

\$1 Million Tax Case Payoff Alleged

By Jack Anderson
and Les Whitten

Detailed investigative reports, intended for the eyes only of Internal Revenue Service officials, contain allegations of a massive \$1 million payoff to fix a tax case.

The case involves a \$10 million tax assessment and criminal fraud charges, which were brought in the late 1960s against the New Latin Casino of Cherry Hill, N.J.

This palatial theater-restaurant, capable of seating 2,000 people and feeding them steaks cooked to order, featured the biggest names in show business. It has been called "the showplace of the world."

A top Mafia figure, according to allegations made to a Justice Department strike force, held a hidden interest in the place. He was identified as Angelo Bruno, who is listed in a Senate crime report as godfather of the Mafia family in Philadelphia.

We have had access to the investigative files in this case. We have carefully examined the voluminous evidence. The criminal charges are backed up by detailed documentation, including the sworn statements of dozens of witnesses. IRS agents have described the evidence as "a watertight case."

Yet while the IRS was squeezing the last mite out of widows and harassing President Nixon's enemies, it settled the \$10 million case for \$2.7 million and

dropped the criminal charges altogether.

No one we have interviewed could explain why. The most disturbing allegation was that the case had been fixed. There were whispers of bribes totaling more than \$1 million. Yet attempts to investigate the bribery charges, according to three agents close to the case, were thwarted at high levels of the IRS.

We have found at least four confidential IRS memos, which tell of payoffs in the case. Even before the settlement, as early as July 26, 1966, a confidential informant charged that the owners of the New Latin Casino "had taken care of the boss of IRS investigators and the Internal Revenue Service lawyers in Philadelphia who pass on cases."

The most recent memo, dated Jan. 28, 1972, quotes a confidential informant who was identified to us as a Justice Department probation officer close to one of the casino owners. In a report to the IRS, the officer said he had learned from the owner "that the criminal tax fraud case against the New Latin Casino was fixed and . . . that over a million dollars were spent to accomplish the purpose."

Names were given of high officials, including a federal judge, who allegedly were involved in the fix. Yet attached to report is a routing slip, with this handwritten note:

"This has been subject to intensive investigation by this office. Memo does not indicate any new evidence other than statement by informant. Therefore, no further investigation will be made at this time."

Former FBI and IRS agent John Devonshire has sworn to us that a high IRS official told him in the spring of 1972 that the New Latin Casino case had been "fixed." Devonshire said William J. Hulihan, IRS internal security chief, told him the case had been fixed "in either the chief counsel's office of IRS or the Justice Department, and we can't touch it."

Hulihan told us he doesn't "recall any such conversation." He was "not that familiar with the case," he said. But Devonshire has offered to take a lie detector test to prove the conversation occurred.

Investigators outside the IRS have also attempted to pry into the case. In 1970, a Justice Department strike force attorney in Philadelphia, David Abrahamson, attempted to obtain the IRS files on the investigation, but he was turned down.

We have been investigating the case since last October, and we have managed to see the suppressed files. Our inquiries have now caused The IRS to reopen the investigation.

Watch on Waste—While President Ford is trying to cut down America's fuel consumption the Army is preparing to purchase a new truck which could

wind up wasting millions of gallons of gasoline.

Here is the situation. Next month, the military brass plan to sign a contract for 30,000 new trucks. They are available with economical, six-cylinder engines and standard shifts.

But the Army, with its characteristic disregard for the taxpayers' money, prefers the sleeker V-8 model with automatic transmission. By the Army's own figures, it will cost the taxpayers \$5 million more for the fancier model.

But the real cost to the taxpayers will come in the extra fuel that the bigger engine will use. According to Environmental Protection Administration figures, the V-8 with automatic transmission will get about five miles less per gallon than the smaller, six-cylinder model.

The larger truck, which is expected to travel 4,000 to 8,000 miles yearly, would consume from 150 to 300 gallons more than the smaller model. For the entire fleet, this works out to 5 million to 9 million gallons of wasted gasoline each year.

An Army spokesman said the V-8 engine is needed because of "size requirements." Tests also had shown, he claimed, that it requires less maintenance than the six-cylinder engine. He said the Army was concerned about the increased gasoline consumption of the bigger truck, but this was outweighed by the "very significant life cycle cost savings."

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