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The Integrity of the IRS

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Pity Donald C. Alexander, the new commissioner of internal revenue. He has a presidential tax problem on his hands. Besides that, he heads an agency that touches the lives of most adult Americans in ways they do not particularly like. They do not care much to pay their taxes and they dare not make a mistake in their returns for fear that an implacable IRS bureaucracy armed with omniscient computers will inevitably catch them up in the toils of the law. The only consolation is that almost everybody is in the same boat and that the administration of the tax laws—as opposed to the laws themselves—is impartial and fair. About the only thing the commissioner has going for him publicly is the integrity of his agency—and that is the heart of his problem, for along with the FBI, the Secret Service and the CIA, the IRS has taken a battering in the Watergate revelations.

There have been John Dean's assertions that President Nixon was dissatisfied with the IRS's political unresponsiveness; that there was a White House list of "enemies" selected for special IRS treatment and that John Caulfield caused the agency to do at least one politically inspired audit. There was also John Ehrlichman's assertion that, within days of President Kennedy's inauguration, Carmine Bellino, now chief investigator for the Ervin committee, was inspecting "many many returns for days at a time." Despite denials and explanations, Commissioner Alexander, even before the Ehrlichman testimony, decided that the situation warranted some reassurances to the public. When he was nominated for the post of commissioner in March, he had some ideas about improvements he would like to make, Mr. Alexander said, but now, presumably as a result of the Watergate assertions, his "new priority" is "maintaining public confidence" in the service.

A public interest law firm, Tax Analysts and Advocates, hastened to put that "new priority" to the test, in response, it said, to many press inquiries about a series which appeared in this newspaper about a tax deduction taken by President Nixon on a gift of papers made to the United States. The firm has prepared a legal analysis of that gift and has forwarded it to Mr. Alexander. Based on the facts reported by The Post, the law firm argues that President Nixon was not entitled to take a charitable deduction of $570,000 on the papers, which would have been worth $285,000 in tax savings to him.

Based on its analysis of the Internal Revenue Code and basic property law, Tax Analysts and Advocates conclude that no valid gift was made by Mr. Nixon prior to June 25, 1969, the congressional deadline for establishing eligibility for the kind of deduction Mr. Nixon claimed. The law firm told Mr. Alexander that "if the same facts were known in connection with an ordinary citizen as are now on the public record [in connection with Mr. Nixon's 1969 gift] an audit would almost certainly be undertaken by the Internal Revenue Service." They went on to suggest that an audit of Mr. Nixon's return be undertaken by "independent tax auditors."

It is quite clear that all of this puts Mr. Alexander in a very tight corner. But the commissioner did say, when discussing his intention to make maintenance of public trust his top priority, that he would seek the help of organizations such as Tax Analysts and Advocates and suggested that some of his best friends are "enemies." This particular enemy-friend has given him the best opportunity possible to demonstrate that every citizen can expect equal treatment from the IRS—even if his address is 1600 Pennsylvania Avenue.