

IRS Chief to Face Grand Jury Probe

Washington

Internal Revenue Service Commissioner Donald Alexander and other senior IRS officials will appear voluntarily before a grand jury here next week, Treasury Secretary William Simon announced yesterday.

The investigation focuses on the IRS' suspension of an alleged tax evasion investigation involving Bahamian banks and reports that Alexander planned to meet to discuss taxes with a convicted swindler, according to government sources.

Simon did not name the subject under investigation but said in a prepared statement that it "is an old matter that has been dragging on for months, and it is important that the allegations be pursued to a conclusion or laid to rest."

The grand jury here and a similar grand jury in Miami are trying to resolve conflicts in testimony of witnesses and are not at the present time sitting for the purpose of returning indictments, well-placed sources said.

One source characterized the evidence in the investigation as "skimpy ... It doesn't add up to much ... It's for the sake of thoroughness."

Justice Department attorneys

have not yet received a report on a three-month Treasury Department investigation into allegations that Alexander blocked tax audits of Senator Joseph Montoya (Dem.-N.M.), who heads the Senate subcommittee that oversees the IRS.

"That is not part of this grand jury investigation," one Justice Department source said. "It may soon become part of it after we get the report."

In announcing Alexander's appearance before the grand jury, Simon issued a reaffirmation of his confidence in Alexander:

"We cannot allow this investigation to drag on while Don Alexander and his senior associates are subjected to leaks, innuendoes and vilification by a mindless, invisible bureaucracy," Simon said.

A spokesman for Alexander said yesterday that the commissioner will have no comment on his expected appearance before the grand jury.

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