

1. Are you familiar with Treasury's recently released tax gap plan? To what extent do you believe it is adequate to close the gap? What would you change, add or subtract? What role should the Oversight Board play in closing the tax gap? What dollar figure would you consider to be an acceptable tax gap each year?

*Response:* I understand the importance of the tax gap, and the IRS Oversight Board's efforts to recommend steps to address it. While I have not reviewed the Treasury Department's recent strategy in detail, if confirmed, I will make it a priority to learn more about this issue and help the IRS Oversight Board identify appropriate steps that can be taken to improve tax compliance in this country.

2. Describe the appropriate relationship between the IRS Oversight Board and the IRS. To what extent should the Board influence tax policy and administration? How should differences of opinion between the IRS and the Board be resolved?

*Response:* From my review of the statute creating the IRS Oversight Board, I believe the Board's role is to oversee the IRS as it administers the tax laws in this country and to see that the organizational and operational structure of the agency permit it to carry out its mission. I recognize, though, that the Board is not permitted to participate in the formulation of tax policy recommendations. With respect to potential differences between the Board and the IRS, I believe it is incumbent on all the members of the Board to work together to resolve any such difficulties in a professional manner.

3. Name the three most serious challenges facing the IRS. What do you think should be done to resolve them?

*Response:* I am aware of the items that the IRS Oversight Board has previously enumerated in its annual reports. If confirmed, I look forward to learning about all the issues facing the IRS so I can formulate opinions and suggest priorities for addressing these matters. Given my background with respect to competitiveness, I am particularly interested in working with the IRS to ensure that the agency consider the impact that our current tax system can have on the competitiveness of United States as the best location to do business in the global economy and to attract high value investment.

4. What are your priority issues that you bring to the Board? What unique contribution will you make to improve tax administration?

*Response:* If confirmed, I will draw upon my diverse expertise and executive management experience, in both government and the private sector, to support the efficient and effective management of the IRS - an agency central to U.S. government's operations, financial stability, and the efficacy of our nation's tax system. I also will focus on the need for the IRS to accelerate its delivery of best in class customer service to all taxpayers - making the twin pillars of "customer service and compliance" hallmarks of excellence for our nation's tax system. It is important that the IRS develop strong and transparent metrics to see the success of achieving this balance. Finally, I pledge to ensure that the IRS embraces innovation in its operations and culture and takes into account ways to improve the competitiveness of U.S. businesses.

5. You are the President of the Council on Competitiveness, a non-profit coalition aimed at improving the competitiveness of U.S. industry. As I'm sure you know, many of the IRS's most serious challenges involve international taxation because it is so complex and difficult to administer. How will you use your expertise on competitiveness to help the IRS be more effective at administering and enforcing international tax law?

*Response:* If confirmed, I will use my expertise on competitiveness to stress the importance of an efficient, transparent, and technologically superior tax administration system. Innovation will help the IRS to create the best taxpayer services, as well as help ensure that the IRS carries out its mission.

6. In your opening statement, you cited the importance of taxpayer service in achieving effective tax administration. How will you use your position on the Board to ensure the IRS has the appropriate balance of service and enforcement?

*Response:* If confirmed, one of my key items will be to have the IRS Oversight Board, in collaboration with the IRS, develop strong transparent metrics and measures to ensure the appropriate balance of service and enforcement.

