

IRS Still Studying Possible Tax Fraud

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WASHINGTON (AP) — The Internal Revenue Service apparently has yet to close its files on whether fraud was committed in the preparation of President Nixon's tax returns in recent years.

IRS Commissioner Donald C. Alexander Sunday confirmed a White House statement that no cause had been found for leveling such a charge against Nixon personally.

But when asked if the same were true of those who helped draft the returns, he replied: "I can't comment on what action the IRS may be or may not be taking with respect to others."

Alexander said also that "you're talking about an IRS investigation" when newsmen brought up reports that parts of a \$100,000 campaign contribution from Howard Hughes had been passed to President Nixon's personal secretary and his two brothers. He would not elaborate.

His comments came on the CBS radio-television program "Face the Nation."

Another question left open by the commissioner was speculation that the IRS included a five per cent penalty for negligence in its finding of \$432,787.13 in underpaid taxes for the years 1969-72 for Nixon. The White House announced last week that Nixon would pay the entire amount, plus interest, even though part of the total, that for 1969, could legally be withheld because the statute of limitations has expired for that year.

The White House statement noted the IRS report "rebutts any suggestion of fraud on the part of the President," but made no such claim for those who prepared his returns. Nor did the statement address the question of negligence or a neg-

ligence penalty.

The IRS chief also refused elaboration on the matter of the Hughes money. In that case, the President's friend Charles "Bebe" Rebozo has said he kept the entire amount locked up for three years before returning it to the Hughes organization.

However, published reports late last week indicated that one time Nixon attorney Herbert G. Kalmbach had testified privately that Rebozo told him in confidence that he had passed portions of the money to the Nixon brothers and Miss Rose Mary Woods. Kalmbach's account has been denied by the other principals or their attorneys.

House Ways and Means Committee Chairman Wilbur Mills, D-Ark., meanwhile, said that information developed by an independent congressional probe of Nixon's taxes would justify a further investigation through the courts as to whether the law had been violated by persons other than the President.

Mills said he doubted whether a negligence penalty had been assessed by the IRS, but conceded his panel might not have been privy to such action despite close cooperation with the agency during their separate probes.

Mills appeared on ABC's "Issues and Answers" program.

House Minority Leader John B. Rhodes, R-Ariz., said Sunday he thought Nixon had not been treated justly on the tax issue, saying the President's attorneys should have been allowed a chance to argue against the findings of the congressional panel.

Rhodes was on NBC's "Meet the Press."