

Anger Over

JUN 25 1975

Release of

IRS Report

Washington

Representative Benjamin S. Rosenthal (Dem-N.Y.), threatened Internal Revenue Service officials yesterday with contempt of Congress action for not giving his subcommittee a report on IRS snooping before it was made public.

The IRS report — acknowledging use of computers to keep track of gossipy tidbits on suspect taxpayers — was delivered to the Congressional Joint Committee on Internal Taxation Monday night on the eve of scheduled hearings before Rosenthal's House Subcommittee on Government Operations.

The joint committee promptly released it to the news media and Rosenthal, who had asked for an advance copy, was livid after seeing it first in the newspapers.

"I think you're a candidate for contempt of Congress," he snapped at Burke W. Willsey, chief assistant to IRS Commissioner Donald C. Alexander.

He also charged that Alexander had deliberately "attempted to demean" the subcommittee, a charge Alexander denied.

Other subcommittee members accused the IRS of covering up its snooping activities — particularly "Operation Leprechaun" in the Miami area — for three years and then glossing over it in the report.

"Operation Leprechaun" — a code name coined by the single IRS agent involved — was an information-gathering operation that began in 1972 against 70 taxpayers, mostly prominent but unnamed Miamians including politicians and judges.

The report said information gathered was of "some value" in just seven tax cases but was of little or no value" in the remaining 63.

United Press