

How Howard Hughes Avoided IRS

By Jack Anderson
and Les Whitten

The incredible story can now be told of how Internal Revenue Service officials let the elusive Howard Hughes slip through their fingers in 1972 after his lawyer made several midnight telephone calls to Washington.

IRS agents were prepared to serve a subpoena on the phantom billionaire at the Ft. Lauderdale airport in the early morning hours of Dec. 24, 1972. At the last minute, however, they were forbidden by their superiors from boarding his plane.

A U.S. customs inspector finally was admitted on board. He turned a flashlight on a bearded man with a black hat pulled down over his head who identified himself as Hughes. The recluse was then allowed to go on his way although there was a subpoena out for him.

The man in the black hat suddenly appeared in Florida after an earthquake drove him out of Managua, Nicaragua. Customs in Miami was alerted that Howard Hughes would be coming through Miami International Airport from Managua.

Customs officials recalled seeing

Hughes' name on a "stop list." A computer check confirmed that the IRS had a subpoena to serve on him. Customs alerted the IRS, which dispatched its agents to the Miami airport.

They eventually learned that a private jet, flying out of Managua, was expected to arrive not at Miami but at Ft. Lauderdale about midnight.

The agents rushed to Ft. Lauderdale, where they found a soaped and pressed Hughes aide, Charles Waldron, waiting for the billionaire at a remote hangar in a corner of the airport.

The Hughes jet landed and taxied into the dark, distant hangar. The IRS agents sent word with Waldron that they wished to speak to Hughes. Waldron returned from the plane with the response that they should telephone Hughes' attorney, Chester Davis, in New York City.

Davis asked the agents to hold off superiors in Washington and Miami. They agreed to wait 30 minutes.

A few minutes later, Davis called back triumphantly to notify the agents that they had to cancel their assignment.

Sources familiar with the incident say a midnight decision was made by then-Internal Revenue Commissioner

Johnnie Walters and Assistant Commissioner John Hanlon not to confront Hughes directly.

Both former officials, in interviews with our associate Bob Owens, deny they were pressured by Hughes' attorney. Beyond this, they refused to discuss the case.

Not until 2 in the morning was the standoff broken. A man with a nasal voice and Texas accent could be heard protesting, "No, no." But finally a customs inspector was allowed to board the plane and read the IRS statement to Hughes.

The inspector found Hughes concealed behind a blanket draped across the aisle and seat backs. When the agent reached the blanket, he turned his flashlight on Hughes.

The agent handed Hughes a card containing the message. The billionaire then asked for a magnifying glass and was offered a pair of glasses.

Hughes read the card and the agent repeated it simultaneously in a loud voice. The agent asked whether Hughes understood, and the man in the black hat said he did.

That's the last the U.S. government has seen of Howard Hughes.