

**NOMINATIONS OF TERESA M. RESSEL AND  
ROBERT S. NICHOLS**

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**HEARING**

BEFORE THE

**COMMITTEE ON FINANCE**

**UNITED STATES SENATE**

**ONE HUNDRED EIGHTH CONGRESS**

FIRST SESSION

ON THE

NOMINATIONS OF

TERESA M. RESSEL, TO BE ASSISTANT SECRETARY FOR MANAGEMENT,  
DEPARTMENT OF THE TREASURY; AND ROBERT S. NICHOLS, TO BE  
ASSISTANT SECRETARY FOR PUBLIC AFFAIRS, DEPARTMENT OF THE  
TREASURY

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JULY 30, 2003  
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ASSISTANT SECRETARY FOR MANAGEMENT,  
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**WEDNESDAY, JULY 30, 2003**

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

The hearing was convened, pursuant to notice, at 10:09 a.m., in room 215, Dirksen Senate Office Building, Hon. Charles E. Grassley (chairman of the committee) presiding.

Also present: Senators Baucus and Bunning.

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

The CHAIRMAN. I hope you folks that are waiting here do not worry about Senator Baucus and I talking. It did not have anything to do with you. [Laughter.]

Today we consider the President's nominations of Mr. Robert Nichols to be Assistant Secretary for Public Affairs at the Department of Treasury and Ms. Teresa Ressel to be Assistant Secretary of Management, and CFO, also, at the Department of Treasury.

Mr. Nichols has spent his career in press relations, having served as Press Aide on Capitol Hill, and has been at Treasury as a member of the present administration.

Ms. Ressel brings a good background of management in the private sector to her current position at Treasury, where she has been Deputy Assistant Secretary for Management, as well as Acting Assistant Secretary for Management and CFO. So, I congratulate both of you on your nomination.

I will call on Senator Baucus for opening comments, then we will go to you.

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

Senator BAUCUS. Thank you, Mr. Chairman.

I welcome both nominees. I believe that today's hearing is important to the Treasury Department and to the country as a whole.

Let me explain why. The Treasury Department and its officials have always played a critical role in our Federal Government. This

dates back to our first Treasury Secretary, Alexander Hamilton, and it continues to the present.

Today, Treasury deals with a wide variety of issues that are the forefront of our National and international agenda. They include the Secretary, who is the primary economic spokesman for the administration. The Treasury Department is responsible for all of our tax policy and our revenue collection.

The Treasury is responsible for our policies on the value of our currency. The Treasury Department is responsible for executing borrowing by the Federal Government, including preventing default on our National debt.

I might add that this responsibility takes on an even greater importance now that the OMB projects near-term deficits of over \$450 billion a year, and the likelihood that these deficits will turn out to be even higher.

The Treasury Department also plays a critical role in the fight against terrorism. For example, the IRS's Criminal Investigation Unit has worked diligently since September 11, 2001 with other law enforcement agencies to disrupt and dismantle the financial components of terrorist organizations.

The Office of Foreign Assets Control in the Department of Treasury administers and enforces financial, economic, and trade sanctions based on U.S. foreign policy and national security goals against terrorists, those engaged in the proliferation of weapons of mass destruction, targeted foreign countries, and others.

These are just a few of the Treasury's many responsibilities to help carry out its important roles. Treasury must have a top-flight Public Affairs Office, and because any word coming from the Treasury Department can cause Finance Committee markets to rise or fall immediately, it is important that that spokesman be an excellent person.

If the Public Affairs Office is to do its job well, it has to have a well-qualified leader. The administration has sent up such a nominee in Mr. Robert Nichols.

Just as important to the Treasury Department, is its Office of Management, including the role of its Chief Financial Officer. This unit deals with the wide range of infrastructure that is needed for Treasury to carry out all of its vital responsibilities: personnel, computer systems, the major renovation of the Treasury building, office space, and many more. These may sound like very dry subjects, but let us look a little deeper.

The IRS's Criminal Investigations Unit cannot disrupt terrorist organizations if it does not have enough funds to meet its resource needs.

The Office of Foreign Assets Control cannot fight those engaged in the proliferation of weapons of mass destruction if its computer system is constantly malfunctioning, even as much as two straight days, as has already been heard.

The Treasury Department's Inspector General cannot fight fraud adequately if 70 percent of its budget and staff are cut, when only 35 percent of its work was shifted to the Department of Homeland Security.

These are just a few examples of the important role that the Office of Management, including the Chief Financial Officer, play in order for Treasury to meet its responsibilities.

As with the Public Affairs Office, Treasury's Office of Management needs a well-qualified leader to head it up and to fill the role of the Chief Financial Officer. The administration has sent Ms. Ressel as its nominee.

When the Senate considers a nominee that has never held the position before, there is always some uncertainty about how the nominee will perform in that position.

But this nomination is somewhat different because the nominee has already held the position for which she has been selected. She has a track record. She has been the Acting Assistant Secretary of Management and Acting Chief Financial Officer for about 9 months. Prior to that, she was Deputy Assistant Secretary of that office for about 14 months. So, we know a lot about how the nominee has performed in this job.

In this case, I have quite a few concerns about Ms. Ressel's tenure in the Office of Management and as Chief Financial Officer, and I plan to address those concerns with her when I have the opportunity to address her during this hearing.

Meanwhile, I look forward to the hearing. Thank you, Mr. Chairman, for holding it and giving the opportunity for the nominees to present themselves to the American people.

The CHAIRMAN. Well, at this point we would receive your opening statement, if you have any, and also an opportunity for you if you have people in the audience who have come to support you at this time, family or friends, or both, for you to introduce those.

We will start with you, Ms. Ressel, if you would like to introduce anybody. Let us do it this way. If you have got anybody you want to introduce, let us do that, first, then Mr. Nichols can introduce something. Then we will go to your statements.

Do you have anybody you want to introduce?

Ms. RESSEL. No, sir.

The CHAIRMAN. Mr. Nichols?

Mr. NICHOLS. Yes, Mr. Chairman. Thank you very much. I would like to introduce to you and Ranking Member Baucus my wife Rebecca, right here in the front row.

The CHAIRMAN. Thank you.

Mr. NICHOLS. Thank you.

Senator BAUCUS. Would you stand, Rebecca, so everybody can see you? You are a proud spouse. This is a big moment.

The CHAIRMAN. Yes. Sure enough.

Let us go with your opening statement.

Ms. RESSEL. Yes, sir.

The CHAIRMAN. And, by the way, any sort of longer statement you want put in the record will be placed in the record in both instances.

Ms. RESSEL. Yes, sir. Thank you.

**STATEMENT OF TERESA M. RESSEL, NOMINATED TO BE ASSISTANT SECRETARY OF MANAGEMENT, DEPARTMENT OF THE TREASURY, WASHINGTON, DC**

Ms. RESSEL. Chairman Grassley, Ranking Member Baucus, members of the committee, and staff members of the committee, I am honored to be nominated by the President as Assistant Secretary for Management and Chief Financial Officer.

