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Is IRS blocking probe of Hughes?

Associated Press

WASHINGTON — Senate Watergate Committee investigators have charged the Internal Revenue Service with putting "frustrating and debilitating roadblocks" into their investigation of Howard Hughes' \$100,000 campaign contribution.

The accusation is contained in a nine-page memo sent by the committee's assistant chief counsel Terry Lenzner on April 15, to committee members. The Associated Press obtained access to the memo last night.

Lenzner's memo also raises questions about the IRS investigation of the billionaire's contribution which began in the spring of 1972.

Lenzner's memo alleges that the IRS has totally frustrated "the spirit, letter and intent" of a Senate resolution passed last Feb. 21. The resolution entitles the committee, in return for giving IRS the fruits of its investigation, to "investigate, receive and inspect any data, documents or other informa-

tion held by the Internal Revenue Service" which relate to the inquiry.

After passage of the resolution the committee was told to outline its general areas of interest in a letter and all IRS material would be provided, the memo says.

In mid-March the committee was advised for the first time that the general letter was not adequate and that specific items would have to be requested, Lenzner wrote.

On March 28, the committee listed 31 specific matters and received permission in return to obtain tax returns and nothing more. Committee sources said that returns alone were not particularly useful and that it had been seeking worksheets, records and the results of the interviews IRS had already conducted. *

Lenzner wrote, "I was advised on April 12 that we could receive no additional information or returns" because of a dispute over the language in the exchange of letters.

* SEE SFC APR 24 (NYT)