

CONGRESS TO SCAN USE OF TAX AUDITS

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Joint Panel to Study Charge That Administration Tried to Punish Its Enemies

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WASHINGTON, June 28—The joint tax committee of Congress ordered today an investigation of allegations that the Nixon Administration has used tax audits to punish its enemies and help its friends.

The joint committee, whose membership consists of the senior members of the House Ways and Means Committee and the Senate Finance Committee, approved the investigation after a very brief discussion and with no recorded dissent at a meeting that had been called for another purpose.

The chairman of the joint committee, whose formal name is the Joint Committee on Internal Revenue Taxation, is Representative Wilbur D. Mills, Democrat of Arkansas.

The joint committee instructed its staff to examine the tax returns and any audits of all

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persons who have been mentioned publicly as possibly receiving favorable or unfavorable treatment by Internal Revenue.

One person, Robert Greene of the Long Island newspaper Newsday, was explicitly mentioned by John W. Dean 3d, the former White House counsel, as having been audited because of his role in preparing an unfavorable news article on Charles G. Rebozo, a friend of President Nixon.

Commissioners Resisted

While no other alleged target of a politically motivated audit has been discussed by name, memorandums that have been introduced at the Watergate hearings indicated that members of the White House staff repeatedly tried to pressure Internal Revenue to perform tax audits on persons considered to be enemies of the Nixon Administration.

The memorandums indicated that the first two men to hold the position of Commissioner of Internal Revenue under President Nixon had generally resisted these pressures. They were Randolph W. Thrower and Johnnie M. Walters.

The man who now heads I.R.S., Donald C. Alexander, promised the director of the staff of the joint committee, Laurence N. Woodworth, his "full cooperation" in the investigation.

In a related development, Mr. Thrower said that he had been told that President Nixon personally wanted a former New York policeman, John J. Caulfield, appointed to head the I.R.S. Alcohol, Tobacco and Firearms Division. Mr. Thrower resisted the appointment on the ground that Mr. Caulfield had no qualifications for such a high-ranking administrative job.

Confirmation by Greene

Mr. Caulfield was named by Mr. Dean on Tuesday as the man who had forwarded to Internal Revenue Mr. Dean's orders that Mr. Greene be audited. Mr. Dean said that Mr. Caulfield subsequently reported back to him that the audit had been undertaken, and Mr. Greene has confirmed that he was, in fact, audited at the time mentioned by Mr. Dean.

Mr. Thrower, who was reached by telephone in Mexico, where he is vacationing, said that he first heard that the White House wanted Mr. Caul-

field appointed to the I.R.S. job in mid-1970 in a telephone call from Charles E. Walker, then Under Secretary of the Treasury.

Mr. Walker indicated that "Mr. Caulfield was a person who had worked close to the President and was highly regarded by the President," Mr. Thrower said.

Mr. Walker confirmed that he had informed Mr. Thrower that "the White House had requested the appointment of Mr. Caulfield" and agreed that he had been told by a member of the White House staff that the President personally wanted Mr. Caulfield in the job. But he said he had never heard this from the President himself. He refused to say what member of the White House staff he had dealt with on the matter.

Mr. Walker said that after

he and Mr. Thrower had looked into the requirements of the I.R.S. job and into Mr. Caulfield's qualifications, they had decided that he was unqualified. Mr. Walker said that he had passed on this conclusion to his unidentified contact on the White House staff and had received, shortly thereafter, "a short, sharp memo that said, in effect, 'This is not satisfactory; Caulfield is going to be put in that job.'"

But the matter was allowed to drop by the White House staff in the fall of 1970.

Mr. Thrower confirmed the essential points in Mr. Walker's version of the matter and went on to describe a second attempt that the White House made several months later to put Mr. Caulfield in a top job in the Alcohol, Tobacco and Firearms Division.

The second time around, the position was as head of enforcement for the unit, a job for which Mr. Thrower felt Mr. Caulfield might be adequately qualified.

But, he said, the White House—again through Mr. Walker—insisted that the division be reorganized so that Mr. Caulfield would report directly to no one except Commissioner Thrower himself, thus bypassing all of the career bureaucracy.

Mr. Thrower said he thought it most undesirable for a law enforcement organization to be supervised by no one except the one and only political appointee in the I.R.S., the commissioner himself. All other I.R.S. jobs come under the Civil Service.