If confirmed, I look forward to working with this committee on a very, very common goal that I think we all have, which is essential financial leadership and strong operational leadership across the Department of Treasury.

Treasury is an anchor for financial management, not just within the Department of Treasury, but for all intents and purposes, across the entire government. If you consider the IRS as basically the accounts receivable department for the entire government, you consider financial management services as accounts payable, and the Bureau of Public Debt, as Senator Baucus alluded to, relative to the debt situation within the country, one can easily realize that this operational platform within Treasury is extremely important to the U.S. Government.

When Congress looks towards the Treasury Department to implement new initiatives within Treasury, whether or not it is the Postal Commission, whether or not it is terrorism risk insurance, whether or not it is the Airline Stabilization Board, as well as a number of initiative that you all think are important and we think are important within tax policy, international affairs, and domestic finance, typically it is the Office of Management that serves as an enabler.

I will leave most of my formal comments and my statement for the record, but I have two things to say. One, is that Management, in the last year, has tended to move very, very quickly to address many of the personnel issues, as well as to make sure that a number of the items that were residual with homeland security get addressed. I welcome any questions that you all might have about that.

I would like to thank all of my colleagues at the Treasury Department. I have worked at Treasury for two years, first as the Deputy Assistant Secretary for Management and Budget, and since November, as the Acting Assistant Secretary for Management.

September 11th served to highlight a lot of the phenomenal contributions of our Federal workforce, and I am constantly impressed by the dedication and competence of each and every one of the teammates that I have. Some of my colleagues are here today and I want to thank them.

I view the opportunity to lead as the Assistant Secretary for Management as an honor and a privilege.

I also want to thank my family, especially my husband Chip and our three children, Rick, Steve, and Claire, who are five, seven, and nine, respectively. Our son, nine, suggested that his allowance should be \$10 because the Treasury building is on the back of the note, but in showing good financial stewardship and frugality at home, we are discussing that.

Finally, my father died right after I was asked to serve as Acting Assistant Secretary for Management, but he is with me today in



spirit. His patriotism was definitely an example in the Mullett household growing up, and I thank all of you for this opportunity to answer your questions and to serve.

Thank you very much.

The CHAIRMAN. Thank you.

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

The CHAIRMAN. We will go to Mr. Nichols before we ask questions.

Mr. Nichols?

**STATEMENT OF ROBERT S. NICHOLS, ASSISTANT SECRETARY FOR PUBLIC AFFAIRS, DEPARTMENT OF THE TREASURY, WASHINGTON, DC**

Mr. NICHOLS. Thank you, sir. Chairman Grassley, Ranking Member Baucus, members of the 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 the President has nominated me for this position and that you are taking the time to consider it today.

I also thank Secretary Snow for his leadership and him having the confidence in me to serve in this post.

Mr. Chairman, the Treasury Department, an agency with a long and rich history of service to the Nation dating back to 1789, is at the center of the President's efforts to create jobs and economic growth.

If I am confirmed by the Senate, I look forward to making the case publicly for the President's economic agenda and to keeping you and your committee informed of Treasury's work.

Within the Department, the Assistant Secretary for Public Affairs plays a leading role in educating the American people about tax and currency policy, debt management, Social Security and Medicare financing, and a host of international issues that impact our prosperity.

A large part of this job is representing the President's views on an issue to the media, and through them to the general public. I look forward to doing that and working with the Press Corps to keeping the American people informed about the decisions that are being made here in Washington, DC.

Members of the committee, while I am proud to have been nominated for many fundamental reasons, there is one I would like to share today. I deeply believe that President Bush's recent economic growth proposal move the U.S. economy in the right direction. I believe it's an investment in the American people and their future.

I think it will give the economy the boost it needs to grow and create jobs so that millions of Americans could be more secure and confident, both now and in the future. It is an honor for me to be associated with this President's economic leadership.

Thank you both very much.

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

The CHAIRMAN. All right. Thank you very much.

Now, the first three questions I ask each of you are exactly the same. They are questions that we would ask every nominee.

First, is there anything 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? Ms. Ressel?

Ms. RESSEL. No, sir.

The CHAIRMAN. Mr. Nichols?

Mr. NICHOLS. 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? Ms. Ressel?

Ms. RESSEL. No.

The CHAIRMAN. Mr. Nichols?

Mr. NICHOLS. 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 you are confirmed? Ms. Ressel?

Ms. RESSEL. Yes.

The CHAIRMAN. Mr. Nichols?

Mr. NICHOLS. Yes, Mr. Chairman.

The CHAIRMAN. All right. Thank you.

My first question will be to Mr. Nichols. A few months ago, we had a report from Treasury Inspector General, Tax Administration, showing that hundreds of thousands of families that were eligible for the newly-refundable child credit were not taking advantage of that benefit.

I mention that because your statement talks about the administration's economic policies, including the 2001 and 2003 tax cuts. I am worried that the administration has not done enough to make people aware of the tax incentives and benefits contained in this legislation. Incentives for saving for education and retirement are just two examples. In addition, I firmly believe greater awareness of tax law helps with compliance.

I would like to know your plans to ensure that the message gets out to taxpayers, particularly low-income families, of the benefits and incentives contained in the Tax Code.

Mr. NICHOLS. Mr. Chairman, it is a critical issue and I am glad you raised it. Raising the awareness of the benefits of the recently enacted legislation is very, very important.

Part of the effort from the Treasury and IRS includes sending letters to all taxpayers and notices on our website, and on the IRS website, and on the White House website. We are trying to make that information known.

From a media relations standpoint, both at the national and local level, we are trying to reach out as aggressively as we can so that taxpayers know the benefits and know how the Tax Code affects them.

Then, certainly, and perhaps where we have the deepest reach, is where the President of the United States or Secretary Snow can use the bully pulpit to communicate that to the American people as well. But we would certainly look forward to working with your committee on any other ideas and suggestions to communicate this.

The CHAIRMAN. Thank you.

Ms. Ressel, I am somewhat frustrated with the progress of computer modernization at the IRS, as well as wasteful spending at the Department of Treasury. I believe that accountability is a key factor in management, as well as oversight.

You have been at Treasury as Acting Assistant Secretary for Management and CFO for some time. Please tell me, what are you accountable for? Or, more easily said, for what issues does the buck stop at your desk?

I would ask for your general answer now, and a more detailed answer in writing specifically stating what measures we should hold you to in terms of reviewing your previous work and your future work at the Department.

Ms. RESSEL. Great. Thank you very much.

There are two pieces to the job for which I seek your confirmation. One is the CFO side, and one is the COO side. On the CFO side, I spend a significant amount of time looking at the high-risk items for the GAO high-risk issues. IRS owns four of the GAO high-risk issues, and all of them require significant attention.

