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NA FORM 1429 (1-98)

IRS ~~COMES~~ *Ex Order*

November 13, 1975

Hon. Jack Brooks
Chairman
Committee on Government Operations
Room 2157 - RHOB
Washington, D. C. 20515

Dear Jack:

The Commissioner of the Internal Revenue Service, Donald C. Alexander, has urged the Subcommittee to have the full Committee seek an Executive Order which will allow the Subcommittee to inspect tax returns. The Subcommittee has not been interested in perusing tax returns, but essentially in tax-return-related information. The statute (26 USC 6103) does not allow the IRS to withhold tax-return-related information, but IRS does so as they have drawn their regulations so that tax return and tax-return-related information for their purpose is the same. As a result due to their practice, when the Subcommittee requested materials, it has resulted in a greater work and time effort by IRS which usually falls short of what the staff and Members of the Subcommittee believe we are entitled to. Attached is a copy of a letter dated July 23, 1975, from the Commissioner and his reasons for urging me to seek an Executive Order.

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The IRS Chief Counsel's office and the staff of the Subcommittee have met and, after consultation with other Subcommittee and Committee staff, negotiated a proposed Executive Order. Members of my Subcommittee have conveyed to me their desire that the Committee request such an Executive Order. I concur in this expression and urge you to request such an Executive Order which will entitle the Committee on



Hon. Jack Brooks

2

November 13, 1975

Government Operations, or any duly authorized Subcommittee in connection with its studies of the operation of Government activities to inspect income, estate or gift tax returns for the years 1955 to 1975, during the 94th Congress. A letter to the President requesting such an Executive Order is attached for your consideration.

Sincerely,

Benjamin S. Rosenthal
Chairman

BSR:cv

Attachments: 2



July 23, 1975

The Honorable Benjamin S. Rosenthal
Chairman, Subcommittee on Commerce,
Consumer and Monetary Affairs
Committee on Government Operations
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

It seems clear to most of us here at the IRS that our experiences over the past several months in attempting to meet your Subcommittee's requests for information have placed a serious burden on us in making certain that inadvertent disclosure of taxpayer return information does not take place. This problem has, I believe, placed a burden on your staff as well.

It appears to us that most of these difficulties could be eliminated if the Committee were to obtain an Executive Order authorizing the Subcommittee to have access to tax return information. Consequently, I urge that the Chairman of the full Committee send a letter to the Secretary of the Treasury requesting an Executive Order along the lines of that obtained by the Senate Government Operations Committee.

If there is any additional help that we can give you in either drafting the letter or preparing any related materials, please let me know.

With kind regards,

Sincerely,

/s/ Donald C. Alexander

Donald C. Alexander

BWWillsey:mps

7-23-75



IRS CORRESP ~~EX~~ *Excluded*

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Sincerely,

/s/ Donald C. Alexander

Donald C. Alexander

BWWillsey:mps

7-23-75



THE WHITE HOUSE

WASHINGTON

November 28, 1975

MEMORANDUM FOR JACK MARSH

THRU: MAX FRIEDERSDORF
VERN LOEN *VL*

FROM: CHARLES LEPPERT, JR. *CLJ.*

SUBJECT: Request for Executive Order to Inspect Income,
Estate and Gift Tax Returns

On November 18, Representative Jack Brooks wrote to the President requesting an Executive Order to entitle the House Committee on Government Operations or any duly authorized subcommittee thereof to inspect any income, estate or gift tax returns for the years 1955 to 1975 inclusive.

The purpose of this request is to permit the Committee and its Subcommittees to determine the economy and efficiency of Government operations and activities at all levels. This authority is sought subject to the conditions in applicable Treasury decisions relating to inspections of the returns by the Committee.

Since May, 1975, the Subcommittee on Commerce, Consumer and Monetary Affairs, chaired by Ben Rosenthal (D-N. Y.) has been conducting oversight hearings of the Internal Revenue Service. These oversight hearings have been related principally to the intelligence and intelligence gathering functions, operations and procedures of the IRS.

Some of the areas the Subcommittee has gone into in some 12-14 hearings include: "the IRS and its relationship with other departments and agencies, IRS Intelligence Operations and intelligence gathering, Operations Leprashan, Haven, Sunshine & Tradewinds, the runaway in the IRS inspection services, organized crime and narcotics trafficking programs and the GAO Audit of the Bureau of Alcohol, Tobacco and Firearms.



Throughout the hearings mentioned above the Subcommittee has sought information from IRS which is "tax related" i.e., tax audit type information, memos and reports of mid-level employees to superiors. IRS has contended that under 26 U.S.C. 6103 they cannot give the Subcommittee such tax related information and the product the Subcommittee receives after deletions is not satisfactory. IRS states the Subcommittee requests have been a burden to IRS and requires IRS to go through all the documents and excise them before giving them to the Subcommittee. In addition, the Subcommittee has requested the opportunity to interrogate IRS employees which poses a problem.

The Subcommittee first thought they would not need the Executive Order but after IRS has repeatedly refused to furnish the information under the statute (26 USC 6103) the Subcommittee contends that the IRS position and Treasury regulations go far beyond what the statute intended.

The Subcommittee, because of the difficulties in obtaining the information allegedly necessary to conduct their oversight function have legislated and passed through the House H.R. 8948, a bill to permit GAO to Audit IRS and the Bureau of Alcohol, Tobacco and Firearms.

