

Caulfield Testified That He Ordered Audit of Newsman

WASHINGTON, May 27 (AP) — A former White House aide, John J. Caulfield, has testified secretly that he instigated a tax audit of a newspaper report, Robert W. Greene of Newsday, who wrote articles about the financial dealings of President Nixon's friend, Charles B. Rebozo.

John W. Dean 3d, the former White House counsel, testified last summer at hearings of the Senate Watergate committee that Mr. Caulfield had sought an audit of Mr. Greene's tax returns after the reporter supervised a six-month investigation of Mr. Rebozo's financial dealings for his Long Island newspaper.

The staff of the Joint Committee on Internal Revenue Taxation said after an investigation that it had determined that Mr. Greene had not been audited by the Internal Revenue Service but by New York state tax authorities under a Federal-state exchange program.

According to a copy of secret testimony by Mr. Caulfield before the Watergate committee, obtained by The Associated Press, Mr. Caulfield said that he had discussed the matter with Vernon D. Acres, then an assistant commissioner of the IRS, who suggested that an anonymous letter could be written that would initiate an audit. Subsequently, Mr. Caulfield said Mr. Acres indicated "that an anonymous letter did go out in a fashion where it would not be considered illegal."

The tax committee did not talk to Mr. Acres who, when asked about the Greene case, denied any wrongdoing and referred a reporter to the committee report.