What I have tried to do, is basically break them into pieces and make sure that the accountability plan for mediating the high-risk issues is moving along in a way that I think will ultimately drive them from being a high-risk issue.

We have a personal goal within the Treasury Department that we have instructed the IRS that they need to follow, which is to get at least two of the high-risk items cleared by next summer, not through smoke and mirrors, but actually by implementing the changes that GAO believes are the kernels that create the risk underneath the program.

On the Chief Operating Officer side, I participate to a great extent on the IRS Oversight Board, which has a subcommittee that is exclusively dedicated to business systems modernization.

On a personal basis, I can answer the question more at length as the question for the record. But the one thing that I would basically suggest on modernization related to CADE and the announcements that came out last week.

One, is that in the past we were very disappointed that the announcement of a delay would come out at very inopportune times, which were very unacceptable and seemed to be very long after the IRS knew about them.

So from an oversight perspective, I particularly have asked the IRS to make sure that they are keeping people advised of schedule changes in a much more timely manner.

The second piece is, from an oversight perspective at main Treasury, we have asked that IRS does not start any new projects with modernization and that they basically hold to the portfolio that they have.

There are a number of other, more detailed components that I have tried to hold myself accountable for as a steward of the dollars underneath modernization, and I can answer those for the record, or you could focus me in a specific direction and I would be glad to answer it.

The CHAIRMAN. All right. No, I will accept a written response.

Now, my last question, and then I will go to Senator Baucus, is to you as well. You served on the IRS Oversight Board as the Sec-

retary's representative. This is a very important board to the Finance Committee.

I remain very concerned that the Oversight Board must be engaged in vigorous review of the Internal Revenue Service and not view itself as a cheerleader for the Service. The resignation of Mr. Nichols from the board only adds to my concern that the board does not understand its job.

So, I would like to have you explain to me what you view is the job of the IRS Oversight Board, and I would like you to provide specific examples of where you believe it is doing a good job. Maybe the latter can be put in writing, but at least give me your overview now.

Ms. RESSEL. All right.

One item that I think is important that the board provide, is continuity of perspective. The board terms are relatively long. It is certainly hoped that the board environment will be such that people want to fill their entire term.

I think that collectively the time and effort that the board members put in between meetings, especially on the committee structure where they have the modernization programs, the personnel, and then the performance metrics, I think the structure of the board is set up very well.

I have a significant amount of experience working in the private sector with corporate boards, looking at either accounting and financial controls or billables and receivables, both from Hewlett-Packard and Kaiser Permanente. So, I feel like the structure that the board has set up is very, very good.

In terms of contributions in the last year, if I had to highlight one thing that the board was doing well, I would say that the broad oversight of the personnel continuity, not particularly any individual decision, although the board has commented on those, but the blanket of how the infrastructure is set up to allow each of the positions to have some continuity, and that structure, the board had done a significant amount of work between, I believe it was last October and March, to make sure that a lot of these positions had almost like a two-in-the-box from the Rosotti era.

That was something that I thought they did very well on. I thought there was a lot of insight into it. I thought people took a lot of time on it. I thought that, as opposed to the board just taking one kernel of a concept out of context and then trying to be too much of an advocate, I felt that, on the personnel decisions, the board did a very, very nice job.

On the performance metrics, in general, in terms of making the IRS focus more on the metrics as opposed to just the plus-up of the dollars, I thought that, in general, the board is moving in the right direction on those two areas.

There are other things that I think the board could do much better on, and I would be glad to share with you in writing a concept of where I think the board should go.

But the structure of the board, the make-up of the board, the number of members of the board, the concept of providing continuity and providing oversight with rigor and not just bland advocacy, that is all of what I think the board should be doing.

The CHAIRMAN. Thank you.

Senator Baucus?

Senator BAUCUS. Thank you, Mr. Chairman.

Ms. Ressel, it is my understanding that the fiscal 2003 appropriations legislation required a floor for the number of employees working at the Treasury's Office of Foreign Assets Control.

Ms. RESSEL. Yes, sir.

Senator BAUCUS. Is that correct?

Ms. RESSEL. Yes, sir. I believe that is correct.

Senator BAUCUS. And do you, by chance, know what that number is?

Ms. RESSEL. I thought the floor was 120. But may I get back to you, for the record, on exactly what the number was? Inside the Department, we look at it in two ways. There is a management component, and then Rick Newcomb, who is the Director of OFAC, he has what I would call a content perspective relative to this policy move.

Senator BAUCUS. Has that floor been reached?

Ms. RESSEL. The floor has not been reached, as far as I understood. I looked at it last month and the floor had not been reached. I have met with Rick on a couple of occasions to see if it is a recruiting issue. One of it, I believe, was some recruiting issues, and we had been working on them. I can get back to you about specifics about what I have done.

Senator BAUCUS. This is of some concern because, as you know, this office has primary responsibility for implementing and enforcing financial trade sanctions against terrorist organizations, foreign countries, et cetera.

Ms. RESSEL. Absolutely. Correct.

Senator BAUCUS. And I would think that Treasury would try to live up to its responsibilities and have at least the floor number of employees on board and working.

Ms. RESSEL. I think it is important that they are fully staffed.

Senator BAUCUS. But I am just curious why it has not been. In your capacity as Acting Chief Financial Officer and as Acting Secretary of Management, you would have primary responsibility for making sure that the personnel are there. I am just curious why you have not seen to it that those personnel are there.

Ms. RESSEL. Well, I think that it has been an improvement compared to what it was since I assumed this responsibility, but I think that there is always room to do better.

I can give you specifics about what I have tried to do, working with the Director, to make sure that the jobs get filled. But I agree with you that it is not acceptable to be below the floor.

Quite frankly, I would like to see, overall for all of Treasury personnel billets, that the billeting gets targeted much closer to what the ultimate appropriation target is, and at the zone of where we should be for personnel.

This year was very difficult because the appropriation came out a little bit later in the year. I do not know that that is a good excuse for OFAC, because I think that OFAC's trajectory was already established from the previous year.

Senator BAUCUS. You said there has been some improvement. Could you tell this committee what the improvement is?

Ms. RESSEL. Yes, sir. Would you like that now or in writing?

Senator BAUCUS. Now, as best you can tell us.

Ms. RESSEL. All right.

What I have tried to do, in general, with all of Departmental offices, is establish a program where management provides the administrative conduit for getting people hired much quicker than what we have done in the past. It was not an area that previous management teams focused on very much.

Senator BAUCUS. Let me ask a question in another area. I understand that the Counterterrorism Fund within Treasury has been transferred in its entirety to the Department of Homeland Security.

Yet, the IRS's Criminal Investigation Office, which remains at Treasury, needs money from the Counterterrorism Fund to execute some of its critical anti-terrorism projects.

There seems to be some concern in Treasury that you did not reach an agreement with Homeland Security so that you could fully have the availability to tap into that fund, whereas, Homeland Security feels it has sole use of that fund. Is that correct or is that not correct?

