United States Senate Committee on Finance
September 15, 2026
Hearing to Consider the Nominations of Gerard Klomp, of Utah, to be Deputy Secretary of Health and Human Services, vice James O'Neill, resigned; James Gadwood, of Maryland, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury, vice Marjorie A. Rollinson; Ge Bai, of Virginia, to be an Assistant Secretary of Health and Human Services, vice Richard G. Frank; and Andrew A. De Mello, of Virginia, to be a Judge of the United States Tax Court for a term of fifteen years, vice Maurice B. Foley, resigned.

Questions for the Record submitted to James Gadwood from Senator Grassley.

Question 1:

The IRS recently announced the establishment of an "Office of Conservation Easements" to centralize a case resolution strategy for approximately 1,100 open syndicated conservation easements cases. Only a few months earlier, the IRS issued a uniform settlement offer for such cases. Should you be confirmed, what role will you have with the Office of Conservation Easements?

Answer: If confirmed, I would look forward to being brought up to speed on this matter and working with the appropriate IRS offices by providing legal advice and support consistent with the law and applicable procedures.

Question 2:

As a supporter of the conservation easement deduction, I understand the importance of preventing its abuse. This is why I worked with Senator Daines to enact the Charitable Conservation Easement Program Integrity Act (the Integrity Act) which generally caps the deduction at 250 percent of the taxpayer's basis in the property. This cap helps ensure conservation easement donations are made for charitable purposes and not to turn a profit. It sets an upper limit on the size of the deduction to prevent the most egregious abuses. Yet, some have sought to use this legislation to establish a deduction floor for the purposes of a global settlement for the outstanding syndicated conservation easement cases even though the Tax Court has generally determined no tax benefit to be warranted or substantially curtailed the allowable deductions in similar transactions.[1] Notably, according to the non-partisan Joint Committee on Taxation, a legislative directed settlement using the Integrity Act's cap would cost American taxpayers $10.5 billion.

[1] See for example, *TOT Property Holdings, LLC v. Commissioner*, Docket No. 005600-17 (2019), aff'd, 1 F.4th 1354 (11th Cir. 2021) and *Paul-Adams Quarry Trust LLC v. Commissioner* (T.C. Memo. 2025-112).

Should you be confirmed, how do you intend to balance holding participants in abusive tax shelters accountable with the need to resolve hundreds of cases in a timely and cost-efficient manner?

Answer: If confirmed, I will support fair and even-handed enforcement of the tax laws while recognizing the importance of timely and cost-efficient resolution. I would work with the responsible IRS offices to apply the law consistently and consider resolution tools when deemed appropriate.

Question 3:

I authored the 2006 IRS Whistleblower law which has brought in over $8 billion to the Treasury. The program has been an unqualified success, despite some initial resistance to the program within the IRS.

However, increasingly it appears the IRS is recognizing the importance of the program. I was pleased to read that Jarod Koopman – the Chief Tax Compliance Officer – expressed his support for the IRS whistleblower program in a recent speech. Particularly important was Mr. Koopman's statement that he's making it a priority to pay whistleblower awards quickly. Years of delay have been a long-time problem for the IRS.

Should you be confirmed, can I count on you and your office to work with Mr. Koopman to ensure the prompt payment of awards?

Answer: I understand this issue is very important to you and something you have championed for many years. If confirmed, I look forward to advising the Chief Tax Compliance Officer and the IRS Whistleblower Office to administer the whistleblower provisions consistent with the statute and applicable procedures.

<u>Questions for the Record submitted to James Gadwood from Senator Cassidy.</u>

Question 1:

The Federal Historic Preservation Easement Program is a tax incentive that promotes the preservation and rehabilitation of historic buildings by providing tax deductions to certified historic building owners for the contribution of historic preservation easements to preservation-focused nonprofits and governmental entities. Congress codified the easement program in 1980 and retained the program in the Tax Reform Act of 1986. Lawmakers have consistently supported historic preservation easements as an important tool to incentivize historic building owners to partner with preservation-focused organizations to permanently maintain the historic character of buildings listed on the National Register of Historic Places.

The recent creation of the Office of Conservation Easements is encouraging for the historic preservation community. Legitimate historic property owners using the program as Congress intended and codified previously faced a one-size-fits-all IRS enforcement campaign. This has

deterred well-intentioned owners from protecting the historic character of legitimate taxpaying businesses in Louisiana and nationwide.

If you are confirmed as IRS Chief Counsel, will you work with the historic preservation community and property owners to resolve legitimate historic preservation easement tax controversies?

Answer: If confirmed, I look forward to being brought up to speed on this matter and commit to working with the stakeholders through established channels.

