

# Snoopers Are Looking at Your State Income Tax Return

By MATT POMMER  
Of The Capital Times Staff

Be careful when you fill out your tax forms, especially those you file with the state. Many people — tax agents, police, legislators, welfare officials — can examine them.

State law allows state, local and federal "public officers" or their agents to examine state tax returns if it is "restricted to the discharge of duties."

Members of legislative committees or their agents are allowed to examine returns "where deemed by them necessary to accomplish the purpose for which the committee was organized."

By comparison, a citizen can't examine the tax returns of public officials. He can find out how much any other citizen paid in taxes, but he can't see the return.

When the public officials go through returns, the citizen never learns of the search. But when a citizen seeks the net

tax payment, the other person is immediately notified by mail.

In other words, public officials such as legislators can look at the taxpayer's return, but the taxpayer can't look at theirs.

Public inspection of state tax returns was halted in 1963 in a legislative reaction curbing tax record examination by The Capital Times.

The Capital Times reports focused primarily on the income tax statements of large corporations, insurance companies and major banks in the state to expose the amount of profiteering that was going on under tax loopholes in Wisconsin law.

An investigation by this newspaper showed this type of inspection of state income tax records:

- Madison police recently examined the tax returns of more than a dozen persons linked to the entertainment business, apparently to see if there were links to organized crime.

- Madison welfare officials examined the return of a businessman to determine if he could pay support for a child who had left home;

- State welfare officials use tax returns to help determine payments possible in institutional cases;

- State student loan officials use tax returns to find delinquent borrowers;

- Milwaukee county relief officials examine an estimated 50 to 60 returns each month. They say the examinations are used to determine if other counties are responsible.

- Federal tax agents use state files to help in their audits, rather than send to Kansas City for taxpayer returns.

- The Legislative Audit Bureau, an arm of the legislature, "routinely" examines the tax returns of members of the State Investment Board.

Daniel Smith, head of the enforcement division of the State Revenue Department,



Messerschmidt

Couper

said he knows of no "Watergate" type incidents arising from the broad authority for officials at all levels to examine returns.

Members of the State Investment Board apparently were unaware of the examination of their returns. Several members indicated they were "stunned" to learn of

the investigation conducted by the Audit Bureau.

Gordon Baiert, deputy director of the Audit Bureau, said that examination of the SIB members and staff is a "routine," regularly followed in examining SIB transactions.

The board handles more than \$2 billion in state funds, including pension investments for public employees.

The State Investment Board members said they learned of the investigation during a closed door session with the State Ethics Board.

While the Legislative Audit Bureau has examined some tax returns, no individual legislator has gained access to the files in recent years, according to Revenue Department officials.

One Milwaukee lawmaker several years ago attempted to look at an individual return, but he backed down after the Revenue Department demanded that he

obtain approval of the committee chairman before getting into the files.

State records indicate who has been authorized to examine the files, but there is no record to indicate which returns are pulled for the authorized representatives.

The records indicate, for instance, that Madison Police Chief David Couper on Nov. 5 authorized Lt. John Heibel, Sgt. David K. Tuttle, and officers Robert Lombardo and John Mulcahy to have access to the tax records.

The four men are usually assigned to the criminal investigation division of the police force.

Couper indicated the men were examining possible links in the local entertainment industry to those generally associated with organized crime.

Lowell Messerschmidt, director of city relief, said he has only examined tax

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# THE CAPITAL TIMES

WEATHER — Cloudy, chance snow developing late tonight. Low in upper 20s. Wednesday snow and/or rain likely. High in upper 30s.

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FIVE SECTIONS

MADISON, WIS., Tuesday, March 11, 1975

★★★ FINAL 15¢



A woman with a head wound breast feeds her infant in a hospital in Phnom Penh, Cambodia, Monday. According to authorities, rebel gunners fired 13 rockets into the northern and southern parts of the city Monday, killing three persons and wounding seven. — (AP Wirephoto)

## Army Unit's Revolt Crushed in Portugal

LISBON, Portugal (AP) — Air force planes bombed the barracks of an artillery regiment near Lisbon today in a dispute between rival factions of the armed forces. Premier Vasco Goncalves later announced that the situation was "under the absolute control of the Armed Forces Movement."

Goncalves said "reactionary forces" had tried to take over the regiment by ground and air "in a desperate attempt to stop the revolutionary process started on April 25." That was the day the military toppled Portugal's 45-year dictatorship.

Two propeller-driven planes bombed and strafed the 1st Light Artillery Regiment near the airport, blasting holes in the red tile roofs of the barracks and shattering windows. Paratroopers surrounded the barracks.

"Several men were killed. We don't know how many," said an officer at the scene.

The fighting came against a background of growing concern on the part of moderate and conservative officers about the swift leftward course Portugal has taken under the leadership of Goncalves and his associates.