Ms. RESSEL. I think that issue has been resolved, and I wanted to thank you very much for your active engagement in it. It certainly was a big help. I know that your letter to Treasury advising us of your concerns.

What we have done at this point, is we have gone back to Homeland Security. Well, first of all, we met with IRS CI, who we believe has bona fide, legitimate entitlement to the funds in the Counterterrorism Fund. Their mission entitles them to the money. The criteria entitles them to the money. There is no reason why they should not be eligible for those funds, even if the ownership of the account has moved to Homeland.

I made that case very, very strongly with the Department of Homeland Security. We now have an agreement with them that, at least the initial request, which I believe was in the range of \$4 to 5 million from our IRS's CI unit, that that money needs to be made available by Homeland soon.

Senator BAUCUS. So what percentage is available now to you, to CI?

Ms. RESSEL. I think have a minimum of \$7 million out of a total of \$52 million, which, based on the analytics that the budget shop did, covered the immediate request that IRS CI had, plus a cushion to look at the remainder of this year and 2004. Again, I really appreciate your help on that matter. I agree, it is very important.

Senator BAUCUS. Another area. Is it true that you helped cut the budget and staff of the Office of Treasury Inspector General by 70 percent, when only 35 percent of its workload was transferred to the Department of Homeland Security? Is that accurate? About 75 percent of the budget and staff you cut, when only 35 percent of the total operation of the Inspector General was transferred to Homeland.

Ms. RESSEL. Correct. There is a dispute as to the numerator and the denominator in that cut. Part of it, historically, is a function of what portfolio was contained within the OIG relative to what should have appropriately been transferred to Homeland Security.

The Secretary and I have talked about that issue, about funding for the OIG. It is important that the OIG get funded appropriately.

As you know, it was very difficult to try to set a trajectory because at the time there were some proposals to potentially merge the administrative part of OIG and TIGDA, so that confused the denominator and the numerator.

I would be happy to answer that for the record more specifically around how the parsing got done. My sense is that we and main Treasury have a responsibility to make sure that the mission orientation of our bureaus can function.

So in the aftermath of Homeland, we want to look to make sure we have the right funding, whether it is for OFAC or whether it is not for IRS CI. That is a key part of my job, is to be an advocate—not a blind advocate, but an advocate—for what our bureaus need.

Senator BAUCUS. And there is also some concern in another area, that you have “dumped” some problem employees over at Homeland Security rather than dealing with the personnel problems yourself. Homeland is pretty upset about some of the employees that you transferred to them from Treasury. Are you aware of this?

Ms. RESSEL. First of all, no, I am not aware of that. Second of all, the process that we had to determine who would go to Homeland within the bureaus themselves—Customs, Secret Service, ATF—the line of demarcation for that divestiture was very clear. It was from the top of the agencies down.

And there may be questions about the quality on a positive or a negative basis about any employee in that large of a portfolio. If you have questions specifically around departmental offices where a number of employees transferred—

Senator BAUCUS. No. But were there some “problem” employees involved in the transfer?

Ms. RESSEL. I mean, if you have 33,000 employees, my guess is that some were in there. But was there any deliberate attempt to pick who got sent or who stayed, absolutely not. The converse of that would be that we would have picked the good ones to stay, and we did not do that either.

So a number of really good employees, who I would have, on a personal basis, from enjoying working with them, much would have rathered that they had stayed at Treasury. But that is not the way did this.

Senator BAUCUS. You are not aware of this issue?

Ms. RESSEL. No, sir, I am not.

Senator BAUCUS. All right.

Let me go to the Oversight Board. I am very concerned about the Oversight Board. I would like it to be an independent board that serves well. I think a lot of the members of the board today wonder why they are there, wonder what they do. Some perceive it as kind of a rubber stamp.

Just a couple, three questions about it. Has Secretary Snow attended any of the three Oversight Board meetings that have been held since he was confirmed?

Ms. RESSEL. He was out of the country for the first one. The second one, I believe he attended, the kick-off meeting of it. Then the third meeting of the Oversight Board is actually happening now, as we speak, in Des Moines, Iowa. And, no, sir, he is not there. And I am here, thanks to you.

Senator BAUCUS. Are you a Treasury designee?

Ms. RESSEL. In the Secretary's absence, yes, sir. I sit for the Secretary and I brief him, typically, before the board meeting, and then after the board meeting on the progress.

Senator BAUCUS. Why does the Secretary not go?

Ms. RESSEL. I beg your pardon?

Senator BAUCUS. Why does the Secretary not go to the board meetings?

Ms. RESSEL. I think the Secretary basically has three components that he is required to provide oversight on. One, is the direct supervision that he has of the Commissioner. Can I get back to you with a more specific answer? Actually, I have never asked him.

Senator BAUCUS. Sure.

Ms. RESSEL. So I can ask him what his thoughts are on it.

Senator BAUCUS. All right.

What is your role on the board?

Ms. RESSEL. Well, in the absence of the Secretary, when I am sitting there, I believe that my role is to be as accountable as any other board member would be, as if I was accountable to you, the people that set up the board.

To the extent that I am participating in the board, I try to participate exactly like an outside board member would do, not, per se, being an advocate for the Service, and not being particularly harsh on the Service, but to try to be very analytical about what it is the board is doing.

I am particularly concerned, just because of my background, because I had served as a chief compliance officer at Kaiser Permanente, and just experience within Hewlett-Packard.

Typically, I am interested in making sure that the stewardship, accountability, responsibility of a board are fulfilled. Because the board was relatively new when I first joined, I spent some time on working on that structure to make sure that the operational procedures were set up.

Senator BAUCUS. Do you vote?

Ms. RESSEL. Treasury has typically abstained on a few issues, or we have voted on a few issues. The board has had very few votes.

Senator BAUCUS. Why is that?

Ms. RESSEL. In many cases, the board has reached consensus around what they wanted to go to and a vote did not seem necessary. An example would be, in Mr. Rosotti's era, the two sessions, the two "seasons" of the budget, I do not recall that a vote was particularly taken on those.

Every effort seems to have been made, both by the previous Commissioner, Charles Rosotti, and Mark Everson, the new Commissioner. This is one of his first formal, formal full board meetings today and yesterday.

Senator BAUCUS. What do you think the role of the board should be?

Ms. RESSEL. I think the board needs to make sure that the needs of the taxpayers are met by the delivery—

Senator BAUCUS. What I am getting at is, what should the relationship be between the board and, say, the Treasury or the Service? Should it be more like a board of directors which provides guidance and control or should it be just a sounding board?



Ms. RESSEL. I beg your pardon?

Senator BAUCUS. Or should it just be a sounding board or advisory board? I am just curious what you think the role is.

Ms. RESSEL. I personally think, from reading the statute, that it is intended to be much more significant than a sounding board. I think that there are a lot of other arenas that we could use as a sounding board.

