

Congress of the United States
Washington, DC 20510

October 5, 2021

Joe Ucuzoglu
Chief Executive Officer
Deloitte US
30 Rockefeller Plaza
New York, NY 10112

Dear Mr. Ucuzoglu:

We write regarding a disturbing new report that reveals the corrupt revolving door between the world’s largest accounting firms and the federal government—and the extent to which this “remarkably effective behind-the-scenes system” “help[s] the world’s biggest companies avoid taxes.”¹ On September 19, 2021, the *New York Times* exposed how large accounting firms—including Deloitte—send their lawyers into high-ranking positions in the federal government to create new tax loopholes for their clients, and then reward the same lawyers with bigger paychecks and promotions upon their return. We are seeking information to understand the extent to which Deloitte has been involved in these unethical schemes.

Accounting giants are abusing the public trust and taking advantage of the revolving door between public service and private profit. The *Times* report uncovers that, in the last four presidential administrations, dozens of lawyers have left the top accounting firms for tax-policy positions in the Treasury Department and the Internal Revenue Service—where they have rewritten America’s tax laws for the benefit of their former clients. Once they return after their stints in government to work for those same clients, they receive promotions and massive salary increases in exchange for their “public service.”² In one instance, Deloitte and PricewaterhouseCoopers designed a lucrative new tax shelter for multinational corporations, which was placed at risk when the Treasury Department issued a warning notice to shut down the scheme. But several years later, a former Deloitte attorney entered the Treasury Department, and his office issued new regulations to ease the path for companies shifting their profits offshore to avoid U.S. taxes. The attorney soon returned to Deloitte and was immediately promoted to partner.³

¹ New York Times, “How Accounting Giants Craft Favorable Tax Rules From Inside Government,” Jesse Drucker & Danny Hakim, September 19, 2021, <https://www.nytimes.com/2021/09/19/business/accounting-firms-tax-loopholes-government.html>.

² *Id.*

³ *Id.*

Americans are sick and tired of these corrupt schemes, and we've introduced the Anti-Corruption and Public Integrity Act (S. 5070) that would end them.⁴ The decades-long scam in which large accounting firms have abused the revolving door between the government and the private sector to help their wealthy clients avoid paying their fair share of taxes demonstrates precisely why this legislation is necessary. Under our bill:

- Executive branch employees would be required to recuse themselves from matters that might financially benefit their immediately prior employers or clients
- Private-sector companies would be restricted from immediately hiring or paying any senior government official that was recently lobbied by the company
- The world's largest corporations, banks, and monopolies would be restricted from immediately hiring or paying any senior government official after they leave government service
- Private-sector companies would be banned from providing "golden parachutes" to compensate executives for entering into federal service
- Lobbyists would be required to disclose any specific government actions that they attempted to influence, any meetings conducted with public officials, and any documents provided to those government officials
- A new U.S. Office of Public Integrity would be created to enforce federal ethics and anti-corruption laws

Our legislation would close the revolving door between massive accounting firms like yours and the federal government, ensuring that our government officials work for the people and not the wealthiest corporations and their clients. And Sen. Warren's Real Corporate Profits Tax, which would simplify the tax system and make it harder for giant corporations to create and profit from tax loopholes, would reduce the payoff from these unethical practices and the incentives to engage in them.⁵

To better understand Deloitte's participation in the corrupt revolving door scheme detailed by the *New York Times*, we ask that you answer the following questions by October 19, 2021:

1. Since January 1, 2001, how many lawyers or other Deloitte employees have taken tax-policy positions in the Treasury Department, the IRS, or elsewhere in the federal government and returned to Deloitte after their government service?
2. For each of these employees, please provide the following information:
 - a. When they left Deloitte, and when they returned.
 - b. What position(s) they served in at Deloitte, before and after their government service, and what their specific responsibilities were in those positions.
 - c. What position(s) they served in in the federal government, and what their specific responsibilities were in those positions, including any regulatory or legislative matters they worked on that affected Deloitte clients.
 - d. Who their clients at Deloitte were, before and after their government service.

⁴ Anti-Corruption and Public Integrity Act, S. 5070, <https://www.congress.gov/bill/116th-congress/senate-bill/5070>.

⁵ Real Corporate Profits Tax Act of 2021, S. 2680, <https://www.congress.gov/bill/117th-congress/senate-bill/2680>.

