

**NOMINATIONS OF PATRICIA T. MONTOYA AND
DAVID C. WILLIAMS**

HEARING

BEFORE THE

**COMMITTEE ON FINANCE
UNITED STATES SENATE**

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

ON THE

NOMINATIONS OF

PATRICIA T. MONTOYA, TO BE COMMISSIONER ON CHILDREN, YOUTH,
AND FAMILIES OF THE DEPARTMENT OF HEALTH AND HUMAN SERV-
ICES; AND DAVID C. WILLIAMS, TO BE INSPECTOR GENERAL OF THE
DEPARTMENT OF THE TREASURY

SEPTEMBER 24, 1998



Printed for the use of the Committee on Finance

U.S. GOVERNMENT PRINTING OFFICE

56-254-CC

WASHINGTON : 1998

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-058510-4

S361-31

COMMITTEE ON FINANCE

WILLIAM V. ROTH, JR., Delaware, *Chairman*

JOHN H. CHAFEE, Rhode Island
CHARLES E. GRASSLEY, Iowa
ORRIN G. HATCH, Utah
ALFONSE M. D'AMATO, New York
FRANK H. MURKOWSKI, Alaska
DON NICKLES, Oklahoma
PHIL GRAMM, Texas
TRENT LOTT, Mississippi
JAMES M. JEFFORDS, Vermont
CONNIE MACK, Florida

DANIEL PATRICK MOYNIHAN, New York
MAX BAUCUS, Montana
JOHN D. ROCKEFELLER IV, West Virginia
JOHN BREAUX, Louisiana
KENT CONRAD, North Dakota
BOB GRAHAM, Florida
CAROL MOSELEY-BRAUN, Illinois
RICHARD H. BRYAN, Nevada
J. ROBERT KERREY, Nebraska

FRANKLIN G. POLK, *Staff Director and Chief Counsel*
MARK A. PATTERSON, *Minority Staff Director and Chief Counsel*

CONTENTS

OPENING STATEMENTS

	Page
Roth, Hon. William V., Jr., a U.S. Senator from Delaware, chairman, Committee on Finance	1

ADMINISTRATION NOMINEES

Montoya, Patricia T., nominated to be Commissioner on Children, Youth, and Families of the Department of Health and Human Services	3
Williams, David C., nominated to be Inspector General of the Department of the Treasury	11

CONGRESSIONAL WITNESSES

Bingaman, Hon. Jeff, a U.S. Senator from New Mexico	1
Domenici, Hon. Pete, a U.S. Senator from New Mexico	2

ALPHABETICAL LISTING AND APPENDIX MATERIAL

Bingaman, Hon. Jeff:	
Testimony	1
Prepared statement	20
D'Amato, Hon. Alfonse M.:	
Prepared statement	19
Domenici, Hon. Pete:	
Testimony	2
Montoya, Patricia T.:	
Testimony	3
Prepared statement	21
Biographical	25
Responses to questions from Senator Graham	31
Roth, Hon. William V., Jr.:	
Opening statement	1
Williams, David C.:	
Testimony	11
Prepared statement	33
Biographical	37
Responses to questions from Senator Kerrey	46

**NOMINATIONS OF PATRICIA T. MONTOYA, TO
BE COMMISSIONER ON CHILDREN, YOUTH,
AND FAMILIES OF THE DEPARTMENT OF
HEALTH AND HUMAN SERVICES; AND
DAVID C. WILLIAMS, TO BE INSPECTOR
GENERAL OF THE DEPARTMENT OF THE
TREASURY**

THURSDAY, SEPTEMBER 24, 1998

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

The hearing was convened, pursuant to notice, at 10:30 a.m., in room SD-215, Dirksen Senate Office Building, Hon. William V. Roth, Jr. (chairman of the committee) presiding.

Also present: Senators Chafee, D'Amato, and Moynihan.

**OPENING STATEMENT OF HON. WILLIAM V. ROTH, JR., A U.S.
SENATOR FROM DELAWARE, CHAIRMAN, COMMITTEE ON FI-
NANCE**

The CHAIRMAN. The committee will please be in order.

It is, indeed, a pleasure to welcome this morning Patricia T. Montoya, the President's nominee for Commissioner of the Administration on Children, Youth and Families. This position, of course, oversees the historic Children's Bureau and has many important responsibilities for protecting the Nation's most vulnerable children.

It is my pleasure at this time to recognize Senator Domenici and Senator Bingaman who have asked for permission to introduce the nominee.

Welcome, gentlemen. It is a pleasure to have you.

Senator DOMENICI. Senator Bingaman, would you go first?

Senator BINGAMAN. Sure, I would be glad to.

**STATEMENT OF HON. JEFF BINGAMAN, A U.S. SENATOR FROM
NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman, Senator Moynihan, for letting us just say a word here.

Patricia Montoya is well known in our State. She has a very impressive background there, as a nurse, first, and working on issues related to children.

She has been the regional director for the Health and Human Services Department out of Dallas with responsibility for five States, including New Mexico, in the last several years, and now she has been nominated by the President for this important job.

We think she will do a tremendous job. We very much commend her to the committee and hope she can be confirmed soon so she can get to work. But it is an honor for me to be here to recommend her to you.

The CHAIRMAN. Well, thank you. It is a pleasure to have you here. We apologize for the lateness, but we had two votes, as you well know.

Senator Domenici?

STATEMENT OF HON. PETE DOMENICI, A U.S. SENATOR FROM NEW MEXICO

Senator DOMENICI. Thank you very much, Mr. Chairman, Senator Moynihan.

Well, I am not going to repeat what Senator Bingaman said. I am going to just congratulate the President on the kind of nominee he has picked. Obviously, not only is she qualified—you all know her background as well as we do—but I think she is a lady of very high principle. There is no ounce of deviousness in her. She is a straight shooter. She has been that all her life.

Senator MOYNIHAN. And you are letting such a person come to Washington? [Laughter.]

Senator DOMENICI. Look, I am not the one sending her here. [Laughter.] But she told me that she was ready. She has lived here a couple of years, Pat, in an earlier activity as part of her national work for the Nurses' Association.

But I just want to say that New Mexico, somehow or another, has an awful lot of nominees for jobs in this administration for high positions, and for the most part we have been here, Senator Bingaman and I, on every one of them telling people what we really thought. In almost every case, we thought they were very qualified.

I can say in this one, however, I really believe, because she cares and knows. She cares and she is knowledgeable, she cares and she administers well. She has been 4 years in Dallas doing that. I think she is particularly a very good choice for this kind of position and I urge that you all send her to the floor for confirmation as soon as possible.

Thank you.

The CHAIRMAN. Thank you very much. I know both of you gentlemen are very busy. I do appreciate your taking the time to be here to introduce Ms. Montoya.

At this time, Ms. Montoya, do you have any members of your family here?

Ms. MONTOYA. No, Mr. Chairman. Unfortunately, because of the short notice, they were not able to get here. But we were very pleased to be on the schedule.

The CHAIRMAN. Well, we regret that it was such a short period of time that they cannot be here, because I know they are, indeed, very proud of your soon-to-be new responsibilities.

Ms. MONTOYA. They are here in spirit.

The CHAIRMAN. At this time I would like to swear you in. All witnesses in confirmations are sworn in. Would you please rise and raise your right hand.

[Whereupon, the witness was duly sworn.]

The CHAIRMAN. Thank you. Please be seated. We would be happy to hear any opening statement you care to make.

STATEMENT OF PATRICIA T. MONTOYA, NOMINATED TO BE COMMISSIONER ON CHILDREN, YOUTH, AND FAMILIES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

Ms. MONTOYA. Thank you, Mr. Chairman. Mr. Chairman, members of the committee, Senator Moynihan, my name is Patricia Montoya. I would like to thank you for the invitation to be here before you today. It is truly an honor for me to appear before you as President Clinton's nominee to be the Commissioner for the Administration on Children, Youth and Families at the Department of Health and Human Services.

I also want to express my gratitude to Senators Domenici and Bingaman for their support of my nomination.

As you know, if confirmed, I will have the special honor of directing vital programs that relate to child care, foster care, adoption, child development, early childhood education, and youth development.

I look forward to working with you, Mr. Chairman and members of the committee, on issues that relate, in particular, to child care, foster care, and adoption.

At this time I would also like to thank the committee for its leadership and the support provided in the passage of the Adoption and Safe Families Act of 1997. If confirmed, I look forward to working with you on the continued implementation of that very important legislation.

If confirmed, I will bring to ACYF a broad range of experience that I know, and I feel very strongly, has prepared me for this challenge and this wonderful opportunity.

