

# IRS under fire from Senate

Taxpayers told a Senate committee last Wednesday how they filed for divorce and bankruptcy, paid thousands of dollars they did not really owe and floundered for years in a bureaucratic maze to correct wrongs by the Internal Revenue Service.

One woman tearfully told how her husband filed for divorce and she filed for bankruptcy in an attempt to prevent the IRS from seizing their property.

Another woman said she and her husband paid \$11,000 they did not owe to the IRS to put an end to the agency's enforcement actions, which could have closed her optometrist husband's practice.

The issue was over an identification number the IRS had given them, a duplicate of someone else's.

"Only after you have experienced what my husband and I endured would you consider paying an IRS bill that you don't owe," Nancy

Jacobs of California said on the second day of the Senate Finance Committee hearings on IRS practices.

The owner of a small construction company said he let the IRS keep \$50,000 of a seized government payment check to settle a case because it would have cost far more to fight the IRS and would have jeopardized his business.

The case stemmed from the IRS holding Tom Savage, 69, of Delaware responsible for a subcontractor's tax problems.

Savage said he was pursued despite a newly revealed Justice Department letter to an IRS attorney dated November 1993 which said "we believe that the levy in question was wrongful."

A retired Roman Catholic priest said he fought the IRS for months over money it said it was owed after he failed to fill out the correct form related to a charitable trust set up by his late mother.

"For eight months I lived in constant worry, if not fear, that the trust that my dear mother had established to help the poor would be penalized because of what I can only call the unprofessional, calloused, and indifferent behavior of IRS employees who are devious enough never to sign their names to any notices that they send out," Lawrence Ballweg said.

For Katherine Lund Hicks of California, it began when she got divorced and found she was saddled with the tax bill for the last joint return for tax year 1983. In an out of court settlement the IRS agreed to reduce tax owed to about \$3,500.

Hicks said she tried to pay the IRS, wanting a clean slate when she remarried. The agency did not take the money because of its recordkeeping discrepancies and told her she owed no tax.

It then filed a tax lien against Hicks. She said an IRS officer told her she did not owe anything for 1983 taxes,

but the only way to get rid of the tax lien was to pay the assessment, which had since risen to \$8,000.

"You don't eat, you don't sleep, you're afraid to talk too much to each other for fear you'll take it out on your spouse," Hicks said in tears. "If you do talk, it's about the IRS. We were newlyweds. I cannot describe the guilt, knowing that I had brought my new husband into this."

When her new husband's salary was levied by the IRS, he set up a separate residence and filed for divorce because in California that action means the salary is separate property.

Hicks said she filed for bankruptcy to buy time to figure out what to do so the IRS would not go after her husband's retirement fund, which was considered community property.

"Our lives are now forever altered. Joint tenancy, joint bank accounts, joint tax re-

turns are no longer a part of our life," she said. "My credit is completely destroyed and my husband's credit is seriously damaged. We will suffer the effects of this IRS collection for the rest of our lives."

Frank Keith, spokesman for the IRS, said: "I think the testimony this morning spoke for itself. Clearly we've had evidence of taxpayers who testified about situations in which they were not properly served, and situations where IRS failures disrupted their lives."

"Clearly in those kinds of situations the IRS would absolutely apologize, situations in which we simply did not serve the taxpayer properly," he added.

## IRS employee blows whistle

An anonymous IRS employee, hidden behind a screen and speaking through a voice distorter, told the U.S. Senate finance committee last Thursday that the tax collection service sometimes tried to conceal its abuses.

The employee was speaking on the third day of a committee hearing on alleged arrogance, callousness and incompetence at the hated and feared Internal Revenue Service (IRS).

"Does the IRS cover up abuses? The answer is yes... The IRS protects itself, whether right or wrong," said the employee, who offered an inside view in exchange for anonymity.

In emotional testimony on Wednesday, aggrieved taxpayers told how the IRS had ruined their lives with what they said were unjustified and outrageous demands.

Committee chairman Sen. William Roth, a Delaware Republican, said at the start of the hearing: "There is a need for a cultural change in the Internal Revenue Service."

## University of Texas Law Professor

...said black and Mexican American students can't compete with white students.