- e. Their compensation at Deloitte, before and after their government service, and any bonuses or other compensation they received in relation to their government service.
3. What are Deloitte's policies to guard against conflicts of interest for employees who formerly worked for the federal government? Specifically, are Deloitte employees allowed to retain clients if they worked on matters related to these clients while serving in the federal government?

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Pramila Jayapal
Member of Congress

Congress of the United States
Washington, DC 20510

October 5, 2021

Kelly Grier
US Chair and Managing Partner and Americas Managing Partner
Ernst & Young US LLP
395 9th Ave
New York, NY 10001

Dear Ms. Grier:

We write regarding a disturbing new report that reveals the corrupt revolving door between the world’s largest accounting firms and the federal government—and the extent to which this “remarkably effective behind-the-scenes system” “help[s] the world’s biggest companies avoid taxes.”¹ On September 19, 2021, the *New York Times* exposed how large accounting firms—including Ernst & Young (EY)—send their lawyers into high-ranking positions in the federal government to create new tax loopholes for their clients, and then reward the same lawyers with bigger paychecks and promotions upon their return. We are seeking information to understand the extent to which EY has been involved in these unethical schemes.

Accounting giants are abusing the public trust and taking advantage of the revolving door between public service and private profit. The *Times* report uncovers that, in the last four presidential administrations, dozens of lawyers have left the top accounting firms for tax-policy positions in the Treasury Department and the Internal Revenue Service—where they have rewritten America’s tax laws for the benefit of their former clients. Once they return after their stints in government to work for those same clients, they receive promotions and massive salary increases in exchange for their “public service.”² In one instance, Deloitte and PricewaterhouseCoopers designed a lucrative new tax shelter for multinational corporations, which was placed at risk when the Treasury Department issued a warning notice to shut down the scheme. But several years later, a former Deloitte attorney entered the Treasury Department, and his office issued new regulations to ease the path for companies shifting their profits offshore to avoid U.S. taxes. The attorney soon returned to Deloitte and was immediately promoted to partner.³

Americans are sick and tired of these corrupt schemes—including ones documented by the *Times* involving EY—and we’ve introduced the Anti-Corruption and Public Integrity Act (S.

¹ New York Times, “How Accounting Giants Craft Favorable Tax Rules From Inside Government,” Jesse Drucker & Danny Hakim, September 19, 2021, <https://www.nytimes.com/2021/09/19/business/accounting-firms-tax-loopholes-government.html>.

² *Id.*

³ *Id.*

5070) that would end them.⁴ The decades-long scam in which large accounting firms have abused the revolving door between the government and the private sector to help their wealthy clients avoid paying their fair share of taxes demonstrates precisely why this legislation is necessary. Under our bill:

- Executive branch employees would be required to recuse themselves from matters that might financially benefit their immediately prior employers or clients
- Private-sector companies would be restricted from immediately hiring or paying any senior government official that was recently lobbied by the company
- The world's largest corporations, banks, and monopolies would be restricted from immediately hiring or paying any senior government official after they leave government service
- Private-sector companies would be banned from providing "golden parachutes" to compensate executives for entering into federal service
- Lobbyists would be required to disclose any specific government actions that they attempted to influence, any meetings conducted with public officials, and any documents provided to those government officials
- A new U.S. Office of Public Integrity would be created to enforce federal ethics and anti-corruption laws

Our legislation would close the revolving door between massive accounting firms like yours and the federal government, ensuring that our government officials work for the people and not the wealthiest corporations and their clients. And Sen. Warren's Real Corporate Profits Tax, which would simplify the tax system and make it harder for giant corporations to create and profit from tax loopholes, would reduce the payoff from these unethical practices and the incentives to engage in them.⁵

To better understand EY's participation in the corrupt revolving door scheme detailed by the *New York Times*, we ask that you answer the following questions by October 19, 2021:

1. Since January 1, 2001, how many lawyers or other EY employees have taken tax-policy positions in the Treasury Department, the IRS, or elsewhere in the federal government and returned to EY after their government service?
2. For each of these employees, please provide the following information:
 - a. When they left EY, and when they returned.
 - b. What position(s) they served in at EY, before and after their government service, and what their specific responsibilities were in those positions.
 - c. What position(s) they served in in the federal government, and what their specific responsibilities were in those positions, including any regulatory or legislative matters they worked on that affected EY clients.
 - d. Who their clients at EY were, before and after their government service.

