

White House Pressure on IRS Detailed

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White House pressures to politicize the Internal Revenue Service were so intense that President Nixon's first two IRS commissioners both threatened to resign in protest, according to the House Judiciary Committee's compilation of evidence on improper uses of the IRS.

Commissioner Randolph W. Thrower eventually did resign in January, 1971, according to his sworn statement, after he tried unsuccessfully to arrange a meeting to discuss the pressures with President Nixon.

That followed repeated attempts by unnamed White House aides working through then Treasury Under Secretary Charls Walker to force Thrower to place either White House investigator Jack Caulfield or G. Gordon Liddy Jr., subsequently convicted in the Watergate break-in, in a sensitive IRS post in the Bureau of Alcohol, Tobacco and Firearms (ATF).

Thrower was also pressured to convert ATF into a "personal police force" to be headed by Liddy or Caulfield. He blocked the plan only by threatening to resign.

Thrower's successor, Johnnie Walters, said in an affidavit that he came under intense pressure from John D. Ehrlichman in the summer of 1972 to create tax problems for Lawrence F. O'Brien, then Democratic national chairman.

Ehrlichman had learned from the IRS "list of sensitive cases" that O'Brien might be under investigation by IRS in connection with fees he received from Howard Hughes. But Walters' own investigation, made at Ehrlichman's request, showed O'Brien had paid all the taxes he owed.

Despite this finding, Ehrlichman continued pressing Walters to go after O'Brien. Walters said he carried out Ehrlichman's demand to have IRS interview O'Brien prior to the 1972 election. However, the pressure from Ehrlichman, relayed through

then Treasury Secretary George P. Shultz, continued.

Finally, on Aug. 29, according to Walters, he told Ehrlichman in a stormy telephone conversation with Shultz on an extension that IRS considered the case closed.

"I'm goddamn tired of your foot-dragging tactics," Ehrlichman shot back. Following the conversation, Walters said in an affidavit, "I told Secretary Shultz that he could have my job any time he wanted it."

Ehrlichman much later explained to the Senate Watergate committee why he was so interested in O'Brien:

"I wanted them to turn up something and send him to jail before the election."

Two weeks after his angry conversation with Ehrlichman, Walters said, he was requested by John W. Dean III to have IRS investigate a

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list of McGovern campaign aides and donors. On Sept. 13, Walters reported, he decided to do nothing after conferring with Secretary Shultz.

Later that week on Sept. 15, according to the Judiciary Committee document, President Nixon met with aides H. R. Haldeman and Dean to discuss "taking steps to overcome the unwillingness of the IRS to follow up on complaints." According to Dean's diary, Dean specifically reported to the President on O'Brien.

Potentially, a tape of that conversation could resolve the degree of presidential responsibility for the attempts to misuse IRS. How-

ever, this is one of the tapes Mr. Nixon has refused to give the committee.

On June 12, U.S. District Court Judge John J. Sirica ordered that the tape be given to Watergate Special Prosecutor Leon Jaworski for his investigation, but the order has been appealed by the White House.

The committee document, which pulls together all the available evidence, some of it previously unpublished, also discloses that:

- Haldeman used the President's name in asking Clark Mollenhoff, then a White House special counsel, to get an IRS report on tax problems of Alabama Gov. George C. Wallace's brother, Gerald. The report was leaked almost immediately to columnist Jack Anderson. Mollenhoff's affidavit claims the leak came from "the highest White House level." Disclosure of confidential tax information is a criminal act.

- Caulfield's "back channel" for obtaining confidential tax information repeatedly turns out to be former IRS Assistant Commissioner Vernon (Mike) Acree, now U.S. Commissioner of Customs. Previously undisclosed Senate Watergate committee staff interviews quote Caulfield as citing

Acree as his source for information on Billy Graham, John Wayne, other entertainers and Gov. Wallace's brother.

Caulfield also told investigators it was Acree who supplied the tax returns of Lawrence Y. Goldberg, who was being considered for a job as the Nixon reelection committee's coordinator of Jewish voters.

Acree told The Washington Post yesterday that he first began supplying tax information to Caulfield on prospective presidential appointees while Caulfield was working at the White House in 1971. Having made the contact with Acree, Caulfield continued to exploit it, according to Acree, who denies doing anything improper. "If he didn't have a problem," Acree said. "I'll be goddamned if I was a patsy for Jack Caulfield, or anyone else."

- Previously undisclosed testimony by Dean in a closed session of the Senate Watergate committee indicated President Nixon had

ordered pressure on IRS to stop tax investigation of presidential "friends."

"The President," Dean said, "had asked it be turned off friends of his." Then, Dean said, he got the tax information on Graham from Caulfield, which he forwarded to Haldeman asking what to do next. Haldeman scrawled back, "No, it's already covered."

- The beleaguered IRS commissioners relied on the Treasury Department as a buffer to shield them from the political demands of the White House—with mixed success. Walters' decision to resist Dean's request to audit "enemies" was made in conjunction with Treasury Secretary Shultz, who also figured in Walters' efforts to resist harassing O'Brien.

"George [Shultz] wouldn't let me at him," Ehrlichman told Senate investigators. The Aug. 29 conversation with Walters about the O'Brien audit was "the first time I had a chance to tell the commissioner what a crappy job he had done," Ehrlichman added.