Question 2:

Senator Marshall and I lead legislation that would help municipalities access the bond markets as they seek to raise capital for crucial infrastructure projects in every state represented by a member of this Committee. The legislation would make sure that bond insurance qualifies for the current "insurance exception" under the "passive foreign investment company" (PFIC) rules. These rules were amended in the 2017 Tax Cuts & Jobs Act, and bond insurance was invertedly left out from the insurance exception definition. Simultaneously, we have requested regulatory relief from Treasury and IRS.

Bond insurers currently guarantee over $300 billion of municipal bond projects across every state, resulting in millions of dollars of savings in interest costs that would otherwise have to be borne by taxpayers. Recent infrastructure projects in our states benefitting our constituents include the Port of New Orleans, LCMC Health System, Wichita State University, Emporia State University, and numerous local school districts across Louisiana and Kansas.

Applied to bond insurers, PFIC rules would limit access to bond insurance by states and municipalities, thus increasing their cost of issuing bonds and restricting their ability to raise funds for infrastructure projects. This is particularly problematic for smaller and rural municipalities in Louisiana and Kansas, for which bond insurance is particularly important because it enhances their market access.

If you are confirmed as IRS Chief Counsel, will you work with this Committee and the Treasury Department to solve this issue?

Answer: If confirmed, I look forward to reviewing this matter and working with the Committee as appropriate.

<u>Questions for the Record submitted to James Gadwood from Senator Daines.</u>

Question 1:

Taxpayers rely on clear and consistent guidance from the Treasury Department and the Internal Revenue Service to understand their obligations under the tax law and make long-term decisions with confidence. When the government determines that a longstanding interpretation or practice

should change, taxpayers deserve appropriate notice of that change rather than first learning of a new interpretation through an audit or other enforcement action.

If confirmed, do you agree that significant changes in the interpretation or application of federal tax law should generally be communicated prospectively through published guidance, rather than established through enforcement action? How would you approach this principle in your role as IRS Chief Counsel?

Answer: As I stated in my opening statement, if confirmed, serving America's taxpayers will be a priority for me, including by providing timely guidance. I look forward to working with Treasury's Office of Tax Policy and the IRS to promote clarity and consistency while providing principled legal advice and representing the IRS consistent with the law.

Question 2:

Mr. Gadwood, if confirmed you would serve as the principal official responsible for drafting IRS guidance and interpreting federal tax laws. Today, outdated IRS fuel excise tax regulations raise costs for businesses and consumers by improperly taxing as much as 35 percent of the fuel used by commercial vehicles that operate auxiliary equipment through modern power take-off (PTO) systems. These include utility trucks, cement mixers, refuse collection vehicles, vacuum trucks, cranes, and other specialized equipment; and these excess fuel costs are ultimately passed onto consumers and ratepayers. Since 2007, Treasury has acknowledged issues related to the current fuel tax regulations that apply to PTO systems, and in 2019 Treasury began a rulemaking to update these regulations. Yet, Treasury has still not finalized regulations fixing the issue. The current high fuel prices have only exacerbated this issue, ultimately raising costs on businesses and consumers.

If confirmed, will you commit to working to finalize a rule updating excise tax regulations to properly address PTO excise tax treatment?

Answer: While decisions regarding tax policy and whether and when to issue regulations fall primarily within the purview of the Secretary of the Treasury and Treasury's Office of Tax Policy, if confirmed, I look forward to working with the Committee on various matters such as this, where appropriate.

Question 3:

There is now a multi-billion-dollar industry — third-party litigation finance — where outside investors, including a significant number of foreign investors and sovereign wealth funds, put capital into American lawsuits in exchange for a cut of the settlement or the verdict. It drives up litigation costs, and those costs get passed on to consumers, truckers, farmers, and small businesses in states like Montana. When these funders collect their share of an American jury award, many of them don't report it as ordinary income. They use opaque financial structures to

characterize it as capital gain — and some foreign funders take the position that the income isn't 'effectively connected' to a U.S. trade or business at all, which means they pay nothing.

If confirmed, will you commit to ensuring that the Office of Chief Counsel examines the federal tax treatment of third-party litigation financing arrangements, in coordination with the Office of Tax Policy and appropriate IRS offices, including the character and source of income earned by litigation funders, whether foreign funders may be engaged in a U.S. trade or business and earning effectively connected income, and the applicability of U.S. withholding and information-reporting requirements?

Answer: If confirmed, I look forward to reviewing the issue, including whether this is a matter that must be addressed by Congress.

Questions for the Record submitted to James Gadwood by Senator Blackburn.

