Coast Bugging Is Linked To Aide in House Inquiry

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By DENNY WALSH

The Federal Bureau of Investigation and the District Attorney's office in San Diego County in California are investigating charges that a top assistant to Representative Sam Steiger, Republican of Arizona, planted an illegal listening device in a wall of a San Diego hotel as part of an investigation being conducted by the House Select Committee on Crime, of which Mr. Steiger is a member.

Neither the District Attorney's office nor the F.B.I. would comment on the investigations, but sources with first-hand knowledge of the matter told The New York Times of the investigations.

The investigations of Representative Steiger and his aide come at a time when the Government's use of electronic surveillance is of paramount concern to the courts, Congress and the public.

Action Termed Legal

Mike A. Jarvis, the administrative assistant who runs Mr. Steiger's office in Phoenix, Ariz., has confirmed reports that he placed a microphone in a San Diego hotel wall two years ago in an attempt to record surreptitiously a conversation between two other persons.

Mr. Steiger said yesterday that he "may have known about the plan to plant the mike" before it was installed, and that he was certain his assistant told him what he had done after the device was planted. He insisted that the action was legitimate and warranted because of the nature of the investigation.

The device was installed in pursuit of information about the Emprise Corporation of Buffalo, the nation's largest sports-concessions company, which has been accused by Mr. Steiger of having close ties to organized crime. The House committee held hearings on Emprise during May, June and July of last year. The committee is scheduled to vote today on its final report.

Sources close to the case said that there was a clear violation of California law, which prohibits the interception of oral communications without the consent of all parties, except under specified conditions. Depending on the extent of his foreknowledge, these sources said, any criminal charges could include Mr. Steiger as a conspirator.

Associated Press

Sam Steiger of Arizona, crime panel member.

The interception of such communications does not violate Federal law because one party to the conversation consented to the eavesdropping, the sources said. If it could be shown that Mr. Jarvis carried across state lines electronic equipment designed to conduct

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covert electronic surveillance, however, he would be subject to Federal prosecution, the sources added. Again Mr. Steiger could be charged with conspiracy if it were established that he was active in planning the eavesdropping.

Mr. Jarvis said he attempted to record a conversation in July, 1971, between two men with previous connections to Emprise. But he added that he did not pick up the conversation during two hours of taping in the room next to the one where the two were talking.

One of the men is Robert P. Leacy, an attorney who worked for the late Louis M. Jacobs when he was president of Emprise. The other man is Hal F. Nunn, who was associated with Emprise in the nineteen-sixties in the operation of an Arizona race track.

Motive for Eavesdropping

Mr. Nunn has told the authoritties that he conspired with Mr. Jarvis in the eavesdropping, and led Mr. Leacy into conversation about Emprise's alleged dealings with organized crime figures, sources close to the case said.

"I am responsible for whatever occurred," Mr. Steiger said. "My motive was simply that I believe these [the Emprise management] are evil people, and I would do anything legitimate to expose them." Mr. Steiger, a 44-year-old conservative, added:

"As far as I'm concerned, what I did was legitimate but unsavory, and I would do anything legitimate, no matter how unsavory, to expose them."

A central issue is how deeply Mr. Steiger was involved in planning the eavesdropping.

The investigative authorities believe they have evidence that indicates Mr. Steiger actively participated in planning the bugging operation, sources close to the authorities said.

In a telephone interview, Mr. Jarvis said he had informed Mr. tSeiger of what he had done only after he had returned to Phoenix from San Diego.

Incident Recalled

When Mr. Steiger was first reached for comment last Friday, he said he had no knowledge of the eavesdropping and that he did not believe Mr. Jarvis would take part in such surveillance.

In a second telephone conversation on Saturday, after the Jarvis interview, Mr. Steiger said he did not recall his aide's telling him of the bugging incident.

In a third interview yesterday, the Arizona Representative said he recalled Mr. Jarvis's telling him about the surveillance and added that he might have known of the operation when it was being planned.

