

**Chairman John Boozman Opening Statement  
Committee on Appropriations Subcommittee on Financial Services and General  
Government**

**Hearing to review to Review the FY2017 Budget Request & Budget Justification  
for the U.S. Department of Treasury**

**March 8, 2016**

*(As prepared for delivery)*

Today marks the first hearing of the Financial Service and General Government Subcommittee to consider the President's FY 2017 budget. This is my second budget season as chairman of this subcommittee and I am pleased to serve alongside my ranking member, Senator Coons.

I would also like to acknowledge the other members of our subcommittee -- Senator Moran, Senator Lankford and Senator Durbin. Although the membership of our subcommittee is small, we have oversight of a broad range of agencies which have a significant impact on our economy and our government.

As we begin this important hearing, we welcome our witnesses with us today: Treasury Secretary Jack Lew, Commissioner John Koskinen and the Treasury IG for Tax Administration, Russell George. Thank you for being here.

We look forward to hearing from you about the details of your budget requests as well as recent actions taken by the Administration, including the lifting of sanctions against Iran. We are also interested to learn more about your plans to combat internal threats, and your efforts to address cyber vulnerabilities in our nation's financial sector.

As members of this Committee, we have a tremendous responsibility to ensure the hard-earned tax dollars from millions of Americans are spent appropriately.

That's why it was so disappointing to see the President's final budget proposal. This budget does nothing to address Washington's spending problem. The budget for 2017 would create \$3.4 trillion in new taxes, increase spending by \$2.5 trillion and add \$6.1 trillion to the debt over the next ten years.

While hardworking Arkansans have been forced to cut their spending significantly in the last few years, the President remains unwilling to do the same in Washington.

Most troubling is the use of significant new mandatory funding streams for programs that typically would receive discretionary dollars controlled by Congress. The use of mandatory spending to skirt spending limits will diminish fiscal discipline and congressional oversight.

As members of this committee we have an obligation to ensure that decisions about federal funding are made with taxpayers in mind. Nowhere is the need for oversight more apparent than in the agencies before us today.

When the IRS engages in behavior that breaches the trust of the American people, it undermines taxpayers' faith in the impartiality of the agency.

When the IRS hires employees with past performance or conduct issues, it does not build confidence in the agency's ability to safeguard taxpayer's rights and privacy.

When the IRS makes employee bonuses a priority it does not restore the trust of taxpayers that it will enforce tax laws impartially, without regard to an individual's exercise of their constitutional rights.

Once again, the IRS does not seem to have its priorities in order. According to the Taxpayer Advocate, the IRS's ultimate goal is "to get out of the business of talking with taxpayers," and "the widespread expectation is that traditional taxpayer services – telephone assistance and face-to-face assistance — will be scaled back dramatically".

While some evolution in service delivery can be expected, it is the IRS's ability to manage that change without adversely impacting taxpayers that is most worrisome.

This is of particular concern given the recent revelation that in the rush to expand online services, the IRS made fundamental mistakes in assessing risks which resulted in over 700,000 taxpayers being exposed to the potential of identity theft and refund fraud, many more than were first reported.

The American people want a government that works for them, not against them. They want us to curb Washington's wasteful spending habits, make the government more efficient, effective and accountable, and pursue policies that create economic opportunities for everyone.

These priorities will be reflected in the critical oversight we conduct as we consider the fiscal year 2017 budget requests for all of the agencies within our jurisdiction.

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