Question 1:

Mr. Gadwood, manufacturers have raised concerns about IRS positions regarding whether research conducted on the shop floor qualifies for the R&D credit and whether supplies used in that research constitute qualified research expenses. These interpretations can have significant consequences for manufacturers investing in new products, processes, and technologies here in the United States. Given the substantial incentives China provides for domestic R&D, it is particularly important that our tax laws be administered in a manner consistent with congressional intent and that American manufacturers have clear and workable rules. Will you commit to reviewing the legal positions and guidance governing the R&D credit as they apply to manufacturers, working with IRS and Treasury leadership to address legitimate concerns raised by manufacturers, and keeping my office informed of any related developments?

Answer: If confirmed, I look forward to reviewing the relevant legal positions and guidance concerning the research credit. I would be happy to work with you and your office, through the appropriate channels, on the matters you have raised.

Question 2:

Mr. Gadwood, TIGTA recently identified inefficiencies and duplicative processes in the IRS's large partnership audit efforts. Taxpayers have also raised concerns about the application of the economic substance doctrine, particularly given the strict-liability penalties associated with it. I have raised these issues directly with both Treasury and the IRS and have sought greater transparency regarding these enforcement practices and the safeguards in place for taxpayers. How would you work to eliminate duplicative partnership audit structures and restore a model in which partnership specialists support examinations conducted through the appropriate operating divisions rather than operating parallel enforcement programs? Will you also review the IRS's current economic substance doctrine guidance and, where appropriate, restore safeguards and procedures designed to prevent the misuse of the doctrine and its strict-liability penalties? Do

you agree that the economic substance doctrine is not a general anti-abuse rule and should be applied only to transactions for which the tax law makes the doctrine relevant?

Answer: While others in IRS leadership have primary responsibility for examination, organization, and staffing, if confirmed, I look forward to reviewing the matters you have raised.

Questions for the Record submitted to James Gadwood from Senator Marshall.

Question 1:

Mr. Gadwood, I have been working together with Senator Cassidy on a clarification that, if not fixed, could have an adverse impact on states and municipalities and their ability to issue bonds and access the capital markets in a cost-efficient manner.

We are proposing a clarification that would allow bona fide municipal bond insurance companies to qualify for the insurance company exception to the passive foreign investment company rules. Without action from Congress or the Treasury Department, the provision will have the unintended consequence of limiting the access of bond insurance to states and municipalities, thus increasing their cost of issuing bonds and restricting their ability to raise funds for infrastructure projects. This is particularly problematic for smaller and rural municipalities in Louisiana and Kansas, for which bond insurance is particularly important because it enhances their market access.

Bond projects worth billions of dollars in Louisiana and Kansas have benefited from bond insurance – facilitating the construction of hospitals, schools, roads, airports, and bridges. These infrastructure bond projects fuel economic growth and create jobs in our states and across America.

If you are to be confirmed as IRS Chief Counsel, will you work with this Committee and the Treasury Department to develop a legislative solution on this issue?

Answer: If confirmed, I look forward to reviewing this matter and working with the Committee as appropriate.

Questions for the Record submitted to James Gadwood from Ranking Member Wyden.

Question 1:

On January 29, 2026, President Trump sued the IRS and Treasury Department for $10 billion over leaked tax returns for years 2018 through 2020. In an effort to resolve the settlement, Attorney General Blanche claimed in writing that the President, his family, and his business were immune to audit by the IRS. On July 13, 2026, Judge Kathleen Williams ruled that the President's lawsuit against the IRS was filed for an "improper purpose," and found that the President "colluded" with the Attorney General to manufacture an unethical settlement agreement in "bad faith." While the immunity agreement was not formalized by any legal

process, it makes him and his family the only people in America the IRS cannot audit, even though the IRS has a longstanding policy of auditing every president's returns every year.

1. If confirmed as Chief Counsel, will you advise the IRS that Trump's immunity deal is legal, even though a federal judge said it was the product of collusion and bad faith? Or will you advise that the IRS should follow its longstanding policy of auditing presidential returns?

Answer: I have not been involved in the matter referenced above. If confirmed, I commit to following the law and advising the IRS to do the same.

Question 2:

On September 4, 2026, the IRS issued a Proposed Rule threatening to remove the tax-exempt status of private schools, colleges, and universities based on subjective findings of racial preferences.

Over the past 50 years, the courts and IRS have established clear and objective standards for private schools to receive tax-exempt status. In 1983, in *Bob Jones Univ. v. US*, the Supreme Court upheld the IRS's revocation of tax-exempt status from a pervasively segregationist institution because its racially discriminatory policies violated "fundamental public policy." This decision held that the IRS's authority to deny tax-exempt status on public-policy grounds only applies where there can be "no doubt" that the activity violates fundamental public policy. Separately, in Revenue Ruling 71-447, the IRS has provided that a private school with racially discriminatory policies is not "charitable" within the common law concepts reflected in Section 190 and 501(c)(3).

