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Treasury Says Employees of IBM Doctored Item Sent to Lawmakers

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The Treasury Department's inspector general said employees of **International Business Machines Corp.** had doctored a Treasury document that was circulated to lawmakers last fall, adding that he hasn't ruled out criminal prosecution.

Dennis Schindel, the Treasury's acting inspector general, made the comments in response to questions from Rep. Bernard Sanders, (I., Vt.), at a hearing in Washington held by the House Financial Services Subcommittee on Oversight. It was the first public acknowledgment of the status of the investigation being conducted by the inspector general.

The investigation was begun last fall after an IBM lobbyist sent a document, with an official Treasury letterhead, to various House staff members, encouraging them to oppose an amendment they were about to vote on. The document noted: "Treasury Strongly Opposes the Sanders Amendment."

The amendment, introduced by Mr. Sanders, was aimed at preventing the Treasury from issuing pension regulations pertaining to cash-balance pension plans, which are controversial because they reduce pensions for most older workers. The regulations, if implemented, could have been used to overturn a federal court's ruling that IBM's cash-balance plan violated age-discrimination laws. The amendment subsequently passed with wide bipartisan support; on Tuesday, the Treasury withdrew its proposed regulations.

During Wednesday's hearing, Mr. Sanders asked if anyone at the Treasury had helped alter the document. Mr. Schindel said his staff was still looking into that. "There are several aspects of this investigation involving IBM employees, lobbyist employees and Treasury employees," he said. Mr. Schindel said he hoped to issue a report within two months.

An IBM spokeswoman said, "We believed we were redistributing a public document that we have understood to have been widely distributed already by the Treasury." She said the company "has cooperated fully with the Treasury Department."

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