

IRS Opens Tax Inquiry In Bahamas

United Press International

The Internal Revenue Service has decided to partially reopen Project Haven, a 10-year-old investigation into secret bank accounts by wealthy Americans in the Bahamas, an IRS official said yesterday.

The investigation was suspended Aug. 13 by IRS chief Donald C. Alexander, who said certain tactics used by agents and informants in obtaining tax-related information may have been illegal.

An IRS spokesman said 250 "investigative leads found to be absolutely untainted" will be released next week to agents in the field for "investigation on potential tax cases" involving affluent Americans who have stashed away money in Bahamian bank accounts.

The spokesman said he did not know how many "investigative items" are still being withheld, but the number was "probably" substantially less than those being released.

Alexander has said he temporarily halted Project Haven, also known as Project Tradewinds, after learning an IRS informant photocopied the contents of a Bahamas bank official's briefcase while the businessman was with a female companion hired by the informant.

The IRS spokesman said names and telephone numbers obtained in the briefcase incident and "a few other cases" were among the items withheld from field agents this week.

They may be released later, he said, if they also are judged by IRS officials to be untainted.

When Alexander originally suspended the investigation, allegations were raised that he might be trying to protect some "high government officials" and American businessmen.

But Alexander denied he was "whitewashing" the investigation and charged at a news conference that certain high IRS officials were "out to get" him by leaking false information to the press.