1. Given this half-century of established precedent, as well as decades of civil rights guidance, why is this new Proposed Rule necessary? In what specific ways is the current guidance from the IRS and Supreme Court inadequate?
2. In upholding the IRS' decision to revoke Bob Jones University's tax-exempt status for policies excluding Black students, the Supreme Court noted "there can be no doubt as to the national policy" prohibiting these policies because "the position of all three branches of the Federal Government was unmistakably clear." Do you agree the IRS must look at the decisions issued by courts, federal statutes, and Congressional intent when determining what activities are "discrimination," not just the administration's interpretations?
3. If you are confirmed, will you ensure that the final rule is explicitly grounded in the Internal Revenue Code and applicable civil rights law, applied consistently across institutions, and does not improperly penalize organizations for lawful efforts to advance racial equity or equal educational opportunity?
4. The IRS listed its authority for the creation of the Proposed Rule as 26 U.S.C. § 7805(a). This is the Secretary of the Treasury's general rulemaking authority. No other authority

was cited. Do you believe this authority is sufficient to promulgate a rule to deny tax exemptions to private schools absent specific congressional authorization?

5. The preamble to the Proposed Rule states that the IRS "does not collect information on race and ethnicity." How does the IRS plan to enforce and implement the Proposed Rule without such information?

Answer: I was not involved in the development or issuance of the proposed regulation referenced in the question. Decisions regarding whether to issue Treasury regulations fall primarily within the purview of the Secretary of the Treasury and Treasury's Office of Tax Policy. If confirmed, I would review any matters that come before the Office of Chief Counsel and provide legal advice consistent with applicable law.

Question 3:

The context around Treasury's recent Proposed Rule regarding tax-exempt private schools and universities raises serious legal concerns. Prior to the Proposed Rule's release, President Trump repeatedly and publicly threatened to revoke the tax-exempt status of specific private universities he dislikes. Furthermore, in April 2025, his administration reportedly directed then-IRS Acting Chief Counsel De Mello to revoke Harvard's tax-exempt status. The Office of Chief Counsel occupies an important position in providing legal advice concerning the administration and enforcement of federal tax law. As you're aware, federal law (Section 7217) prohibits the President and cabinet officials from "directly or indirectly" requesting that any officer or employee of the IRS conduct or terminate an audit or other investigation of any particular taxpayer.

1. If confirmed, how would you respond if the White House, Treasury leadership, the Department of Justice, or another cabinet official or their staff sought a particular enforcement outcome involving a specific taxpayer or tax-exempt organization?
2. If you become aware of an attempt by a White House or Treasury political official to influence an IRS enforcement matter involving a specifically identified taxpayer or tax-exempt organization, will you commit to promptly notifying the Treasury Inspector General for Tax Administration and the appropriate congressional tax committees, consistent with applicable taxpayer-privacy law?
3. Do you commit to being forthright, cooperative, and transparent with TIGTA should they ever inquire about political interference in tax administration?
4. Do you commit to being forthright, cooperative, and transparent to this Committee as we exercise oversight over the IRS to ensure there is no political interference in tax administration?
5. Should TIGTA have access, without political-appointee preclearance, to records concerning any deviations from standard IRS procedure for initiating or escalating an investigation into a tax-exempt organization?

6. What specific safeguards do you believe are necessary to ensure that tax administration remains independent of improper political influence?
7. If confirmed, how do you plan to protect career IRS examiners from political pressure, and ensure illegal requests are promptly reported?

Answer: If confirmed, I will follow the law and advise the IRS to do the same.

Question 4:

The IRS is considering revamping the Form 990. Do you commit to engaging with this Committee and stakeholders in the tax-exempt community to solicit feedback, including on the administrability of any proposal?

Answer: If confirmed, I commit to engaging with the Committee and stakeholders on a wide range of matters whenever appropriate.

Question 5:

The IRS has asserted in multiple cases that a taxpayer's status as a limited partner is not sufficient to qualify for the limited partner exception to self-employment taxes if the partner meaningfully participates in the underlying business.

1. Multiple members of the current administration, including Secretary Bessent, have refused to align their tax filings with this established IRS position. What impact does such flagrant disregard of the IRS's authority by high-ranking government officials have on our system of voluntary tax compliance?
2. In your courtesy meeting with me, you hedged on supporting the IRS position on the limited partner exception because the issue was on appeal. Since our meeting, the Second Circuit released its opinion upholding the IRS's functional analysis test. Now that two circuits have spoken on the issue, both holding that the limited partner exception requires an analysis of a taxpayer's involvement in the underlying business, will you commit to advocating for the established IRS position in cases before the Tax Court?

