

SAC, MEMPHIS (62-0) (P)

1/29/76

SA HOWELL S. LOWE

Mrs. J. N. GRACE
INFORMATION CONCERNING

On 1/22/76 Mrs. GRACE, of 4890 Willow Road, Memphis, telephone number 683-8324, telephonically contacted the Memphis office and stated that in 1968 she was the owner of a rooming house located at 418½ and 422 South Main Street, the rooming house where JAMES EARL RAY was staying at the time of the assignation of Dr. MARTIN LUTHER KING, JR.

According to Mrs. GRACE the FBI took three \$20 bills from Mrs. BESSIE BREWER, the manager of this apartment house and an employee of Mrs. GRACE. One of these \$20 bills supposedly had been given to Mrs. BREWER by JAMES EARL RAY in payment of his rent.

Mrs. GRACE stated that she had never received this \$60 and felt like the FBI owed her the \$60.

A review of Memphis file 44-1987 Sub M-595 reflects that on 4/13/68 by confidential voucher, item 4, reflects payment of \$60 to Mrs. BESSIE BREWER for the three bills which were taken from her and were returned as evidence.

It is noted that the original three \$20 were no longer needed as evidence and they were deposited in the Memphis confidential fund.

It was explained to Mrs. GRACE that the \$60 which was taken from Mrs. BESSIE BREWER was returned to Mrs. BESSIE BREWER.

At this point Mrs. GRACE demanded that the FBI institute an investigation locating Mrs. BESSIE BREWER.

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BREWER and obtaining from her that \$60, inasmuch as BESSIE BREWER did not, according to Mrs. GRACE, turn the \$60 in to Mrs. GRACE.

It was pointed out to Mrs. GRACE that this was not a matter in which the FBI could investigate and that if she believed that Mrs. BREWER had taken the \$60 which rightfully belonged to Mrs. GRACE, Mrs. GRACE should contact local authorities and charge Mrs. BREWER with theft or misappropriation of funds.

Mrs. GRACE became incensed and accused the FBI of completely disrupting her business and the business of her husband during this period of 1968 at the time of the killing of JAMES EARL RAY. She stated that in her opinion the FBI had botched the investigation, that we had conducted a kingergarten-type investigation, that the person who killed Dr. KING was not JAMES EARL RAY, and that she believes the FBI still owes her \$60. She threatened to write to the United States Attorney General and the President of the United States regarding this matter.

RECOMMENDATION

The name Mrs. J. N. GRACE should be indexed, and no further action taken in this matter.