Senator BAUCUS. If I might, it just seems a lot to me to say you are a member, because how can you oversee yourself?

Ms. RESSEL. Well, in the capacity as a board member, when I am sitting there as a de facto seat for the Secretary, in that role I am there on the board. I have other oversight responsibilities as a CFO that I think are not related to the board, that are related to the budget, related to high-risk items of GAO.

I have attended virtually every board meeting for the last 2 years. The items that the CFO is statutorily responsible for, very rarely do they permeate the Oversight Board's agenda. I mean, occasionally they do, but there is not a big overlap.

Typically, the major agenda has been modernization. The major agenda after modernization has typically been ensuring that there is continuity of the IRS as we change from the previous Commissioner to a new Commissioner.

If I had to come up with the two top issues that the board has focused on in the last year, it has been those two issue, sir.

Senator BAUCUS. Well, I appreciate that very much, Ms. Ressel, because I think the board is extremely important. I think we have to find some way to give it a little more authority, a little more independence than it now has.

Second, with respect to your nomination, you have helped answer some questions. Clearly, this is a position that requires great talent, great objectivity, great judgment and leadership. I thank you for the time you have taken here.

Ms. RESSEL. Thank you, sir.

Senator BAUCUS. I thank the Chairman.

The CHAIRMAN. If Senator Bunning has any questions of these two witnesses, I could go to you.

Senator BUNNING. Thank you, Mr. Chairman.

I am sorry I am late. I thought I would get here to vote out the nominees that we have. Unfortunately, I see we are not going to have a quorum.

The CHAIRMAN. Yes. We are going to go to that process right now.

So I guess at this point, if you do not have questions—

Senator BUNNING. I do have some questions, but I will just enter them for the record.

The CHAIRMAN. All right.

[The questions and answers appear in the appendix.]

The CHAIRMAN. Then that would remind me that not only Senator Bunning, but some of us—well, the two of us that are here, but more importantly people that are not here—may have questions in writing.

My general approach has been that, unless there is a member just trying to stall by asking continuing questions, I generally would respect the right of my colleagues to get answers to their

questions before your nomination would come up on the floor. So, do what you can to expedite those answers.

Thank you all very much. You are excused.

Ms. RESSEL. Thank you very much.

Mr. NICHOLS. Thank you.

[Whereupon, at 10:44 a.m. the hearing was concluded.]

## A P P E N D I X

### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

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#### PREPARED STATEMENT OF HON. MAX BAUCUS

I would like to welcome the two nominees that have come before us today. I believe that today's hearing is important to the Treasury Department and to the country as a whole. Let me explain why.

The Treasury Department and its officials have always played a critical role in our Federal Government. This dates back to our first Treasury Secretary, Alexander Hamilton continuing to the present. Today, Treasury deals with a wide variety of issues that are at the forefront of our national and international agenda. For example, the Treasury Secretary serves as the primary economic spokesman for the Administration. The Treasury Department implements tax policy and collects revenue for the federal government. The Treasury Department creates our policies on the value of our currency.

The Treasury Department is also responsible for executing borrowing by the Federal Government, including preventing default on our national debt. And I might add that this responsibility takes on even greater importance now that the Office of Management and Budget (OMB) projects near-term deficits of over \$450 Billion a year, with the likelihood that these deficits will turn out to be even higher.

The Treasury Department plays a critical role in the fight against terrorism. To illustrate my point, the IRS Criminal Investigation unit has worked diligently since September 11, 2001, with other law enforcement agencies to disrupt and dismantle the financial components of terrorist organizations. The Office of Foreign Assets Control (OFAC) of the Department of the Treasury administers and enforces financial, economic, and trade sanctions based on U.S. foreign policy and national security goals against terrorists, those engaged in the proliferation of weapons of mass destruction, targeted foreign countries, and others.

There are just a few of Treasury's many responsibilities. To help carry out its important responsibilities, Treasury must have a top-flight public affairs office. Because any word coming from the Treasury Department can cause financial markets to rise or fall immediately. We have all seen this happen.

And if the public affairs office is to do its job well, it has to have a well-qualified leader. The Administration has sent up such a nominee, Mr. Robert Nichols.

Just as important to the Treasury Department is its Office of Management, including the role of its Chief Financial Officer. This unit deals with the wide range of infrastructure that is needed for Treasury to carry out all of its vital responsibilities including, personnel, computer systems, the major renovation of the treasury building, office space, and many more.

These may sound like very dry subjects. But let's look a little deeper. The IRS Criminal Investigations unit cannot disrupt terrorist organizations if it does not have enough funds to meet its resource needs. OFAC cannot fight those engaged in the proliferation of weapons of mass destruction if its computer system is constantly malfunctioning—even as much as two straight days—as has already occurred. The Treasury Department's Inspector General cannot fight fraud adequately if 70 percent of its budget and staff are cut, when only 35% of its work was shifted to the Department of Homeland Security. These are just a few examples of the important role that the Office of Management, including the Chief Financial Officer, play in order for Treasury to meet its responsibilities.

And as with the public affairs office, Treasury's Office of Management needs a well-qualified leader to head it and fulfill the role of the Chief Financial Officer. The Administration has sent Ms. Ressel as its nominee. When the Senate considers a

nominee that has never held the position before, there is always some uncertainty about how the nominee will perform in that position.

But this nomination is somewhat different. Because the nominee has already held the position for which she is being selected. She has been the Acting Assistant Secretary of Management and Acting Chief Financial Officer for about nine months. Prior to this position, she was a Deputy Assistant Secretary in that office for about fourteen months.

So we know a lot about how the nominee has performed in this job. In this case, I have quite a few concerns about Ms. Ressel's tenure in the Office of Management and as Chief Financial Officer. And I plan to address those concerns with her when I have the opportunity to question her during this hearing. Meanwhile, I look forward to hearing the testimony of both our nominees: Mr. Nichols and Ms. Ressel. Mr. Chairman, I want to thank you again for holding this important hearing.

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PREPARED STATEMENT OF ROBERT S. NICHOLS

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. I also thank Secretary Snow for his leadership and for having the confidence in me to serve in this post.

Mr. Chairman, the Treasury Department—an agency with a long and rich history of service to the nation dating back to 1789—is at the center of President Bush's efforts to create jobs and economic growth. If I am confirmed by the Senate, I look forward to making the case publicly for the President's economic agenda and to keeping you and your committee informed of Treasury's work.

Within the department, the Assistant Secretary for Public Affairs plays a leading role in educating the American people about tax and currency policy, debt management, Social Security and Medicare financing, and a host of international issues that impact our prosperity. A large part of this job is representing the President's views on an issue to the media, and through them, to the general public. I look forward to doing that and working with the press corps to keep the American people informed about the decisions that are being made here in Washington, D.C.

