

NYTimes JUN 30 1973
Ehrlichman Reports Nixon Audits Under Kennedy

By EILEEN SHANAHAN
Special to The New York Times

WASHINGTON, June 29—New assertions of intervention by the White House staff in income tax cases were made today along with a counter-claim that the Kennedy Administration had harassed Richard M. Nixon himself with continuous audits.

The charge that Mr. Nixon had been subject to excessive audits "for political reasons" was made by John D. Ehrlichman, the former head of President Nixon's domestic policy staff. He made the charge in an interview, taped yesterday and broadcast tonight over the Columbia Broadcasting System television network.

The further allegations of political interference in tax cases by Nixon Administration officials came from John W. Dean 3d in his testimony before the Senate investigating committee.

Harassment Believed

He said that he had made inquiries in one tax case involving a man who was so close to Mr. Nixon that he saw the President "with great regularity" and accompanied him on his trips to China and the Soviet Union.

The name of the individual was not disclosed and Mr. Dean said the tax case was still "proceeding forward" because it was a "solid case."

Mr. Dean said that he had

received repeated inquiries about the status of the case from Rose Mary Woods, Mr. Nixon's personal secretary, who believed that the individual involved was "being harassed by agents that were trying to get somebody who was close to the President."

Dr. W. Kenneth Riland, an osteopath who accompanied Mr. Nixon on the trips to China and the Soviet Union, was indicted for tax evasion by a Federal grand jury in New York in April.

Suit Charges Interference

In a separate development, a Federal judge in Washington ordered hearings in a case involving the denial, by the Internal Revenue Service, of tax-exempt status to a New Left organization, the Center on Corporate Responsibility. Memorandums indicating that the White House repeatedly put pressure on Internal Revenue to revoke the tax-exempt status of politically left organizations have been submitted to the Senate committee by Mr. Dean.

The judge who ordered the hearings is Charles R. Richey, who was accused by Mr. Dean earlier this week of having yielded to White House persuasion to delay until after the Presidential election the trial of the Democratic National Committee's lawsuit against the Republican party and the Committee for the re-election of the President. The suit was based on the burglary of the Demo-

crats' offices in the Watergate complex on June 17, 1972.

Judge Richey denied Mr. Dean's charge.

The suit challenging I.R.S.'s long delay in granting tax-exempt status to the Center on Corporate Responsibility, and its ultimate denial of the tax-exemption, though filed before Mr. Dean's documents came to light, alleged political interference with the Internal Revenue career staff. Judge Richey ordered the hearings after the plaintiffs bought the Dean memorandums to his attention.

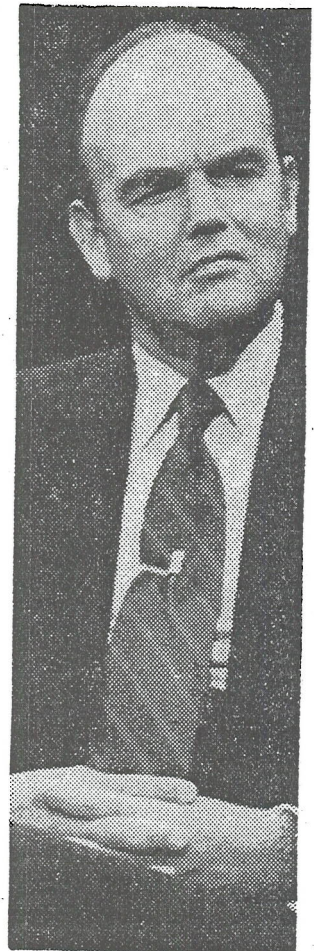
Mr. Dean's testimony on White House interference in tax cases was not entirely clear, but indicated that there were four separate instances where he was asked to get the Internal Revenue Service to ease up on investigations of tax returns of friends of Mr. Nixon.

"I was told that I was to do something about these audits that were being performed on two friends of the President's," he said.

He also mentioned a "third instance" that someone else had "taken care of" before he got to the matter.

Finally, there was the case of the individual who made the trips to China and the Soviet Union with Mr. Nixon.

"Several people got involved in this," Mr. Dean said. "They said, 'John, you have got to do something about this, because the President is just going to hit the roof when he finds out about it.'"



C.B.S. News
John D. Ehrlichman at TV interview last night.