

Collected Sex, Drinking Data

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The Internal Revenue Service said yesterday that "Operation Leprechaun," an IRS undercover project that collected sex and drinking-habit information on public officials in Florida, was limited to a single IRS agent working with 62 confidential informants.

A 28-page summary of a detailed IRS report on "Operation Leprechaun" that was released yesterday confirmed allegations first reported in March by Miami newspapers that extensive nontax-related information was collected on at least a dozen unnamed judges and politicians.

The IRS summary said that 23 per cent of 594 documents found in the IRS agent's file "included references to sexual and/or drinking activities" of suspected tax violators, compared with a 7 per cent average of such material in the files of IRS special agents in that region.

The summary said "Operation Leprechaun" was directed by IRS Special Agent John T. Harrison, who worked out of the IRS Miami office as part of the federal government's organized crime "strike force" there.

"The agent's free rein in working with the strike force and the absence of day-to-day IRS supervisory control were the major causes of the problems that occurred in execution of the project," the summary said.

It said, "Some of the matters uncovered during the course of the investigation have been referred to the Department of Justice." No disciplinary action has been taken yet, an IRS official said.

The summary report gave little hint of what kind of sex and drinking information was collected, or how it was obtained by the informants reporting to Harrison.

Elsa Gutierrez, a 33-year-old Coral Gables real estate agent known as "Carmen," publicly charged in March that the IRS Miami office assigned her in 1972 to "get dirt on" 30 local public officials, including three federal judges and the Dade County state's attorney who then was investigating Watergate.

Mrs. Gutierrez said she was told some of the IRS targets "had sex hangups" and she was "to get everything I could on their lives."

The IRS summary said that

the tax-collection agency paid for memberships to Miami's Playboy Club and Mutiny Club for Mrs. Gutierrez, a divorcee.

However, the summary quoted Harrison, "I do not recall ever requesting information concerning sex lives and drinking habits . . . or any other personal information of anyone that was not related to obtaining information or leads regarding suspected tax evaders."

Harrison added, "However, when occasion warranted, I did request one or more informants to obtain the identity of a girl or boyfriend . . . If the girl friend was found as having been maintained in an apartment or luxurious manner, I would then request the location of the apartment, amount of rent and determination as to whether the suspect was making these payments."

Mrs. Gutierrez said the IRS aid her \$2,960 over 10 weeks for her informant's work before she quit in disgust. The summary said \$45,617 was listed as being spent between 1972 and 1974 by "Operation Leprechaun," Harrison's informal name for the project that included 34 paid and 28 unpaid informants.

The summary said the operation began with "a list of 12 to 15 names of individuals suspected of political or judicial corruption." It resulted in investigations of 70 unnamed taxpayers, with 17 investigations still open. The report did not specifically say on how many individuals sex and drinking information was collected.

The report was prepared as the result of an investigation by scores of IRS personnel under the direction of Warren A. Bates, assistant IRS commissioner for inspection, and was delivered yesterday to IRS Commission Donald Alexander, who then sent copies to Treasury Secretary William E. Simon and the Joint Committee on Internal Revenue Taxation, which released it.