Answer: I cannot advise on the tax treatment of any individual taxpayer without knowing all the relevant facts and circumstances. If confirmed, I will follow the law and advise the IRS to do the same.

Question 6:

Judge Kollar-Kotelly ruled, and the D.C. Circuit confirmed that the IRS violated the law over 42,000 times by providing taxpayer information to ICE. IRS employees can be hit with severe civil and criminal penalties for the violation of taxpayer privacy laws. High-profile IRS officials

were forced out or resigned amidst this controversy. But the career employees who were ordered to implement these illegal directives were left exposed to civil and criminal liability.

The D.C. Bar's rules of professional conduct explicitly state that "[a] lawyer shall not counsel a client to engage, or assist a client, in conduct that the lawyer knows is criminal or fraudulent." The rules require a lawyer to take steps, including withdrawal or resignation, to prevent a client from committing a crime.

1. If confirmed as the agency's top lawyer, what specific guardrails will you establish to protect career staff from being ordered to break the law, and will you commit today that the IRS Chief Counsel's office will never again rubber-stamp illegal mass disclosures?

Answer: Section 6103 and other applicable taxpayer-privacy laws impose important legal limits on the disclosure and use of return information. As I am not yet confirmed, I would not prejudge or comment on any pending litigation or specific disclosure matter.

Question 7:

Is DJT Holdings LLC a client of yours? Has DJT Holdings LLC ever been a client of yours? Please answer Yes or No.

1. Provide the dates, start and end, when DJT Holdings LLC was a client.
2. Have you ever engaged the federal government in any way on behalf of DJT Holdings LLC?
3. Have you at any time performed work on behalf of DJT Holdings LLC? Please answer Yes or No.
4. Provide the dates, start and end, you performed work on behalf of DJT Holdings LLC.

Answer: Responsive information is privileged and/or confidential.

Question 8:

Have you ever met, or otherwise interacted with, President Trump or members of his family? Please answer Yes or No.

1. If Yes, please provide the individual(s) and date(s) of the interactions.
2. If Yes, what was the purpose of that meeting(s) or interaction(s)?

Answer: I have not met President Trump. I have met Eric Trump one time. Other responsive information is privileged and/or confidential.

Question 9:

As part of your nomination, have you ever discussed IRS audits, in any way, with anyone in the administration? Please answer Yes or No.

Answer: I have not discussed IRS audits with anyone in the administration as part of my nomination process.

Question 10:

As you are aware, Miller & Chevalier is representing Minnesota based investment advisory firm Nepsis, Inc. ("Nepsis") in connection with a federal criminal investigation by the U.S. Department of Justice (DOJ) and IRS Criminal Investigation for its role in the sale of fake "tribal tax credits" to investors. My investigations team has exposed how Nepsis through this scheme defrauded investors out of millions by promoting tax credits that the IRS has confirmed to the Senate Finance Committee "do not exist". My staff have confirmed that this federal criminal investigation into Nepsis is ongoing and that subpoenas related to the matter were issued to Nepsid by the DOJ.

I believe your law firm's involvement in this matter is a serious conflict of interest that merits your recusal from participating in any IRS decisions related to Nepsis if you are confirmed.

1. Do you pledge to recuse from participating in any IRS investigations or audits related to Nepsis as IRS chief counsel? Please answer yes or no.

Answer: If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 11:

As you know, the IRS has an ongoing campaign related to abuse of Puerto Rico Act 60 tax incentives by ultra-wealthy investors. This campaign, which involves both the civil and criminal components of the IRS, is looking into whether investors who relocate to Puerto Rico are improperly sourcing income to Puerto Rico to avoid or evade federal income taxes. My investigations team has obtained evidence that prominent attorneys are inaccurately advising investors that built-in gains accrued prior to becoming a resident of Puerto Rico could be exempt from federal taxes. The IRS in federal court filings has asserted that capital gains for U.S. residents accrued prior to becoming a resident of Puerto Rico are not exempt from federal income taxes under Puerto Rico Act 60. Additionally, the IRS and the DOJ are conducting criminal investigations into attorneys and taxpayers who have taken these positions despite being warned by the IRS not to.

1. Do you agree with the position the IRS has taken that capital gains that accrued prior to an individual's relocation to Puerto Rico are subject to federal income taxes (with exceptions for individuals who have resided in Puerto Rico for a period of 10 years)? If not, why not?

Answer: I have not been involved in the IRS's consideration of this issue but look forward to being brought up to speed. If confirmed, I would review the applicable law and relevant authorities with respect to any matter that comes before me.

Question 12:

The current administration's deregulatory actions have reversed years of efforts at Treasury and the IRS to crack down on abusive partnership basis-shifting schemes. The only surviving safeguard against these abuses seems to be the IRS's current litigating position as articulated in Revenue Ruling 2024-14.

