



Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release
Monday, June 26, 2006

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BAUCUS CONCERNED TAX RECORDS MAY BE SNOOPED NEXT

Finance Committee's top Democrat asks whether IRS records are under secret review

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Democrat on the Senate Finance Committee, today asked President Bush for assurance that Americans' tax records are not being reviewed without warrants by the Federal government. In a letter to the White House, Baucus cited recent news reports that Americans' banking transactions have been secretly monitored for years without any warrant or legal approval. It was revealed earlier this year that Americans' telephone records have also been subject to secret review by the government. Section 6103 of the U.S. Tax Code explicitly prohibits the disclosure of tax information.

“With all the warrantless snooping uncovered already, it’s perfectly reasonable to wonder whether Americans’ tax records are under review too,” said Baucus. **“What we put on our tax returns tells a lot about our lives. If the laws protecting tax records are being circumvented by this administration, folks in my home state of Montana – and all Americans – have a right to know that this information, too, is no longer truly private.”**

The text of the Senator's letter follows here:

June 23, 2006

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I want to express my concern for American taxpayers' privacy in light of reports that your administration secretly has monitored millions of confidential financial transactions for almost five years. The *New York Times*, the *Washington Post* and other papers have reported that investigators are using a vast international database to examine banking transactions involving thousands of Americans. Administration officials did not seek individual court-approved warrants or subpoenas to examine specific transactions.

Coming on the heels of previous reports that the National Security Agency has eavesdropped without warrants on telephone conversations of thousands of Americans, I have concerns about the growing scope of these secret investigations. While I understand the need to find and prosecute suspected terrorists in the interest of national security, I have a growing concern that investigators might feel compelled to sift – without warrants – through vast amounts of financial information protected by the Internal Revenue Service.

The integrity of our voluntary self-assessment tax system depends on the government's commitment to protect sensitive financial information provided by taxpayers to the IRS. Can you assure me that the U.S. Department of Treasury, which reportedly used its powers of administrative subpoena to compel bank records to be opened, is not using the same tactic to secretly open databases of Americans' sensitive tax records? American taxpayers deserve to know whether their government is ignoring the rule of law to mine tax information protected from disclosure under Section 6103 of the Internal Revenue Code.

Sincerely yours,

Max Baucus
Ranking Member

cc: The Honorable John W. Snow
The Honorable Mark W. Everson

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