(United Press International reported that the air force units conducting the bombing were

loyal to former Gen. Antonio de Spínola, who became president when a military coup ousted the country's 40-year old dictatorship last April. Spínola in turn was ousted by a left-wing coup that put the present government in power.

(UPI also said that the units involved in the attack had surrendered and that "Gen. Spínola has fled to an unknown destination.")

The Portuguese government, which includes the Socialist, Popular Democratic and Communist parties in addition to the military, recently announced a blueprint for state control of key industrial sectors and the breakup of big agricultural land holdings.

The program, however, promised safeguards for private property and free enterprise and vowed to restore flagging business confidence.

The National Radio, which said it was broadcasting for the 5th Division of the Lisbon military high command, called on residents to remain calm and united with the armed forces. The communique said the insurrection "can in no way succeed."

Paratroops in battle gear took up positions in a ring around the barracks wall at a distance of

more than 100 yards. They were at construction sites, near apartment buildings and along the main road to the Spanish border. The road was clogged with cars stopped so people could have a look.

There was no firing after the planes attacked. The aircraft circled slowly in the sky, making occasional passes over the barracks. Two jets stalked them

at higher altitude.

A passer-by reported seeing one of the buildings at the artillery unit barracks on fire.

Meanwhile, witnesses said armor and mobile anti-aircraft guns were converging on the capital from the outskirts.

Military planes were visible over Lisbon. Officers went to a factory near the airport and said the workers should be sent home

and the factory closed because of the danger.

Portugal's present military-led government says it will hold a constitutional assembly next month and legislative elections in the fall, but left-wing and moderate factions within the military have been differing over the military's future role in running the nation.

Spanish officials in Madrid said

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## Double Standard Hit As Briber Goes Free

OSHKOSH (AP) — A millionaire chemical company executive convicted of bribery was placed on probation Monday while a prosecutor argued unsuccessfully for a jail term.

Rocco Youse, 49, president of Del Chemical Corp. of Menomonee Falls, Reno, Nev., and Honolulu was fined \$1,000 and costs by Judge Edmund P. Arpin of Circuit Court and was placed on probation for three years.

He was convicted Jan. 23 of systematically bribing former Menasha Mayor John Klein between 1963 and 1969. Witnesses testified that Klein was provided with kickbacks concerning sales of chemical supplies to the municipality.

The \$1,000 fine was the maximum financial penalty, and Youse could have been sentenced to up to five years in prison.

Asst. Atty. Gen. Grant C. Johnson recommended a three year sentence, saying: "The only thing white-collar criminals understand is jail."

A wealthy defendant is not necessarily punished by a fine, Johnson said, while with a jail sentence, "everyone will know that the rich don't get away free while the poor pay."

Johnson also argued that the state's investigations of kickbacks to municipal employees by several chemical firms would be weakened if Youse were not put behind bars.

Youse told the court in a statement that, were he imprisoned, management of Del would suffer and employees' would suffer and employees' jobs would be in jeopardy.

Arpin said incarceration is not necessary for rehabilitation of Youse, and added he doubts the sentence against Youse would influence the progress of the state's kickback investigation.

The charge against Youse stemmed from the court's John Doe investigation, which has led to



Rocco Youse

convictions of several firms, salesmen and municipal employees.

Johnson noted that two former Del salesmen, Bert Ische and Ralph Yeazel, had been sentenced to nine months and 60 days in jail respectively.

Ische was convicted on 15 counts of bribery and one of perjury, and paid a \$5,000 fine. Yeazel, convicted of eight counts of bribery, was fined \$3,500.

"The state's position is that what's good for the salesman is good for the boss, and what's good for the poor man is good for the \$6 million man who doesn't peddle out in the street," Johnson said.

Arpin noted Youse had been convicted of only one count.

"Under the facts of the case, and limited to the activities of Mayor Klein and not to the wide is-

(Continued on Page 4, Col. 6)

## Lon Nol Shakes Up Cabinet

# North Viets Launch Offensive

From Wire Services  
North Vietnamese troops backed by tanks launched widespread attacks across South Vietnam today, toppling district capitals, bases and outposts, cutting highways and threatening to seize their second provincial capital in two months, military officials said.

In Cambodia, President Lon Nol asked Prime Minister Long Boret to form a new cabinet in a sweeping shakeup that included the ouster of armed forces commander in chief Gen. Sosthene Fernandez, political and

diplomatic sources said. They said the shakeup could eventually lead to the fall of Lon Nol himself.

Sources in the Cambodian high command said Fernandez will be replaced Wednesday by Lt. Gen. Sutsakhan.

Fernandez, commander and chief of staff of the Cambodian Army since September of 1972, submitted his resignation to President Lon Nol late last week following a series of military reverses and some implied criticism in the national assembly.

Sutsakhan was previously minister for security in the government of Prince Norodom Sihanouk and served as a personal aide to the now exiled prince.