Mr. Jarvis said that after he returned from San Diego and told Mr. Steiger what he and Mr. Nunn had done, Mr. Steiger told him, "I think it would be a good idea for you to go and tell the U. S. Attorney what you've done."

The administrative assistant said he told his story to an assistant United States Attorney, but refused to name him. Mr. Steiger said it was an assistant United States Attorney in Phoenix, but added that he did not recall his name.

Mr. Nunn, who lives in San Diego, recorded a series of telephone conversations he had with Mr. Steiger and Mr. Jarvis shortly before Mr. Jarvis went to San Diego and joined Mr. Nunn in the bugging operation, according to sources close to the Federal and local investigations. Mr. Nunn, the sources said, has turned these tapes over to the authorities, and has made a full statement regarding his part in the operation.

Basis for Charges

Mr. Nunn could be charged with violating the California law, not only because of the surveillance of Mr. Leacy, but also because he recorded his telephone conversations with Mr. Steiger and his assistant, sources close to the investigations said.

Violation of the California law is punishable, upon conviction, by up to three years in prison. Mr. Nunn is cooperating with the authorities in the hope that he will be offered immunity in return for his testimony during any eventual prosecution, the sources said.

Mr. Jarvis said he did not go to San Diego to conduct overt surveillance, and added that he took nothing with him except a portable cassette recorder.

Mr. Jarvis also said he did not know that Mr. Leacy, who was then living in Buffalo, would be in San Diego. Mr. Jarvis said he went there to meet Mr. Nunn in connection with another facet of the Emprise inquiry.

After he arrived in San Diego, Mr. Jarvis contended,, Mr. Nunn told him Mr. Leacy was due later that day and convinced him to eavesdrop on Mr. Leacy.

Microphone Purchased

Mr. Jarvis said he then purchased a microphone that could be placed in the wall and plugged into his recorder. Mr. Nunn arranged for Mr. Leacy and Mr. Jarvis to have adjoining hotel rooms, Mr. Jarvis added.

Mr. Nunn's statements to the authorities, as well as the contents of telephone conversations between Mr. Nunn and Mr. Jarvis that Mr. Nunn recorded, differ significantly from Mr. Jarvis's account to sources close to the case.

Mr. Nunn has told the authorities, the sources said, that Mr. Jarvis arrived in San Diego with a considerable amount of sophisticated electronic gear.

The taped telephone conversations between Mr. Steiger, Mr. Nunn and Mr. Jarvis clearly show a knowledge on the part of Mr. Jarvis and Mr. Steiger that Mr. Leacy was to be in San Diego at the same time as Mr. Jarvis, and that Mr. Leacy's presence there was the impetus for Mr. Jarvis's trip, according to sources who have listened to the tapes.

One of the sources said that, in one of the taped conversations, Mr. Steiger told Mr. Nunn that Mr. Jarvis was bringing "the equipment."

carries a penalty, upon conviction, of up to five years in prison.

According to Mr. Steiger, if Mr. Jarvis did not carry sophisticated electronic equipment from Arizona to California, it was because he didn't have it.

"It was not done to beat the [Federal] statute," Mr. Steiger said. "If he had had the equipment, he would have taken it with him."

Banned From Racing

Mr. Nunn was in charge of an Arizona race track at a time in the nineteen-sixties when the track failed to meet a number of its financial obligations to horsemen, the state of Arizona and vendors the track had done business with. As a result, Mr. Nunn was banned from racing in the state by the Arizona Racing Commission.

Mr. Steiger said that after he became interested in Emprise in 1970, Mr. Nunn approached him and offered information about Emprise in return for the Representative's in- Racing Commission to get Mr. Nunn reinstated n the state.

Mr. Steiger said he told Mr. Nunn he would do what he could on his behalf with the commission, but that he did not promise success.

According to sources close to the investigations, Mr. Nunn told the authorities he was angry with Mr. Steiger because he promised reinstatement, but it never materialized.