I believe that my background reflects my lifelong commitment to children's health, social service needs, and the needs of families. I am a registered nurse who began my career working with children in the area of pediatrics.

From pediatrics, I then went on to work in the area of school health, where I was directly involved with working with children and families on a day-to-day basis. I need to tell you that these were some of the most rewarding days of my career, while at the same time they were also some of the most challenging.

While I had the opportunity to get to know the best and the brightest of our young students as they were going through their schooling, I also got to know many of the issues and challenges that these young people and their families struggled with on a day-to-day basis, often with little or no resources.

While working in the community, it was then that I really came to understand the impact and the significance of public policy, the impact it had on people's lives, and the importance of being involved.

It was at that time in my career that I committed to becoming involved in that arena to be an advocate for those who had no one

speaking for them. Therefore, it is very fitting, and I welcome the challenge, to be a spokesperson for the administration on issues concerning children and families.

As you know, in 1994 I was appointed as the Regional Director for Health and Human Services in Dallas. Being in this position has provided me with the opportunity to gain the Federal perspective and to get to know many of the programs in ACYF which I will oversee. That insight, I know, will assist me tremendously as I undertake the role of Commissioner, if confirmed.

Since this position is all about children and families, Mr. Chairman, I would be remiss if I did not say that, if confirmed, that I will dedicate my tenure to the honor of my own parents, Ramona and Max Montoya, who have now passed on, but who have made me the person that I am, truly reflecting what families are about.

Mr. Chairman, if confirmed, I look forward to working with you and members of the committee, as well as the Congress, to continue to work on making a difference for the children and families of America.

Thank you very much. I would be pleased to answer any questions that you might have.

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

The CHAIRMAN. Well, thank you very much for that opening statement.

Ms. Montoya, we have three standard questions we ask all nominees who come before our committee. 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. MONTOYA. 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 for which you have been nominated?

Ms. MONTOYA. No, Mr. Chairman.

The CHAIRMAN. Finally, 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. MONTOYA. Yes, Mr. Chairman.

The CHAIRMAN. Ms. Montoya, in 1994, Congress passed legislation to require HHS to develop a new system to monitor State compliance with important Federal child welfare laws. That system was to have been in place by July 1995. However, proposed regulations were published only last Friday, over 3 years late. Why the delay, and how soon will this critical system be up and moving?

Ms. MONTOYA. Mr. Chairman, I cannot really comment, per se, on the length of time that it has taken or take responsibility for the delay, since I was not in Washington dealing with those issues.

But I can tell you, from everything that I have read and from the discussions I know that have gone on at the department regarding this very important issue, it is a very complicated area and it was something that needed to really be looked at very closely, getting a lot of input, a lot of consultation, and just really a lot of work

going into the development to make sure that, as we move forth with it, we were doing it right and moving forward with it.

So that is my sense from the discussions I know have occurred over at the department. The department was just working on moving it forward and trying to get it done right the first time.

What I can tell you is that, if confirmed as Commissioner, I would work very closely with you all here and continue to work within the department. I know I have the commitment of Secretary Shalala and Assistant Secretary Golden to move forth on the implementation of this very important area.

The CHAIRMAN. Well, I cannot stress too much the importance of moving ahead. I think it is pretty hard to justify a 3-year delay on a matter as important as this is.

Let me ask you this. The administration has stated a commitment to double the number of children adopted from foster care. What will you be doing to accomplish this goal, and when do you expect to achieve it?

Ms. MONTROYA. Again, Mr. Chairman, what I can tell you, is that there is a lot of work that is currently going on within the Administration for Children and Families, working with States on really looking at what they are doing as far as their State plans, working more closely with States, encouraging more aggressive efforts in the area of recruitment of parents for both foster care and adoption, and really looking at providing more technical assistance, training, and support to the States, who, as you know, are the ones who are actually involved with implementation of this child welfare issue.

What I will do, is I will commit to you that it will be for me a very high priority. I will get a quick assessment when I get over to the department of where we currently are, see where our priorities are, and provide my guidance and energy as best I can in that area to help move this initiative ahead.

The CHAIRMAN. Do you have any thoughts as to when you will accomplish the goal?

Ms. MONTROYA. Well, Senator, we have a date. I know our goal is to double that number by the year 2002. So what I would have to do at this point is really see where we are, as far as even in the last year, with the changes that have already been implemented, what trends have we started to see, how do things seem to be going, and to see if we have to do any reassessment or fine tuning to really be able to move towards meeting that goal. I have to say that, at this point in time, I could not tell you specifically. I know that the goal is to double the number of adoptions by 2002, and that is what we would work towards.

The CHAIRMAN. We hope you are able to accomplish it.

Let me go to some legislation adopted last year which provided States with new incentives to increase the number of adoptions of special needs children. Can you tell me whether adoptions of special needs children are increasing?

Ms. MONTROYA. Senator, again, just because it has not been an area that I am directly involved with at this point in time, I cannot fully respond to that. My sense is that we are starting to assess where we are with that number, but I am not sure that, within a year's period of time, we can say that change has occurred.

What I would be glad to do, is to go back and actually see where we are as far as looking at that data and gathering that information, and get back to you.

The CHAIRMAN. I would appreciate that.

Senator Moynihan?

Senator MOYNIHAN. Thank you, Mr. Chairman. Welcome, Ms. Montoya.

Ms. MONTOYA. Thank you.

Senator MOYNIHAN. The Chairman was talking about the adoption legislation, which we passed 3 years ago, and a whole range of exercises of that kind. What has brought the U.S. Government into this field is, in my view, primarily the change in family structure over the last generation in our Nation.

In 1986, Samuel Preston, giving the Presidential address of the American Population Association spoke of the "earthquake that has shuddered through the American family in the last two decades." I was in Washington in a job not very different from what you have at that time.

It was rather conspicuous that the Children's Bureau, which had been set up at the beginning of the century, when the problem of child welfare was principally the parents dying of pneumonia and tuberculosis, the Children's Bureau denied this was happening and did all in its power to prevent anybody knowing about it. It was heartbreaking to see a great institution not able to deal with that new phenomenon. They said it was not so. This continues.

The department has been putting out the information for the last couple of years that the teenage birth rate is declining. Even the President has said so. That is meant to make you think that the single parent birth rate ratio is declining. It is not. The department has been telling a lie. I do not have to tell you, in Albuquerque, 82 percent of the teenage births are out of wedlock. That is average. Here in Washington, I think it is 97 percent.

Senator CHAFEE. In other words, those births to women, girls, less than the age of 20, 97 percent of them are out of wedlock.

Senator MOYNIHAN. Yes, sir. In Albuquerque, 82 percent. I think New York City would be something like that. We keep hearing how the birth rate is declining. Birth rates have been declining for two centuries, as you know.

Could I just say, I hope we can stop that. It is unprofessional. There comes a point where one could almost feel it would be best not to have a Department of Health and Human Services than one which misleads the American people about the central fact of its work. You just nod. I think that is the wise thing to do. [Laughter.]

Let me just ask you one question. In 1996, the one great achievement in social welfare of this administration has been to abolish Title 4A of the Social Security Act, which provided a guarantee of some support for children. That is what we did. It is unbelievable. Ten years ago anybody would say, that can never happen. We did it.

The new law has a 5-year limit on the amount of time that the Federal benefits can be provided to children and that cutoff comes closer and closer.

Have you any thoughts about how to prepare for the moment when millions of children in this country will be no longer eligible for any support?

Ms. MONTOYA. Senator, I hear what you are saying and I believe it is an issue that is of concern to everyone. I think, even though we look around and see where things are going with welfare reform we must continue to focus on the future impact of welfare reform and what the needs will be.

Senator MOYNIHAN. Welfare reform was welfare repeal. It is Orwellian. We repealed Title 4A and called it reform. Right.

Ms. MONTOYA. Yes, Senator. But there is no doubt, and I can speak for my region in particular, that we have seen some strides and some changes in what is going on in that we do have more families working and being able to help provide support for their children.

But the issue I know that you are getting at, and it is an issue I am aware of and concerned about, along with many of the people over at the department, including Secretary and the Assistant Secretary. We all continue to think about and strive to see how we can best support the coordination of all the services that we have available so that those children that are eligible for services will be sure to get them, particularly as we move through those difficult upcoming times. I am not sure that anyone right now, Senator, has a crystal ball. I think that is what we all wish we would have, to really know exactly where we will be.

