



# Committee On Finance

Max Baucus, Ranking Member

**NEWS RELEASE**

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## **Baucus Questions Diversion of IRS Resources:**

*Senator Seeks Answers from Treasury Secretary on IRS Chauffeur Service*

(WASHINGTON, D.C.) Today, U.S. Senator Max Baucus, ranking member of the Senate Committee on Finance, was joined by Chairman Grassley in requesting information from Treasury Secretary John Snow regarding the diversion of IRS enforcement dollars and personnel to provide transportation to and from home and work for certain top Treasury officials.

Full text of the letter to Secretary Snow signed by Senators Baucus and Grassley follows:

October 25, 2004

The Honorable John Snow  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue  
Washington, DC 20220

Dear Mr. Secretary:

The IRS's limited resources require vigilance to prevent fraud, waste, and abuse of taxpayer dollars. Given the IRS's mission, its scarce resources should be dedicated primarily to taxpayer service and enforcement efforts. Further, the IRS's Criminal Investigation Division (CID) is a key player in the enforcement side of that equation. Unfortunately, over the years, there has been a struggle to strike the correct balance between CID's tax enforcement and their assistance to other agencies on non-tax efforts (e.g., drug enforcement). We have recently learned of another drain on their resources. Specifically, that CID is providing portal to portal (home to work) travel service for certain Treasury Department official(s).

The portal to portal service appears in conflict with CID's mission – to serve the American public by investigating potential criminal violations of the Internal Revenue

Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law. While we have been encouraged by Commissioner Everson's talk of cracking down on tax cheats, it is difficult to see how the Commissioner can use every available person for cracking down on tax cheats when his CID has to provide up to 10 CI agents (costing nearly \$2 million of taxpayer money) to provide chauffeur service to the Treasury Department. We are concerned that the portal to portal service is not a proper use of IRS resources.

Therefore, please provide a detailed explanation of the Treasury official(s) receiving such service, the cost to the American taxpayer (in dollars and personnel), the rationale for such service, and the opportunity cost from pulling the CID agents off of tax enforcement efforts. We would also appreciate your response to the following:

- What is the process Treasury followed to determine if such official(s) needed portal to portal service? Is this process the same as the process for all other Administration officials? If not, how does it differ?
- Did Treasury contact the Department of Homeland Security (DHS) and the United States Secret Service (USSS) to request such transportation service? If so, who made the contact(s) from Treasury and who did they contact at DHS and/or USSS? Also, if Treasury did contact DHS and/or USSS, what was the response from DHS and/or USSS? Please provide all documentation (e.g., correspondence, notes, messages, meeting minutes, and emails) regarding the request(s).
- If DHS and USSS declined to provide transportation for the Treasury official(s), which Treasury official authorized the use of CID agents and what qualifications/criteria did they use to justify such use?
- In light of the transfer of the USSS from Treasury to DHS, to what extent has the IRS's (and particularly the IRS CID's) mission shifted to that of security/transportation services?
- Please provide all correspondence between Treasury and the IRS regarding this transportation service.

We appreciate your prompt attention to this matter. Given the return of Congress in November to, in part, decide the Treasury's FY 2005 appropriation, please provide your response on or before November 1, 2004.

Sincerely yours,

Max Baucus  
Ranking Member

Charles E. Grassley  
Chairman