

The IRS and the White House



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THE WHITE HOUSE not only stirred up tax trouble for President Nixon's declared "enemies" but also asked the Internal Revenue Service, in effect, to go easy on such presidential favorites as the Rev. Billy Graham and actor John Wayne.

This is the import of the secret, sworn testimony of John Caulfield, a former aide who intervened for the White House on tax cases. He told the Senate Watergate investigators behind closed doors that the President's former counsel, John Dean, had asked him to arrange tax audits of some individuals and to give gentle treatment to others.

We recently published the results of an American Civil Liberties Union study, which showed an unusual number of these on the White House "enemies list" had been scrutinized by Internal Revenue.

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CAULFIELD testified, for example, that in 1971 "Dean asked . . . if an audit could be done on Robert Greene, an investigative reporter who did a series of critical articles on Bebe Rebozo in *Newsday*."

Caulfield "spoke to Mike Acree in the Internal Revenue Service," according to a secret summary of Caulfield's testimony, and "believes that an anonymous letter requesting an audit on Greene was later sent . . ."

Anonymous letters, apparently, were used by the White House to stimulate tax audits without leaving any trace.

Vernon "Mike" Acree, then the assist-

ant commissioner at Internal Revenue, now head of the Customs Service, denied to us he either sent or caused to be sent any letter on the *Newsday* reporter. But Greene, head of *Newsday*'s prize-winning investigative squad, was summoned by a New York State tax agent who said the IRS had suggested the State might want to examine his taxes. He went on with his Rebozo probe anyway and the tax investigation showed he owed not one penny.

Friends of the President got the opposite treatment. Caulfield testified that, in September 1971, Dean asked him to "determine whether or not Billy Graham and John Wayne were being harassed by the Internal Revenue Service. Tax information about comparable individuals was obtained . . . from 'Mike' Acree."

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ACREE remembered the request on Graham and Wayne but refused to say from whom it came. He called it strictly "routine." Word from an assistant director's office about harassment, however, is taken inside the IRS as a signal to go easy on the taxpayer under investigation.

To Acree's credit, he balked at some of Dean's requests. Caulfield recalled that "on another occasion, Dean requested that three or four audits be done of specific individuals, and Acree was brought over to the White House to discuss the matter . . . with Dean." Caulfield was present when "Acree expressed little interest in the project and it was apparently dropped after the meeting."