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IRS, Justice Dept. Settle Probe Issue

Washington

The Justice Department and the Internal Revenue Service appear to have resolved an 18-month-long dispute over the conduct of joint investigations in a way that will restore the participation of tax agents in the department's organized and white-collar crime cases.

Under a complex set of guidelines released by both agencies Saturday, the Justice Department's 17 "strike force" units around the country will again have access to IRS intelligence agents and auditors, whose expertise they need in investigations that may lead to prosecutions of federal tax-law violators.

Although it remains to be seen how the guidelines will work in practice, they embody remedies for the long-standing concern of the IRS that many of its 2800 agents had, at times, become too deeply involved in joint strike force investigations that resulted in prosecutions for marginal tax-law violations, or none at all.

In August, 1974, IRS commis-

sioner Donald Alexander withdrew 17 of his agency's audit representatives from their assignments to Justice Department strike forces, which were established in 1968 as a means of concentrating several kinds of expertise in investigations of organized crime activities.

The move by Alexander, who has maintained on several occasions since then that the IRS' limited investigative manpower made it essential that the revenue agency decide for itself which cases to look into, caused considerable concern within the Department of Justice.

The guidelines, the product of months of negotiation between the Justice Department and the IRS, express a recognition by both agencies that while the basic responsibility of the revenue service is enforcement of the federal tax laws, "appropriate priority" should also be accorded to non-tax investigations by the strike forces.

New York Times

* 13 Aug (WXP 28 Oct 75)