

Does IRS Favor Friends of Nixon?

By Jack Anderson

The White House not only stirred up tax trouble for President Nixon's declared "enemies" but also asked the Internal Revenue Service, in effect, to go easy on such presidential favorites as the Rev. Billy Graham and actor John Wayne.

This is the import of the secret, sworn testimony of John Caulfield, a former aide who intervened for the White House on tax cases. He told the Senate Watergate investigators behind closed doors that the President's former counsel, John Dean, had asked him to arrange tax audits of some individuals and to give gentle treatment to others.

We recently published the results of an American Civil Liberties Union study, which showed an unusual number of those on the White House "enemies list had been scrutinized by Internal Revenue.

Caulfield testified, for example, that in 1971 "Dean asked . . . if an audit could be done on Robert Greene, an investigative reporter who did a series of critical articles on Bebe Rebozo in Newsday."

Caulfield "spoke to Mike Acree in the Internal Revenue Service," according to a secret summary of Caulfield's testimony, and "believes that an anonymous letter requesting an audit on Greene was later sent . . ."

Anonymous letters, apparently, were used by the White House to stimulate tax audits without leaving any trace.

Vernon (Mike) Acree, then the assistant IRS commissioner, now head of the Customs Service, denied to us he either sent or caused to be sent any letter on the Newsday reporter. But Greene, head of Newsday's prize-winning investigative squad, was summoned by a New York state tax agent who said the IRS had suggested the state might want to examine his taxes. He went on with his Rebozo probe anyway, and the tax investigation showed he owed not one penny.

Friends of the President got the opposite treatment. Caulfield testified that in September, 1971, Dean asked him to "determine whether or not Billy Graham and John Wayne were being harassed by the Internal Revenue Service. Tax information about comparable individuals was obtained . . . from Mike Acree."

Acree remembered the request on Graham and Wayne but refused to say from whom it came. He called it strictly "routine." Word from an assistant director's office about harassment, however, is taken inside the IRS as a signal to go easy on the taxpayer under investigation.

To Acree's credit, he balked at some of Dean's requests. Caulfield recalled that "on an-

other occasion, Dean requested that three or four audits be done of specific individuals, and Acree was brought over to the White House to discuss the matter . . . with Dean." Caulfield was present when "Acree expressed little interest in the project, and it was apparently dropped after the meeting."

Footnote: On at least one occasion, the White House used the IRS to check on someone offering the President a gift. Dean asked Caulfield, according to the testimony, "to determine whether an individual on the West Coast who wanted to give a wine cellar to the Western White House had any tax problem." Caulfield consulted Acree "who determined that the individual was not above-board and so the gift was turned down." In a talk with my associate, Les Whitten, Acree remembered it was a company, not an individual, offering the gift and that he reported the firm did not have any tax problems.

Protecting The President—The Secret Service, in its zeal to protect President Nixon, has been seizing giant-sized \$3 bills that poke a little gentle fun at him.

A stern-faced agent named Richard Stokes moved in on a novelty shop in Louisville, Ky., and alarmed its workers by confiscating huge one-by-two foot \$3 bills, carrying Mr. Nixon's picture.

The agent's incredible justification, as attested by a copy of the receipt, was that they were counterfeit "foreign" currency. About the same time, another agent grabbed off a bill in a Salt Lake City shop, charging that it resembled U.S. currency.

The poster-sized Nixon bills, even in this day of the inflated dollar, have no resemblance to real cash. They are printed on one side only and signed by "Hava Flower, Treasurer of the Secretaries." Their maker, Gemini Rising, Inc., is clearly identified.

Yet the humorless Secret Service agents charged that the Louisville shop had violated federal laws carrying a \$5,000 fine and five years in jail.

After we began investigating the seizures of the Nixon bills, the Louisville U.S. attorney's office and the Secret Service began pointing fingers at each other. Finally, the Secret Service in Washington admitted their case had no more value than the phony \$3 bills.

"We do not regard them as a violation," conceded a spokesman. He denied the confiscations were carried out to harass those who make fun of the President.

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