

COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

July 15, 2021

President Joe Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden:

As members of Congress’s tax-writing committee, we share your goal of creating greater tax fairness in America by improving tax enforcement, particularly against wealthy tax cheats. But, as of today, it has been 2,597 days¹ – seven years and one month – since there was a Senate-confirmed Assistant Attorney General of the Tax Division at the Department of Justice. A fair tax system demands a fulltime enforcement officer. So, as you enter the 176th day of your presidency, we write to urge you to nominate an official for this position as soon as possible.

The Tax Division is “responsible for handling or supervising most federal criminal tax prosecutions.”² The continued reliance on an Acting Attorney General hinders the division’s ability to promote voluntary compliance with the tax laws, enforce the nation’s tax laws, and perhaps most importantly, maintain public confidence in the integrity of the tax system – the very prerequisites of the division’s mission.³

That deterioration is evident in the enduring existence of America’s two-tier tax system, documented in a seemingly endless litany of media stories and statistics highlighting the ability of our richest citizens to cheat on their taxes with impunity.⁴ The Commissioner of the Internal Revenue Service (IRS) recently estimated that the yearly tax gap may exceed a trillion dollars⁵

¹ “Assistant Attorney General Kathryn Keneally of the Justice Department’s Tax Division Announced Her Departure from the Department Today, Effective as of June 5, 2014,” Department of Justice: Office of Public Affairs (May 27, 2014), <https://www.justice.gov/opa/pr/assistant-attorney-general-kathryn-keneally-justice-department-s-tax-division-announced-her>.

² “About the Division,” Department of Justice (Updated May 6, 2021), <https://www.justice.gov/tax/about-division>.

³ *Id.*

⁴ *See, e.g.*, The Editorial Board, “The Picture of a Broken Tax System,” N.Y. Times (Sept. 28, 2020), <https://www.nytimes.com/2020/09/28/opinion/trump-tax-code.html>; Opinion Letters, “The Revelations About Donald Trump’s Taxes,” N.Y. Times (Sept. 28, 2020), <https://www.nytimes.com/2020/09/28/opinion/letters/trump-taxes.html>; Jesse Eisinger, Jeff Ernsthausen, and Paul Kiel, “The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax,” ProPublica (June 8, 2021), <https://www.propublica.org/article/the-secret-irs-files-trove-of-never-before-seen-records-reveal-how-the-wealthiest-avoid-income-tax>; Andrew Ross Sorkin et. al., “Private Equity’s Biggest Tax Tactics,” N.Y. Times Dealbook Newsletter (June 14, 2021), <https://www.nytimes.com/2021/06/14/business/dealbook/private-equity-taxes.html>.

⁵ David Lawder, “IRS chief says \$1 trillion in taxes goes uncollected every year,” Reuters (Apr. 13, 2021), <https://www.reuters.com/article/us-usa-treasury-irs/irs-chief-says-1-trillion-in-taxes-goes-uncollected-every-year->

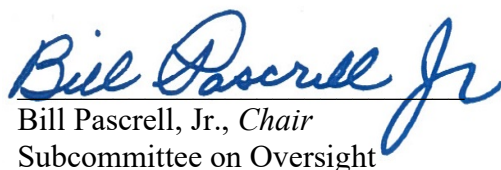
while openly acknowledging that his agency more readily pursues audits of the working poor than of wealthy tax cheats.⁶ We believe that your deliberation and selection of a respected and qualified candidate for Assistant Attorney General of the Tax Division is needed now.

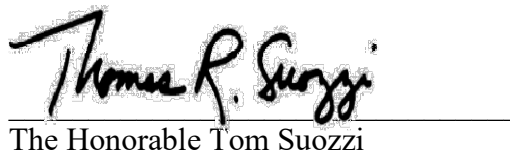
Better enforcement of the tax system starts with providing the IRS with real support after years of deliberate underfunding.⁷ To that end, your proposal to increase the IRS budget by \$80 billion over 10 years is a watershed measure that can lay the foundation for a truly fair tax system. But the IRS cannot do its job best without a completely engaged partner at the Justice Department.


There can be little question that the underfunding and understaffing of the IRS jeopardizes our federal tax system. Americans increasingly believe that their tax system is rigged against them. This belief has credence given the government's repeated inability to vigorously pursue and deter rich tax scofflaws. It is impossible for the American people to have confidence in their tax system if the government itself does not demonstrate a sustained commitment to engage the machinery of that system and make it fair for all citizens. More broadly, the institutional atrophy that festered under your predecessor, particularly within the Department of Justice, must be reversed lest our nation become accustomed to decaying government capacity and outright corruption. Consequently, we call on you to move with urgency to name an Assistant Attorney General in charge of the Tax Division.

Our window to act is narrow and, each day, closing further. We look forward to working with you in making the American tax system truly fair.

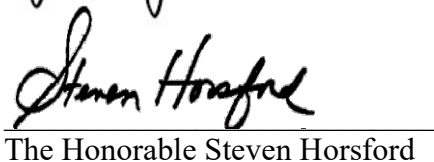
Sincerely,


Bill Pascrell, Jr., *Chair*
Subcommittee on Oversight


The Honorable Tom Suozzi


The Honorable Judy Chu


The Honorable Dwight Evans


The Honorable Steven Horsford

[idUSKBN2C0255](#). The Ways and Means Subcommittee on Oversight held an insightful hearing on “Taxpayer Fairness” (October 13, 2020), <https://waysandmeans.house.gov/legislation/hearings/taxpayer-fairness>.

⁶ Paul Kiel, “IRS: Sorry, but It’s Just Easier and Cheaper to Audit the Poor,” ProPublica (Oct. 2, 2019), <https://www.propublica.org/article/irs-sorry-but-its-just-easier-and-cheaper-to-audit-the-poor>.

⁷ Paul Kiel and Jesse Eisinger, “How the IRS was Gutted,” ProPublica (Dec. 11, 2018), <https://www.propublica.org/article/how-the-irs-was-gutted>.