

White House Aide Reports On Use Of IRS Against Enemy

F-Pook
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WASHINGTON (AP) — A former White House aide has testified secretly that he investigated a tax audit of a newspaper reporter who wrote stories about the financial dealings of President Nixon's friend, C.B. (Bebe) Rebozo.

The testimony conflicts with the findings of congressional investigators, who used that case as a mainstay in their report

exonerating the Internal Revenue Service of charges that it succumbed to pressure to act against White House enemies.

Investigators who looked into the alleged abuses for the Joint Committee on Internal Revenue Taxation did not interview the former aide, John J. Caulfield. Caulfield's testimony was given later to the Senate Watergate committee.

That is one of several evident omissions in the joint committee inquiry and report, which was issued in December. In addition:

—The joint committee staff report said that the Special Service Staff, a secret group set up in the IRS to gather intelligence on extremists, was created "presumably in response" to congressional pressure. White House and IRS documents show that the group was organized at least in part because President Nixon wanted it.

—The report said there were questions as to whether friends of the White House received favored tax treatment, but said investigators found no evidence "that there was any pressure involved." There are White House memos on that matter, but committee sources said investigators did not interview the former presidential aides who wrote them.

Staff members of the House-Senate panel say they presented only interim findings and plan to pursue the IRS inquiry further.