

# Details on IRS Probe of 'Extremists'

Washington

The Central Intelligence Agency and the FBI used the Internal Revenue Service, apparently illegally, to harass groups they found politically threatening, according to evidence presented at a Senate hearing yesterday.

Senator Frank Church, chairman of the Senate Select Committee on Intelligence, said in an opening statement yesterday that "the committee has found evidence indicating that the FBI has widely misused the IRS tax information to disrupt political activities."

Before yesterday's 2½-hour session was completed it was revealed that the FBI had obtained a list of contributors from tax returns in a scheme to disrupt the fund raising of Martin Luther King Jr.'s Southern Christian Leadership Conference.

In another instance, it was disclosed the CIA sought to have the IRS open an investigation of Ramparts magazine in 1967 in an effort to head off a series of articles on CIA infiltration of the National Student Association.

The documents were part of materials gathered during the committee's seventh investigation.

Altogether they showed the degree to which the FBI, assigned

## A Gay

### Discharged

Hampton, Va.

Sergeant Leonard Matlovich, who last month challenged the military ban on homosexuals, has been granted an honorable discharge by his base commander, an Air Force spokesman said yesterday.

Matlovich said he will keep fighting to stay in the service.

Colonel Alton Thorgersen, commanding officer of Langley Air Force Base, rejected a recommendation made by a special administrator discharge board that Matlovich, an admitted homosexual, be granted a general discharge.

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to criminal investigation and counterintelligence, and the CIA, assigned to gathering foreign intelligence, attempted to use the tax laws to accomplish their intentions.

Earlier this year the report of Vice President Nelson Rockefeller's commission on the CIA said the agency had obtained tax

return information illegally, but the evidence on the Ramparts incident showed that CIA wanted to go further and use the information to harass Ramparts.

The two incidents were the first time it has been established that intelligence agencies had used the IRS for this purpose. During the Senate Watergate Committee hearings it was established that the Nixon administration had also sought to use the IRS to punish its political enemies.

In a CIA memorandum dated Feb. 2, 1967, an unnamed CIA official reported that he briefed Thomas Terry, then assistant to the commissioner of IRS, and Leon Green, then an assistant to the assistant IRS commissioner for compliance, on the "current status of the Ramparts matter" and he sought their "cooperation."

"I told them of the information and rumors we have heard about Ramparts, proposed exposes with particular reference to the USNSA (United States National Student Association) and (partial) deletion, presumably a designation for CIA. I impressed upon them the director's concern and expressed our certainty that this is an attack on CIA in particular, and the administration in general, which is merely using

USNSA and (deletion) as tools."

The memorandum went on to note: "I suggested that the corporate tax returns of Ramparts, Inc., be examined and that any leads to possible financial supports be followed up by an examination of their individual tax returns."

In a memorandum dated February 15, an unnamed CIA official reported he had access to the tax return information of Edward Keating who had reported that he owned Ramparts.

In May, 1967, the CIA reported in a memo that it was passing information from its informants to the IRS and that "if they determine that non bonafide transactions are involved, they will inform me and will discuss further the investigative procedures to be used by IRS in ascertaining whether or not there are violations of the Internal

Revenue codes involved."

Under federal law it is a crime for anyone to make an unauthorized dissemination of the information from a federal tax return.

In the FBI case, brought forth by Senator Walter Huddleston (Dem-Ky.), an unidentified FBI agent proposed that the bureau forge a letter to contributors to King's SCLC, on SCLC stationery and signed by King, that would make it appear that the organization was in tax jeopardy.

The agent, Huddleston said, had already obtained the names of the contributors from the IRS and was seeking authority to prepare the forged letter. Huddleston said the committee is still trying to determine if the letter was mailed.

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