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IRS Says

CIA (D)

It Referred

Tax Probe

The Internal Revenue Service yesterday denied that the Justice Department had staged a "takeover" of an IRS investigation of tax evasion schemes by wealthy Americans using Caribbean bank accounts as reported by the Los Angeles Times.

An IRS spokesman said that matters involving the probe, known as Project Haven, had been referred to the Justice Department on the IRS' initiative.

"Referral of a matter to the Department of Justice is a standard procedure for IRS cases that may involve criminal tax evasion," the spokesman said.

The Times' story, which was carried in yesterday's Washington Post, said the Justice Department had "taken control" of the probe, and quoted sources who called the move "very unusual." The story also quoted sources who called the move a rebuff to IRS Commissioner Donald C. Alexander.