The Rev. Jesse Jackson told University of Texas students two weeks ago to skip classes taught by a law professor who said black and Mexican American students can't compete with white students.

"We're not the problem, he is the problem," Jackson told the nearly 5,000 students assembled below the steps of the campus' main Tower. "You have no obligation to be in his class."

Lino Graglia, a 67-year-old professor of constitutional law, made his remarks last week during the announcement of a student organization - Students for Equal Opportunity - that supports a recent federal court ruling preventing race-based admissions policies in Texas. He is the group's faculty adviser.

"Blacks and Mexican-Americans are not academically competitive with whites in selective institutions," Graglia said then. "It is the result primarily of cultural effects. They have a culture that seems not

to encourage achievement. Failure is not looked upon with disgrace."

State legislators have demanded his ouster, but Jackson said that would only make Graglia a martyr.

"What we must do is isolate him as a social pariah," Jackson said.

He added that Graglia and university officials still must answer for what he said.

"He has legal grounds for free speech, but no moral ground and no scientific ground for racist, fascist, inaccurate speech," Jackson said.

Graglia in a statement Tuesday stood by his opposition to affirmative action programs, but that his comments were misinterpreted, although he "regrets that the result has been an emotional confrontation."

"I realize now, especially after being called by some cordial Mexican-American and black parents, that it was carelessly put, and I regret it," he said.

"I do not know and did not mean to say, as I apologetically explained to several callers, that black and Mexi-

can-American 'cultures' do not place a high value on academic achievement."

Marc Levin, president of the student group, said Tuesday that Graglia's comments were blown out of proportion. He said his group supports diversity, but not affirmative action.

UT Law Dean Mike Sharlot said an investigation concluded that there were no grounds for disciplinary action against Graglia, and no evidence that he discriminates against students based on race or ethnicity.

Sharlot said Graglia has been expressing such views for years. "He's a voice in the wilderness," Sharlot said.

The 5th U.S. Circuit Court of Appeals issued the ruling against race-based admissions in a case involving the UT law school. The U.S. Supreme Court allowed the decision to stand.

## NW Medical Teams International Introduces

NW Medical teams International (NWMTI) introduced Bas Vanderzalm as its new president. Vanderzalm will serve as only the second president in the history of NW Medical Teams International.

Born in Holland, Vanderzalm emigrated to Canada in the early 50's. He then moved to Utah in the late 1950's where he was raised in a community of Christian Reformed first generation immigrants.

In 1983, Vanderzalm graduated with high honors from Boston University with an MBA in Health Care Management. He has also received a master of divinity in Pastoral counseling from Andover Newton Theological School in Massachusetts. He initiated his college career in 1969 at Calvin College in Michigan receiving his Bachelor of Arts in English and History.

The 49 year old Vanderzalm and his wife, Lynn (an editor for Tyndale House Publishing), have a 22 year old son, Matt, who resides in St. Louis, MO and an 18 year old daughter, Alisa, who attends George Fox University in Newberg, OR. The Vanderzalm's make their home in Newberg.

## Bastian ("BAS") Vanderzalm As New President



## Apple Computer focuses on what it does best

Apple Computer vowed last Friday to remain a leading player in the computer market by focusing on sectors where it has a strong hold and on its tie-up with rival Microsoft Corp.

The sectors include computer education and content creation, said Philip Schiller, vice-president for worldwide product marketing at Apple.

"We need a laser-sharp focus," said Schiller, adding Apple already is the top computer education company in the world with over \$2 billion in annual sales in the United States.

He also repeated Apple's stance that the new partnership with Microsoft was in the interest of its customers.

"We believe that Mac customers have a lot to gain as Apple and Microsoft work together to make sure that the Mac platform is vibrant," he told a forum at Asia's largest PC exhibition, the World PC Expo 97, which is being held in Makuhari, near Tokyo.

Under the deal, Microsoft will invest \$150 million in non-voting stock of the troubled PC maker, and also develop more programs for Macintosh, including future versions of its Office software, Internet Explorer browser and other software.

Schiller also said the firm's new board members, appointed in a recent reshuffle, have the experience and passion to return Apple to the forefront of the computer industry.

The new appointees include Larry Ellison, who leads Oracle Corp and Gareth Chang, senior vice president of Hughes Electronics Corp



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