

VW/GATE
CIA (D)

SFChronicle JAN 12 1976
Bahama Probe

Tax Spy Says IRS Blew His Cover

Key Biscayne, Fla.

The federal government's chief undercover informant on Bahamian tax evasion schemes says he was on the verge of major discoveries when his cover was blown by Internal Revenue Service headquarters.

Norman L. Casper, a private investigator who worked three years under the IRS code name of TW-24, said he had developed his own "spy network" for the agency's probe of tax evasion by wealthy Americans and suspected organized crime figures who use secret Bahamian bank accounts.

But Casper said in an interview that his extensive Bahamian contacts dried up after top IRS officials divulged details of his operations in a news conference last September 29.

"I can't go back," he said as he talked publicly for the first time about his methods of obtaining information.

A gregarious man with a tanned, leathery face, Casper said he had netted \$26,000 in informant's fees by gleaning data from prominent bankers, wealthy businessmen, bank secretaries and other sources.

Even after IRS Commissioner Donald C. Alexander restricted payments of such fees a year ago, Casper said he continued to provide information to IRS agents without a compensation.

But when his confidentiality was compromised, I was not able to continue the thrust of investiga-

tions I had going," he said.

"It's very, very frustrating for me. I was at the point where I could have gotten more valuable information than what I had gathered in the past."

The September news conference of Alexander and several aides came amid the controversial suspension of Project Haven by IRS headquarters. This was the investigation for which Casper had provided extensive information beginning in 1972.

A crucial breakthrough came two years ago when Casper obtained access to the briefcase of a Bahamian banker, and IRS agents surreptitiously photographed secret lists of 300 depositors at Castle Bank and Trust Co., Ltd., of Nassau, the central focus of the Project Haven investigation.

Alexander and his aides questioned the legality of these lists, noting that the information had been obtained while the banker was having dinner in Miami with a woman companion — a dinner arranged by Casper. Although Casper was not named at the time, the news conference description of the briefcase incident tipped off the informant's identity to officers of Castle Bank.

It was not until last week, however, that Casper's real name surfaced in public records. That happened when he was granted immunity from prosecution by a federal judge to testify before a Miami grand jury investigating allegations of official wrongdoing

in IRS inquiries.

After his testimony, the 53-year-old Casper was interviewed by Los Angeles Times reporters.

Casper has lived on this island south of Miami since 1951, doing security work for airlines and other businesses. His prominent clients have included C.G. Rebozo, president of Key Biscayne's only bank and a close friend of Richard Nixon.

It was while he was employed as a security agent for National Airlines in 1970, Casper said, that he began cooperating with the IRS, voluntarily spending late-night hours poring over passenger lists to help federal agents track the movements of suspected organized crime figures.

In 1972 a friend at the agency put Casper in touch with Richard Jaffe, an IRS specialist who was also gathering intelligence on Caribbean tax havens.

Casper, then without a full-time job, said he accepted Jaffe's suggestion that he become a paid informant for the IRS.

United Press

See SFChronicle 8 Nov 75 [UPI].