Members of the committee, while I am proud to have been nominated for many fundamental reasons, there is one I wish to share today. I deeply believe that President Bush's recent economic growth proposal moves the U.S. economy in the right direction. It is an investment in the American people and their future. It will give the economy the boost it needs to grow and create jobs so that millions of Americans can be more secure and confident, both now and in the future. It is an honor to be associated with this President's economic leadership.

Mr. Chairman, I am grateful to you for bringing me before this Committee and respectfully ask that I be permitted to introduce my wife Rebecca to you and members of the Committee.

RESPONSES TO QUESTIONS FROM SENATOR BUNNING

*Question 1.* Mr. Nichols, you have been with the Office of Public Affairs in various capacities for a few years. What changes have been made in that office during that time that has resulted in a better distribution of information to the public and do you have any ideas for future changes in this regard?

*Question 2.* Mr. Nichols, can you address how your office has been making positive use of electronic media capabilities in its interactions with the media and the public?

*Answers.* Thank you, Senator, for the great questions. This is a topic I am very engaged in, and with your permission, I will answer both questions together, as they are linked in my view.

Communicating with the media, and through the media to the general public, has indeed changed during my two and half years serving in the Bush Administration. When I arrived in early 2001, the Office of Public Affairs had not yet embraced many of the new technologies that make communicating more efficient. The Department essentially did not utilize any electronic media capabilities whatsoever, and relied almost exclusively on paper. I took immediate steps to bring the Treasury Department's Public Affairs shop into the 21st century.

The following is a brief list of enhancements I have implemented to better distribute information to the public. These enhancements make use of new electronic media technologies and capabilities:

- Perhaps the most sweeping change I authorized was to move completely from a paper press release disbursement system, to an electronic one. Press releases are now distributed to reporters, the public and interested parties in electronic format by email, rather than on paper by facsimile.
- We also overhauled the website, adding new technologies. Members of the general public, as well as Hill staffers, the media and consumer and business organizations, can sign up on *www.treasury.gov* to receive regular email updates on issues of interest. These updates are sent directly to one's email account.
- Major press conferences at the Department are now web cast live on *www.treasury.gov*.
- At my urging, then-Secretary O'Neill, and now Secretary Snow, as well as other senior Treasury officials, have participated in live online web chats at *WhiteHouse.gov* as part of the "Ask the White House" program, and with the Washington Post, MSNBC and other major online new outlets. Outside organizations have noticed the improvements we have made to *www.treasury.gov*.
- In a PricewaterhouseCoopers Endowment for the Business of Government August 2002 report titled, "The State of Federal Web Sites: The Pursuit of Excellence," (*www.businessofgovernment.org*) the report's author, Genie L. Stowers, ranks the Treasury site as one of the top five federal Web sites—a rank based on the site's services, help features, navigation, legitimacy and accessibility.
- In September 2002 San Francisco State University's public administration program reviewed 148 federal websites and ranked *www.treasury.gov* among the top five federal sites as tops in content, services and user assistance. The report noted that, "The recently redesigned Treasury Department site, at *www.ustreas.gov*, received kudos for its e-commerce applications and downloadable forms." The full report is available in Adobe Portable Document Format at [endowment.pwcglobal.com/pdfs/StowersReport0802.pdf](http://endowment.pwcglobal.com/pdfs/StowersReport0802.pdf).

These improvements are critical, as our Department's website is frequently visited and heavily trafficked:

- More than one-third of all Internet users visited a government site last month, according to new information released in March 2003 by Nielsen/NetRatings, a provider of Internet audience measurement services. In all, traffic to federal government web sites jumped 26% from December 2002 to February 2003 to nearly 44.9 million surfers. "The U.S. federal government has built a strong presence on the Internet, and in recent months national and world events such as homeland security, Middle East issues, the shuttle tragedy and tax season have significantly increased the traffic to many of the its departmental web sites," said Greg Bloom, a senior Internet analyst with Nielsen/NetRatings. The fastest growing federal site belonged to the Department of the Treasury, which experienced 147% growth over the three-month period.
- In 2001, the web rankings and search directory company, TOP9.com, reported that the Treasury Department's site, *www.treasury.gov*, received 3,891,000 unique visitors per month, which ranks the Department among the top five most visited U.S. government websites.

With regard to future changes, if technology emerges that makes communicating more efficient and more user friendly for the American people, I will seek it out and embrace its use. In making information technology investments, Treasury weighs efficient use of taxpayer resources as part of its decision-making.

Thank you.

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

**A. BIOGRAPHICAL INFORMATION**

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

Robert Stanley Nichols

2. Position to which nominated:

Assistant Secretary of the Treasury for Public Affairs

3. Date of nomination:

April 10, 2003

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

home  
6229 30<sup>th</sup> Street NW  
Washington, DC 20015

US Treasury  
1500 Pennsylvania Avenue NW  
Room 3442  
Washington, DC 20220

5. Date and place of birth:

Camden, NJ  
January 3, 1969

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

Married  
Rebecca Jane Larish

7. Names and ages of children:

dna

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

George Washington University, 1987-1991, degree in Jan 92  
BA Political Science

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.)

U.S. Department of the Treasury, Washington, DC  
Acting Assistant Secretary for Public Affairs  
January 1, 2003 – present

United States Department of the Treasury, Washington, DC  
Deputy Assistant Secretary for Public Affairs, Office of Public Affairs, March 2001-  
December 2002

Electronic Industries Alliance (EIA), Arlington, VA  
Director of Communications, January 2000 – February 2001

The Honorable Slade Gorton  
United States Senator (R-WA), Washington, DC  
Communications Director, March 1998 – December 1999

The Honorable Jennifer Dunn, Former Vice-Chair of the House Republican Conference  
U.S. House of Representatives, R-WA (8<sup>th</sup>), Washington, DC  
Press Secretary, March 1996 - February 1998

Washington State Republican Party, Seattle, WA  
Political Director, January 1995 - February 1996

Friends of Jennifer B. Dunn Committee, Bellevue, WA  
Campaign Manager, February 1994 - December 1994

United States Department of Transportation, Washington, DC  
Personal Aide to the Secretary, Office of the Secretary, February 1992 - January 1993

Presidential Task Force on Hurricane Andrew, Miami, FL  
Assistant to Task Force Chairman Andrew Card, August 1992 - November 1992

The White House, Washington, DC  
Staff Assistant, Office of the Chief of Staff, July 1991 - February 1992

The White House, Washington, DC  
Press Advance Representative, Office of Presidential Advance, January 1991 - June  
1991

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.)

see #9

10. Business relationships: (List all positions held [for the past 10 years] 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.)

Electronic Industries Alliance (EIA), Arlington, VA  
Director of Communications, January 2000 – February 2001

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

Right Clique Member– an organization consisting of Republican lobbyists employed with high tech firms. 2000-present

Sigma Alpha Epsilon Alumni Association, Member, 1991-present

George Washington University Alumni Association Member, 1991-present

Republican Communications Association – Member 1996-2000 (House and Senate Press Secretaries and Communications Directors)

Washington Sports Club 2003-present

AAA- Member, 2003-present

Bush-Quayle Alumni Association Member 1992-present

Washington State Society, member– 1996-present (*people from Washington State who have moved to Washington, DC*)

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.



