

Right to Scrutinize Bank Accounts Defended by Administration Aides

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The Nixon administration said yesterday it opposes any restraints on its nearly unlimited power to peek at the spending records of people with bank accounts.

Top law enforcement officials from two government departments said such restrictions would sharply slow the fights against white-collar and organized crime.

Sen. John V. Tunney (D-Calif.) said he wants to require federal agents to obtain court permission before they can examine or copy bank records.

Under present law, the Internal Revenue Service, the Treasury Department and other agencies may view such records as long as banks don't object.

At a Senate hearing, Assistant Treasury Secretary Eugene Rossides said there is no danger that the privacy of individual citizens would be jeopardized.

Rossides said proposals by

Tunney and Sen. Charles McC. Mathias (R-Md.) "would shield drug traffickers, organized crime figures and white-collar criminals."

Tunney's bill, for which he testified at a Senate Banking Committee hearing, would permit examination of bank records when the account holder agrees, when a court subpoena is issued the account holder or if the government can show in court there is probably cause to believe a crime has been committed.

Tunney said protection of bank accounts is no different than requiring search warrants when police think they may find evidence in someone's home.

In a sharp exchange with Tunney, Rossides said the need to obtain court orders for bank records would be too cumbersome. Tunney said that was "outrageous."

Rossides also objected to Mathias' proposal that much of the record-keeping requirement on banks be eliminated. He said, however, the Treasury is considering its own limita-

tion on some of these requirements.

William S. Lynch, chief of the Justice Department's organized crime section, said there is no precedent for considering bank account information the sole property of the account holder.

Lynch cited a hypothetical kidnaping in which a ransom has been paid, and the kidnaper had deposited the money in a bank account. He said the investigation would be stymied either through time delays or the need to notify the criminal that the FBI was interested in his finances.

A 1970 law halted a trend among some banks which had stopped keeping records for all kinds of customer accounts. The legislation was aimed at blocking deposits of illegally obtained funds in anonymously numbered Swiss bank accounts.

Should either the Mathias or Tunney proposals become law, their effect on the government's ability to limit overseas deposits would be uncertain.