But I think one of our biggest challenges, as I have thought about it, is how we work with what we currently have in place as far as support systems for those particularly vulnerable children and families, how we might maximize what is already there and coordinate so that we are not duplicating in order to be able to extend services to those people in need, where the need is still there, and that we just need to continue to look at that, keep an eye on the ball, and continue to identify what the future needs are to see how we might support these families and these children in the upcoming years.

Senator MOYNIHAN. Fair enough. I could not ask that you would say more. But, please remember you are going to have a problem keeping count of people you no longer know about. It is a task you will not ever have had before. The President signed the bill, the Secretary recommended that he do so. You did not do that, but there is an enormous responsibility, as I judge it, to be honest, and not bureaucratic, about the aftermath.

Thank you. Thank you very much. Good luck to you.

Ms. MONTOYA. Thank you, Senator.

Senator MOYNIHAN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Moynihan.

Senator Chafee?

Senator CHAFEE. Thank you, Mr. Chairman.

Ms. Montoya, I have reservations about the whole nomination system and how long it takes, or what people have to go through, FBI inquiring of your neighbors, and so forth. I am curious, when your nomination came up here on July 29, obviously we had a month off, so it was not the committee that held things up. But

when did you accept taking this job, or being nominated for this job, do you remember?

Ms. MONTROYA. Yes, Senator. We started talking about it in April, and the offer and my decision was made right around the end of May.

Senator CHAFEE. The end of May. So, let us see. That was the start of June. So, June, July. You cannot count August, really. So it has not taken that long.

Ms. MONTROYA. Right.

Senator CHAFEE. Has it moved right along, the process? So they first started talking to you in April, did they? Early April or end of April, do you remember?

Ms. MONTROYA. It was right around the middle of April, I believe, Senator.

Senator CHAFEE. I just have reservations of what is going on with these nomination systems. Not that this administration is any different from any other, it is just so laborious, I feel. How did it work out with you? I presume the FBI went and asked your neighbors whether you used drugs, and so forth.

Ms. MONTROYA. Yes, Senator. And I would agree with you, it is a laborious process, having just gone through it. But I have to say, at least from what I can tell, I have been very fortunate that things moved along fairly quickly.

Part of that may have to do with my Type A nursing background personality, as the assistant secretary and I have spoken about it. When they got me the paperwork, I very quickly got to the task and worked on filling out the tremendous volumes of paper that were required.

Senator CHAFEE. Stating all the assets you have held. I saw here, and it is interesting, I do not know whether any of us could ever answer this question. "How many speeches have you given, and to whom, in the last 5 years?"

Ms. MONTROYA. Right. That was a difficult one, Senator. It is important to keep those calendars.

Senator CHAFEE. I do not know whether any single one of us could ever answer a question like that.

Ms. MONTROYA. That if correct.

The CHAIRMAN. What do you do with it once you have it?

Senator CHAFEE. Yes. Who cares? [Laughter.] I suppose if you spoke to the Young Communist League, it would stand out as a danger signal.

The reason I ask these questions, on another committee that I am involved with we have people who actually decline to be nominated for certain positions because they just do not want to go through this business. What has been your reaction to the whole thing? I mean, you have to make a physical move, do you not? You are presently in New Mexico, living in New Mexico, and then you have to move up here.

Ms. MONTROYA. Right.

Senator CHAFEE. How has it worked out, the whole process, would you say?

Ms. MONTROYA. Well, Senator, I am actually a native New Mexican living in Dallas, Texas right now.

Senator CHAFEE. Oh, you are living in Dallas. I see.

Ms. MONTROYA. Right. They call me a transplant in Texas. But, yes, it would require a physical move. Quite frankly, it does take a lot. You have to seriously consider taking on going through the process. It is a tremendous challenge just getting through the process.

But I am very fortunate in that I have a very supportive spouse, as well as family and friends, who have encouraged me and sort of cheered me on as I have moved through this process.

Quite frankly, the overpowering issue for me was that I felt that it was really important, having been given this opportunity, to move forth on this nomination to be able to be in this role of Commissioner, if confirmed.

So I have to say that this particular job, for me, is a good fit that I am willing to really give it my all to move through the process.

Senator CHAFEE. I would point out, this position now has been vacant for a year, which would indicate something about the process.

Ms. MONTROYA. Yes, Senator.

Senator MOYNIHAN. Would my colleague and friend—

Senator CHAFEE. Sure.

Senator MOYNIHAN [continuing]. Mind my noting that the administration, for a while there, was rather bitterly complaining that the Committee on Foreign Relations would not confirm their nomination for the permanent representative to the United Nations, only to learn that they had never sent it up.

Senator CHAFEE. Well, I want to say that this committee has been vigorous in taking up nominations quickly, so the delay is not here. The delay, I think, comes with all this background check, or whatever. They are not going to be caught once again with some nominee not having paid Social Security on a baby-sitter.

But I am sure that Senator Moynihan could remember when he was nominated for a position. I remember, I was nominated for the position of Secretary of the Navy, and the administration came in January.

They called me early in January, I went through the whole thing, and was sworn in before the end of January. That would be impossible today, I suspect, with all of the rigmarole that individual's have to go through.

Senator MOYNIHAN. Could I say to my friend that I served in the cabinet or subcabinet of four presidents, and I do not remember so much as giving my Social Security number to anybody.

Senator CHAFEE. Well, this business of listing—

The CHAIRMAN. Some of us, I might say, wondered how either one of you got confirmed. [Laughter.]

Senator MOYNIHAN. Because they did not know anything about us! [Laughter.]

Senator CHAFEE. Now, Ms. Montoya, the Adoption and Safe Families Act, which we enacted last year, requires States, as has been pointed out by the Chairman, to move children more rapidly from foster care into adoption. I am all for that. This is difficult.

Do you think you have the resources to adequately implement this adoption bill? In other words, it is my understanding that, financially, budget-wise, you did not receive any more money, yet you have this goal set before you. Do you think you have the tools?

Ms. MONTROYA. Senator, if I get confirmed, I really need to access exactly where we are on this issue over at the department.

I have seen it on paper, I have heard discussions. Quite frankly, I would not be surprised if that was not an issue. So, from that perspective, I just really would have to assess the situation.

I would hope that, perhaps if I get there and find out that it truly is an obstacle or an issue in moving towards full implementation, that we could come to this committee and to the members of Congress to work together on pulling together the needed resources that would be needed to move towards full implementation.

Senator CHAFEE. I think it is important that you do that. This committee is here to be helpful. We are not a prosecutorial committee, we are here to give you the tools for you to do your job and be as helpful as we can.

So, I hope you would let us know. That does not mean we have a fountain of money we can just turn on and give you everything you want, but at least it certainly helps me to know what your challenges are as you try and do this job.

Ms. MONTROYA. Very good.

Senator CHAFEE. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Chafee.

I think the good Senator has raised a very serious problem, the question of the confirmation process. I, too, am concerned that too often it discourages people from seeking Federal employment. We are pleased that people like yourself, Ms. Montoya, are willing to do so.

I think those are all the questions. We will keep the record open, both for this and the other nominee, until 5:00 tomorrow. If there are any written questions, I would ask that you submit them as quickly as possible.

We hope to move very expeditiously on your nomination. Thank you for being here today.

Ms. MONTROYA. Thank you, Mr. Chairman and members of the committee.

Senator MOYNIHAN. Thank you.

The CHAIRMAN. Thank you for coming forward, Mr. Williams. David C. Williams is the President's nominee for Inspector General for the Department of Treasury. This is an extremely critical position that is responsible for detecting waste, fraud and abuse within the Treasury Department.

Included in the Treasury IG's responsibility is oversight of the three law enforcement bureaus, namely the U.S. Customs Service, the Bureau of Alcohol, Tobacco, and Firearms, and the U.S. Secret Service. It is, unquestionably, a difficult job at times to maintain oversight of such law enforcement agencies.

The Treasury IG has had some serious management problems in the past few years that were highlighted in an investigation conducted by the Senate Permanent Subcommittee for Investigations chaired by Senator Susan Collins. "I found what occurred within the Treasury IG office to be highly disturbing. Such mismanagement and misconduct is unacceptable and will not be tolerated."

The Treasury Inspector General must set a good ethical example, demonstrating strong leadership and carrying out the agency's mission with the utmost integrity and in a manner in which the In-

spector General Act of 1978, as amended, intended. Helping the Treasury Department improve the financial management is of great importance to this committee and the American taxpayers.

It is a pleasure to welcome you here, Mr. Williams. Do you have any members of your family here with you today?

Mr. WILLIAMS. I do not, sir. I am from St. Louis and a health concern prevented my sister from being here. I am delighted that my former secretary, Carlotta Rodriguez, was able to join me, and some other friends. I am pleased that they are here.

