

FBI Joins Inquiry on Miami IRS

5-15-72
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Treasury Secretary William E. Simon said yesterday that the FBI and a federal prosecutor have joined an investigation into allegations that Internal Revenue Service agents and informers in Miami probed the sex and drinking habits of prominent Floridians.

IRS Commissioner Donald C. Alexander later told reporters the Justice Department has become involved "because of the seriousness of the charges and because of the lack of cooperation on the part of a number of people."

Alexander declined to say whether any IRS agents have refused to cooperate with the probe of the agency's 1971-72 Miami activities. An aide said 300 to 400 people have been questioned.

Alexander said the IRS is examining the paid-informer situation in more than 20 of its 58 districts, though no charges like those made in Miami have arisen elsewhere.

"I will continue to give this my personal, urgent attention," Simon told the House Government Operations Subcommittee on Commerce, Con-

sumer and Monetary Affairs at an oversight hearing into various allegations that the IRS has abused its power.

It was the first time Simon has testified before any of at least a half dozen congressional committees that this year have become interested in the IRS.

Several members unsuccessfully sought specific answers on what the IRS has uncovered in its self-investigations. Alexander, a Simon subordinate, promised that by early June the IRS will start reporting to Congress on its findings.

Simon submitted a list of current or recent outside "intelligence projects" at IRS. It includes probes of alleged tax fraud in the recording industry, alleged payoffs to Housing and Urban Development appraisers and inspectors, the growing use of foreign bank accounts by tax evaders, and real estate mortgage loans made by union pension funds. A three-year investigation of tax-return preparers has resulted in 381 conviction or guilty pleas from among 1,401 cases.

Alexander testified that last year the IRS dropped about 1,000 tax fraud cases "that should have been developed but were not because of lack of manpower." He said that among IRS' various responsibilities is periodically helping the Secret Service guard presidential candidates, a task to which up to 50 IRS agents may be assigned.