

'Evidence' White House Misused IRS

Washington

Federal grand juries have obtained firm evidence that White House officials, possibly acting with the approval of President Nixon, conspired to obstruct U.S. tax laws by misusing the Internal Revenue Service to harass political "enemies," Watergate special prosecutor Leon Jaworski said yesterday.

Reporting to U.S. District Judge John J. Sirica on a months-long investigation, Jaworski said former Democratic National Chairman Lawrence F. O'Brien had been a special target in White House efforts to "abuse and politicize" the IRS.

Two grand juries are studying possible violations of at least five sections of Federal law in connection with this inquiry, Jaworski said. The sections of law include general conspiracy, conspiracy to violate civil rights of individuals, unauthorized disclosure of tax information and obstruction of the proper administration of tax laws, he said.

Jaworski reported on the IRS-related probe to support a request that Sirica turn over part of a tape recording and notes of a Sept. 15, 1972, presidential meeting that the judge has kept from grand jurors.

The inquiry is focusing on allegations "that in September, 1972, the White House presented lists of individuals — 'enemies' — to the IRS with the direction that they be audited or otherwise harassed, and that in August and September, 1972, the White House unlawfully attempted to have the IRS investigate Mr. O'Brien," Jaworski said.

"Evidence assembled by this office, much of which has been presented before the grand juries, substantiates both of those allegations," Jaworski told the

court, adding:

"This evidence also indicates the likelihood that on Sept. 15, 1972, the President did in fact have discussions with Mr. (John) Dean and Mr. (H.R.) Haldeman concerning those matters."

At that time, Dean was

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White House counsel and Haldeman was Mr. Nixon's chief of staff.

Sirica upheld White House lawyers last December 19 when he ruled that the latter portion of the Sept. 15, 1972, tape-recorded meeting of the President, Dean and Haldeman did not relate to Watergate matters and should not be given to Jaworski and to grand jurors. Sirica made the same ruling on Haldeman's notes of that part of the meeting.

Jaworski said yesterday, however, that he has concluded "that the materials in question do relate to investigations of the Watergate break-in and related matters."

The edited transcripts recently released by the White House show Mr. Nixon and Dean discussed the original Watergate indictments at that meeting, but the transcripts contain no references to O'Brien's tax investigation or to any IRS probes.

On the other hand, an unedited transcript of the Sept. 15, 1972, meeting, prepared by the House Judiciary Committee, quotes Haldeman as saying to the President in an apparent refer-

ence to Dean and former White House aide Charles Colson:

Chuck has gone through, you know, has worked on the list, and Dean's working the thing through IRS. . . ."

Dean testified to the Senate Watergate committee last summer that the White House drew up an "enemies list" of several hundred persons for the IRS to investigate. The list included O'Brien, who also was a target of the 1972 Watergate bugging.

Subsequent to the testimony of Dean and Haldeman, the Joint Congression-

al Committee on Internal Revenue Taxation investigated the conduct of IRS officials and found "no evidence that any returns were screened as a result of White House pressure on the IRS."

"Information that has recently become available," said Jaworski, "further substantiates the sworn testimony of John W. Dean III and H. R. Haldeman . . . to the effect that the use of the Internal Revenue Service to attack 'enemies' of the White House was discussed in the (September 15) meeting."

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