The CHAIRMAN. We are very pleased to have them here.

Mr. WILLIAMS. Thank you, sir.

The CHAIRMAN. Senator Moynihan, would you care to make any comments?

Senator MOYNIHAN. Just to welcome Mr. Williams and to confirm that we have had difficulties in this office in recent years.

Could I also note, I am sure you will not mind, that that special group of persons that Mr. Rosotti brought into the Internal Revenue Service has issued some rather severe reprimands to a number of regional directors on that issue that you raised that was so elusive, did the Service set down quotas for what you have to collect. They found, yes, they did.

The CHAIRMAN. Well, as I have said on many occasions, the one bright note is, I think, the new Commissioner of IRS. I am pleased that a number of outstanding individuals are coming within the agency. I think, hopefully, we are on the way to real reform.

I would now swear you in, Mr. Williams. Would you please rise.

[Whereupon, the witness was duly sworn.]

The CHAIRMAN. Thank you. At this time, I would ask you to proceed with your statement. Your full statement, of course, will be included as if read. Please proceed.

STATEMENT OF DAVID C. WILLIAMS, NOMINATED TO BE INSPECTOR GENERAL OF THE DEPARTMENT OF THE TREASURY

Mr. WILLIAMS. Thank you. Mr. Chairman and members of the committee, I am pleased to appear before you today to be considered for the position of Inspector General for the Treasury Department.

I am honored to be considered for such a position and would like to tell you about the portions of my background that relate to my qualifications. My government service began in the U.S. Army, where I was a special agent with Military Intelligence. My assignments included a tour in the Republic of Vietnam in 1968 and 1969. After completing my graduate degrees at the University of Illinois, I became a special agent with the U.S. Secret Service in Chicago in 1975.

Following that assignment, I went to work in 1979 for the Labor Department's Office of Inspector General in the Office of Labor Racketeering, where I investigated the International Brotherhood of Teamsters, and other labor unions that were controlled by organized crime at that time.

During this period, I served in Chicago, and was the special agent in charge in Cleveland and New York City. I also worked on President Reagan's Commission on Organized Crime.

Returning from that assignment, I became the field director for the Office of Labor Racketeering, where I served until 1986. Next, as its first director, I established the Office of Special Investigations for the General Accounting Office, where I conducted and supervised investigations for various committees of Congress.

In 1989, I was nominated by President Bush and became the first Inspector General for the Nuclear Regulatory Commission. In 1996, I was nominated by President Clinton and became the first Inspector General of the Social Security Administration, following its creation as an independent agency.

It was my privilege to have had my confirmation hearing before this committee, and I enjoyed a continuing relationship with your committee and the special Committee on Aging chaired by Senator Grassley of this committee.

The mission of the Treasury Department is a vital one. I want to assure you that I will take my responsibilities at the Department of Inspector General very seriously and will commit to my office my dedication, experience, and leadership to make a strong contribution there.

I have followed the committee's involvement with the Office of Inspector General at the Treasury, and appreciate your work and your contribution to its improvement. If I am confirmed, I look forward to working with the committee to ensure that that office is strong and useful.

This concludes my statement. I would be pleased to answer any questions that you have. Thank you.

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

The CHAIRMAN. Mr. Williams, as you know, we have three standard questions that we ask each 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?

Mr. WILLIAMS. No, sir.

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 for which you have been nominated?

Mr. WILLIAMS. No, sir.

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?

Mr. WILLIAMS. Yes, sir. I would be pleased to do that.

The CHAIRMAN. Mr. Williams, the Treasury IG is, of course, responsible for three of the Treasury Department's law enforcement bureaus, ATF, the Customs Service, and Secret Service. How do you, if confirmed, plan to conduct effective oversight of these bureaus?

Mr. WILLIAMS. I would like to create an organization reporting to the Assistant Inspector General for Investigations, led by an SES, whose job it was to assure Treasury integrity. I would call that section the Treasury Integrity Section. I would have two responsibilities under that office.

The first, would consist of desk officers who had expertise in each of the internal affairs units for those organizations. They would look at allegations that came in regarding integrity issues within the Secret Service, Customs, and the ATF. They would look at the investigations that were selected to be opened.

They would, next, review the investigations as they were unfolding for significant developments. At the conclusion of the investigation, they would do a quality assessment of it to assure that the leads were thoroughly pursued.

They would also look at the law enforcement bureaus' reactions to the investigations to assure that those were appropriate. They would report to me, and I would report to you and to the Treasury, any serious deficiencies we found as a result of those inquiries.

The second component would be a special inquiries group that would be senior investigators who would investigate the investigators. They would investigate the internal affairs units and high-level managers within the organization. They would also look at any other kinds of serious investigations.

I know it was a very great concern to you, what occurred at Waco and the events that were called "the good old boy roundup." I would want to have the capability to provide to you in a timely and thorough manner accurate accounts of any sort of disasters like that that I know that you need to hear about.

The CHAIRMAN. Now, you have been serving as a senior advisor in the Treasury IG office for a few months now. As you have pointed out, you have an extensive background as a criminal investigator. What is your overall assessment of the Treasury IG Investigation's Office?

Mr. WILLIAMS. It is a very troubled office. When I think about the audit side, I think about opportunity. When I think about the investigative side there, I think about risk. I can tell you what I have found, and I think those problems can be solved. I also think the products coming out of the office between now and when it is solved need to be very closely scrutinized.

The organization does not have a good field structure, so it is not very responsive to the Treasury needs. There has been an inadequate program to oversee the law enforcement bureaus. I think that you recognized that. The Senate Appropriations Committee recognized it and mentioned it as well.

There is a serious problem with case aging. I looked at the investigations. I was concerned with how they were conducted and the quality of the reports that concluded and summarized the investigation. There is low productivity for the office. That is of great concern to me. There is not an MIS system to track the cases, there is not a manual to tell the agents where the boundaries are for conducting their work.

I am not finding routine, ongoing reviews of the investigations as they are being conducted, which is critically important. There are poor relations, both with the law enforcement bureaus and with other IGs, that need to be overcome.

We did find some instances of some skill problems with some of the investigators, too. The problems are very serious and big. I would hasten to also add that they are fairly simple to resolve.

They are extraordinarily fundamental, but the things that went wrong were sort of simple errors that were made.

I think that if we revisit every one of those fundamentals and I address the problems that I just mentioned to you, they can be solved. I know that we do not have forever to solve them. I will move as quickly as I can to solve those in a timely fashion.

I certainly would want the committee as a partner and an ally in that sort of reform effort. I hope I have always been honest with you, and I have to be honest with you here, this is as serious as I have encountered.

The CHAIRMAN. Well, there is no question but what this is a very, very troubled agency. As I mentioned in my opening statement, Senator Collins' investigation of the Treasury IG did disclose some very, very serious problems.

The Permanent Subcommittee on Investigation found, and the General Accounting Office confirmed, that the Treasury IG broke the law twice while procuring two sole-source contracts. The GAO also identified a "pattern of careless management in the procurement process and in oversight of performance" under one of the contracts.

The subcommittee also found inconsistencies and confusion surrounding a Treasury IG investigation of two Secret Service agents' testimony. Documents were destroyed by Treasury IG personnel, and Congress was misled about the nature of that investigation.

These are very, very serious charges, Mr. Williams. They cannot be permitted to reoccur or to continue. What will you do to ensure that these kinds of problems will not reoccur?

Mr. WILLIAMS. Regarding the problems that you mentioned, they were investigative in nature and contract procurement problems, I guess I would like to talk about that. We are making a broad review of all of the operations, but with regard to those two failures, I think the first thing we need to do is have a very high level of respect and observation of the regulations and the controls in place for contract procurement and contracts for services.

We also need, and I think this is probably one of the things that were key to the failures, to avoid the improper involvement of high-level officials, either exerting influence or appearing to exert influence inside the contracting process.

I also think that it is important to encourage the people at the journeyman level and at the lower management level to express concerns and let us know when they feel that there is a propriety problem, and to show gratitude toward them for any employee that is courageous enough to flag such an action.

On the investigative side, I think we need to make absolutely sure that we conduct our work without regard to any improper influences. We need to be independent, we need to be objective, and we need to be professional in the manner in which we conduct our work.

I believe that some effort has already been made to study the PSI report and to shore up the control failures. I think, also, we need a strong lessons learned exercise, where poor judgment was exercised. Upon arriving there, I wanted to assure that some actions had been taken. They have tried to strengthen the procurement. What I would like to do, is cross walk that to the PSI report

to make sure that we were responsive to all of the failures that were discovered.

