Forbes



Robert W. Wood THE TAX LAWYER

TAXES 3/09/2015

As Hillary Faces Emailgate, Ex IRS Chief Runs For President

As Republicans and Democrats start vying for spots on the 2016 presidential tickets, the presumed Democratic nominee remains Hillary Clinton. Yet she faces what could emerge as a scandal, and like the IRS and its nemesis Lois Lerner, Mrs. Clinton could be undone by emails. The surprise and belated <u>disclosure</u> that Mrs. Clinton used private email rather than State Department email during her term as Secretary of State is at least awkward.

Some question whether she compromised national security. Others question more generally the reason for this opaque way of operating. On the surface, it suggests that she did not want her correspondence readily examined. And although she now claims that she wants all her emails released in connection with the Benghazi investigation, the mechanics are evidently complicated by the precise architecture she set up. It is bad timing too.



With this email gaffe, it could be worth considering dark horse candidates like the head of the IRS. Not the *current* email-losing-tax-czar Commissioner John Koskinen mind you, but a prior Commissioner of the IRS, <u>Mark Everson</u>. Mr. Everson was head of the IRS for four years under President Bush. Fox's Neil Cavuto suggested that it would be an unlikely campaign pitch to say "I'm from the IRS and I'm here to help."

Nevertheless, former IRS Commissioner Mark W. Everson has launched his unlikely—even quixotic—candidacy. Mr. Everson worked in foreign affairs, law enforcement, and economic positions under Presidents Ronald Reagan and George W. Bush. Yet he may be best remembered post-IRS for his short stint running the American Red Cross until an affair with a subordinate became public. Mr. Everson is matter of fact about it, noting that he has additional issues.

But most people in America may not warm to a tax man as President, even without such issues. Mr. Everson's term at the IRS was not marred in the way of the current IRS Commissioner John Koskinen. For most Americans, the IRS targeting scandal and seeming cover-up of the last two years has damaged greatly the image of an already unattractive agency. Anyone associated with the IRS is likely to be viewed with skepticism.

After the targeting scandal had been underway for over a year, Mr. Koskinen *testified* that recovery efforts had been thorough, but the tapes and emails just couldn't be found. As if to goad Republicans, he said that *millions* in taxpayer money was spent looking. Over 250 IRS employees spent 100,000 hours, costing taxpayers at least \$14 million. However, the Treasury Inspector General has revealed that the IT people at the IRS say no one even asked them to recover the emails.

This is not Mr. Everson's fault, of course, but American voters are likely to think that the culture of the IRS is not good, and may not have been for some time. If voters can get past their aversion to anything to do with the IRS, and past the skeleton's in Mr. Everson's past, what will they think? Mr. Everson is confident to the point of hubris, but perhaps that is needed. And his ideas for his one-term presidency are unusual if not downright strange.

As Mr. Everson <u>reveals in a 16-page open letter to voters</u>, he wants to bring back the draft to our military, and to replace most of our income tax with a consumption tax like a VAT. He also pledges comprehensive immigration reform, noting that he oversaw President Reagan's 1986 immigration amnesty program. It could be a very strange election.

For alerts to future tax articles, follow me on Forbes.com. Email me at <u>Wood@WoodLLP.com</u>. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.