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MEMORANDUM FOR MR. WARNER

28 July 1949

SUBJECT: Income Tax Declarations by Dr. Hilger, et al

1. [] on Extension 2798, raised the question of income tax declarations by certain resident aliens in our employ. I had a conference today with []
2. All three men are resident aliens who have been working for us under cover since the latter part of 1947. They were employed under contracts which were renewed at various times prior to the end or just after the end of the fiscal year 1949. I prepared three declarations in rough which [] has. He will get in touch with you some time during the week of August 1, in order to get your advice in regard to the proper liaison with the Bureau of Internal Revenue to avoid payment of any penalties for failure to file their declarations on time. I was unable to determine whether Warner was the proper person to talk to at the Bureau and did not want to flag it in the wrong place. [] is concerned with Hilger and I presume also with the other two. He indicated he did not, of course, want any investigation made if the Bureau was inclined to assess any penalties.
3. One chap has already filed a declaration and, of course, that could be amended to accommodate the increased compensation following the renewal of his contract. In the case of the other two men, however, they were given the impression that the necessary taxes would be withheld. Actually, they were withheld, the men are properly worried.
4. Sorry to shuttle this on to you, but I did not know how far I could go with Warner at the Bureau.

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[] HW

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(2)(A) Privacy
(2)(B) Methods/Sources
(2)(C) Foreign Relations

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