The Section of Taxation is pleased to honor Kenneth W. (“Ken”) Gideon as the recipient of its 2016 Distinguished Service Award in recognition of his service to the profession, service to the government, and service to the Section of Taxation.

The Distinguished Service Award is the highest honor awarded by the Section of Taxation of the American Bar Association. The Award is given to individuals who have had a distinguished career in taxation and “who have provided an aspirational standard for all tax lawyers to emulate." In the fall of last year, the Distinguished Service Award Committee unanimously selected Ken to be this year’s recipient. As is the custom of the Committee, the plan was to inform Ken of the Award at the Council Dinner during the January meeting in Los Angeles. Ken unexpectedly died on January 10, 2016, two weeks before the Los Angeles meeting. It is fitting that Ken be honored with this Award, as he truly set an aspirational standard for all tax lawyers.

FAMILY
Ken was born in Lubbock, Texas on July 25, 1946, where he and his sister were raised by their parents and instilled with the virtues that made him treat others with respect and kindness. The humble life he was taught to live gave him an appreciation for the gifts he was given and he shared that appreciation with family and colleagues.

Ken met his wife, Carol, during his senior year in high school. Ken went off to Harvard University, and he and Carol were married in 1968 when he graduated. Carol supported him through Yale Law School by working as a teacher. They were blessed in their life together with four children and three grandchildren. What mattered most to Ken was his family. Ken actively participated in the lives of his children. He attended Boy Scout activities, little league baseball and soccer games, as well as ballet recitals and school plays. Some of the best times Ken had were when traveling with his family. Asking Ken about his grandchildren at dinner was the only question you had to ask him all night. He would spend the rest of the evening with stories of a doting grandfather.

SERVICE TO THE PROFESSION
After graduating from Yale Law School in 1971, Ken and Carol returned to Texas. Ken served briefly in the United States Army and then began his legal career with Fulbright and Jaworski in Houston. Ken started practice as a corporate lawyer, but soon migrated to tax where he would spend the rest of his career. Ken practiced with Fulbright until 1981, when he was appointed Chief Counsel of the Internal Revenue Service by President Reagan. Upon completing his tour as Chief Counsel in 1983, Ken decided to remain in Washington and return to the Fulbright and Jaworski office in D.C.

Ken joined Fried, Frank, Harris, Shriver and Jacobson in 1986 where he practiced with Martin Ginsberg, recipient of the Section’s 2006 Distinguished Service Award. Ken and Marty litigated a number of cases together including the precedent-setting Citizens & Southern case in which the Tax Court allowed a bank to amortize its basis in core deposits acquired from another bank. The friendship that Ken and Marty developed during those years lasted for the rest of their lives.
Ken’s tenure at Fried Frank was cut short in 1989 when he was called back to government by President George H.W. Bush to serve as Assistant Secretary of the Treasury for Tax Policy.

Ken returned to Fried Frank in 1992 but soon thereafter joined the Washington office of Wilmer Cutler and Pickering. In 2000, Ken moved to the Washington office of Skadden, Arps, Slate, Meagher and Flom, LLP. Joining Skadden was somewhat of a homecoming for Ken because he would be practicing with long-time friends and government colleagues Fred Goldberg, Pam Olson, and B. John Williams.

Throughout his career, Ken negotiated and litigated major tax disputes for his clients. He obtained important victories in many areas ranging from capitalization to privileged work product, to transfer pricing and valuation matters.

Clients were well-served by Ken during his career. His colleagues also benefitted from working with Ken. He was eager to share his insights and impeccable judgment. He was a mentor who helped nurture a new generation of tax lawyers.

SERVICE TO GOVERNMENT

Ken served at the highest levels in tax administration for the government. President Reagan appointed him in 1981 to serve as Chief Counsel for the Internal Revenue Service. This was a busy time for the Chief Counsel in that the Internal Revenue Service and the Tax Court were inundated with tens of thousands of cases that involved tax shelter partnerships. Prior to the Tax Equity and Fiscal Responsibility Act of 1982, the Internal Revenue Service was required to pursue partners separately through audit and litigation. Ken played an important role in seeing that these changes were made. While the TEFRA partnership rules have been criticized as being overly complicated, the rules streamlined the audit and litigation process thereby saving the government significant resources and reducing the docket in the Tax Court.

Ken was also behind the scenes as the Supreme Court considered the Internal Revenue Service’s revocation of the tax-exempt status of Bob Jones University for discrimination. The Service’s revocation of the exemption was supported in the lower courts and the decision had been appealed to the Supreme Court. While the Administration decided not to support the Service’s position, Ken fought this decision and was a force in getting the Supreme Court to ultimately hear the case. The Supreme Court upheld the Service’s revocation of the exemption.1

As discussed above, Ken returned to private practice in 1983, only to be called back by President Bush in 1989 to serve as Assistant Secretary of the Treasury for Tax Policy. In this role, Ken initiated the study of the integration of the corporate and shareholder tax systems as well as spurred the office to move forward with much needed regulation projects and other guidance. Ken also was involved in the 1990 Budget Act. This bipartisan legislation led to a federal surplus and a return to economic prosperity.

SERVICE TO THE SECTION

Ken became involved in the Tax Section as a young lawyer at Fulbright. It wasn’t long until he became chair of the Court Procedure & Practice Committee, a committee that fit well with his practice. He served as Chair of the Government Relations Committee after his tenure as Chief Counsel and then served as a Council Director until his appointment as Assistant Secretary of the Treasury.

After his stint with Treasury, Ken continued to work with the Government Relations Committee and was chair of the IRS Guidance Task Force. Ken was elected Chair-Elect in 2003 and served as Chair of the Section from 2004 through 2005.

After his term as Chair, Ken continued his service to the Section by chairing the Nominating Committee, the Distinguished Service Award Committee, and the Public Service Fellowship Committee.

Ken’s last tour of duty for the Section was serving as a Section Member-at-Large of the Board of Governors of the ABA. As a member of the Board of Governors, Ken was able to advance the interests of the Section and the interests of other progressive Sections of the ABA. Ken also served on the Board of Governors at a time of financial stress for the ABA and he was called upon to provide leadership and guidance to the Board.

The Section truly benefitted from and is a better place because of Ken’s service, and it is with great appreciation for this and equal sadness at his passing that the Section presents this Award to Ken, who truly exemplified the highest standards of the profession in his career, his contributions to the Section, and his service to the tax system.

—Rudolph R. Ramelli, New Orleans, LA*

* With special thanks to Armando Gomez and Pamela F. Olson for use of material from their In Memorium, which was published in the Winter 2016 issue of The Tax Lawyer.