

Weicker Discloses Data on IRS 'Misuse'

White House aides discussed in 1971 an investigation by C. G. (Bebe) Rebozo that a Newsday profile of Rebozo had been financed by the Kennedy Foundation, documents released in the Senate yesterday disclose.

Memoranda from former White House investigator John Caulfield to then presidential counsel John W. Dean III showed that tax and anti-trust investigations were proposed in retaliation against what was considered an unflattering article about Rebozo, President Nixon's close friend.

Sen. Lowell P. Weicker (R-Conn.) dropped these documents and a bundle of others with three Senate subcommittees as reminders of Watergate-related abuses by the Nixon administration. He said most of the documents had come from Dean and were released with the permission of the Senate Watergate committee.

The documents, admitted into the record without challenge, supplied new details in numerous areas already covered by Watergate investigators. They included:

- Records of a special internal Revenue Service team, disbanded last year, that Weicker said managed to collect tax data on 10,000 Americans in its pursuit of "ideological" opponents of the administration.

- Correspondence showing IRS, FBI and White House investigators preparing to release information damaging the reputation of the producers of the 1971 film, "Millhouse," a satire of President Nixon.

A recommendation by former White House aide Charles Colson that Dean intercede with the U.S. Parole Board to hasten the release of Calvin Kovens of Miami, who was convicted in 1973 in connection with alleged kickbacks from the Teamsters union pension fund. The recommendation had come at the request of former Florida Democratic Sen. George Smathers.

- The U.S. Army's 66th Intelligence Group in West Berlin conducted a long-term surveillance of a group of local American civilians known first as "Democrats for McGovern" and later "Concerned Americans in Berlin." Weicker produced documents he said showed the Army penetrated the group's meetings with its agents and opened all mail addressed to it.

Weicker read the subcom-

mittees a sheaf of memos, some of them on White House stationery and bearing dates of the summer and fall of 1971.

Memos between Caulfield and Dean on the "Millhouse" movie advised tax audits if the production became publicly identified with Lawrence F. O'Brien, then chairman of the Democratic National Committee.

In another example of the use of the IRS, Weicker produced another set of Dean-Caulfield memos which indicated that the administration was interested in helping evangelist Billy Graham and movie actor John Wayne, both supporters of the President, with their tax problems.

Weicker produced four pages of confidential tax information relating to a long list of other entertainers including Frank Sinatra, Sammy Davis Jr., Lucille Ball, Jerry Lewis, Richard Boone and others.

"Clearly this is not material that should be in the hands of anyone but the taxpayer and the IRS," Weicker said and added:

"As we can see from all the tax returns that are flooding over this desk, the IRS was acting like a public lending library for the White House."

Weicker's testimony today was at a hearing convened by three Senate subcommittees investigating the extent of political spying by the federal government.

Weicker said the IRS memo on the formation of the spe-

cial intelligence task force discussed various means by which the tax laws could be used to attack what it described variously as activist, ideological, radical, militant, or subversive groups.

The memo, signed by D. O. Virdin, added: "We do not want the news media to be alerted to what we are attempting to do or how we are operating because disclosure of such information might embarrass the administration..."

Sen. Sam J. Ervin Jr. (D-N.C.), chairman of the Senate Watergate committee, said the surveillance on the Berlin group was conducted many months after the Secretary of the Army promised Congress it had ended all surveillance activities on American civilians and would not renew it without telling Congress first.

"I just don't care to spend one cent of my taxes to have spies for military intelligence determining if some American citizens has an autographed picture of Sen. George McGovern," Weicker said.

Weicker noted the Army's own analysis of the situation was that the group in Berlin was non-subversive and had modeled its constitution after the U.S. Bill of Rights.

He also said the Commerce Department was used by the White House as a source of material thought to be potentially embarrassing to the political career of Sen. Edmund Muskie (D-Maine).

He said the material concerned Muskie's relationship with executives of the beet sugar industry in Maine.



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Sen. Lowell Weicker (R-Conn.) testifies before the Foreign Relations Subcommittee on Surveillance. He testified that he has memoranda of the administration's attempts to use federal agencies for retaliatory purposes.