

**STATEMENT OF THE HONORABLE MARK W. EVERSON
BEFORE THE
U.S. SENATE COMMITTEE ON FINANCE**

March 18, 2003

Good morning, Mr. Chairman, Senator Baucus, and members of the Committee. As you know, my name is Mark Everson and I am the Deputy Director for Management at the Office of Management and Budget. It is an honor to be before the Committee today as you consider my nomination to become Commissioner of Internal Revenue.

Before taking your questions I appreciate the chance to touch upon two subjects: why I want to assume the post for which you are considering me today, and a brief summary of the areas that I would expect to emphasize most during my tenure if confirmed as Commissioner.

The foundation of my interest in becoming Commissioner of Internal Revenue is a deep appreciation for the importance of public service. In fact, commitment to public service is a value shared with my wife, Nanette, who is here with me today but who also serves in government as a member of the White House Counsel's office where she oversees the ethics portfolio. Public service is demanding, particularly for family members. I am thankful for Nanette's love and support, as well as that of our daughter Emma, also here this morning, and her brother Leonard, who is a cadet at Fishburne Military School in Waynesboro, Virginia and can not be with us because of mid-term exams.

Our government provides a myriad of programs and services to its citizens, from defending our homeland, to improving educational opportunities for our young, and protecting the environment for future generations. Virtually all of the revenues which fund these programs are collected by the Internal Revenue Service. That, in and of itself, makes the IRS a core element of our government. But the fact that the IRS interacts with so many individuals, in fact more than any other agency, makes the Service an important face of our government to its citizenry. The IRS needs to serve taxpayers in a manner which facilitates their voluntary compliance with our system of taxation. Moreover, a properly functioning IRS increases our citizens' respect for government institutions as a whole and, viewed from this perspective, is central to maintaining our democracy. If confirmed as Commissioner, it will be a great honor to lead the Service's many dedicated employees as they perform this essential work.

The IRS reforms which the Congress enacted nearly five years ago have proven sound. I believe my first task, if confirmed as Commissioner, will be to reinforce and build upon the excellent work of Charles Rossotti. I am convinced the IRS has made great strides in the last several years in enhancing service to taxpayers. But, as you know, and as members of the Committee have often stated, much remains to be done. In order to realize the full benefits of the '98 Reform Act, line managers and employees at all levels of the organization must fully embrace the changes which began under Commissioner Rossotti. All should understand that the agency will stay the course in organizing around lines of business designed to better serve the taxpayer.

A second area of emphasis will be continued modernization. If confirmed, I will work to support the information technology modernization efforts which have been underway for some years. Their success is badly needed in order to establish a more efficient and effective IRS. I

would add that the information technology modernization program must be supplemented with other business process improvements which will allow the IRS to redirect scarce resources to operational priorities.

A third area of focus, should I be confirmed as Commissioner, will be to strengthen the integrity of the nation's tax system through enhanced enforcement activities. The IRS must deter those who might be inclined to evade their legal tax obligations, and appropriately pursue those who actually do so. A substantive element of a proper enforcement posture will be closer work with practitioners. There are clear indications that professional standards have eroded in some corners of the practitioner community. Attorneys and accountants should be pillars of our system of taxation, not the architects of its circumvention.

Let me close by saying that, as I have already indicated, I believe it is always an honor to serve in government. However, I think it is a distinct privilege to be nominated by the President and be considered by the Senate to serve at this time in our nation's history when the stakes of having an effective government are so high. I know this Committee has a deep interest in the affairs of the Internal Revenue Service, including the issues I have just mentioned. If confirmed, I look forward to working with Senators on both sides of the aisle. I will do my utmost to successfully carry out the responsibilities entrusted to me as Commissioner of Internal Revenue. Thank you and I will be happy to answer your questions.