⁴ Anti-Corruption and Public Integrity Act, S. 5070, <https://www.congress.gov/bill/116th-congress/senate-bill/5070>.

⁵ Real Corporate Profits Tax Act of 2021, S. 2680, <https://www.congress.gov/bill/117th-congress/senate-bill/2680>.

- e. Their compensation at EY, before and after their government service, and any bonuses or other compensation they received in relation to their government service.
3. What are EY's policies to guard against conflicts of interest for employees who formerly worked for the federal government? Specifically, are EY employees allowed to retain clients if they worked on matters related to these clients while serving in the federal government?

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Pramila Jayapal
Member of Congress

Congress of the United States
Washington, DC 20510

October 5, 2021

Paul Knopp
Chair and Chief Executive Officer
KPMG US LLP
345 Park Avenue
New York, NY 10154

Dear Mr. Knopp:

We write regarding a disturbing new report that reveals the corrupt revolving door between the world’s largest accounting firms and the federal government—and the extent to which this “remarkably effective behind-the-scenes system” “help[s] the world’s biggest companies avoid taxes.”¹ On September 19, 2021, the *New York Times* exposed how large accounting firms send their lawyers into high-ranking positions in the federal government to create new tax loopholes for their clients, and then reward the same lawyers with bigger paychecks and promotions upon their return. We are seeking information to understand the extent to which KPMG has been involved in these unethical schemes.

Accounting giants are abusing the public trust and taking advantage of the revolving door between public service and private profit. The *Times* report uncovers that, in the last four presidential administrations, dozens of lawyers have left the top accounting firms for tax-policy positions in the Treasury Department and the Internal Revenue Service—where they have rewritten America’s tax laws for the benefit of their former clients. Once they return after their stints in government to work for those same clients, they receive promotions and massive salary increases in exchange for their “public service.”² In one instance, Deloitte and PricewaterhouseCoopers designed a lucrative new tax shelter for multinational corporations, which was placed at risk when the Treasury Department issued a warning notice to shut down the scheme. But several years later, a former Deloitte attorney entered the Treasury Department, and his office issued new regulations to ease the path for companies shifting their profits offshore to avoid U.S. taxes. The attorney soon returned to Deloitte and was immediately promoted to partner.³

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² *Id.*

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Americans are sick and tired of these corrupt schemes, and we've introduced the Anti-Corruption and Public Integrity Act (S. 5070) that would end them.⁴ The decades-long scam in which large accounting firms have abused the revolving door between the government and the private sector to help their wealthy clients avoid paying their fair share of taxes demonstrates precisely why this legislation is necessary. Under our bill:

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- The world's largest corporations, banks, and monopolies would be restricted from immediately hiring or paying any senior government official after they leave government service
- Private-sector companies would be banned from providing "golden parachutes" to compensate executives for entering into federal service
- Lobbyists would be required to disclose any specific government actions that they attempted to influence, any meetings conducted with public officials, and any documents provided to those government officials
- A new U.S. Office of Public Integrity would be created to enforce federal ethics and anti-corruption laws

Our legislation would close the revolving door between massive accounting firms like yours and the federal government, ensuring that our government officials work for the people and not the wealthiest corporations and their clients. And Sen. Warren's Real Corporate Profits Tax, which would simplify the tax system and make it harder for giant corporations to create and profit from tax loopholes, would reduce the payoff from these unethical practices and the incentives to engage in them.⁵

To better understand KPMG's participation in the corrupt revolving door scheme detailed by the *New York Times*, we ask that you answer the following questions by October 19, 2021:

1. Since January 1, 2001, how many lawyers or other KPMG employees have taken tax-policy positions in the Treasury Department, the IRS, or elsewhere in the federal government and returned to KPMG after their government service?
2. For each of these employees, please provide the following information:
 - a. When they left KPMG, and when they returned.
 - b. What position(s) they served in at KPMG, before and after their government service, and what their specific responsibilities were in those positions.
 - c. What position(s) they served in in the federal government, and what their specific responsibilities were in those positions, including any regulatory or legislative matters they worked on that affected KPMG clients.
 - d. Who their clients at KPMG were, before and after their government service.

