



## **DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS**

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Contact: Tara Bradshaw  
(202) 622-2014

### **STATEMENT OF J. RUSSELL GEORGE BEFORE THE COMMITTEE ON FINANCE UNITED STATES SENATE**

Chairman Grassley, Senator Baucus, and Members of the Committee on Finance, thank you for the opportunity to provide testimony today.

It is an honor to be here as the President's nominee for the position of Treasury Inspector General for Tax Administration. I am truly grateful to the President for the trust placed in me by his appointment.

I would also like to thank Senator Sununu for his gracious introduction. It was a pleasure working with him during his tenure in the U.S. House of Representatives.

Mr. Chairman, Senator Baucus, I have served as an inspector general for nearly two years. Prior to that, I had the opportunity to assist the chairman of the subcommittee in the House of Representatives with responsibility for overseeing the implementation of the Inspector General Act. For over seven years in that position, I worked with inspectors general as they performed their roles. I observed firsthand how the activities of inspectors general can benefit agencies, Congress, and the nation. From that experience, as well as my current position, I have come to the following conclusion: An inspector general is not another general counsel of an organization. The inspector general's function is to identify waste, fraud and abuse and advise both the agency head as well as Congress on his or her findings with the goal of stemming inappropriate activity and helping to avoid its recurrence.

Given the very important role the Internal Revenue Service provides to the nation, I am very much aware of the sensitive nature of the position for which I am being considered. I assure you that, if confirmed, the Office of Inspector General will be zealous in its oversight of the agency.

In 1995, when I joined then Chairman Stephen Horn as the staff director of the House of Representatives' Government Management subcommittee, one of the first charges I received from him was to examine issues pertaining to the Internal Revenue Service, especially those

identified by the General Accounting Office as being at high risk of waste and abuse. Among the first issues we reviewed were: (1) what was then referred to as the tax systems modernization initiative and is currently referred to as business systems modernization; (2) what is now referred to as the "tax gap" and other compliance issues; and (3) the issue of erroneous and improper payments.

As you know these very same issues which we reviewed nearly a decade ago still persist and in some cases have been exacerbated. They will be among the first areas that I will focus on if confirmed.

In addition, I had the opportunity to assist with the House of Representatives' consideration of the IRS Reform and Restructuring Act, which as you know established the position of Treasury Inspector General for Tax Administration. Working with Representative Portman and his staff on this legislation enhanced my understanding of the significant role and responsibility of the Inspector General for Tax Administration.

Mr. Chairman, once again, thank you for the opportunity to appear here today. I have devoted most of my career to public service. If afforded the opportunity to assume the position to which I have been nominated, I will do my level best to ensure that the Office of Treasury Inspector General for Tax Administration continues to assist the Secretary of the Treasury and the Commissioner of the Internal Revenue Service in their efforts to ensure that the IRS serves the nation in a more efficient, effective and responsive manner.