The CHAIRMAN. Let me ask you, what kind of steps will you take to ensure that Congress, particularly the committees that have oversight or appropriation responsibilities concerning the Treasury IG, are kept informed about what is going on, what positive steps are being taken?

Mr. WILLIAMS. Both at the Social Security Administration and at the Nuclear Regulatory Commission, I was here a lot. I am a very strong believer in a good, strong, routine relationship with Congress.

I think a good starting place is to survey the various committees and subcommittees and find out what their interests are, what kinds of things you are trying to accomplish, and make sure that we provide you with the reports that relate to that, and we brief you on any developments inside that area. We also, of course, would always be pleased to do studies and investigations in response to your requests.

We have the semi-annual report, and the seven-day letter, and our audit reports. We want to provide those to you, and they need to be in good, clear language in which we make sure that we do not mask any problems, that you understand exactly what we are saying in clear, plain English.

I would like also there to be a consensus between Congress and my office on what my performance indicators are for my office and what our planned work is. We would like to consult you over the summer, before we make plans for each fall.

We also want to make sure that our performance indicators have a very strong return on investment orientation. You spend a lot of money on us, and we want to make sure that we are making a good, strong financial return in the area of law enforcement agencies, and that we are providing adequate assurance that those are clean and honest agents that are doing such important work.

I also think that something that you personally worked on, the GPRA Act, is emerging as a bridge between Congress and the Inspector Generals to have an over-arching effort between planning, performance, and budgeting, and I liked what I had seen the last couple of years. I think we are finally getting it and understanding how to use that important tool. That is a great way to bring us together, too.

The CHAIRMAN. One final question that I would like to ask at this time. As I have indicated, there will be written questions submitted no later than 5:00 tomorrow, and we would appreciate your answering them as promptly as possible.

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. We are concerned about the morale of the employees. As previously stated, this agency has been under the gun for a couple of years. It is my understanding that there is quite a demoralized work force in the organization. How are you going to address that problem?

Mr. WILLIAMS. I think the first step in that is reestablishing our credibility with our stakeholders, both on Capitol Hill and within the Treasury Department. I think we have lost a lot of credibility with you and we need to regain that.

I also think that, as I said, there are production problems. I think creating a fast-paced environment is a good way of improving morale. I think also we need to have employees clearly understand that the system of management there is fair, timely, and understandable. There is a good basis to understand how you would receive career opportunities and rewards, and also adverse actions in a timely fashion.

Communication. I have seen some communication problems that have occurred in the past and I want to make sure that that is a good, strong leg of the solution for raising morale and for raising the expectations. There are a number of vehicles for that. I have traveled, to the extent that I was able. I stopped when we neared confirmation, but I intend to continue that if I am selected for the position.

I have met with an employee association group recently and they asked for a number of commitments. I then took that to a senior management meeting. They made a number of commitments and I am going to make sure that those are delivered in a timely fashion.

I was gratified to see that many of those commitments had to do with establishing credibility with you and with raising levels of production. That was a nice thing to see the employees asking for. I also sensed a lot of enthusiasm and excitement. The people inside that organization want to turn around and they want to launch a number of initiatives, and I think morale is going to be fine as a result of that.

The CHAIRMAN. Senator Moynihan?

Senator MOYNIHAN. Mr. Chairman, you have asked all the questions that I would have asked. I think Mr. Williams has been more than forthright. Frankly, I had no idea how troubled this agency is.

Your predecessor, sir, resigned, I believe, in a situation about questionable activities. One contract to Mr. Sato and associates, \$345,000 sole-source contract for a report on morale and diversity problems. If you have to get an outside contractor to tell you about morale and diversity problems, you are not doing your job very well.

One thousand 6-inch rulers with inspirational phrases for a staff of 300. You do not suppose you could provide the committee with one of those extra 6-inch rulers, do you? Maybe inspirational phrases are what we need around here. [Laughter.]

Mr. WILLIAMS. I found one in my desk, and without knowing what it was, I threw it away. I hope I did not throw away the last one. I will certainly try to get you one, Senator Moynihan.

Senator MOYNIHAN. I appreciate it. You will come to us when you come upon matters that the Chairman has asked you about?

Mr. WILLIAMS. Yes, sir, I certainly will. And, as I said, I have always been on the end of the Inspector General community that comes up here a lot. As you know, from Social Security, that was a long haul and I was here probably as much as anyone.

Senator MOYNIHAN. Yes. Yes.

Mr. WILLIAMS. I value the relationship and think it is most important to the Office of Inspector General's effectiveness.

Senator MOYNIHAN. Well, well done, sir. Good luck to you.

Mr. WILLIAMS. Thank you, sir.

The CHAIRMAN. That concludes the questioning now. There will be written questions, as I already have indicated.

Mr. WILLIAMS. Yes, sir.

[The questions and answers appear in the appendix.]

The CHAIRMAN. Thank you, Mr. Williams.

Mr. WILLIAMS. Thank you.

The CHAIRMAN. The committee is in recess.

[Whereupon, at 11:25 a.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. ALFONSE M. D'AMATO

Mr. Chairman, I would like to thank you for holding this hearing on these two very important nominations. Both positions are very demanding, and require a tremendous amount of knowledge and experience. Both of the nominees before us have an impressive record of experience and commitment in the fields which they will address.

Patricia Montoya has been nominated by the President to be the new Commissioner of the Administration on Children, Youth, and Families. Her extensive experience in the field includes positions in schools, hospitals, health care providers, and finally the government. She has been working with the government in various capacities for the past seven years, ultimately culminating in her current position as a Regional Director with the U.S. Department of Health and Human Services. Her varied experience and knowledge of Health and Human Services is certainly an asset that should not be forgotten.

The Commissioner of the Administration on Children, Youth, and Families oversees several programs that provide protective services and shelter for at-risk children and youth; child care for working families and families on public assistance; as well as adoption and foster care services. The importance of these programs can not be underestimated. Collectively, they provide support and resources to children and youth who need help to overcome serious problems that are common throughout America. The programs provide financial assistance to States and community-based organizations, as well as academic institutions that conduct research and technical assistance. Our commitment to help these children should be one of our highest priorities since children are the future of this country. It is especially important when it comes to the children that these programs are targeted for, since they are the ones who most need our help and attention. Without the support that these programs provide, many of these children would not be able to overcome the many, and often simultaneous, disadvantages that they face.

The President has nominated David C. Williams to be the new Inspector General at the Department of the Treasury. No one can question his knowledge of duties and responsibilities of the Office of the Inspector General.

His career began as a Secret Service agent where he did undercover work for one of the largest investigations conducted by the Secret Service into stolen financial instruments. He then joined the Department of Labor's Office of Labor Racketeering where he worked for over seven years. During his tenure there, he served on the President's Commission on Organized Crime investigating money laundering techniques. (1984) In 1986, Mr. Williams became Director of the Office of Special Investigations at the General Accounting Office.

He has sought out fraud, waste and abuse throughout his professional life and to those ends, he has held high level positions at the Office of Inspector General at three agencies. The Inspector General's job is to provide an independent and objective audit into the programs implemented by a Department and their financial system. Mr. Williams has had extensive experience into conducting these investigations. He was selected to be Inspector General of the Nuclear Regulatory Commission and then became Inspector General for the Social Security Administration. For the past three months, he has been a Senior Advisor at the Department of the Treasury's IG office.

Most impressively, Mr. Williams was given two written citations when he served in the U.S. Army—the Bronze Star and the Vietnamese Medal of Honor.

PREPARED STATEMENT OF HON. JEFF BINGAMAN

Mr. Chairman, members of the Committee, good morning. It is a pleasure to be able to introduce Patricia Montoya as the nominee for Commissioner for Children, Youth and Families at the Department of Health and Human Services.

I am extremely pleased that Patricia Montoya, a native of Albuquerque, New Mexico, has been selected to become the next Commissioner for Children, Youth and Families. The credentials you have been supplied in preparation for this hearing point to the fact that she is a knowledgeable, dedicated public servant with strong managerial and community based skills. Ms. Montoya has extensive community experience as a nurse focusing on children's health. While in New Mexico, she successfully managed two programs which focused on increasing health care services to rural and underserved populations. Her efforts had a tangible, positive impact on the lives of the people she served.

Most recently she has served nationally as the Regional Director of the Department of Health and Human Services based in Dallas overseeing operations in five states.

Ms. Montoya brings a lifetime of commitment to children's health, social services, and family needs and I plan to fully support her Senate confirmation.

