

I.R.S. Commissioner Says Employees Who Object to Policy Try to Ruin Him

By NICHOLAS M. HORROCK
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WASHINGTON, Sept. 29—Donald C. Alexander, the Commissioner of Internal Revenue, said today that he was the victim of a concerted effort by some "former and a few present I.R.S. employees" to discredit him because they did not agree with his policies.

Showing occasional flashes of anger, Mr. Alexander held an unusual, free-wheeling news conference in an effort to blunt the impact of several vague allegations of wrongdoing leveled at him in the last few days.

He said that some employees and former employees of the Revenue Service opposed his efforts to maintain respect for "individual rights" in I.R.S. investigations.

"These individuals," he said, "have reacted by criticizing me personally, attempting to block efforts to uncover and eliminate inappropriate activities by I.R.S. employees and informers, and by circulating scurrilous rumors about my personal character."

He did not identify any individual.

Three allegations, none in precise form, have been made in the last two weeks, and Mr. Alexander has categorically denied each in turn.

At the same news conference, William E. Williams, Deputy

Commissioner of the I.R.S., disclosed that the service is investigating "the surreptitious removal by an informant in Miami of information from a briefcase of a foreign nation, and the photocopying of the contents of the briefcase by I.R.S. employees while the individual owning the briefcase was with a woman companion, arranged for by the I.R.S. informant."

Mr. Williams said it was the discovery of this incident that resulted in the service's halting the dissemination of intelligence from Operation Haven, part of a program for identifying and investigating Americans who may have secretly deposited money in the Bahamas to avoid taxes.

The curtailment of Operation Haven and Operation Tradewinds, a related program, has produced some of the criticism of Mr. Alexander.

Bahamas Bar Disclosure

Tradewinds is a nine-year-old secret operation in which the I.R.S. sought to get the names of United States citizens who had made covert deposits in the Bahamas. It is a violation of Bahamian law for anyone to disclose, or conspire to disclose, bank deposit records.

During the early years of the program, sources familiar with it said, the I.R.S. obtained information by paying Bahamian citizens for it. In 1972, however, a Bahamian immigra-

tion official was cashiered for helping the I.R.S., several sources said, and the intelligence operation languished.

In early 1973, a "reliable criminal informant" contrived to photograph the contents of a briefcase of a Bahamian official by arranging for a woman operative to distract him. Some sources said this incident had taken place in the Bahamas, but at today's news conference I.R.S. officials said it had been in Miami. They would offer had paid the informant \$8,000 for the information.

List of Depositors

The material involved, according to several sources, was a list of American depositors in the Castle Bank and Trust, a bank that specializes in secret trust accounts. The list became the basis for Operation Haven, a nationwide tax investigation based in New York.

Mr. Williams said that the project had resulted in recommendations for prosecution in five criminal cases, in seven cases that are still under investigation for criminal activity and in the processing of 63 civil cases with recommended taxes and penalties of \$33-million. He said 52 more civil cases were under examination.

However, when I.R.S. investigation methods came under criticism earlier this year, Mr. Alexander ordered a halt in payments to informants, and the Tradewinds information

stopped. In August, after the incident with the woman came under investigation, the dissemination of information already on hand from Operation Haven was halted.

These actions have produced severe criticism of Mr. Alexander from law enforcement officials in the Department of Justice and the I.R.S. Today he associated this criticism with news reports about his personal integrity.

In the first report, Clarence Jones of WPLG-TV in Miami, a Washington Post-Newsweek station, reported that the House Ways and Means Committee was investigating Mr. Alexander.

According to the report, also carried by WIOP-TV, the Post-Newsweek station in Washington, committee investigators had been told by I.R.S. intelligence agents that Mr. Alexander had arranged to meet with a major securities swindler who had ties to organized crime. The meeting, the purpose of which was said to be to arrange to dispose of a pending tax lien against the swindler, never took place, the report said.

The television report made it appear that Mr. Jones had received information from the committee or its staff, Representative Charles A. Vanik, the Ohio Democrat who heads the oversight subcommittee that is conducting the investigation, said that the committee had received "unverified allegations" about Mr. Alexander and had "referred them to the proper authorities."

He said that he had surveyed his staff and was confident that none of them had talked to Mr. Jones. A Department of Justice spokesman said that the same allegations had been investigated by the I.R.S. and that its internal inspection report had been reviewed by the Criminal Division of the Justice Department some months before. This review found the allegations to be baseless.

He said the case would now be reinvestigated.

Meanwhile, the Chicago Sun-



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Donald C. Alexander, Commissioner of Internal Revenue, charged he is victim of effort to discredit him.

Times reported over the weekend that Mr. Alexander had been under investigation by the Customs Service and the Justice Department in connection with advice he had given a client, the Procter & Gamble Co., as a private lawyer in 1972.

Mr. Alexander confirmed that his advice to his client had been investigated, but he maintained that it was both legal

ment spokesman said that the case had been reviewed by the United States Attorney in Seattle, where the customs case was centered, and that last week the Seattle official had "declined to bring the matter before a grand jury." He said the attorney's decision would be reviewed by the Criminal Division of the Justice Department.