

FBI Probe Finds Pattern of Abuses By Hoover, Aides

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Longtime FBI Director J. Edgar Hoover and his inner circle of top aides regularly misused bureau employees, equipment and funds, a Justice Department investigative report charged yesterday.

FBI employees were "on call night and day" as personal servants for Hoover, the report said, rearranging furniture, polishing metal, building decks, porticos and fish ponds, and repairing his lawnmower, snowblower and television set.

In addition, Hoover used a bureau accountant to do his personal tax work and several other employees to build gifts for him, the report said.

Top Hoover aides John P. Mohr and Nicholas C. Callahan, who was fired in 1976, also received numerous gifts and services from bureau employees, according to the 40-page outline of what Attorney General Griffin B. Bell yesterday called "abuses of power and position."

The aides also diverted thousands of dollars from special FBI funds for unappropriated, though not personal, uses, the report said.

In a strongly worded statement accompanying release of the report, Bell said he was making public the names of the officials involved because of "the legitimate interest of the American public in knowing how its government operates and how high-ranking officials have abused their official positions and neglected their official responsibilities."

None of the officials involved will be prosecuted, however, because the offenses occurred too long ago, the report stated.

Michael E. Shaheen Jr., head of the

department's Office of Professional Responsibility, which reviewed the investigation, said yesterday in an interview that "there definitely would have been prosecutions if the statute of limitations hadn't run."

He said it was possible that civil actions might be taken to recover diverted funds or misuse of government property by those named in the report.

Bell emphasized in his statement that "a very few individuals engaged in improper conduct" and that they "in no way represent the thousands of FBI employees who are dedicated, honest public servants."

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He added that outgoing Director Clarence M. Kelley had instituted several reforms to ensure that such misconduct would not recur.

Kelley himself was cited in the report for having received bureau-made window valances and the use of two color television sets in his Washington apartment. He also let the Prudential Life Insurance Co., which underwrites life and health insurance for FBI employees, pay for his wife's expenses on a trip to New York, the report said.

Then Attorney General Edward H. Levi decided that no disciplinary action would be taken against Kelley but that he should reimburse the bureau and Prudential, the report noted.

Most of the charges of misconduct detailed in the report—such as Kelley's widow valances—have been reported in some form previously in the press.

But yesterday's release was the first official version of the results of an investigation that began almost two years ago under the direction of Criminal Division attorney John Dowd after an earlier FBI report was rejected by Levi as a "whitewash."

The original allegations concerned improper dealings between Mohr and Callahan and Joseph X. Tait, head of U.S. Recording Co., the bureau's exclusive supplier of electronic equipment.

A special team of FBI agents interviewed hundreds of witnesses over several months, the report said, and by late 1976 the original investigation had been completed.

Shahben said yesterday that the transition to a new administration, problems in drafting the final report and "the bureaucracy" accounted for more than one year delay in making the findings public.

He emphasized that the statutes of limitations did not expire on any potential cases during that year. No prosecutions were ever recommended by the investigators, he said.

This report was highly critical of the bureau's dealings with U.S. Recording Co., saying that proper procurement

tion. "And you can see why people were afraid to come forward."

The inquiry did find, the report said, that U.S. Recording's Tait had given "minor gratuities" to Mohr, Callahan and G. Speights McMichael, a current employee now being considered for administrative punishment.

Though the officials showed "improper favoritism" to Tait's firm, no evidence of cash kickbacks or bribes was uncovered, the report noted.

Similarly, there was no indication that a fire which destroyed a rod and gun club where the group played poker also destroyed official FBI files. Mohr and Callahan were also cited for receiving the same kinds of personal gifts and favors that Hoover got.

For example, the report said that Mohr had the body of his son's MG car repaired and repainted by bureau employees and had Exhibits Section workers make him a \$2,000 walnut wine rack.

The perquisites continued even after Mohr's retirement in 1972, the report added, noting that John P. Dunphy, the Exhibits Section chief, built him a custom-made birthhouse.

Dunphy pleaded guilty in August, 1976, to a misdemeanor charge for his part in the pattern of favors, resigned his position and cooperated with the investigators.

Callahan, whom Kelley elevated to the No. 2 post in the bureau before having to fire him, got bureau employees to build a lattice fence to prevent sand erosion at his beach home, and to print maps showing its location. He also got a duplicate of the valet and liquor cabinet that the Exhibits Section had also made as gifts to Hoover, Mohr and Dunphy.

The report said that Callahan was fired on Levi's order.

The report also singles out Ivan W. Conrad, former assistant director in charge of the FBI lab, for comment, because he took thousands of dollars worth of electrical equipment home for personal use and then lied about it.

Conrad, who retired in 1973, shipped 29 packages of "ham" recording equipment, much of it unused, and a large recording console from his home to the U.S. Recording Co. warehouse in Washington in late December, 1975, after he had denied knowing of such equipment.

He claimed later that he had intended to either buy or return the equipment after Hoover retired in 1972, but had been "lardy."

Hoover's top aides also improperly diverted money from several unofficial FBI funds, the report said.

Some \$1,700 from an "imprest" or petty cash fund was used for personal purchases.

More than \$100,000 was improperly expended from a special "confidential" fund over the years. Some \$75,000 went to buy electrical equipment without any documentation describing why it was purchased or by whom. Another \$23,399 was spent on entertaining liaison officers for U.S. and foreign law enforcement agencies.

Between 1951 and 1972, Callahan received just under \$40,000 from the FBI Recreation Association, which is funded by voluntary employee dues, for a mysterious "library fund."

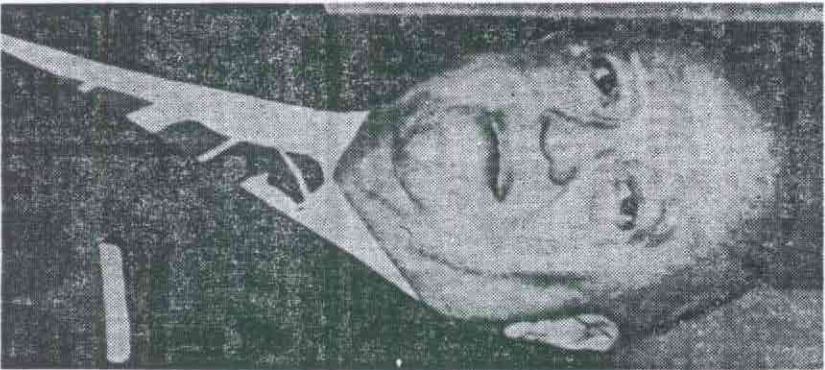
Callahan claimed the money was used for official public relations and liaison functions, but investigators found that he and Mohr had discontinued it and destroyed its records shortly after Hoover died in 1972.

Administrative action to recover money from these funds is contemplated, the report said.

Similarly the department is considering legal action to invalidate contracts and recover excess profits from U.S. Recording Co., the report said.

Some FBI officials predicted yesterday that the revelations about the diversion of funds from bureau accounts by Hoover's inner circle would be the most galling to FBI special agents in the field.

"These were the same guys who continuously audited the accounts of street agents," one knowledgeable official said. "If even a penny was unaccounted for people were fired."



J. EDGAR HOOVER
... employees "on call" as servants

procedures were not followed and that the firm's prices were too high.

Investigators found that an agent who complained about the dealings with U.S. Recording was denied promotion, transferred and told he wasn't a good "team" player, the report said.

"You have to remember that there was an awful lot of fear around here even after Hoover was gone," said one official involved with the investiga-