I have to say that one of Ms. Montoya's many talents is that because of the work she has consistently done at the grassroots, community level, she has the ability to bring a variety of people together to develop consensus, strike compromise. This will serve her well as Commissioner and needs to work with communities to ensure our programs reach those in need. She will be a most able spokesperson on the issues of child development, early childhood education, child welfare and child care.

The position for Commissioner for Children, Youth and Families has been vacant long enough. Essential services such as Head Start, child care, foster care, and assistance and support for our runaway and homeless youth deserve the leadership that Ms. Montoya can provide. I look forward to working with you to ensure her timely confirmation before the end of this Congress.

PREPARED STATEMENT OF PATRICIA MONTOYA

Mr. Chairman and members of the committee.

My name is Patricia Montoya. Thank you for the invitation to be here today. It is truly an honor for me to appear before you as President Clinton's nominee to be Commissioner of the Administration on Children, Youth, and Families at the Department of Health and Human Services. I also want to express my gratitude to Senators Domenici and Bingaman for their support of my nomination.

If confirmed, I will have the special honor of directing vital programs that relate to child care, foster care, adoption, child development, early childhood education, and youth development. I look forward to working with you, Mr. Chairman, and other members of the committee on issues that relate, in particular, to child care, foster care and adoption. At this time, I also would like to thank the Committee for its leadership and support in the passage of the Adoption and Safe Families Act of 1997. If confirmed, I look forward to working with you on the continued implementation of this legislation.

As you know, Mr. Chairman, the Administration for Children, Youth, and Families (ACYF) plays a critical role in improving the lives of Americans. ACYF administers the major Federal programs whose missions are to assist vulnerable children and youth. These programs provide financial assistance to states and to a wide range of community organizations for such integral programs as Head Start, child care, foster care and adoption assistance and support for runaway and homeless youth. The Administration for Children, Youth and Families also supports research and demonstration activities, and undertakes training, technical assistance, and information dissemination. However, most significantly, the Administration for Children, Youth and Families brings together a range of programs that invest early in children's lives to promote their health and well being later on. A primary focus of ACYF is the protection and healthy development of children and families.

If confirmed, I will bring to ACYF a broad range of experience that I know has prepared me for this challenge and this wonderful opportunity. I believe that my background reflects my lifelong commitment to children's health, social service needs and the needs of families. I am a Registered Nurse who began my career working with children in the area of pediatrics, and then went on to working with children and families in the area of school health. These were some of the most rewarding days of my career, while at the same time some of my most challenging.

While I was given the opportunity to get to know the best and brightest of our young people as they moved through their schooling, I also got to know many of the issues and challenges that these young people and their families faced every day, often with few or no resources.

While working in the community I came to understand the impact and significance that public policy has on people's lives and the importance of being involved. It was at this time in my career that I committed myself to being an advocate for those who had no one speaking out for them. Therefore, I welcome the opportunity and the challenge to be a spokesperson for the Administration on issues that are vital to our children and families.

My experience as a nurse has been varied, from staff nursing, to school health, working in home health, to running a private not-for-profit agency, and running a health care center. I have worked as staff both in the private and public sector, as well as a manager, and this has given me a helpful perspective from which to draw. It has provided me the opportunity to work with people in different age groups. Most importantly, however, it has provided me the opportunity to work with families and individuals comprehensively, looking at the total person, the total family, and their needs.

In 1994, I was appointed as the Regional Director for Health and Human Services in Dallas. Being in this position has provided me with the opportunity to gain the federal perspective and get to know many of the programs in ACYF which I will oversee. That insight will assist me tremendously as I undertake the role of Commissioner, if confirmed.

ACYF's mission is central to the Administration's agenda for investing in people to improve their lives. The President, Secretary Shalala, and Assistant Secretary Golden are committed to increasing the number of children including infants and toddlers, participating in Head Start, while ensuring the quality of Head Start centers. If confirmed, I look forward to leading Head Start toward the fulfillment of those important goals.

The Administration is equally committed to moving children more quickly from foster care to permanent homes. If confirmed, I look forward to leading the Administration's efforts to double the number of adoptions of vulnerable children as directed by the President.

Finally, this Administration is committed to improving the availability and quality of child care. If confirmed, I look forward to working with this committee and others to expand the availability and quality of child care for working parents so that no one will have to make a choice between a child and a job.

Since this position is all about children and families, Mr. Chairman, I would be remiss if I did not say if confirmed that I would dedicate my tenure to the honor of my own parents, Ramona and Max Montoya, who have passed on but who have made me who I am.

Mr. Chairman, if confirmed, I look forward to working closely with you, the members of this Committee, and the Congress to make a difference for children and families in America. Thank you very much. I would be pleased to answer any questions that you may have.

The White House,

JUL 29 1998

19

*To the
Senate of the United States.*

I nominate Patricia T. Montoya, of New Mexico,

to be Commissioner on Children, Youth, and Families,

Department of Health and Human Services, vice Olivia A.

Golden, resigned.

William J. Clinton

THE WHITE HOUSE

Office of the Press Secretary
(Little Rock, Arkansas)

For Immediate Release

July 17, 1998

**PRESIDENT CLINTON NAMES PATRICIA T. MONTOYA AS COMMISSIONER
OF THE ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES
AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

The President today announced his intent to nominate Patricia T. Montoya to serve as Commissioner of the Administration on Children, Youth, and Families at the Department of Health and Human Services.

Ms. Patricia T. Montoya, of Albuquerque, New Mexico, is a Registered Nurse with extensive experience in children's health, social services, and family needs. She has served as the Regional Director of the Department of Health and Human Services in Dallas since 1994, where she oversees operations in five states. From 1993-1994, she served as Practice Manager of Presbyterian Family Healthcare, a primary care/urgent care center in Albuquerque, New Mexico. From 1989-1993, Ms. Montoya was the Executive Director of New Mexico Health Resources, a non-profit organization which recruits health care professionals to work in the rural areas of the state. She served as the Assistant Director of the American Nurses Association in Washington, D.C. from 1987-1989. She has worked as a nurse in many capacities, including as a school nurse for the Albuquerque Public Schools and as a staff nurse in the emergency department of the Kaseran Presbyterian Hospital. She has served on the New Mexico Governor's Task Force on Nursing, the New Mexico Board of Nutrition and Dietetics, and the White House Health Professional Review Group on Health Care Reform. In addition, she is a former member of the Board of Directors of Family/Child Services of Washington, DC.

Ms. Montoya received a B.S. degree in Nursing and an M.A. degree in Public Administration/Health Administration from the University of New Mexico.

The Commissioner of the Administration on Children, Youth and Families at the Department of Health and Human Services oversees the implementation of Federal programs whose missions are to assist vulnerable children and youth. The Commissioner serves as spokesperson for the Administration on issues related to child development, early childhood education, child welfare, child care, and youth development.

-30-30-30-

9/87-10/87 Foundation Health Plan, Consultant, Albuquerque, NM
 11/87-11/89 American Nurses Association, Assistant Director, Washington, DC
 9/88-9/89 Kaiser Permanente Urgent Care Staff Nurse (PRN basis) Urgent Care, Falls Church, VA
 11/89-4/93 New Mexico Health Resources, Inc, Executive Director, Albuquerque, NM
 4/93-8/94 Presbyterian Family Healthcare, Practice Manager, Albuquerque, NM
 9/94-present U.S. Department of Health and Human Services, Regional Director, Dallas, TX

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.)

1997-98 DFW Federal Executive Board - Executive Committee.
 1997 DFW Combined Federal Campaign Chair
 1996-present HHS Hispanic Initiative Steering Committee
 1993-94 New Mexico Board of Nutrition and Dietetics
 1993-94 HHS National Advisory Council on Nursing Education and Practice
 1993 White House Health Professional Review Group on Health Care Reform.
 1992-93 New Mexico Health Policy Commission/Geographic Access and Health Manpower
 1991-93 NM State Department of Education Health Occupation Advisory Committee

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.)

None

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

1981 - Present American Nurses Association/New Mexico Nurses Assoc.,
 Chairwoman N.M. Nurses PAC (93-94)
 1982 - Present Sigma Theta Tau (National Honor Society for Nursing)
 1985-95 MANA
 1990-94 Albuquerque Health Care For The Homeless Board, Executive Committee (93-94)
 1991-93 National Association Hispanic Nurses
 1992-94 NM Hispanic Nurses Chapter, President

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.
 None

- 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.

Committee to Elect Martin Chavez for Governor - \$815.00

John Poulard for Congress - \$100.00

Congresswoman Eddie Bernice Johnson - \$25.00

Emily's List - \$50.00

DNC - \$50.00

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.)