1. If confirmed as the agency's top lawyer, will you advise the IRS to maintain this last line of defense against these abuses by related-party partnerships?

Answer: If confirmed, I will follow the law and advise the IRS to do the same.

<u>Questions for the Record submitted to James Gadwood from Senator Whitehouse.</u>

Question 1:

When you met with me, you refused to discuss the scope of your representation of Trump entities, which bears directly on your conflicts of interest and recusal responsibilities. You seemed to agree that the fact or scope of representation is not privileged attorney-client communication. However, you said that additional ethical obligations, including D.C. Bar Rule 1.6, prevent you from talking about the fact and scope of your representation. It has long been Congress's position that those privileges and obligations do not prevail over our oversight power or our ability to obtain information necessary to exercise our constitutional advice and consent authority. Further, you can obtain consent from your client to discuss the fact and scope of your representation.

A. Please provide a list of all Trump-related entities you represented, including dates and general scope of representation.
B. Did you request consent from your client to discuss the fact and scope of your representation? If not, please describe why not in detail.

Answer: Responsive information is privileged and/or confidential. If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving

former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 2:

On September 3, Treasury issued proposed regulations that would end federal tax-exempt status for private colleges and universities that engage in "racial discrimination." This rule could revoke tax-exempt status for schools that offer any kind of targeted support to minority students, including in admissions, educational policies, scholarships and loans, athletics, and other school-administered or school-supported programs.

A. How should schools understand what conduct actually crosses the line? For example, is the IRS going to require schools to take away funding for student affinity groups, such as an Asian American and Pacific Islander student affinity group? Will IRS strip tax-exempt status from a college that puts on events to commemorate Black History Month?
B. Would a single non-compliant program be enough to jeopardize an institution's entire tax-exempt status, or will there be a materiality threshold?
C. What notice will schools get? Will there be notice and hearing procedures?

Answer: I was not involved in the development or issuance of the proposed regulation referenced in the question. If confirmed, I would review any matters that come before the Office of Chief Counsel and provide legal advice consistent with applicable law.

Question 3:

On July 1, I asked the IRS for the memo that was reportedly prepared outlining ways to challenge President Trump's claims in *Trump v. Internal Revenue Service*, No. 1:26-cv20609 (S.D. Fla.).

A. If confirmed, will you provide this memo?

Answer: I have no personal knowledge of this memorandum and cannot commit to disclosing any IRS documents that I have not seen and that may contain confidential taxpayer information and/or be privileged and/or confidential.

Question 4:

According to the Treasury Inspector General for Tax Administration (TIGTA), the revenue collected from IRS audits fell by 35 percent in 2025 from the previous fiscal year. The decline coincides with a 27 percent reduction in the IRS workforce, as roughly 30,000 employees were fired or resigned.

A. Do you see this decline as a problem?
B. If confirmed, what would you do to address it?

Answer: The personnel and enforcement matters you have raised are outside the purview of the IRS Office of Chief Counsel.

Questions for the Record submitted to James Gadwood from Senator Cortez Masto.

Question 1:

On September 8, 2026, the Court of Appeals for the DC Circuit issued a ruling that stated, "The IRS is now on notice twice over regarding the legal inadequacies of its summer 2025 disclosures. The government and its personnel face steep civil and criminal consequences for willful disclosure of information in violation of section 6103."

Are you familiar with these penalties and if confirmed, will you take responsibility to ensure IRS follows the court's ruling and Section 6103?

Answer: If confirmed, I will follow the law and advise my client, the Internal Revenue Service, to do the same.

Question 2:

The Chief Counsel role has explicit statutory guidelines for who to report to under which circumstances. If confirmed, will you commit to providing any delegation orders related to the Commissioner's duties to the Committee so we can understand which person you will report to at IRS?

Answer: If confirmed, I will comply with the framework governing the Chief Counsel's reporting relationships.

Question for the Record submitted to James Gadwood from Senator Warren.

Question 1:

Will you commit to recuse yourself from all specific-party matters involving your former clients and employers, and all particular matters that are likely to directly and predictably affect their financial interests, for at least four years?

Answer: If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 2:

Will you commit to not seek compensation, including through employment, as a board member, or as a consultant or contractor, from a company that has been engaged in a dispute or other interaction with the IRS regarding which you provided legal advice during your term of service, for at least four years after leaving office?

Answer: If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 3:

Will you commit not to legally represent the President, his family, or any related organizations for at least four years after leaving office, including DJT Holdings and any other organization owned by the Donald J. Trump Revocable Trust, and any other organization owned by the Trump family?

Answer: If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 4:

Will you commit not to serve as a lobbyist — including through work as an informal "shadow lobbyist" — for at least four years after leaving office?