Volunteer for Linda Smith for Senate 1998 campaign  
Volunteer for Slade Gorton for Senate in 1994, 2000  
Campaign Manager for Jennifer Dunn in 1994, have volunteered during each of  
her campaigns since  
Washington State GOP, Political Director 1995  
Worked for the Washington State GOP, 1996, 1998  
RNC, Worked at 1996 convention for the Chairman Haley Barbour

- 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.

Jennifer Dunn for Congress, \$100, in 94, and in 96  
Slade Gorton for Senate, \$100, 2000  
Elizabeth Dole for Senate, \$50, 2002  
Rick Lazio for Senate, 2000, \$50, 2000  
Connie Morella for Congress, \$100, 2002  
Trent Madsen for Congress, \$50, 2000  
Dan McDonald for Congress, \$50, 2000  
Washington State Republican Party, \$100, 1995  
Republican National Committee, \$100, 1996

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.)

Deans List, George Washington University, 1990  
Department of Transportation Award for Special Achievement, 1992  
Department of the Treasury Award for Special Achievement, 2000

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

dna

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.)

dna

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

I come to this position, this Administration and the Treasury Department after holding an array of media relations, press and communications positions on Capitol Hill, in the Executive branch of the U.S. Government and in the private sector. If confirmed, I look forward to helping to make the case publicly for the President's agenda and to keeping the media and all interested parties - including the committee - informed on Treasury's work.

The Treasury Department is at the center of President Bush's efforts to work with Congress to keep America's economy strong, create jobs for those seeking work, and to spread prosperity around the world. I believe an informed public is crucial to the democratic process. I learned in my years working in the House and Senate that an informed public debate leads to better policymaking. The public affairs office at Treasury plays an essential role in educating the public about tax policy, debt management, Social Security financing, and a host of international issues that impact our prosperity.

**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.

Yes. I have no such connections.

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.

If confirmed, I expect to serve the full term at the pleasure of the President.

**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.

In 2000, as an employee of the Electronic Industries Alliance, a high technology public policy organization, I was actively involved in an effort to enact Congressional passage of Trade Promotion Authority.

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 have no potential conflict of interest I am aware of, if any arise, I will consult the Treasury ethics office immediately.

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

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PREPARED STATEMENT OF TERESA M. RESSEL

Chairman Grassley, Ranking Member Baucus, and members of the Finance Committee, thank you for asking me to appear before the Committee today.

I am honored to be nominated by the President as the Assistant Secretary for Management and Chief Financial Officer for the Department of the Treasury. If confirmed, I look forward to working with this committee on a common goal—effective financial and operational leadership at the Treasury Department. Treasury provides an anchor for the financial management across the Government. A helpful way to think about this structure is to consider the IRS as essentially the accounts receivable centerpiece for the Government, the Financial Management Service as accounts payable, and the Bureau of Public Debt as the cash flow system for debt. All of the

bureaus offer operational challenges, and I look forward to working with this committee to meet or exceed your expectations.

Sound Treasury policy enables a healthy economy both domestically and internationally. In many ways, the Chief Operating Office role through the position of Assistant Secretary for Management facilitates this policy by providing services to Treasury bureaus and supporting each and every policy office within Main Treasury, including Tax Policy, International Affairs and Domestic Finance.

When Congress looks towards the Treasury Department to implement new initiatives, the Management function serves as the engine to drive change and, if confirmed, I pledge to work closely with Congress to achieve these changes. Human Capital, Technology Platforms, and Procurement Offices coupled with Small Business Outreach, as well as sound, stable Financial Management practices are required to execute our Mission at the Treasury Department. It is that collection of functional areas, plus DC Pensions, that reports to the position of Assistant Secretary for Management.

I want to thank and recognize my colleagues at the Treasury Department. I have worked at Treasury for two years, first as the Deputy Assistant Secretary for Management and Budget, and currently as Acting Assistant Secretary for Management. September 11th served to highlight many of the contributions by our Federal Workforce. I am constantly impressed by their dedication and competence and I view the opportunity to lead these employees as the Assistant Secretary for Management as an honor and a privilege.

I want to thank my family, especially my husband Chip, and our three children, Rick, Steve and Claire. Our 9 year old son, Rick, suggested his allowance should be \$10 a week because the Treasury building is on the back of the bill, but rest assured, my role as CFO at home has given me lots of practice in frugal financial stewardship. I would also like to thank my mother, Lee Mullett, for all of her support. My father died shortly after I was asked to serve as Acting ASM in November 2002, but he is with me here today in spirit. His unwavering patriotism towards the United States has been an inspiration to me.

I am proud of this opportunity to serve our great Nation and I look forward to working with the Committee in the future. I will be happy to answer any questions that you may have. Thank you.

#### RESPONSES TO QUESTIONS FROM SENATOR BUNNING

*Question 1.* Ms. Ressel, how do you feel the budget development process at the Department is currently working and do you have any suggestions for ways to streamline that process?

*Answer.* We continually strive to eliminate lower priority items from the budget so that the savings involved in their elimination can be used to generate funding for items of critical importance to the Bureaus and the Department.

Going forward, Treasury will focus on improving the links between budgeting and performance. We have initiated our fiscal year (FY) 2005 planning process, which includes updating our program performance goals and measures as well as evaluating program performance and resource requirements needed to achieve results.

In conjunction with the budget planning for FY 2005, Treasury has formulated a new five-year Strategic Plan. The Department has conducted an extensive review of its strategic goals and objectives and worked collaboratively with the Bureaus to refine our goals and develop new objectives. Ultimately, the Bureaus will be aligned with the Department's Strategic Plan. OMB is currently reviewing our new Strategic Plan and I look forward to sharing it with Congress in the next few months.

We believe that a strong strategic plan will help us better formulate a budget that aligns with our Departmental and Bureau goals to better serve the American people.

*Question 2.* Ms. Ressel, I understand that the Management and Budget Office has responsibility within the Department for environmental health and safety issues. Could you please address what improvements have been made in this area during your time in the office?

*Answer.* The Office of the Assistant Secretary for Management has been entrusted with the occupational safety and health of all Treasury employees. Treasury's employees are its greatest asset, and this is a responsibility that I take very seriously.

During my tenure as Acting Assistant Secretary for Management, I have made the following improvements:

- Coordinated with the Secret Service to improve Treasury Building egress during emergency situations.
- Updated Safety and Health web pages on Treasury web site.
- Purchased 2310 emergency escape hoods.

