

Nixon Advised on Income Tax

By Susanna McBee

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An Internal Revenue Service official says he has kept President Nixon advised of any tax problems involving his friends and associates that could embarrass the White House.

Roger V. Barth, a deputy chief counsel of the IRS who is resigning Dec. 31 to join a Washington law firm, said he thinks the practice of informing the White House about "sensitive cases" is a "good idea" and that it goes back at least to 1963.

The present IRS commissioner, Donald C. Alexander, said neither he nor anyone on his behalf reports directly to the White House. An IRS spokesman added that Alexander informally advises Treasury Secretary

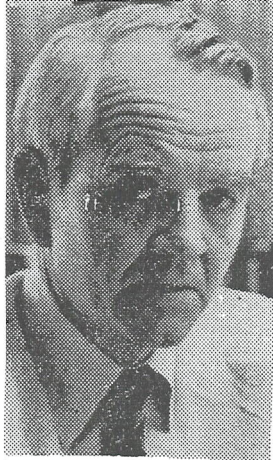
George P. Schultz about such cases, and Schultz may, if he wants, relay them to the White House.

• In defending the practice, Barth cited the case of an unnamed person who was being considered for a presidential appointment, and, because the man had tax problems, "the appointment was aborted."

The practice is also "helpful," he said, to avoid a situation where someone is invited to a White House dinner and later discovered to be in tax trouble.

"It's a good system as long as it's a one-way street," Barth said, meaning as long as the White House does not order the IRS to quash an investigation. And, he insisted, "it's always been a one-way street with me."

People whose tax prob-



DONALD C. ALEXANDER

... IRS commissioner

lems might come to the attention of top IRS, Treasury, and, ultimately, White House officials, Barth said,

include present or recent government officials, presidential advisers, major contributors, members of Congress, governors, mayors, racketeers, and nationally known religious, sports, and entertainment figures.

Barth did not disclose any names that had been passed to the White House, but it has been reported that they include such presidential friends as the Rev. Dr. Billy Graham and actor John Wayne and Mr. Nixon's former osteopath, Dr. Kenneth Riland of New York.

Asked about Riland, Barth noted that he is under indictment for tax evasion, demonstrating that the IRS investigation was not halted although the White House was aware of the case.

Barth, 35, who was the advance man for Mr. Nixon's daughters, Julie and Tricia,

Cases

during the 1968 campaign, came to IRS in 1969 as assistant to the commissioner, and, as such, was liaison with other government agencies, including Congress and the White House. He held that job until November, 1972, when he went to the chief counsel's office.

He has discussed his relations with the White House with the Senate Watergate committee and the Joint Committee on Internal Revenue Taxation.

Barth said yesterday he dealt mainly with former White House aide John D. Ehrlichman and with former Treasury Secretary John B. Connally and then Schultz. If a tax matter were of special significance, either the Secretary or Ehrlichman would take it to the President, Barth said.

IRS agents in all field offices have guidelines on "sensitive cases," which state that the purpose of relaying information on them to Washington is to "keep the (IRS) commissioner and Treasury officials apprised" of potentially newsworthy developments involving prominent individuals.

Barth said that of about 200 such cases that are reported to Washington each month, about 20 to 25 are culled for the attention of the IRS commissioner and Treasury Secretary. Of those, about one a month goes to the White House, he said.

Barth said he believes this administration and future ones should continue to warn the President about potentially embarrassing tax cases.

The Joint Committee on Internal Revenue Taxation issued a report yesterday saying that the White House did exert pressure on the IRS to audit the tax returns of Mr. Nixon's "political enemies," but it said the IRS ignored the pressure. The report did not mention Barth or take a position on the practice of informing the White House about "sensitive cases," but it did cite the rationale for the practice.