National Honor Society - May 1971, Dean's List College of Nursing (Fall 1972, Spring 1975)

Scholarships: Rufus H. Carter Scholarship - Fall 1972, Brown-Brodmerkel Scholarship - Spring 1973

Millicent Rogers Scholarship Fall 73, El Segundo BPW Scholarship Fall 1974

Certificate of Appreciation American Red Cross - 300 hours volunteer service

National Association of Hispanic Nurses Leadership Award 1996, DFW Federal Executive Board

Outstanding Executive Award 1996, American Nurses Association Certificate of Achievement 1998

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

None

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.)

I have made numerous speeches during the past five years which are on topics relevant to the position for which I have been nominated. In general, I speak from notes rather than a prepared text and am therefore unable to provide a complete set of copies. I have listed below speeches I have delivered the past five years which are on topics relevant to the position for which I have been nominated.

Mar 96 National Head Start Training Conference. "Update on Head Start and It's Importance." New Orleans, LA

Sept 96 A National Summit on Latino Children. Co-chair and provided opening remarks. San Antonio, Texas

Dec 96 96 National Child Health Leadership Conference, "The Changing Welfare Reform System." New Orleans, LA

June 97 Texas School Nurse Administrators, "Welfare Reform and Medicaid - Impact on Students and Families." McAllen, Texas

June 97 Texas Association of School Based Health Care. "Children's Health Initiative." Austin, Texas.

Aug 97 New Mexico Head Start Training Conference. "Our Children, The Future and The Importance of Head Start." Albuquerque, NM

Oct 97 Oklahoma Interim Legislative Committee, "Children's Health Initiative. Oklahoma City, Oklahoma

Nov 97 Arkansas Champion Communities Initiative "Human Service Initiatives Through HHS - Supporting Community Change." Little Rock, Arkansas

Feb 98 Texas Maternal/Child Health Coalition Creating A Health Future for Texas Children "Children's health Initiative." Austin, Texas

Mar 98 **Opening Doors In The Barrio - Forging New Partnerships, "Children's Health Agenda."**
 San Antonio, Texas
 June 98 **Regional Early Head Start Conference "Importance of Early Head Start."** Dallas, Texas

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)
 I believe that serving as Regional Director of HHS has enhanced my qualifications to serve in this position. I am familiar with HHS and it's programs, and in particular as it relates to this position I have a working knowledge of ACF and the programs which fall under the jurisdiction of the Commissioner; Head Start, Child Care, and Child Welfare. I am a registered nurse by profession who has worked in the area of pediatrics and school health. My Pediatric experience has provided me the knowledge of child development and family dynamics. This experience and training has also enhanced my ability to see the total child and his needs whether it is physical, mental, or social. I first became involved in the arena of politics and public policy when I was a school nurse and I saw it as an avenue to be able to make a difference for children. I started down that path almost 20 years ago and I remain committed to making a difference for children.

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.
 Due to the responsibilities of my job I will still be working with DHHS and have contact with Dallas Regional Office
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
5. 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.

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.

I have not been a Registered Lobbyist at the Federal Level but have contacted congressional offices on the following issues:

Nursing Education Appropriation 1987-94, Health Care Reforms 1994, Rural Health Issues 1989-93

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.)

None

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.

N/A

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. N/A

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.

No additional information

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

Responses to Questions From Senator Graham

1. What is your view of child care in the work place and the role of government in facilitating the accessibility of quality child care for workers, especially the working poor?

Every day, millions of parents face critical decisions in balancing the responsibilities of work and children. 70 percent of all mothers go to work and trust their children to the best child care arrangements they can find and afford. Affordable, accessible, high quality child care is critical to low and middle-income working parents as well as to welfare recipients just leaving the rolls and moving into the workplace.

Child care takes up a large portion of any family's income, but particularly of low-income families. A family with an annual income of \$15,000 spends a quarter or more of its income on child care. Affordable child care is a decisive factor in enabling low-income mothers to seek and keep jobs.

Parents should be able to choose the care that they feel is best for their children, including relatives, caregivers in their home, family based home providers, or centers. But care can be very hard to find. In a recent Harris poll, half of the parents say they found it "very difficult" or "extremely difficult" to find affordable care.

The quality of care is also essential. Nurturing and stimulating children in their first years of life help youngsters' brains develop and prepare them for the challenges of school and later life. Small group sizes, lower teacher/child ratios, and higher staff wages result in quality child care.

Government, along with parents, communities, and the private sector, has an important role to play in ensuring the affordability, availability, and quality of care. The President in his fiscal year 1999 budget submission proposed the nation's largest single investment in child care. The plan calls for increased subsidies and tax credits to help families find affordable care as well as a variety of approaches to enhance the quality and safety of care.

2. Since small business makes up at least 98% of the employers in this country, how would you make the child care needs of employees working in small businesses high on the public agenda?

Private sector employers can play an important role as leaders on child care issues and investors in creating high quality child care for working families. Small businesses, because of their size, may have fewer resources to contribute to this effort.

However, small businesses can partner with other entities in the public or private sector to support the child care needs of their employees and their communities. For example, rather than providing on-site child care, a small employer could

reserve slots at an off-site center or join a consortium of other businesses to sponsor care. Small companies can also work with community-based resource and referral agencies to provide child care information to employees.

Public-private partnerships are a particularly effective strategy for pooling resources. The Department of Health and Human Services' Child Care Bureau is providing technical assistance to promote and improve public-private partnerships. As part of this project, the Bureau is profiling successful and promising practices such as the Texas Employer Coalition Initiatives which has partnered with over 600 employers, including small businesses, to support child care and other work and family issues.

Employers are not the only solution. All sectors, including government, community groups, and parents themselves, need to work together to ensure that the child care needs of America's children are met.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220



EMBARGOED UNTIL 10 A.M. EDT
Text as Prepared for Delivery
September 24, 1998

Statement of David C. Williams
before the
Senate Committee on Finance

Mr. Chairman and members of the Committee, I am pleased to appear before you today to be considered for the position of Inspector General for the Treasury Department. I am honored to be considered for such a position and would like to tell you about the portions of my background that relate to my qualifications.

My government service began in the U.S. Army, where I was a Special Agent with military intelligence. My assignments included a tour in the Republic of Vietnam in 1968 and 1969.

After completing my graduate degrees at the University of Illinois, I became a Special Agent in the U.S. Secret Service in Chicago in 1975. Following that assignment I went to work in 1979 for the Labor Department's Office of Inspector General in the Office of Labor Racketeering, where I investigated the International Brotherhood of Teamsters and other labor unions that were controlled by organized crime at that time. During this period, I served in Chicago and was the Special Agent in Charge in Cleveland and New York City. I also worked on President Reagan's Commission on Organized Crime. Returning from that assignment, I became the Field Director for the Office of Labor Racketeering where I served until 1986.

Next, as its first Director, I established the Office of Special Investigations for the General Accounting Office, where I conducted and supervised investigations for various committees of Congress.

In 1989, I was nominated by President Bush and became the first Inspector General for the Nuclear Regulatory Commission. In 1996, I was nominated by President Clinton and became the first Inspector General of the Social Security Administration following its creation as an independent agency. It was my privilege to have had my confirmation hearing before this Committee, and I enjoyed a continuing relationship with your Committee and the Special Committee on Aging, chaired by Senator Grassley.

The mission of the Treasury Department is a vital one. I want to assure you that I will take my responsibilities as the Department's Inspector General very seriously and will commit to the office my dedication, experience and leadership to make a strong contribution there. I have followed the Committee's involvement with the Office of Inspector General at the Treasury and appreciate your work and your contribution to its improvement. If I am confirmed, I look forward to working with the Committee to ensure that the office is strong and useful.

This concludes my statement and I would be pleased to answer any questions that you have. Thank you.

The White House,

JUL 30 1998

19

To the
Senate, of the United States.

I nominate David C. Williams, of Maryland, to

be Inspector General, Department of the Treasury, vice

Valerie Lau, resigned.

William J. Clinton

DRAFT

DRAFT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 31, 1998

**PRESIDENT CLINTON NAMES DAVID C. WILLIAMS AS INSPECTOR GENERAL
AT THE DEPARTMENT OF THE TREASURY**

The President today announced the nomination of David C. Williams to serve as Inspector General at the Department of the Treasury.

