

UNITED STATES GOVERNMENT

Memorandum

TO : Chief, DAR Branch, Dallas District
 Through: S. M. Orenbaun, Group Supervisor
 FROM : Harliss C. Jackson, Revenue Officer
 Group #1, Dallas, Texas
 SUBJECT: Jack Ruby - Sensitive Case Report

DATE: November 26, 1963

Pursuant to RC-DAL Memorandum No. 12-19, CR 51-10, Rev. 4-7-60,
the attached Sensitive Case Report is being submitted.

Harliss C. Jackson
 Harliss C. Jackson
 Revenue Officer

HCJ:ns
attachment

*Approved
By (Signature)*

SENSITIVE CASE REPORT

November 27, 1963

Initial Report

1. Identification

Jack Ruby
3929 Rawlins Street
Dallas, Texas
Night Club Operator

2. Principal Issue, Kind of Tax, and Period Involved

Income Tax - \$3,626.97; Excise Tax - \$35,440.87
Income Tax due for 1959 and 1960
Excise Tax due for 1st $\frac{1}{4}$ 56 through 2nd $\frac{1}{4}$ 59 Addl. and
9-1-59 through 6-30-62

The issue involved regarding the Income Tax, Mr. Ruby had not filed a 1040 ES and paid quarterly and did not pay the amount due when filing the Income Tax Returns for the years involved. With respect to the Excise Tax, Mr. Ruby and his lawyer contended that they were of the belief that he was not liable for the Cabaret Tax based on a case then in the Federal Courts which was later decided in favor of the Federal Government.

The taxpayer has had a long history of tax delinquencies dating back to 1958. This office has been in continuous contact with the taxpayer in an effort to get taxpayer on a current basis, and the recently submitted Offer in Compromise was a final effort to get taxpayer on a current basis and prevent further tax delinquencies.

During the period from 1958 to the present date, liabilities were incurred on quarterly withholding returns and on personal income tax returns. Efforts to get the taxpayer on a current basis by use of depository receipts on the quarterly returns, and by 1040 ES on the income tax liabilities have not been successful in that the taxpayer was using current income to pay on past delinquencies and was never able to get current.

The excise tax liability arose from misinterpretation of tax laws. It was the opinion of the taxpayer and his tax advisors that the business was primarily a dance-hall and that sales were not taxable as a cabaret. Taxpayer further contends that the reason he did not file returns for later periods following the initial assessment was due to pending litigation of this particular issue. Litigation was later decided in favor of the Government, and the additional excise tax against the taxpayer resulted.

An Offer in Compromise is pending wherein taxpayer offers \$3,000.00 with which to compromise the entire assessment, which funds are to be borrowed from a friend.

November 27, 1963

3. Reasons for Sensitivity

Jack Ruby is alleged to have shot and killed one Lee Harvey Oswald on Sunday, November 24, 1963. Lee Harvey Oswald is alleged to have shot and killed United States President John F. Kennedy.

4. Action Planned or Taken

Recent revelations of money found on the taxpayer's person and in his apartment as a result of his arrest, necessitates an investigation to determine the source and ownership of the monies.

The Revenue Officer has been alerted to reactivate his investigation on the case and to make a determination as to the source of the monies confiscated and to determine the taxpayer's claim to such monies.

If a determination is made that the money is the property of the taxpayer, we will request rejection of the Offer in Compromise and take immediate levy action to protect the interests of the Government.

Completion date is undeterminable inasmuch as Mr. Ruby is in custody of law enforcement authorities.

Other Divisions involved are Audit and Intelligence.

COMMISSION EXHIBIT No. 1728--Continued

SENSITIVE CASE REPORT

December 6, 1963

First Periodic Monthly Report

1. Identification
Jack Ruby
3829 Rowling Street (now in Dallas County Jail, Dallas, Texas)
Dallas, Texas
2. Action Taken
None, other than outlined in initial report, dated 11/26/63.
3. Uncompleted Actions
None, other than outlined in initial report, dated 11/26/63.

COMMISSION EXHIBIT No. 1728--Continued