Answer: If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 5:

Will you commit not to seek a waiver from the White House regarding any ethics matter?

Answer: If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 6:

Have you received any payment or non-cash benefit from a current, former, or potential future employer contingent upon your service in government? Do you commit to not enter into an agreement in the future that would provide any payment or non-cash benefit from a current, former, or potential future employer contingent upon your service in government?

Answer: I have received no such payment or non-cash benefit and if confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 7:

Have you personally represented or advised President Trump, a member of his family, or any associated business interest in tax matters? If so, how long? Please provide start and end dates.

Answer: Responsive information is privileged and/or confidential. If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 8:

Please provide a full accounting of all payments you or your firm have received from DJT Holdings or any other organization owned by the Trump family, including the dates of each such payment.

Answer: I have received no such payments. Other responsive information is privileged and/or confidential. If confirmed, I will comply with my recusal obligations under the United States Code (e.g., 18 U.S.C. § 208), the United States Code of Federal Regulations (e.g., 5 C.F.R. § 2635.502), the D.C. Bar Rules of Professional Conduct (e.g., Rule 1.9 relating to conflicts of interest involving former clients), and my ethics agreement, which is publicly available on the U.S. Office of Government Ethics website.

Question 9:

Were you involved in negotiating the order related to the *Trump v. IRS* settlement giving President Trump immunity in tax matters?

Answer: No. I have not been involved in Trump v. IRS in any manner.

Question 10:

What would you do if the President, White House staff, or the Secretary of the Treasury directly or indirectly requested the start or stop of an audit or investigation of a particular taxpayer?

Answer: If confirmed, I would follow the law and advise the IRS to do the same.

Question 11:

If the President indicates that he would like you or any other Treasury or IRS official to revoke or otherwise modify the tax-exempt status of Harvard University or any other organization for any other reason, will you comply or advise those officials concerned to comply?

Answer: If confirmed, I will follow the law and advise the IRS to do the same

Question 12:

Do you pledge to advise Treasury and IRS officials to never follow the direction of the President or anyone else outside the formal exam team to initiate or change an audit or investigate any person or entity on the basis of their political beliefs, financial interests, hiring or organizational practices, or personal interests, and to report to the Senate Finance Committee if you receive such a direction?

Answer: If confirmed, I will follow the law and advise the IRS to do the same.

Question 13:

Have any former clients or colleagues discussed pending IRS matters with you since your nomination? If so, please describe the nature of those communications.

Answer: Responsive information is privileged and/or confidential.

Question 14:

Under section 7212 of the Internal Revenue Code, it is unlawful to impede an IRS employee from acting to enforce the Code.

a. Do you commit to following this statutory requirement?
b. If confirmed, what would you do if the President, White House employees, political appointees, family members, friends, confidants, and business associates of the President asked you to push for a particular result on a taxpayer's audit?
c. What would you do if the President, White House employees, political appointees, family members, friends, confidants, or business associates of the President started posting online the names and addresses of IRS employees alongside criticism of their work?

Answer: If confirmed, I will follow the law and advise the IRS to do the same.

<u>Questions for the Record submitted to James Gadwood from Senator Warnock.</u>

Question 1:

During IRS CEO Bisignano's testimony before the Senate Finance Committee on April 15, 2026, CEO Bisignano affirmed that he would respond in writing my questions concerning a joint IRS-FBI taskforce. Five months later, as of September 18, 2026, CEO Bisignano has yet to provide a written response as he had affirmed. If confirmed as General Counsel of the IRS, do you believe that all IRS employees – including CEO Bisignano – have an obligation to respond to inquiries from the Senate Finance Committee, especially when they affirm to the Committee that they will do so?

Answer: I am not currently employed by the IRS and have not discussed this matter with CEO Bisignano. However, if confirmed, I look forward to engaging with the Committee through the appropriate channels.

Question 2:

If confirmed as General Counsel of the IRS, will you commit to ensuring that I receive a reply to my question, which is reproduced below, within 30 days of your confirmation?

