



FOR IMMEDIATE RELEASE

July 26, 2018

Contact: Rachel McCleery (202) 224-4515

Wyden Statement on Treasury and IRS Nominees, Administration Stonewalling, and Dark Money

As Prepared for Delivery

The Finance Committee meets this morning to consider the nominations of Justin Muzinich to be deputy secretary of the Treasury and Michael Desmond to be chief counsel at IRS. I'll begin my remarks with this:

This committee is facing levels of stonewalling from the administration on letters and policy issues that I never expected I'd see. We'd get similar answers from the Treasury if we posed our questions to the statue of Alexander Hamilton outside department headquarters. And it goes back to Secretary Mnuchin's very first appearance before this committee. I asked that he work with me to crack down on the abuse of shell companies, a magnet for all manner of shadowy, illicit conduct. He told me the Treasury would get right on it. But a year and a half have passed, and it's business as usual at the Treasury on shell companies. And let's be clear, this wasn't some wacky proposition out of left field. I wrote a bill on this issue with Senator Rubio, a Republican.

Today we'll ask Mr. Muzinich what he will do to end this Treasury stonewalling if he's confirmed. He told me in our meeting earlier this week that he'd simply be a "building manager" as deputy secretary. But based on the glowing quotes in the newspapers from Treasury officials praising his financial expertise and previewing his expansive role on tax policy, debt management and more, it's clear people in the building have a different perspective. Their accounts suggest that calling Mr. Muzinich the "building manager" is a little like saying an NBA all-star will be a nice roleplayer off the bench. It's clear he's the secretary's right-hand man, and that's why we expect answers on how he's going to fix these long-running problems.

Bottom line on the stonewalling issue: Committee members and I aren't firing off nasty-grams demanding the resignation of everybody who's ever come within 25 feet of Paul Manafort. We're not asking for anybody's high school diaries. This committee is attempting to pursue information that's key to uncovering corruption and protecting our democracy from foreign interference.

That includes working to determine the extent of the relationship between Alexander Torshin, a Russian national with close ties to Putin, and the NRA. It includes a request for information that would help determine the extent of Michael Cohen's influence-peddling. And because the president refuses to release his tax returns, it includes a request for information that would help shed light on questionable Trump real estate deals with Russian individuals. The list goes on from there.

At some point, this ceases to be a case of Treasury being slow to respond, and it looks more like actively abetting the coverup of corruption and illegal activity.

This committee also needs to know whether Mr. Muzinich agrees with the recent decision to open the floodgates to more dark money in our politics. This was a tax-policy change, and Mr. Muzinich says he's a tax-policy guy. You can try to downplay the significance of this decision, and you can try to spin it as a harmless policy update. But here's my view: If your dark money policy gives oligarchs in Moscow reason to throw back celebratory vodkas, and if their friends at the NRA have a green light to flood the airwaves with even more election secrecy, you made the wrong call. Last Monday night, the Trump administration wrested even more control of our democracy from the hands of American citizens.

Furthermore, if the Trump White House is ordering hasty changes to tax administration policies without public debate in ways that threaten the legitimacy of our elections, are those changes going to stand? After all, Mr. Desmond, as IRS chief counsel, will be responsible for carrying out this decision, and any proposed changes to IRS rules will have to go through him. Mr. Desmond must demonstrate to this committee that he will remain independent and unswayed by political pressure from the Trump White House on this and other issues.

In closing, there's one final tax policy issue to discuss. A year ago, the Treasury Department and Republicans in Congress made it clear they didn't want to work on tax reform in a bipartisan way. Now Americans are learning there's a NEW effort to update the partisan tax playbook with another plan that will benefit the wealthy. The House is already working on it, apparently uninterested in learning from the mistakes they made the first time around.

The Trump tax law has been in place for months, and the quarterly numbers from the Bureau of Labor Statistics show real wages fell over the first half of this year. Now it's looking like Trump tax cut 2.0 is going to be yet another massive windfall for high-flyers. Even more goodies for the most fortunate while typical families are having a harder time making ends meet.

It's another plan that does nothing to resolve the fact that our tax code is split in two: There's one strict, punishing set of rules for factory workers and cops on the beat, and another loose set of rules that allow high-flyers to pay what they want, when they want.

Going down the partisan road yet again makes it harder for this committee and the Congress to return to a point where bipartisanship on taxes is possible. So I'll have questions for Mr. Muzinich on that issue today as well.

###