

Tax Notes Today

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HAWKINS TO RETIRE AS OPR DIRECTOR

By William Davis

IRS Office of Professional Responsibility Director Karen Hawkins on May 6 announced that she will resign effective July 11, 2015, marking an end to her six-year tenure at the position.

Those close to Hawkins praised her commitment to the role as OPR director and her ability to bring the office and Circular 230 to the forefront of tax professionals' attention.

"I have nothing but the best to say about her and her commitment to that office for the last six years. It is unfortunate to see her go," Michael J. Desmond of the Law Offices of Michael J. Desmond told Tax Analysts.

"Karen will be missed by all, but we must respect her significant personal efforts as director of OPR," said Charles P. Rettig of Hochman, Salkin, Rettig, Toscher & Perez PC.

Tax Notes nominated Hawkins for its 2010 Person of the Year for her efforts as OPR's director. (Prior coverage (Doc 2010-26539).)

"When [then-Commissioner Douglas Shulman] asked me to assume the position of Director, OPR, we shared a vision and multiple goals," Hawkins said in a statement (Doc 2015-10916) May 6. "The vision was to bring reasonable but firm oversight to the unregulated return preparer industry to ensure tax return preparers were both competent and scrupulous in their dealings with the nation's taxpayers and with the tax administration system."

In the statement, she identified goals of her tenure as enhancing "the credibility, visibility and stature of the Office of Professional Responsibility and Circular 230 at all levels of professional tax practice."

Hawkins admitted that while the vision of bringing oversight to the unregulated return preparer industry has yet to be achieved, the goals of enhancing OPR have been surpassed. "There can be no doubt that recognition of the Office and the regulations

governing practice before the IRS has increased exponentially in the past six years," Hawkins said. (Prior coverage (Doc 2015-10381).)

Practitioners echoed that statement. "When Karen took the office, many practitioners did not understand how Circular 230 requirements coexisted with the better-known professional guidance," such as the American Institute of Certified Public Accountants' statements on standards and the American Bar Association's model rules, Claudia Hill of TaxMam Inc. told Tax Analysts. "By making herself available to practitioners at all levels of practice at the IRS nationwide forums annually, Karen has underscored the importance of professionalism for attorneys, CPAs, [enrolled agents,] and all practitioners who represent taxpayers before IRS," she said.

During her tenure, Hawkins and other members of the OPR staff have averaged over 100 speeches a year to audiences ranging from unlicensed return preparers to tax attorneys. She said those efforts have resulted in tax professionals not only knowing about OPR and Circular 230, but also considering the standards before giving advice. "I am hopeful that the pylons have been sunk sufficiently to ensure a solid foundation for those who come after me," she said.

Hill praised Hawkins for her work in "bringing life, meaning, and clarification" to the Circular 230 provisions.

"Karen Hawkins brought a great perspective to OPR that strengthened the respect of tax practitioners for the OPR," Rettig said. "She has led OPR with a firm but fair hand, [was] always willing to listen, and has made decisions based on a reasoned, balanced analysis of real life practice issues coupled with the need to protect the taxpayer community," he said.

Before joining OPR, Hawkins was an attorney at Taggart & Hawkins PC. She earned her JD from Golden Gate University School of Law.

OPR Accomplishments and Challenges

Over the past several years, OPR has seen its authority challenged in several courts across the country. Cases like *Loving*, *Ridgely*, and *Sexton* have succeeded in limiting the scope of Circular 230 and OPR, but Hawkins has remained steadfast in her efforts to uphold and advocate for the regulations and office. (*Loving v. IRS*, Dkt. 13-5061 (D.C. Cir. 2014) (Doc 2014-3158); *Ridgely v. Lew*, No. 1:12-cv-00565 (D.D.C. 2014) (Doc 2014-17725); *Sexton v. Hawkins*, No. 2:13-cv-00893 (D. Nev. 2013) (Doc 2014-26136); prior coverage (Doc 2015-7605).)

"The recent litigation has been a challenge to the IRS and that office in particular, but she's done an amazing job with it," Desmond said.

"The recent litigation setbacks associated with tax return preparer regulation have been discouraging for all of us," Hawkins said. "Unfortunately, I have no crystal ball on the topic. I do know, however, that it is crucial for those of you who believe an ethical, fair, transparent and credible tax administration system is absolutely essential to this country to continue to practice your trade at the highest level and to press others for the same," she said.

Hawkins urged practitioners to remain mindful of the overriding ethical principles contained in Circular 230 and to "resist the temptations to 'get away with' behavior less scrupulous individuals use to lure and keep clients."

Hawkins also oversaw a revision of several important provisions of Circular 230, including the covered opinion rules and the due diligence standard.