⁴ Anti-Corruption and Public Integrity Act, S. 5070, <https://www.congress.gov/bill/116th-congress/senate-bill/5070>.

⁵ Real Corporate Profits Tax Act of 2021, S. 2680, <https://www.congress.gov/bill/117th-congress/senate-bill/2680>.

- e. Their compensation at KPMG, before and after their government service, and any bonuses or other compensation they received in relation to their government service.
3. What are KPMG's policies to guard against conflicts of interest for employees who formerly worked for the federal government? Specifically, are KPMG employees allowed to retain clients if they worked on matters related to these clients while serving in the federal government?

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Pramila Jayapal
Member of Congress

Congress of the United States
Washington, DC 20510

October 5, 2021

Tim Ryan
US Chair and Senior Partner
PricewaterhouseCoopers US
300 Madison Avenue
New York, NY 10017

Dear Mr. Ryan:

We write regarding a disturbing new report that reveals the corrupt revolving door between the world’s largest accounting firms and the federal government—and the extent to which this “remarkably effective behind-the-scenes system” “help[s] the world’s biggest companies avoid taxes.”¹ On September 19, 2021, the *New York Times* exposed how large accounting firms—including PricewaterhouseCoopers (PwC)—send their lawyers into high-ranking positions in the federal government to create new tax loopholes for their clients, and then reward the same lawyers with bigger paychecks and promotions upon their return. We are seeking information to understand the extent to which PwC has been involved in these unethical schemes.

Accounting giants are abusing the public trust and taking advantage of the revolving door between public service and private profit. The *Times* report uncovers that, in the last four presidential administrations, dozens of lawyers have left the top accounting firms for tax-policy positions in the Treasury Department and the Internal Revenue Service—where they have rewritten America’s tax laws for the benefit of their former clients. Once they return after their stints in government to work for those same clients, they receive promotions and massive salary increases in exchange for their “public service.”² In one instance, a real estate association represented by PwC wanted access to a new federal tax break in 2018. PwC knew exactly who to contact: a former PwC lawyer who had moved to the Treasury Department. One week after meeting with PwC and the association’s lobbyists, the lawyer granted the requested tax break, “potentially worth billions of dollars to PwC’s clients.” Approximately one year later, the lawyer returned to PwC and was immediately promoted to partner.³

¹ New York Times, “How Accounting Giants Craft Favorable Tax Rules From Inside Government,” Jesse Drucker & Danny Hakim, September 19, 2021, <https://www.nytimes.com/2021/09/19/business/accounting-firms-tax-loopholes-government.html>.

² *Id.*

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Americans are sick and tired of these corrupt schemes, and we've introduced the Anti-Corruption and Public Integrity Act (S. 5070) that would end them.⁴ The decades-long scam in which large accounting firms have abused the revolving door between the government and the private sector to help their wealthy clients avoid paying their fair share of taxes demonstrates precisely why this legislation is necessary. Under our bill:

- Executive branch employees would be required to recuse themselves from matters that might financially benefit their immediately prior employers or clients
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- The world's largest corporations, banks, and monopolies would be restricted from immediately hiring or paying any senior government official after they leave government service
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- Lobbyists would be required to disclose any specific government actions that they attempted to influence, any meetings conducted with public officials, and any documents provided to those government officials
- A new U.S. Office of Public Integrity would be created to enforce federal ethics and anti-corruption laws

Our legislation would close the revolving door between massive accounting firms like yours and the federal government, ensuring that our government officials work for the people and not the wealthiest corporations and their clients. And Sen. Warren's Real Corporate Profits Tax, which would simplify the tax system and make it harder for giant corporations to create and profit from tax loopholes, would reduce the payoff from these unethical practices and the incentives to engage in them.⁵

To better understand PwC's participation in the corrupt revolving door scheme detailed by the *New York Times*, we ask that you answer the following questions by October 19, 2021:

1. Since January 1, 2001, how many lawyers or other PwC employees have taken tax-policy positions in the Treasury Department, the IRS, or elsewhere in the federal government and returned to PwC after their government service?
2. For each of these employees, please provide the following information:
 - a. When they left PwC, and when they returned.
 - b. What position(s) they served in at PwC, before and after their government service, and what their specific responsibilities were in those positions.
 - c. What position(s) they served in in the federal government, and what their specific responsibilities were in those positions, including any regulatory or legislative matters they worked on that affected PwC clients.
 - d. Who their clients at PwC were, before and after their government service.

