FBI Accused Of Laxity on 'Tap' Laws

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The FBI has secretly bought thousands of dollars worth of electronic surveillance equipment through a front company that added 30 per cent to the prices, the House Intelligence Committee was told yesterday.

The allegation was one of many leveled at a hearing that showered the bureau with charges of laxity and indifference in enforcing anti-eavesdropping laws and even with connivance in violating them.

One witness, Martin L. Kaiser, whose Maryland firm manufactures electronic surveillance and countermeasure equipment, said that he sold approximately $100,000 worth of such devises to the FBI over a five-year period, but that he was always ordered to route it through the US Recording Co., a private firm here.

He said he finally refused to do business with US Recording in late 1973. The FBI, Kaiser said, has made no such purchases from him since

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although it has continued to buy bomb-detection equipment that he has always sold to the bureau directly.

Other highlights of the hearing:

— Rep. Ronald V. Dellums (D-Calif.) disclosed that the phone at his congressional district offices in Berkeley was monitored with highly sophisticated equipment in 1972, apparently by a government agency, and that he has since been informed of other plans to eavesdrop on telephone conversations to and from his California offices on a daily basis.

Congressional colleagues, Dellums said, "in effect, told me I was totally helpless . . . I operate on the assumption that it (the surveillance) is there right now."

— A former Houston plainclothes policeman who is scheduled to start a three-year federal prison term for wiretapping, Anthony V. Zavala, said FBI agents, as well as representatives of other agencies such as Customs and the former Bureau of Narcotics and Dangerous Drugs, were aware of illegal wiretaps carried out by Houston police.

The former U.S. attorney in Houston, Anthony J.P. Farris, told of repeated failures to persuade the FBI to conduct a serious investigation of illegal electronic surveillance by the Houston police. Farris, who left office in December, said appeals to FBI Director Clarence M. Kelley and former Attorney General William B. Saxbe resulted in "nothing — zip."

"Saxbe didn't answer. Kelley didn't answer . . . no one answered," Farris said. "I don't think they were listening."

The FBI had no immediate comment on the equipment purchases nor any of the other charges leveled. Kaiser said his dealings with the FBI began around 1967 or 1968 but except on one occasion, "The FBI would never correspond with me. Instead they sent agents to my factory who selected equipment and made large orders."

The FBI, Kaiser said, also directed him not to send the equipment to the bureau, but to U.S. Recording. When he told the bureau that federal law would not allow him to sell some of the equipment to anyone "except a bona fide governmental agency," Kaiser said the FBI supplied U.S. Recording with a stamp certifying that the purchases "were in accordance with U.S. law."

Under questioning by Rep. David Treen (R-La.), Kaiser said he learned of the 30 per cent markup U.S. Recording was charging the FBI by happenstance on a visit at the Old Post Office Building to the FBI official he dealt with.

Kaiser said he noticed some paperwork from U.S. Recording on the FBI official's desk, looked at it and compared the prices with what he'd been charging.

He told reporters later that of the equipment he sold in this fashion, approximately one-fourth was for eavesdropping and the rest for "countersurveillance."

Although he said he stopped doing business with U.S. Recording in 1973, Kaiser testified he was recently contacted by a distributorship in Massachusetts that "had received a request for my equipment to be routed through U.S. Recording."

The Massachusetts firm's brochure shows a 100 per cent markup in the price he charges, Kaiser said, and the equipment "will undoubtedly receive a further mark up at the hand of U.S. Recording on the way to its ultimate consumer."

Kaiser said his dealings with other government agencies, such as the Bureau of Narcotics and Dangerous Drugs, often involved routing equipment through Ft. Holabird, "which was Army intelligence at the time," as though it were an Army purchase.

Recounting his experiences publicly for the first time, Dellums said the sophisticated "high-frequency radio electronic surveillance" on his Berkeley office phone was discovered in 1972 after a draft protester, visiting his office for advice, called his parents and told them where he was living. When the FBI arrested the individual a short time later, Dellums and his staff became suspicious and enlisted the help of an expert than at the University of California at Berkeley.

Dellums said the surveillance did not involve any equipment inside the phone that he could hold or produce, but he said the expert signed an affidavit saying that electronic eavesdropping was taking place. Dellums said he was later told by employees of Pacific Telephone that they had been asked to monitor phone conversations from his California offices, but company security officials denied it.