

INTERNAL REVENUE INVESTIGATION

HEARINGS

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SUBCOMMITTEE OF THE COMMITTEE ON WAYS AND MEANS HOUSE OF REPRESENTATIVES

EIGHTY-THIRD CONGRESS

FIRST SESSION

ON

ADMINISTRATION OF THE INTERNAL REVENUE LAWS

PART A

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CONTENTS

Testimony of—	Page
Avis, Dwight E., head, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue.....	2, 31, 137, 409, 533, 577
Beman, Raymond A., Seattle, Wash.....	555
Campbell, E. Riley, head, Penal Division, Bureau of Internal Revenue.....	137
Farrell, Fred C., assistant district commissioner, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue, Louisville, Ky.....	559
Grigsby, Earl G., head, Permissive Branch, Bureau of Internal Revenue.....	137
Hearington, W. D., former district supervisor, Alcohol Tax Unit, Atlanta, Ga.....	291
Huntington, John L., head, Basic Permit and Trade Practices Branch, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue.....	2, 31, 137
Kinnaird, William H., Louisville, Ky.....	551
Kochler, Earle E., head, Enforcement Branch Alcohol and Tobacco Tax Division, Bureau of Internal Revenue.....	409
Lieberman, Harry, examiner, Bureau of Internal Revenue.....	137
Malmesbury, Charles H., internal revenue agent, Philadelphia district.....	50, 65
Malsie, Willard G., head, enforcement section, Philadelphia district, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue.....	447
McGinarty, John J., customs agent, Bureau of Customs.....	93
McPherson, Samuel O., New Orleans, La.....	233
McQuown, Carleton R., special investigator, Alcohol and Tobacco Tax Division, Atlanta, Ga.....	275
Peterson, Henry Raymond, head, Permissive Branch, Alcohol and Tobacco Tax Division, New York, N. Y.....	159
Ritter, Robert B., assistant head, Alcohol and Tobacco Tax Legal Division, Bureau of Internal Revenue.....	2, 31, 137
Serr, Harold A., technical adviser, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue.....	2, 31, 121, 137
Taylor, William S., head, Permissive Branch, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue, Louisville, Ky.....	560
Tvdings, Donald S., Southport, N. C.....	179, 249, 301, 343
Webb, Martin L., head, Intelligence Division, Office of the Director of Internal Revenue, St. Louis, Mo.....	50, 65
Weinert, Werner M., Assistant Chief, Plant Section, Permissive Branch, Alcohol and Tobacco Tax Division, Bureau of Internal Revenue.....	103
West, Lewis W., head, Alcohol and Tobacco Tax Division, South Carolina, Bureau of Internal Revenue.....	281, 513
Whisenhunt, George H., investigator, Alcohol and Tobacco Tax Division, Florence, S. C.....	477
Wootan, Edward W., manager, Washington office, Wine Institute.....	155
Yates, Joe G., acting head, Enforcement Branch, Alcohol and Tobacco Tax Division, Louisville, Ky.....	537
Additional information submitted for the record:	
Memorandum regarding cost of reclassifying district, February 4, 1953.....	591
Mealey, Carroll E.:	
Correspondence attempting to contact.....	90-92
Excerpts from telephone diary.....	581-583, 593
List of conventions attended by.....	83
Ryan, Richard L., affidavit of.....	107
Tiara Products Co., history of prior violations.....	134

One of my assistants refers to policy and personnel, and of course, under this new structure, we are concerned here in Washington, as I pointed out, largely with policy and in administering the industry, rather than directing the personnel. That is left primarily to the district commissioners or, rather, the assistant district commissioners.

Mr. CURTIS. An alcohol tax matter that would go to the Appeals Section—

Mr. AVIS. There is just no such thing. That is where this structure differs.

Let me point this out now: Your income tax is 100 percent voluntary tax, and your liquor tax is 100 percent enforced tax. Now, the situation is as different as day and night. Consequently, your same rules just will not apply, and therefore the alcohol and tobacco tax has been handled here in this reorganization a little differently, because of the very nature of it, than the rest of the over-all tax problem.

Mr. CURTIS. In other words, the alcohol and tobacco tax setup, while it is a part of the Bureau generally, has more or less an autonomy of its own, with the power and authority vested in it; is that right?

Mr. AVIS. I think that is a fair statement; yes, sir, Mr. Curtis.

Chairman KEAN. How about legal matters; does the counsel of the Bureau advise with you?

Mr. AVIS. Well, we have an Alcohol and Tobacco Tax Division counsel, and he reports to the Chief Counsel of the Bureau, and he is part of the general counsel's setup in the Treasury. But for convenience, so that when I get a problem, for example, over the telephone and it is a question of whether a big factory or a plant's operations are to be set up, I can grab my lawyer across the hall and find out what the law is, don't you see; and he, for convenience, is located right in the adjoining suite to me here in Washington. And the same thing applies in the field. In other words, it is a specialized field, and the lawyers that service alcohol tax are generally attached to the assistant district commissioner's office, as far as space is concerned. They still report to their boss, who is the divisional counsel.

Chairman KEAN. There is a lawyer in every one of the 17 areas?

Mr. AVIS. Yes.

Chairman KEAN. He is under the lawyer who deals with you, who is under the man in Mr. Davis' office at the moment, who is under the man in the Treasury Department?

Mr. AVIS. That is Mr. Tuttle; I think he is the new man.

Mr. CURTIS. But your lawyers are confined to problems relating to alcohol tax and tobacco tax?

Mr. AVIS. Yes; because it is so highly specialized, sir.

Mr. Chairman, I think we have covered the rest of my statement, but I will read it.

The reorganization plan abolished the district supervisors and established in their place 17 assistant district commissioners, Alcohol and Tobacco Tax Division, who, subject to the general supervision of the district commissioners, have substantially the same functions, powers, and duties that the former district supervisors had. All tax and regulatory field functions, including the servicing of the industries,