

23 April 1975

MEMORANDUM FOR: Assistant to the Director

SUBJECT : Liaison with Internal Revenue Service

1. Mr. Roethe has asked about procedures by which we obtained permission of the Internal Revenue Service (IRS) to review tax information, and pointed out that there is no DCI directive covering this.

2. The Office of General Counsel maintains liaison with the IRS. This is provided for in [redacted], but there is no other regulation, handbook or other directive covering any of the details of how our relationship with IRS shall be governed.

3. Inspection of tax returns is governed by section 6103 of the Internal Revenue Code. Federal Tax Regulations (section 301.6103(f)) provide for inspection of returns by executive departments, other than the Department of Treasury, and by other establishments of the Federal Government. This regulation permits the Secretary of the Treasury or the Commissioner of Internal Revenue at his discretion to provide access to a tax return upon written application signed by the head of an agency, which application must state the reason why inspection is desired. Should we wish to obtain access to a return we would do so under the provisions of the regulations. In fact, we have found no record of this Office ever having sought access to a return. I do remember an instance, probably in the late 60's, when an office indicated a critical need for immediate access to a return. I believe the request came from a relatively high level and I think it was from the CI Staff. Certainly it was from somewhere in the DDO. In that case the Deputy Assistant Commissioner made the return available immediately, on the basis of my telephone request, when I assured him, on the basis of the assurances of the requesting office, that the Director's written application would be provided. For reasons which I cannot recollect, the requesting office reneged on its promise and after some debate we decided not to make an issue of it. I pleaded the case with the Deputy Assistant Commissioner, and he agreed that he would overlook this one instance, but made it clear that he would be extremely reluctant ever to supply a return in the future without having previously received the Director's official request.

4. It has become evident in the course of the current investigations that, although the Office of General Counsel has responsibility for liaison with IRS and does not normally seek access to tax returns, the Agency has had access to returns through what probably should be called unofficial liaison. This has occurred in a number of situations where the Office of Security has received tax return information. It would appear that this has been done on the initiative of individual field office security agents who have developed relationships with IRS employees. None of these individual instances had come to the attention of this Office until our own inquiries began recently in connection with the investigations.

JOHN D. MORRISON, JR.  
Deputy General Counsel