

IRS Special Unit Compiled Secret Dossiers, Study Says

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By Douglas Watson
Washington Post Staff Writer

Five present or former members of Congress were among 11,458 individuals and organizations in the secret files of the Internal Revenue Service's former Special Service staff (SSS), according to a congressional staff report released yesterday.

The report does not name the congressmen or any others of those on whom IRS dossiers were compiled, but says about 41 per cent were on black or ethnic groups or their members and 18 per cent on anti-war groups and individuals.

The report also says about 15 per cent of the controversial SSS files were devoted to right-wing and racist organizations and their members, 11 per cent on "new left" radical groups and persons, and there "are also a number of files on 'liberal establishment' organizations such as church groups."

The 114-page report by the staff of the Joint Committee on Internal Revenue Taxation is much milder in its comments on the secret IRS unit than was a report released in December by the Senate Constitutional Rights Subcommittee or the testimony of IRS

Commissioner Donald C. Alexander.

Former Sen. Sam J. Ervin Jr. (D-N.C.) warned in introducing the previous report that IRS' Special Service Staff represented "a dangerous abuse of the enormous powers Americans have given to their tax collection arm of government."

Alexander, who abolished the SSS in August, 1973, 2½ months after he took office, has testified, "We need some sort of information-gathering system, but we don't need anything like our Special Service Staff."

The report by the staff of the joint committee says little stronger than, "It seems inappropriate for the Revenue Service . . . to focus its activities on people who are engaged in civil disobedience, etc., unless there is information that they have any propensity to evade the tax laws."

The report concludes that the decision to establish the SSS unit in 1969 apparently was made by Leon Green and Donald L. Bacon, then IRS officials. Bacon has left IRS, but Green is a regional IRS commissioner.

The report says no evidence was found of a White House

directive to establish the SSS. It adds, "Nevertheless, the effect of White House and congressional interest—which occurred at essentially the same time—cannot be ignored."

The joint committee's staff also reported on the investigation by the IRS of a total of 31 right-wing and 16 left-wing organizations during two different times in the early 1960s.

"It appears that to properly administer present law IRS is required to examine the political activities of many tax-exempt organizations," the report says, but adds that the SSS files were on 8,585 individuals and 2,873 organizations, many of them not claiming tax-exempt status.

A joint committee press release maintained, "The report does not indicate any evidence of criminal violations in the activities conducted by the SSS." However, nowhere in the detailed report is this conclusion stated.

According to a congressional source, a joint committee member directed inclusion of the press release statement that no criminal violations were uncovered, though not all committee members had an opportunity to read the staff's report.