- Acquired water, food supplies, emergency blankets, 12 hour chemical lights, Emergency Escape Hoods (with instruction cards) and other equipment for each alarmed 'shelter-in-place' cabinet.
- Expanded the role of the Perimeter Wardens. Their expanded duties are to maintain control over the "shelter-in-place" cabinets and supplies and to maintain a single communication link within each office.
- Conducted several Perimeter Warden training sessions to review immediate actions during an emergency and communications procedures with the Safety Office and United States Secret Service Command Center.
- Significantly improved the Treasury Safety Office emergency communications capabilities.
- Conducted Treasury Employee Town Hall Meetings to improve safety, security and emergency planning awareness; provided copies of CD-ROMs containing extensive emergency preparedness information for employees including home and work checklists.
- Conducted Emergency Escape Hood Training sessions.
- Periodically conduct tests of the Emergency Announcement System for Main Treasury.
- Conducted 'Shelter-In-Place' drills for all Treasury buildings—periodic retests will be conducted semiannually.
- Installed HEPA filters into the ventilation systems of the Main Treasury and Treasury Annex Buildings to remove potential harmful products/particles from the system.
- Developed procedures for rapid shut-down of the HVAC systems for the Main Treasury and Treasury Annex buildings.
- Utilized an Industrial Hygienist to perform evaluations, conduct in-door air quality tests, water sample testing and tests for Anthrax in our mail processing center and provide advice and guidance on health and safety related issues.
- Conducted an Evacuation Drill for Main Treasury.

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

**A. BIOGRAPHICAL INFORMATION**

1. Name: (Include any former names used.)  
Teresa M. Ressel  
Teresa Lee Mullett (maiden name)
2. Position to which nominated:  
Assistant Secretary (Management)  
Department of the Treasury
3. Date of nomination:  
April 2, 2003
4. Address: (List current residence, office, and mailing addresses.)  
Residence:  
6504 Monique Court  
McLean, VA 22101  
Office  
1500 Pennsylvania Avenue, Rm. 2422  
Washington, DC 20220
5. Date and place of birth:  
Wilmington, Delaware  
12-06-1962
6. Marital status: (include maiden name of wife or husband's name.)  
Married to USN Commander F. Charles Ressel, Jr. since 12-28-1991
7. Names and ages of children:  
Frederick C. Ressel III, age 8 ½  
Clifford Stephens Ressel, age 6 ½  
Claire Rainey Ressel, 5

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)
- University of Delaware, Newark, Delaware (1980-1986), BS Engineering, June 1986  
 University of Delaware, Newark, Delaware (1986-1987), MS Engineering, Aug. 1987  
 Rensselaer Polytechnic Institute, Troy, New York (1988-1990), MBA, Aug 1990
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.)
- General Dynamics, Groton, Connecticut (July 1987-April 1990)  
 Nuclear Engineer
- Hewlett Packard, Palo Alto, California (April 1990-January 1994)  
 Program Manager
- Kaiser Permanente, Oakland California (January 1994-June 2000)  
 Locations included Oakland, CA ; Hartford, CT; and Rockville, MD  
 Director, then Vice President and then Sr. Vice President
- XBond Corporation, McLean, VA (June 2000-March 2001)  
 Sr. Vice President, Strategic Planning and Human Resources/Consultant
- CIGNA Corporation via ICON Consulting Contract Services Agreement, New York, NY and Jersey City, NJ (Jan 2001-July 2001), Executive Consultant for Service Improvements and Redesign
- Joined the Department of the Treasury August 6, 2001
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.)
- Deputy Assistant Secretary, Management and Budget, US Treasury  
 August 2001-December 2002
- Acting Assistant Secretary (Management), US Treasury  
 December 2002-Present
- Acting CFO, US Treasury  
 April 2003-Present
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.)
- ICON Professional Services, CIGNA Consultant, 1/2001-7/2001  
 Vice President/Sr. Vice President, Kaiser Permanente, Oakland, California 1995-2000  
 Board of Directors, Eko Corporation, Fairfax, VA 3/2000-4/2002  
 SV Group, Advisor, 1/2001-2/2001



Board of Directors, The Arlington Children's Shelter, Arlington, VA 8/2001-3/2003  
 Board of Directors, Healthcare Compliance Association, 1/2000-Present  
 Sr. Vice President, XBond Corporation, McLean, VA 6/2000-3/2001  
 National Environmental Education Training Fund, Subcommittee, Wellness and the Environment, Washington, DC 1998-1999  
 School Board, St. Francis Episcopal Day School, Potomac, MD 9/2001-9/2002

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)
- Active Member, Trinity United Methodist, McLean, VA
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.
- Provided volunteer services for the Elizabeth Dole Campaign, November 2002.  
 Registered Republican.
- 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.
- Republican Party of Florida Federal Campaign Account \$500.00, October 2002  
 National Republican Senatorial Committee, \$500.00, July 2001  
 George Bush Campaign for President, \$500.00, July 1999  
 National Republican Senatorial Committee, \$250, May 1994
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.)
- University of Delaware Honors Fellowship Grant, 1985  
 National Science Foundation Research Grant Award, 1986  
 University of Delaware Presidential Citation for Outstanding Achievement, 1997  
 E.I. DuPont/Conoco Research Fellowship Grant Award, 1986  
 Hewlett Packard STAR Award for Superior Performance, 1992  
 Founder's Award, Environmental Health and Safety Program, Kaiser Permanente, 1998
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)
- Master's Thesis, University of Delaware, Civil Engineering Department, Computer Modeling for Geotechnical Engineering.

Joint Articles on Computer Programs for Slope Stability, Published in the Journal of Geotechnical Engineering, coauthored with Professor Dov Leshchinsky

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 am honored to have this opportunity to serve within the Department of the Treasury. My industry experience brings leadership ability coupled with listening skills, and I hope to bring those skills to this new role, if confirmed. For fifteen years, I have worked across large organizations with a belief that the employees who conduct the day-to-day work can provide creative ideas to solve problems and are committed to continually improving the way business is conducted. I have worked collaboratively across the Treasury Department, reached out to employees and teammates, and developed a keen appreciation of the challenges we face to deliver on the Treasury mission.

I hold an MBA and engineering degrees, coupled with a personal obligation and value system that each person should strive to make things better for the future. My career track record, personal community contributions and business contributions validate that belief system.

**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.

Yes.

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.

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.

I know of no such relationship, dealing or transaction that could result in a conflict of interest. I will consult with ethics counsel should any such issue arise.

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.)

If I were in such a position, I would immediately recuse myself from the matter and seek the advice of Treasury ethics officials. I would take any action(s) that they deemed appropriate.

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.

Not applicable.

**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.

While a part-time employee during college, my employer did not have an alcohol license and so all the employees were taken to the police station and then the owner was arrested (the rest of us were released a few hours later). No charges, investigation, or arrest occurred.

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.

Serving as the Deputy Assistant Secretary, Management and Budget, offered an opportunity to focus on a key portion of Treasury's relationship with Congress, specifically the appropriations process. I look forward to expanding and building upon that initial experience whenever possible, if confirmed.

**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.

