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## IRS Historian Quits Over How Agency Is Treating Its Past --- Old Documents Are Shrouded In Secrecy -- Or Shredded; A Look at Nixon's Audits

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For seven years Shelley Davis has been the official historian for the Internal Revenue Service. Her job: to catalog the historical records of an agency that is ubiquitous in American life, and chronicle its past.

But the **IRS**, it seems, has problems putting its past in order -- so much so that Ms. Davis, the agency's first historian, is resigning in protest. The agency that forces millions of taxpayers to keep meticulous financial records, she complains, dumps its own historical files in a basement or in desk drawers -- or shreds them.

The **IRS**, Ms. Davis has been told, even has begun an investigation of her, fearful that she may have passed on to outsiders a little too much history.

The story of Ms. Davis's travails with the **IRS** begins in 1988, when the agency hired the former Air Force historian. She immediately began to pull together the agency's internal records, some of them going back to the agency's founding in 1862, and to try to find out exactly what records were available. She was stunned by what she found -- or didn't find. There were hardly any records about **IRS** operations after 1930. And the agency, which by law must turn over records of historical significance to the National Archives, had last done so in 1971 -- and those papers involved tax-assessment lists from 1909 through 1917.

If the whole government followed the **IRS** approach, the 39-year-old Ms. Davis complains, "the United States would not be seeing new documents related to the Kennedy assassination; there would be no records of CIA activities, the Bay of Pigs or the Teapot Dome."

The **IRS** replies that it is caught between contradictory federal statutes. One requires it to turn over historical records to the National Archives, which keeps the Constitution and other historical documents. But another one prohibits it from turning over any individual tax information to outsiders. "We are at a standoff," **IRS** spokesman Frank Keith says.

The reason why is another famous bit of history.

During the dark days of Watergate, President Nixon's aides boasted of using the **IRS** to investigate enemies, and the agency operated a Special Services Staff -- the SSS -- to spy on 731 mostly left-wing activists and organizations. Disclosures about this led Congress to tighten taxpayer privacy laws, and forced a contrite **IRS** to open SSS files to those who had been under surveillance. The SSS records were then stored away.

Then, in 1977, the National Archives asked the **IRS** to examine the documents for historic significance. The **IRS** refused, citing the new taxpayer privacy rules. So, for 18 years the SSS files have sat in a vault, which, it so happens, later came under the jurisdiction of Ms. Davis, the **IRS** historian.

She believes that the sparseness of public **IRS** documents puts scholars in a difficult position. They are "grasping at air," she says, when it comes to researching **IRS** history. "You can't prove anything."

Slowly the historian began what became a tedious search for agency records. She learned about other documents stuck in a closet here, a vault there. One box of papers chronicles **IRS** efforts to find aviator Charles Lindbergh's kidnapped baby by tracking marked bills. Another collection contains presidential tax returns, dating from 1913. A memo she found details a "massive" **IRS** effort to investigate whether the agency had unfairly targeted people named on President Nixon's infamous "enemies list."

This led her to wonder what else was misplaced or even destroyed. As part of an oral history project, she interviewed C. Dudley Switzer, former director of the **IRS** district in St. Paul, Minn., who told her about something called the Brooklyn-Manhattan Integrity Project. "The service had an integrity scandal in Brooklyn and Manhattan," Mr. Switzer told her in the taped interview. "A lot of people were taking bribes. I think about 1966. . . . It was probably the first major integrity breakdown," he says, since the **IRS** reorganized in 1952. Ms. Davis says she hasn't found a single remaining **IRS** document that describes the project.

But her biggest find was a cache of about 70 boxes in a basement office, some covered with plastic sheets to protect them from leaky pipes. Included were taxpayer letters, executive-committee documents, board-meeting minutes and other records useful in reconstructing **IRS** policy changes -- plus a few hot items.

One box had files relating to President Nixon's 1970 and 1971 tax audits. In 1973 the Providence Journal in Rhode Island revealed that Mr. Nixon had paid less than \$1,000 in federal taxes those years. (He claimed a \$570,000 tax deduction for donating his vice presidential papers to the government.) At the time, the **IRS** was apoplectic at the leak; the files describe how it tried to find the culprit.

Other boxes involve records of Project Haven and the Rosenthal Committee -- whatever they were. Ms. Davis hasn't been able to track down their objectives.

Then, unknown to her, in the spring of 1994 **IRS** officials recommended shredding nearly the whole load, while saving a few boxes in a records warehouse. Frantic when she found out, Ms. Davis tried to halt the destruction and contacted the National Archives, which sent a stiff letter to the **IRS**, complaining about the "paucity of the **IRS**'s records among our holdings" and urging the agency to save the records.

She also complained to the **IRS**'s internal-security division. Her tactics worked; the boxes remain intact in the **IRS** basement. But the investigation took a peculiar twist.

At that time, Ms. Davis was helping John Andrew, a historian at Franklin and Marshall College in Lancaster, Pa., with his quest to obtain information about a Kennedy-era project to audit right-wing groups. Records of the project were contained in the agency's Nixon-era SSS files, Ms. Davis knew.

Last summer, two **IRS** investigators, Karen Parker and Steven Raisch, visited Prof. Andrew at his office. "We're investigating the **IRS** historian," Prof. Andrew quotes Mr. Raisch as telling him. Prof. Andrew's requests for information were so specific, the agent said, the **IRS** suspected Ms. Davis was feeding him inside information. Both the professor and the historian say she wasn't.

The **IRS** won't comment on the agents' activities, and neither will Ms. Parker nor Mr. Raisch. But Mr. Keith, the **IRS** spokesman, says it would be "appropriate" to investigate the possibility of the "illegal disclosure of tax information."

Ms. Davis considers the investigation to be harassment, and cited it in her Dec. 8 letter of resignation, which is effective Dec. 29. "It was this final instance of retaliation that made me realize I had exhausted all available internal channels," she wrote. "Without solid policies and programs in place to ensure that vital documentation is not destroyed, there can be no history."

That isn't much of a problem anymore for the **IRS**. The agency says it is abolishing the historian's post after Ms. Davis leaves.

(See related letter: "Letters to the Editor: The Much-Hated **IRS** Deserves Better" -- WSJ Jan. 18, 1996)

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