
From: Robert Rutkowski [r_e_rutkowski@hotmail.com]
Sent: Tuesday, March 01, 2005 9:54 AM
To: INFO
Cc: president@whitehouse.gov; sf.nancy@mail.house.gov
Subject: Limit the ability of accounting firms to sell tax shelters

William J. McDonough- Chairman
Public Company Accounting Oversight Board
Washington Office
1666 K Street, NW
Washington, DC 20006-2803
info@pcaobus.org

Dear Chairman:

One of the significant findings of the GAO report, entitled Challenges Remain in Combating Abusive Tax Shelters, was that many of the tax shelters were sold to companies by the same accounting firm that did the company audit. According to the GAO, between 1998 and 2003, 61 of the nation's 500 largest corporations used tax shelter services from accounting firms they hired to provide a supposed independent audit the companies' financial statements. Additionally, executives or directors at 17 Fortune 500 companies also purchased personal tax shelters.

The PCAOB is proposing to limit the ability of accounting firms to sell tax shelters to the companies that they are auditing. But they will likely be pressured by greedy accounting firms to back down.

I support the decision.

I also support the suggestions made by Sen. Carl Levin (D-Mich.) in a letter. Levin's letter recommends, for example, amending the proposed auditor independence rule to require auditors to avoid the appearance of a conflict of interest as well as actual conflicts. The letter also recommends allowing accounting firms to promote to public companies only those tax products which would be very likely to be upheld in court, rather than tax products with a lesser probability of being upheld in court.

Levin's letter:
<http://levin.senate.gov/newsroom/supporting/2005/LevinItrauditors.022405.pdf>

GAO study: <http://www.gao.gov/new.items/d05171.pdf>

Thank you for the opportunity to bring these remarks to your attention at this critical time.

Mindful of the enormous responsibilities which stand before you, I am,

Yours sincerely,
Robert E. Rutkowski

cc:
Nancy Pelosi
George Bush

2527 Faxon Court
Topeka, Kansas 66605-2086
P/F: 1 785 379-9671

r_e_rutkowski@myrealbox.com