Mr. David C. Williams, of Granite City, Illinois, is currently the Senior Advisor to the Inspector General at the Department of the Treasury. He served from 1996 to June 1998 as the Inspector General of the Social Security Administration (SSA), where he was responsible for directing the staff of the Office of the Inspector General, which includes criminal investigators, auditors, and inspectors to detect fraud, waste, and abuse and to assure efficient and effective program administration within the SSA. Prior to joining the SSA, Mr. Williams served as Inspector General of the U.S. Nuclear Regulatory Commission from 1989 to 1996. Mr. Williams has served as Director of the Office of Special Investigations at the U.S. General Accounting Office, Director of Operations in the Office of Labor Racketeering at the Department of Labor, and on the President's Commission on Organized Crime. He was a Special Agent in both the United States Secret Service and the United States Military Intelligence. Mr. Williams is the recipient of the U.S. Bronze Star and the Vietnamese Medal of Honor.

Mr. Williams is a graduate of Southern Illinois University and received his Advanced Certificate in Education and a Masters in Education from the University of Illinois. He has also attended the U.S. Military Intelligence Academy, the Federal Law Enforcement Training Center, and the U.S. Secret Service Training Academy.

The Inspector General Act of 1978 created independent and objective units in each of the Departments of the Executive Branch to conduct and supervise audits and investigations concerning the programs and operations of the Department. The Inspector General is responsible for conducting and supervising audits and investigations of programs and operations of the Department.

-30-30-30-

31

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

The Committee requests the nominee provide the following information in a single written statement by typing each question in full followed by the nominee's response. Please provide three copies of your typed statement to Jane Butterfield, Chief Clerk, 219 Dirksen Senate Office Building, Washington, D.C. 20510.

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)
David Curtis Williams
2. Position to which nominated:
Inspector General
Department of the Treasury
3. Date of nomination:
July 30, 1998
4. Address: (List current residence, office, and mailing addresses.)
7317 Woodrush Court
Elkridge, Maryland 21075
5. Date and place of birth:
January 7, 1947
Granite City, Illinois
6. Marital status: (Include maiden name of wife or husband's name.)
Single
7. Names and ages of children:
None

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

Granite City High School
Granite City, Illinois 62040
High School Diploma - June 1964
September 1961 - June 1964

Southern Illinois University
Bachelor of Science - August 1971
September 1964 - August 1971

University of Illinois - June 1975
Masters Degree in Education
September 1971 - June 1973

University of Illinois - January 1996
Advanced Certificate in Education
September 1971 - October 1975

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. Secret Service
Chicago, Illinois
October 1975 - February 1979

Office of Labor Racketeering
U.S. Department of Labor
Chicago, Illinois; Cleveland, Ohio; New York, New York; Washington, D.C.
February 1979 - October 1986

President's Commission on Organized Crime
Washington, D.C.
January 1984 - September 1984

Office of Special Investigations
General Accounting Office
Washington, D.C.
October 1986 - December 1989

Inspector General
Office of Inspector General
Nuclear Regulatory Commission
Rockville, Maryland
December 1989 - January 1995

Inspector General
Office of Inspector General
Social Security Administration
6401 Security Boulevard
Baltimore, Maryland
January 1995 - June 1998

Senior Advisor
Office of Inspector General
Department of the Treasury
June 1998 - Present

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.)

(Same as above)

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.)

None

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

Federal Investigators Association
(Formerly Association of Federal Investigators)
(President) - Currently Inactive

13. **Political affiliations and activities:** None

a. List all public offices for which you have been a candidate.

- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
- 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.

\$1000 Timothy McCarthy 1997

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.)

Five Medals

Two Written Citations in the U.S. Army, including the Vietnamese Medal of Honor and the Bronze Star

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

None

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.)

I gave various speeches within Government agencies and Federal Investigative Organizations. I have no copies of these speeches.

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

There are a number of professional experiences that I believe relate to my ability to perform the duties of Inspector General, Department of the Treasury.

My civilian Federal career began with Treasury as a Secret Service Agent in Chicago. I conducted several hundred investigations involving Social Security and SSI Treasury checks. I did the undercover work for a year long "sting" operation that was the largest such operation ever conducted by the Secret Service at that time. Several thousand stolen financial instruments were recovered including Treasury checks and bonds, as well as stocks and bank checks.

At the U.S. Department of Labor's (DOL) Office of Inspector General (OIG), I investigated fraud in union pension funds and corruption in organized-crime controlled unions. For several years I conducted investigations of the Teamsters' Central States Pension Fund in Chicago. Several of my investigations were used by the Department of Justice when they gathered material to seize the International Brotherhood of Teamsters in 1988. In a separate investigation I led the team of Federal investigators that indicted International Teamster President Jackie Presser, and his International Vice President, Harold Friedman, along with several organized crime figures.

I also served as a senior investigator with the President's Commission on Organized Crime, where among other things I examined state-of-the-art money laundering techniques often needed in large financial crime schemes.

When the U.S. General Accounting Office (GAO) created an Office of Special Investigations, I was selected as its Director. While there, our office investigated the Iran-Contra Affair, the Marine Security Guard Espionage case, and impeachment investigations of Federal judges Nixon and Hastings. Numerous conflict of interest and abuse of office cases involving high level executive branch officials were investigated as well.

I testified before Congress with some frequency while at GAO and in my current position. Also, in both positions I established new offices. Establishing a new office requires a unique set of qualifications that I believe I possess. Lastly, in both positions I developed skills in preventing improper conduct by high level officials that often result in disastrous consequences for the individual and for the agency.

In my positions as Inspector General of the Nuclear Regulatory Commission and the Social Security Administration, I have overseen an audit section that examined the agency's financial systems and programs. Building on my earlier knowledge of the audit profession from the DOL/OIG and at the GAO, I have developed a good level of confidence in overseeing audit programs. I also supervised groups of special agents that investigated fraud, waste and abuse in Government programs. My familiarity and experience with criminal investigations and specifically as an Inspector General have provided me with specialized skills that I believe have prepared me for this new position.

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. N/A

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.

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.

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.)

I do not believe that my responses to the items in this questionnaire raise any conflict of interest concerns. However, if I become aware of any potential for a conflict of interest in connection with the performance of my official duties following my appointment as the Inspector General, I will consult promptly with Treasury's ethics counsel and take the necessary steps, consistent with applicable laws and regulations, to resolve the matter.

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.

Please See Attached

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.

N/A

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

WASHINGTON, D.C. 20220

January 21, 1999



The Honorable William V. Roth
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to the three questions posed by Senator Kerrey, arising out of my confirmation hearing to be the Treasury Inspector General for Tax Administration.

As you are aware, I am currently the Treasury Inspector General. As the Treasury Inspector General for Tax Administration nominee, I do not believe it would be appropriate for me to commit to any policy decisions regarding the operation of the Office of the Treasury Inspector General for Tax Administration. This includes the matter of union representation for Internal Revenue Service (IRS) employees who may be witnesses or subjects of criminal, civil, and administrative cases.

I was advised by Larry Rogers, the current acting Treasury Inspector General for Tax Administration, that he has instructed Treasury Inspector General for Tax Administration personnel to comport fully with prevailing law in their respective jurisdictions. The Senate Finance Committee expressed concern that Mr. Rogers not make decisions which could adversely affect the future Inspector General for Tax Administration's ability to establish his or her own policies and procedures for the effective operation of Office of the Treasury Inspector General for Tax Administration.

Currently, there are conflicting federal circuit court opinions regarding a bargaining unit employee's right to union representation. For the circuits for which no opinion has been rendered, the D.C. Circuit Court opinion governs whether Office of Inspector General Special Agents must permit the presence of a union representative during an interview.

Page 2 - The Honorable William V. Roth

Like all U.S. citizens, IRS employees are afforded the right to personal legal counsel during interviews with federal investigators. In opposing the United States Justice Department on this issue, the plaintiff has taken the position that bargaining unit employees should also be afforded the right to have union representatives present during interviews conducted in both civil and criminal investigations.

Given the conflicting circuit opinions, the Supreme Court has accepted the issue for its review and will address the matter this spring. In the interim, consistent with the standard judicial process, the existing Circuit Court ruling prevails for those states within its respective jurisdiction.

I recognize the importance of this matter, and would expeditiously address it if I become the Treasury Inspector General for Tax Administration. I understand that the acting Inspector General has met with representatives of the National Treasury Employees Union (NTEU). Upon taking office, I would meet with NTEU representatives and other stakeholders, and would be pleased to meet with you, Senator Kerrey or other Members of the Committee.

I hope this addresses Senator Kerrey's concerns on this issue. I would be happy to respond to any further questions the Committee may have.

Sincerely,

David C. Williams

David C. Williams

cc: The Honorable Daniel P. Moynihan
The Honorable J. Robert Kerrey

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 21, 1999.

David C. Williams

○