The Subcommittee as evidenced by the attached letters has decided that the better course of action is to seek the Executive Order from the President. The Subcommittee contends that it seeks this authority at the suggestion of the IRS, Treasury and Justice.



July 23, 1975

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Chairman, Subcommittee on Commerce,
Consumer and Monetary Affairs
Committee on Government Operations
House of Representatives
Washington, D. C. 20515

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IRS CORRESP *Ex 6000*

November 13, 1975

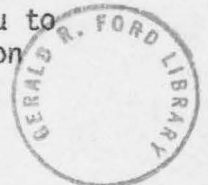
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November 13, 1975

Government Operations, or any duly authorized Subcommittee in connection with its studies of the operation of Government activities to inspect income, estate or gift tax returns for the years 1955 to 1975, during the 94th Congress. A letter to the President requesting such an Executive Order is attached for your consideration.

Sincerely,

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Chairman

BSR:cv

Attachments: 2



IRS CORRESP *Ex Order*

November 13, 1975

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Chairman

BSR:cv

Attachments: 2



THE WHITE HOUSE
WASHINGTON

Mr. Marsh --

Per your request, attached is
a copy of the letter to the
President from Cong. Jack
Brooks.

Charlie
find
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about
what
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ack
Josh

November 20, 1975

Dear Mr. Chairman:

This will acknowledge receipt of your November 18 letter to the President requesting an Executive Order to authorize the Committee to inspect any income, estate or gift tax returns for the years 1955 to 1975 inclusive.

Please be assured your letter will be called to the President's attention without delay.

With kind regards,

Sincerely,

Vernon C. Loeb
Deputy Assistant
to the President

The Honorable Jack Brooks
Chairman
Committee on Government Operations
House of Representatives
Washington, D.C. 20515

bcc: w/incoming to Phillip Buchen for handling

VCL:VO:vo



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JACK BROOKS, CALIF.
JACK BROOKS, FLA.
TORBERT H. MACDONALD, MASS.
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FLOYD V. HICKS, WASH.
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BARBARA JORDAN, TEX.
GLENN ENGLISH, OKLA.
ELLIOTT H. LEVITAS, GA.
DAVID W. EVANS, IND.
ANTHONY MOFFETT, CONN.
ANDREW MAGUIRE, N.J.
LES ASPIN, WIS.

NINETY-FOURTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON GOVERNMENT OPERATIONS
2157 Rayburn House Office Building
Washington, D.C. 20515

November 18, 1975

MINORITY MEMBERS
FRANK HORTON, N.Y.
JOHN N. ERLÉNBOOM, ILL.
JOHN W. WYDLER, N.Y.
CLARENCE J. BROWN, OHIO
GILBERT GUDE, MD.
PAUL N. MCCLOSKEY, JR., CALIF.
SAM STEIGER, ARIZ.
GARRY BROWN, MICH.
CHARLES THONE, NEBR.
ALAN STEELMAN, TEX.
JOEL PRITCHARD, WASH.
EDWIN M. FORSYTHE, N.J.
ROBERT W. KASTEN, JR., WIS.
WILLIS D. GRADISON, JR., OHIO
MAJORITY—225-5051
MINORITY—225-5074

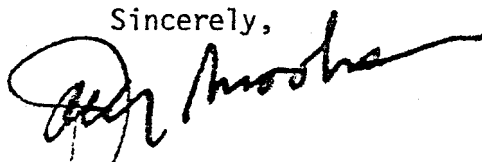
ME
The Honorable Gerald R. Ford
The White House
Washington, D. C. 20500

My dear Mr. President:

Please consider this letter as a request for an Executive Order to entitle the Committee on Government Operations of the House of Representatives or any duly authorized Subcommittee thereof in connection with its studies of the operation of government activities at all levels with a view to determining its economy and efficiency to inspect any income, estate or gift tax returns for the years 1955 to 1975 inclusive, during the 94th Congress subject to the conditions in the applicable Treasury decisions relating to the inspection of such returns by that Committee.

The Committee will appreciate your early consideration of this matter.

Sincerely,


JACK BROOKS
Chairman



COMMITTEE ON
GOVERNMENT OPERATIONS

U.S. House of Representatives

2157 RAYBURN HOUSE OFFICE BUILDING

225-5051

MEMORANDUM

11-25-75

FOR YOUR INFORMATION.

Herschel F. Clesner

*Notes: This for
Held
our files.
Chas.*

IRS CORRESPONDENCE

November 13, 1975

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Chairman
Committee on Government Operations
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7-23-75



2 964-6364

Maude Whitaker
Chief Counsel 1125

964-3221
Dave Dickerson





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

12/23/75

TO: Charlie Leppert

FROM: Assistant to the Director
for Congressional Relations

FYI.

Attachment



File

DEC 22 1975

MEMORANDUM FOR MR. BARRY ROTH

From: Ronald A. Kienlen (Signed), Ronald A. Kienlen

Subject: Proposed Executive Order Authorizing Access to
Tax Returns for the House Government Operations
Committee

I talked to Herschal Clesner at 5:10 PM today. At his request we are putting off the request until right after the first of the year. He agreed to call me and set up a meeting between he and I to discuss his remaining problems with the proposed Executive order authorizing access to tax return for the House Government Operations Committee.

cc: EO Records; OGC Chron; General Counsel; Mr. Kienlen
DO: OGC: RAKienlen: sls: 12/22/75 Director; Director's Chron.
Mr. Kranowitz (2) ✓

