

Tax Returns Accessible to Snoopers

By Jack Anderson

An estimated 72,379,400 Americans will file their income tax returns next month confident that their financial secrets are safe with the Internal Revenue Service. The confidentiality of tax returns, after all, is protected by federal law.

Yet among government gumshoes, tax returns have become more popular than wiretaps or peekaboo mirrors for prying into the private affairs of individuals. With a minimum of ceremony, snoopers from a long list of federal state and local agencies can check into almost anyone's finances at the nearest Internal Revenue office.

Any federal agency can obtain access to tax returns upon the written request of the agency head. The Social Security Administration, as a matter of routine, receives data from every tax return. The Justice Department must merely certify that a taxpayer is under investigation to see what he has filed. Any U.S. attorney anywhere in the country can call upon the regional IRS office for tax returns.

In Detroit, a member of the Justice Department's task force investigating organized crime was caught slipping credit information from tax returns to a friend who

wanted the information for his business. The Justice Department was so unconcerned that it merely admonished the offender not to do it again.

Congressional Snooping

Committees of Congress, with the chairmen's approval, can also obtain tax returns. These have been used in the investigations of the Senate Government Operations Committee, House Select Committee on Crime and even the notorious House Internal Security Committee (formerly and better known as the Un-American Activities Committee).

The financial secrets that congressional investigators pick up from the IRS are often handled carelessly. Information has been leaked for example, from Internal Security Committee files to right-wing organizations.

On the local level, 45 states participate in formal information-sharing agreements with the IRS. Internal Revenue furnishes computer tapes to California and New York, for instance, with information from the federal returns of every taxpayer in those states.

A California official with access to this information was caught peddling data about individual taxpayers to a private credit investigator. And in New York, at least two private investigators attempted to

bribe tax officials to get credit information.

There have been reports, difficult to pin down, that the tax returns of candidates for high office have been slipped to their political opponents. Attorney General John Mitchell has asked for the returns of a number of politicians. So far as we could learn, however, the politicians were involved in legitimate Justice Department investigations.

White House Requests

The White House has admitted requesting the returns of nine individuals. The purpose was to check on President Nixon's own appointees, including candidates for the Supreme Court.

A spokesman correctly stated that the White House has never asked to see the returns of candidates or officials who have run for elective office. What the spokesman didn't mention, however, is that in addition to the nine returns the White House has requested summaries of tax investigations. These have included at least two prominent political figures.

Details were furnished the White House, for example, on an investigation into the tax returns of Gerald Wallace, brother of Alabama's Gov. George Wallace. The summary alleged that Gerald had omitted legal-fee income from

his tax returns for 1967 and 1968.

After deducting large losses from his cattle farm, he reported a total taxable income of \$109,944 in 1967 and \$65,980 in 1968. The investigation involves George Wallace, who shared partnership in a Montgomery, Ala., law firm with his brother during both years.

Gerald Wallace was only three years out of law school when his famous brother first became governor of Alabama in 1962. Although Gerald has seldom appeared in court, he has funneled huge sums of money through the law office.

The IRS also furnished the White House with a summary of a tax investigation of West Virginia's Gov. Arch Moore, whose taxable income for the 1962-67 period allegedly should have been \$131,000 more than the \$45,000 he reported.

There is no evidence that the White House has used tax information for political purposes. Reports have reached the IRS, however, that various governors have taken advantage of their access to federal tax returns to embarrass political opponents. One Southern governor was reported to have threatened his political enemies with exposing their tax returns. None of these reports, however, has ever been verified.