

STATEMENT OF MARK T. WATSON

Before the Permanent Subcommittee on Investigations
Committee on Governmental Affairs
United States Senate
November 18, 2003

Chairman Coleman, Senator Levin, and Members of the Subcommittee. Good morning.

My name is Mark Watson. I am here today to provide information to the Subcommittee regarding my experience working at KPMG. In particular, I understand that the Subcommittee wants me to address certain tax strategies that were approved and implemented during my tenure at KPMG.

Before answering the Subcommittee's questions, let me give a brief description of my background and role at KPMG. I am a graduate of Texas A&M University with a bachelor's degree in Finance and a master's degree in Tax.

In 1992, I joined KPMG as a Staff Accountant in the Personal Financial Planning Practice in Houston, Texas. In 1994, I came to Washington for a two-year rotation in KPMG's Washington National Tax Office, which is the group responsible for providing technical tax support to KPMG's field offices. In 1996, I moved to the Dallas, Texas field office, where I continued to work in the Personal Financial Planning Practice. KPMG promoted me to Partner in 1997.

I returned to Washington in 1998 as the partner in charge of the Personal Financial Planning Group for the Washington National Tax Office. I developed significant experience in the areas of individual income tax, fiduciary income tax, and estate and gift taxes. These areas were the focus of the Personal Financial Planning Group of the Washington National Tax Office, which provided technical support to KPMG's field offices regarding such matters. At around this time, the Washington National Tax Office also assumed the additional role of participating in the review and analysis of potential tax strategies that were to be marketed to firm clients and others.

During this time, I reported to Phil Wiesner, who was the partner in charge of the Washington National Tax Office. I also reported to Doug Ammerman, the partner in charge of KPMG's entire Personal Financial Planning Practice. I supervised a staff of approximately eight individuals in the Personal Financial Planning Group of the Washington National Tax Office.

In the summer of 2000, KPMG transferred me out of the Washington National Tax Office for a two-year overseas assignment. After two years, rather than return to a position in the Personal Financial Planning Practice, I decided to leave KPMG. Today, I continue to work in the tax area, focusing on estate planning.

I would be happy to address any questions that the Subcommittee might have.

Thank you.