⁴ Anti-Corruption and Public Integrity Act, S. 5070, <https://www.congress.gov/bill/116th-congress/senate-bill/5070>.

⁵ Real Corporate Profits Tax Act of 2021, S. 2680, <https://www.congress.gov/bill/117th-congress/senate-bill/2680>.

- e. Their compensation at PwC, before and after their government service, and any bonuses or other compensation they received in relation to their government service.
3. What are PwC's policies to guard against conflicts of interest for employees who formerly worked for the federal government? Specifically, are PwC employees allowed to retain clients if they worked on matters related to these clients while serving in the federal government?

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Pramila Jayapal
Member of Congress

Congress of the United States
Washington, DC 20510

October 5, 2021

Joe Adams
Managing Partner and Chief Executive Officer
RSM US LLP
30 S Wacker Dr., Suite 3300
Chicago, IL 60606

Dear Mr. Adams:

We write regarding a disturbing new report that reveals the corrupt revolving door between the world’s largest accounting firms and the federal government—and the extent to which this “remarkably effective behind-the-scenes system” “help[s] the world’s biggest companies avoid taxes.”¹ On September 19, 2021, the *New York Times* exposed how large accounting firms—including RSM—send their lawyers into high-ranking positions in the federal government to create new tax loopholes for their clients, and then reward the same lawyers with bigger paychecks and promotions upon their return. We are seeking information to understand the extent to which RSM has been involved in these unethical schemes.

Accounting giants are abusing the public trust and taking advantage of the revolving door between public service and private profit. The *Times* report uncovers that, in the last four presidential administrations, dozens of lawyers have left the top accounting firms for tax-policy positions in the Treasury Department and the Internal Revenue Service—where they have rewritten America’s tax laws for the benefit of their former clients. Once they return after their stints in government to work for those same clients, they receive promotions and massive salary increases in exchange for their “public service.”² In several instances, RSM lobbied a former employee who had become President Trump’s top tax official. While at the Treasury Department, the official repeatedly granted RSM’s requests to loosen qualifications for the firm’s corporate clients seeking tax breaks. Soon afterwards, the official returned to RSM—no doubt to a handsome compensation package—to help the firm’s clients “understand the federal tax rules” that he had helped shape during his time in government.³

Americans are sick and tired of these corrupt schemes, and we’ve introduced the Anti-Corruption and Public Integrity Act (S. 5070) that would end them.⁴ The decades-long scam in

¹ New York Times, “How Accounting Giants Craft Favorable Tax Rules From Inside Government,” Jesse Drucker & Danny Hakim, September 19, 2021, <https://www.nytimes.com/2021/09/19/business/accounting-firms-tax-loopholes-government.html>.

² *Id.*

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which large accounting firms have abused the revolving door between the government and the private sector to help their wealthy clients avoid paying their fair share of taxes demonstrates precisely why this legislation is necessary. Under our bill:

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To better understand RSM's participation in the corrupt revolving door scheme detailed by the *New York Times*, we ask that you answer the following questions by October 19, 2021:

1. Since January 1, 2001, how many lawyers or other RSM employees have taken tax-policy positions in the Treasury Department, the IRS, or elsewhere in the federal government and returned to RSM after their government service?
2. For each of these employees, please provide the following information:
 - a. When they left RSM, and when they returned.
 - b. What position(s) they served in at RSM, before and after their government service, and what their specific responsibilities were in those positions.
 - c. What position(s) they served in in the federal government, and what their specific responsibilities were in those positions, including any regulatory or legislative matters they worked on that affected RSM clients.
 - d. Who their clients at RSM were, before and after their government service.
 - e. Their compensation at RSM, before and after their government service, and any bonuses or other compensation they received in relation to their government service.

⁵ Real Corporate Profits Tax Act of 2021, S. 2680, <https://www.congress.gov/bill/117th-congress/senate-bill/2680>.

3. What are RSM's policies to guard against conflicts of interest for employees who formerly worked for the federal government? Specifically, are RSM employees allowed to retain clients if they worked on matters related to these clients while serving in the federal government?

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Pramila Jayapal
Member of Congress