

Agnew May Face More Tax Trouble

Washington

Former Vice President Spiro Agnew's plea of "no contest" yesterday in the income tax evasion case against him may mark only the beginning of difficulties for him with the Internal Revenue Service.

An official spokesman for Internal Revenue said that so far as the agency was aware, there was nothing in the agreement that led to Agnew's resignation that would prohibit Internal Revenue from attempting to collect taxes on every payment to Agnew that can be documented as having been made but not reported on his tax returns.

The charge of tax evasion, to which Agnew pleaded "nolo contendere," involved \$29,500. But a document released by the Justice Department detailing the evidence against the former

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vice president alleges payments from contractors and others totaling as much as \$100,000. The precise figure is not clear, because some of the allegations of illegal payments are stated in terms of percentages of the value of construction contracts awarded, and the figures for the contracts themselves are not given.

COMN

The IRS spokesman said it was common in tax evasion cases for a charge of criminal tax evasion to be made involving a relatively small figure and for a civil action to come later involving a much larger figure.

Generally, the official said, the reason is that much higher standards of proof must be met in criminal cases.

Persons familiar with the enforcement of the tax laws also noted that Agnew was not necessarily being given

exceptional treatment in being merely fined \$10,000 and not jailed. The \$10,000 is the maximum fine, per count of tax violation, provided by law, but jail terms of up to five years are also specified.

Fewer than half of all the persons convicted of criminal tax violations in the fiscal year that ended June 30 were jailed, IRS figures showed. The exact figure was 44 per cent, and that was up substantially from the figure for the preceding year, which was 38 per cent.

Johnnie M. Walters, the immediate past IRS commissioner, said in a speech to the Michigan State Bar Association in September 1972:

"It is indeed strange that the theft of a used car worth \$500 rates a three-year prison sentence whereas the theft of \$50,000 of taxes rates only a small fine and no prison time. Yes, theft; what else is tax evasion?"

FRAUD

It can be assumed, according to the Internal Revenue spokesman, that the IRS will allege civil fraud with respect to the \$13,551 in taxes on \$29,500 worth of unreported income, that Agnew has, in effect, admitted that he did not pay.

Since the Justice Department handles all cases of criminal fraud in the tax area for Internal Revenue, it is not expected that any additional allegations of criminal fraud would be made against the former vice president.

IRS could, however, allege civil fraud for years both before and after 1967. There is no statute of limitations for civil tax fraud.

PRIVATE

If the former vice president chooses to pay, without argument, whatever Internal Revenue says he owes, that fact may ever become public.

Even in cases where a criminal conviction has been obtained, civil tax proceedings are kept secret, unless and until an argument between IRS and the taxpayer gets into court.

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