

IRS Held Too Vague on Vesco Taxes

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The government has suffered a setback in efforts to collect more than \$833,000 in back taxes and penalties from fugitive financier Robert L. Vesco.

A U.S. tax court judge has ruled that the Internal Revenue Service was too vague when it charged Vesco with receiving "certain payments" totaling about \$1 million from International Controls Corp. and failing to report them on his 1971 income tax return. Vesco was chairman of ICC at the time.

According to the IRS, most of the income came from Vesco's use of ICC-owned jet planes for pleasure trips. Vesco has contended he flew the aircraft only for business.

In a motion to the court, Vesco's lawyers argued they could not properly define their client, now residing in Costa Rica, unless the IRS specified which trips were in dispute and how the government valued the airborne mileage.

They also said the IRS must itemize each of the \$63,757 in

"unidentified deposits" that Vesco and his wife had on account in a Morristown, N.J., bank and allegedly failed to report on their 1971 joint return.

In an unnoticed ruling last week in Newark, N.J., tax court judge William M. Fay said Vesco was entitled to the extra details. The IRS complaint "left a little bit to be desired," Fay said.

Tax officials have agreed to supply the additional figures.

The case won't come to trial until September.