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Nixon Taxes --Report of Fraud Probe

New York

The Internal Revenue Service is conducting a criminal-fraud investigation of President Nixon's 1969 income tax return, Newsweek magazine reported yesterday.

The magazine said in its latest issue that IRS special agents, who conduct only criminal investigations, have interviewed former White House aide Edward L. Morgan; Mr. Nixon's personal accountant, Arthur Blech, and the President's former tax lawyer, Frank DeMarco.

Newsweek quoted sources as saying that at least two persons who worked on the President's tax papers have been warned by the IRS that they are subjects of the probe.

At issue, Newsweek said, is whether a fraudulent deed was drawn up for the donation of Mr. Nixon's vice presidential papers in the spring of 1970 to make it appear he had actually given the papers to the National Archives one year earlier, before tax deductions for such gifts was outlawed.

The IRS has refused com-

ment, Newsweek said, and the White House said it has not been notified of a criminal investigation of the President. The White House was quoted as saying it is cooperating with the IRS.

United Press