

# I.R.S. CHIEF HEARD IN SPYING INQUIRY

## He Says Justice Department Ran Miami Operation

WASHINGTON, March 26 (AP)—The head of the Internal Revenue Service said today that the Justice Department had had over-all control of an operation that reportedly included spying on the sex and drinking habits of prominent Miami residents.

Commissioner Donald C. Alexander said that the I.R.S. was "looking into the specific question of to what extent what happened was our idea and to what extent it was someone else's idea."

In testimony before a House subcommittee, Mr. Alexander said that the spy operation had evolved from a joint corruption investigation by the revenue service and the Justice

Department's Organized Crime Strike Force.

"It is hard for this agency to exercise control over specific activities when control of the operation is elsewhere," Mr. Alexander said.

### Operation Leprechaun

Representative J.J. Pickle, Democrat of Texas, asked at one point if the investigation, code-named Operation Leprechaun, had been the result of the revenue service's acting independently or under the supervision of the Justice Department.

"It was not the I.R.S. acting independently," Mr. Alexander answered. "It was the latter." He became commissioner in 1973 and was not in office at the time of the operation.

Mr. Alexander testified only generally about the operation, pointing out that the matter was being investigated by the revenue service. But he did not dispute the contentions of a Miami woman who said that the revenue service paid her up to \$200 a week in 1972 to spy on 30 prominent Miami residents, including federal judges and a state's attorney. Mr. Alexander said that strike

force investigations generally focused on organized crime and drew upon the revenue service for most of their manpower. He said that the I.R.S. was supposed to limit its work to finding tax violations that could be used against organized crime figures.

Mr. Alexander said that he tried to reduce the role of the revenue service in such investigations last summer but was told by then Attorney General William B. Saxbe that the agency had a continuing obligation to provide support.

The commissioner said that instructions by the revenue service to its agents who were working with strike forces limited them to tax work but "as a practical matter, strike forces become a small working team and information may involve other crimes as well."

### 'Difficult to Draw Line'

"It is difficult to draw the line in each case as to where the tax responsibility begins and ends," Mr. Alexander said.

Representative Charles B. Rangel, Democrat of Manhattan, said the I.R.S. had no business participating in organized crime investigations beyond providing limited informa-

tion that the Justice Department needed to prepare a case.

After Operation Leprechaun was disclosed by newspapers earlier this month, Mr. Alexander halted any payments to undercover agents.

He also ordered an investigation, which he said would pin down responsibility for the operation and disclose whether similar operations existed elsewhere.