> *Question to Frank Bisignano, Submitted following April 15, 2026, Hearing*
>
> Following a December 2025 memo from then-Attorney General Bondi, the Internal Revenue Service (IRS) and the Federal Bureau of Investigation (FBI) initiated a task force to carry out President Trump's directive to investigate tax-exempt entities over their suspected links to political violence and domestic terrorism. You testified that 15 IRS agents have been detailed to the Department of Justice as part of this effort. I appreciate your testimony during the hearing, including your commitment to responding in writing with data to further questions regarding the work of this taskforce.
>
> - Please provide a detailed written report on the investigations that this joint task force has initiated to date, including but not limited to:
>   - Whether this task force is the Joint Mission Center (JMC) formed pursuant to the NSPM-7 that is described in the FBI's FY27 budget request
>   - Which personnel are serving as IRS representatives to this task force
>   - The role of IRS personnel in this task force
>   - The safeguards put around IRS involvement to protect taxpayer identification, privacy, and due process
>   - The total number of investigations that the task force has opened;
>   - The current status of these investigations (i.e., how many are active, on hold, or closed);
>   - The number of investigations into tax-exempt entities that have publicly expressed support for President Trump or the Administration's policies;
>   - The number of investigations into tax-exempt entities that have publicly expressed opposition to President Trump or the Administration's policies;
>   - The number of investigations into tax-exempt entities that have been publicly named as political opponents by the President, Vice President, Treasury Secretary, or other Administration officials.
> - According to press reports, a senior IRS official has drawn up a list of investigative targets.
>   - How many audits, prosecutions, or investigations have been requested in connection with the list?
>   - How many have been acted upon?
>   - How many have been rejected?
>   - Are taxpayers on the list being audited, prosecuted, or investigated in relation to alleged activities or tax issues that are not generally subject to such scrutiny?

    - Who has been involved in pursuing audits, prosecutions, or investigations of taxpayers on the list?
    - Does the list include organizations or individuals that have been publicly named as political opponents by the President, Vice President, Treasury Secretary, or other Administration officials?
    - Has the Department of Justice received any referrals connected to the list? Were these referrals initiated through normal IRS channels or through other means?
    - What role has IRS Criminal Investigation (IRS-CI) played in investigating any of the entities on the list?
- What specific guidance is the IRS using to ensure that investigations are not motivated by First Amendment protected activity, as directed by Section 106 of the FY26 Financial Services and General Government Appropriations Act? If none, please explain the IRS's process to avoid targeting specific entities based on speech, affiliation, or perceived political affiliation, as well as the specific individuals responsible for monitoring this issue within the IRS.
- What specific concerns have career IRS employees raised about political interference in enforcement decisions? How many IRS employees have reported such concerns, and through what channels?
- Have the list(s) of investigative targets been shared with other federal agencies, members of Congress or congressional staff, or with parties outside the federal government? If so, with whom have they been shared, under what authority, and for what purpose?
- What steps are being taken to preserve all records related to potential political interference and potential violations of taxpayer privacy laws, including all records related to the list of investigative targets and any instructions given to IRS personnel regarding that list?

Answer: I am not currently employed by the IRS and have not discussed this matter with CEO Bisignano.

Question 3:

On September 3, 2026, Ranking Member Wyden and I began an inquiry into reporting that the IRS is allegedly targeted the tax-exempt status of the President's ideological opponents. Is an organization's political viewpoint ever a permissible basis for selecting it for IRS enforcement?

Answer: The Office of Chief Counsel is not responsible for IRS enforcement. However, if confirmed I will follow the law and advise the IRS to do the same.

Question 4:

Is the proximity of an election ever a permissible basis for selecting it for IRS enforcement?

Answer: The Office of Chief Counsel is not responsible for IRS enforcement. However, if confirmed I will follow the law and advise the IRS to do the same.

Question 5:

IRC §7217 generally prohibits the President, Vice President, and certain other officials from directing the IRS to open, close, or alter a specific taxpayer examination or investigation. If confirmed, what specific actions should the Chief Counsel take if he becomes aware of communication from a covered official requesting or directing action against a specific organization's exempt status?

Answer: If confirmed, I will follow the law and advise the IRS to do the same.

Question 6:

The IRS has issued proposed regulations to end tax-exempt status for any university that engages "any" discrimination "for any purpose" in "any" program of the school. The Department of Justice has claimed educational institutions can engage in racial discrimination even when they are making decisions based on neutral criteria, such as geography. If a university prioritized recruiting students from rural communities or provided such students with tailored resources as they transitioned to campus life, would that jeopardize the university's tax-exempt status?

Answer: I was not involved in the development or issuance of the proposed regulation referenced in the question. If confirmed, I would review any matters that come before the Office of Chief Counsel and provide legal advice consistent with applicable law.

Question 7:

In upholding the IRS' decision to revoke Bob Jones University's tax-exempt status for policies excluding Black students, the U.S. Supreme Court noted "there can be no doubt as to the national policy" prohibiting these policies because "the position of all three branches of the Federal Government was unmistakably clear." In the context of this proposed regulation, do you agree the IRS must look at the "position of all three branches of the Federal Government" in determining what activities constitute "discrimination"?

Answer: I was not involved in the development or issuance of the proposed regulation referenced in the question. If confirmed, I would review any matters that come before the Office of Chief Counsel and provide legal advice consistent with applicable law.