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BENTON L. BECKER
... taxes are reviewed

Attorney For Nixon Is Probed

By Timothy S. Robinson
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The Tax Division of the Justice Department is reviewing an investigation of alleged criminal tax violations by Benton L. Becker, the Washington attorney who negotiated a controversial agreement that allowed former President Nixon to keep ownership and control of tapes and other presidential materials.

The investigation of Becker was brought up yesterday by Rep. Elizabeth Holtzman (D-N.Y.) during President Ford's appearance before a House Judiciary Subcommittee. Rep. Holtzman asked Ford, during a series of rapid-fire questions, why Becker was assigned by Mr. Ford to negotiate the presidential records agreement with former President Nixon while he was under investigation. Mr. Ford answered only the last of Rep. Holtzman's several questions, one that concerned only the records agreement itself.

Informed sources have said that the investigation, conducted by the U.S. attorney's office for the District of Columbia, must be reviewed by the Justice Department before any final decision can be made on whether Becker should be indicted or cleared on the basis of information gathered in the probe.

A detailed report on the investigation was sent to the Justice Department the week of Sept. 8, the day that the investigation first became public, the sources said. That report did not specifically recommend that an indictment be returned, the sources added.

The sources said that the investigation centers on an allegation by convicted Montgomery County financier Joel Kline that he helped Becker, who was then his private attorney, set up an illegal tax dodge.

The two men set up a firm called Senate Financial Corp., according to the investigative sources, and Becker appeared to be the sole investor.

The firm, according to some persons familiar with the investigation, existed "only on paper." The incorporation papers for the firm, which do not mention Becker, include a long general description of the firm's purposes, including "... to make investigations as to the business, affairs and property of corporations, partnerships and various forms of business enterprises; to make appraisals and valuations of all kinds..." etc.

The corporation had 50 million shares of stock at a par value of one cent each, the incorporation papers continued.

Becker, who has said he will not comment directly on the investigation at this time, reportedly has told investigators that he did not know the company was a phony organization, but that he thought he was getting in on the ground floor of a profitable organization by an enterprising millionaire, Kline.

At the time of the incorporation papers, filed on Nov. 28, 1972, Kline was under intense investigation by the Securities and Exchange Commission. Kline subsequently pleaded guilty to obstructing that investigation.

Tax cases are normally first investigated by the Internal Revenue Service, routed through the Justice Department and then sent to a prosecutor for action, one source said.

One consideration, said the well-informed source, is a decision by the Justice Department whether to support Kline as a government witness in instances in which he is the only major witness to alleged criminal activities.

Since his plea, Kline has been cooperating with prosecutors in D.C. and Baltimore and has testified in the successful prosecution of Baltimore County Executive Dale Anderson. In that case, however, he was one of many government witnesses.