After Sihanouk's ouster in March of 1970, Sutsakhan remained on active Army duty for a time but then resigned in a dispute over direction of the Army.

In the past few years, Sutsakhan has served as counselor for foreign affairs.

Well-informed sources said other Army officers, particularly the younger ones, had pressed for the replacement of Fernandez by Sutsakhan.

Heavy shelling of the Phnom Penh airport again curtailed the American airlift of rice from South Vietnam and DC8 jets bringing ammunition and other military supplies from Thailand. About 15 per cent less cargo was delivered.

South Vietnamese officials said the situation in the lower central highlands provincial capital of Ban Me Thuot — where nine Americans are trapped — worsened when North Vietnamese reinforcements backed by tanks renewed their assaults on the city and captured many parts of the town.

"Communist forces have launched a nationwide military campaign in South Vietnam," the Saigon command said. Heavy casualties were reported but no total count was available.

South Vietnamese field reports said the reinforced 4,000-man government garrison at Ban Me Thuot had lost radio contact with the corps headquarters at Pleiku after one tank scored a direct hit on the city hall command post. But it remained in contact with observation planes acting as a relay station.

Lt. Col. Le Trung Hien, chief spokesman for the Saigon com-

mand, said the command staff at Ban Me Thuot had moved outside the headquarters to operate with ranger reinforcements flown in by helicopter.

The Saigon command said the fighting — the heaviest since the fall of Phuoc Long Province north of Saigon last Jan. 7 — marks the start of a general offensive.

"Communist forces have actually begun their nationwide of-

(Continued on Page 4, Col. 5)

## Rowen Organizing Group to File Class Action Suit

# Seeks to Stop Helicopters

By TOM FOLEY  
Of The Capital Times Staff

An organization to begin a class action lawsuit to halt army helicopters flights with missile components over Madison's East Side is being put together by James Rowen, administrative assistant to Mayor Paul Soglin.

The suit would seek to enjoin the flights over populated areas because they "constitute a real hazard to both health and safety," Rowen said.

The suit would be privately funded and prosecuted at no expense to the City, Rowen said, adding that "we're looking to do it as cheaply as possible."

Soglin said later that his office would not be involved in the suit since "it is strictly Mr. Rowen's undertaking."

Rowen said he has many East Side residents willing to give depositions and testify about the



James Rowen

nuisance the flights are now causing to East Side neighborhoods.

"And the nuisance will get worse as the weather gets warmer and people start to sleep with their windows open," he predicted.

The army has said that the flights will continue at least through July, he said.

But the nuisance would be only

one of two complaints the suit would seek to redress, he said. The other is the "definite hazard to life and safety posed by the nature of the cargo they carry," he said.

Rowen said he has talked to three Madison attorneys about taking the case "on a minimum fee basis" and is searching for another East Side attorney to join one attorney he has already selected.

His decision to begin the lawsuit was generated by an overflight of his own home, 810 Schiller Ct., at 5:45 a.m. Saturday morning, he said.

"It was the final straw. Two helicopters flew right over my house, woke me up, woke my son up, and made up my mind," he said.

"Anytime a person can't sleep past 5:45 a.m., then it's time to take direct legal action to stop it.

"I'm hoping that people similarly troubled will support this action with donations," he added. A non-profit corporation may be set up to handle the donations and disbursements, he said.

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**HELLO Wisconsin**  
by MILES McMILLIN

**BULLETIN!** For the first time in many weeks there were no cars blocking traffic in the no parking lane on Atwood Ave. and Williamson St. this morning. Is it too much to hope that the city is at last enforcing its traffic regulations?

dered Nortrop to pay the money back.

**A NOTE FROM** Art Gordon enjoying the winter in Tallahassee encloses a clipping from the Tallahassee Democrat noting that the Bureau of Weights and Measures in the Department of Agriculture has stopped sale on 2,764 gallons of anti-freeze checked out during December. Art wants to know, "What has Wisconsin Ag Department done about possible similar situations in Wisconsin?"

**HE ALSO NOTES** that three supreme court judges and other Florida officials have been indicted for bribery and asks, (Continued on Page 3, Col. 1)

## 'Make Industry Pay MGE Rate Hike'

By HOWARD COSGROVE  
Of The Capital Times Staff

Business, not the common man, should pay for rising costs of producing electricity, a group representing Madison consumers argued today.

The group is People United for Responsible Energy (PURE) and their target is a proposal by Madison Gas and Electric Company for a 10 to 15 per cent rate increase for residential customers.

"In a period of deepening recession, higher inflation, and growing unemployment, it is grossly unjust for the consumer to be hit again and again with higher utility bills," the group's statement said. "It is time we stop hurting and others begin hearing the costs."

The group said they will oppose any increase for residential users, but they did not say how the Public Service Commission (Continued on Page 4, Col. 5)