

# U.S. Attorney Ousted Over Tax Leak

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MYRTLE BEACH, S.C., Sept. 22—A U.S. attorney for North Carolina was forced to resign by Attorney General Richard G. Kleindienst earlier this month after admitting to FBI agents he had leaked information from the personal federal income tax returns of others to the press.

Warren Harding Coolidge, who was the chief federal prosecutor for the Eastern District of North Carolina, announced on Sept. 8 that he was resigning to return to his law practice in Fayetteville.

But Justice Department sources have confirmed that Coolidge, a prominent Republican, left under fire when it was discovered that he had personally leaked details of a federal tax probe of contributions to the 1968 campaign of North Carolina Democratic Gov. Robert W. Scott.

The fourth such resignation since the Nixon administration came into office, the Coolidge affair is a subject of quiet controversy here at the annual conference of U.S. attorneys from around the country.

The prosecutors are being warned against any such unauthorized disclosures to the press about pending investigations.

Asked about the Coolidge resignation at a press conference here today, Kleindienst said, "I don't care to comment" on the source of the

leak on the North Carolina tax inquiry.

He added, however, that "I don't like or approve of persons in the Department of Justice giving out such information. To let the integrity of these files (he compromised) can be harmful."

The Attorney General, reiterating his statement in a letter to Gov. Scott this week, said that an internal Justice Department review of the tax-return leak had turned up evidence of "no criminal conduct" by government officials.

In what might have become an embarrassing election-year case, Coolidge could have been charged with violating Section 7213 of Title 26 of the U.S. Code, which prohibits federal employees from divulging the contents of tax returns.

The maximum penalty upon conviction for such an offense is a one-year jail term, a fine of \$1,000 and dismissal from federal employment.

At issue in the Coolidge affair was a confidential Internal Revenue Service report to the Justice Department recommending prosecution for tax fraud of 13 well-known North Carolina Democrats who supported Scott in 1968.

According to the IRS report—the product of a two-year investigation—some of their contributions were illegally deducted or otherwise misrepresented in tax records.

The leak of the IRS report

by an unnamed "federal official" included the names of the 13 persons under investigation and some of the amounts involved.

In his role as U.S. attorney, Coolidge was expected to prosecute the case.

Scott contended at the time of the leak that it was politically motivated and had jeopardized the rights of people not yet formally under indictment.

The IRS and FBI looked into the leak and when fingers began to be pointed at Coolidge, Kleindienst gave the FBI unusual permission to investigate one of his own regional federal prosecutors.

When approached by the FBI, Coolidge admitted that he was personally responsible.

Kleindienst, who was especially angered because he had approved the appointment of Coolidge and all other U.S. attorneys as deputy attorney general under John N. Mitchell, immediately summoned the North Carolinian to Washington.

When Coolidge reaffirmed to Kleindienst the admission he had made to the FBI, the Attorney General demanded his resignation on the spot.

Assistant Attorney General Henry E. Petersen, who as chief of the Justice Department criminal division directly supervises much of the work of U.S. Attorneys, subsequently recommended against prosecuting Coolidge.

The action against Coolidge was much stronger, however, than the reprimand given U.S. Attorney Harry Steward of San Diego in 1971, when he allegedly interfered with a probe of contributions by prominent California Republicans to President Nixon's 1968 campaign.

Steward, who became an issue in last spring's marathon Senate hearings on Kleindienst's nomination as Attorney General is still in office.

Justice Department officials estimate that there has been about a 20 per cent turnover in U.S. attorneys since the Nixon administration took office. Most of the prosecutors who resigned did so to accept judgeships, other federal jobs, or to return to private law practice.

Prior to Coolidge's departure, a federal prosecutor in Nevada was asked to resign for allegedly "embarrassing" the Justice Department in his public statements, and another in Los Angeles was required to step down after he refused to sign an indictment against Daniel Ellsberg for disclosure of the top-secret Pentagon papers.

A Democratic U.S. attorney in New York City was also forced out of office after defiantly insisting, without authority, that he would be kept on by the Nixon administration.