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# FBI Investigating Head of the IRS

Los Angeles Times

The FBI is conducting a preliminary investigation of allegations involving Internal Revenue Service Commissioner Donald C. Alexander, already the focus of inquiries by two congressional panels.

An FBI spokesman said the investigation was undertaken at the request of the Justice Department's Criminal Division. He would not discuss its scope, but other sources said Treasury Secretary William E. Simon had referred the matter to the Justice Department.

Alexander has repeatedly denied any wrongdoing in his job as the nation's chief tax collector. He has been accused of frustrating enforcement of criminal tax laws by some present and former IRS agents who are upset about his curtailment of the agency's intelligence division operations. The intelligence division investigates criminal tax cases.

The FBI is seeking to determine if there are any federal violations involving Alexander. A Justice Department official described the inquiry as "a preliminary matter."

"It's under study," he said. "We are aware of the allegations as is the bureau (FBI)."

Simon has also ordered a Treasury Department investigation of published reports that Alexander and other high-ranking officials blocked an audit of tax returns of Sen. Joseph Montoya (D-N.M.), chairman of a sub-

committee that handles the agency's appropriations.

In addition, a House Government Operations subcommittee headed by Rep. Benjamin S. Rosenthal (D-N.Y.) and a House Ways and Means oversight subcommittee headed by Rep. Charles Vanik (D-Ohio) are conducting broad investigations of the IRS and Alexander.

The Rosenthal subcommittee is studying a 1974 IRS memorandum which reports that an undercover informant said he saw the name of Richard M. Nixon in a computer printout in the office of a Bahamian bank. The former President has repeatedly denied having a foreign bank account, and investigators were unsure of the meaning of the memo.

The informant was part of Project Haven, a running investigation into massive tax evasion schemes by hundreds of wealthy Americans who had secret Caribbean bank accounts. The Alexander furor came to a head after an IRS official last August suspended the investigation.

Alexander said he hadn't ordered the suspension but later approved of it. It occurred amid circumstances that many IRS agents found puzzling, especially when it was later revealed that the name and phone number of Alexander's former law firm were among the records of a Bahamian bank under close scrutiny.