

Ford Requests Report on FBI Gifts to Kelley

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9/2/76

President Ford asked Attorney General Edward H. Levi yesterday for a report within "the next day or so" about allegations that FBI Director Clarence M. Kelley improperly accepted gifts and personal services from his subordinates.

The President's request followed Kelley's public admission Tuesday that bureau personnel had given him presents and performed decorating services at his Bethesda apartment.

The Washington Post reported yesterday that, as a result of these actions, two high-ranking Justice Department officials had recommended to Levi that Kelley be fired or publicly reprimanded. Levi has not yet made a decision about either recommendation.

These developments have touched off a storm of speculation within the FBI and the Justice Department about whether Kelley, who was brought to Washington in 1973 to correct the bureau's past abuses of power, is now on the way out.

These rumors yesterday prompted the bureau's "executive conference," the top echelon of FBI executives, to call on Levi as a group to express support for Kelley and plead for his retention in office. The executives, FBI sources said, told Levi that the gifts, most of which came from the executive staff, were intended solely as "expressions of affection" and, in their view, did not violate any federal regulations about gift-giving.

At the White House, presidential press secretary Ron Nessen said yesterday that Mr. Ford "has complete faith in the FBI director."

Nessen also said the President has not been in contact with Kelley about the allega-

tions. In requesting the report from Levi, Nessen added, Mr. Ford did not ask specifically about the recommendations that Kelley be fired or reprimanded.

At the Justice Department, Levi, who talked briefly with reporters that he encountered in a corridor, said the report requested by Mr. Ford was being prepared. But, Levi added, he did not know when it will go to the White House or whether it will contain a recommendation about Kelley's status.

The Attorney General lauded Kelley as having

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done "an excellent job" in changing bureau policies and practices to eliminate the abuses that occurred under the late director J. Edgar Hoover. Hoover, who headed the FBI for 48 years, died in 1972.

In yesterday's Post it was disclosed that Levi had given two recommendations regarding Kelley.

The Post report said that John M. Dowd, who heads the Justice Department's investigation into allegations of financial misconduct by some FBI officials, had recommended Kelley's discharge. However, Dowd's superior, Michael E. Shaheen Jr., head of the Office of Professional Responsibility, disagreed and recommended a reprimand instead.

Their recommendations followed admissions made by Kelley to Justice Department investigators three weeks ago.

On Tuesday, after some of the allegations surfaced in the press, Kelley issued a statement saying that two sets of plywood valances and a portable cabinet were constructed by FBI's special exhibits section and installed in his Bethesda apartment shortly after he took office in July, 1973.

Kelley said the valances were made "without my knowledge" and that the cabinet is FBI property that he intends to return when he leaves office. A valance is a frame running across the top of a window that often is covered with fabric.

He also admitted receiving gifts from members of his personal office staff and the "executive conference"—those FBI officials with the rank of associate director of assistant director.

Most of the gifts that have sparked controversy about Kelley's status came from the executive conference. Justice Department sources said they included a \$200 walnut table, a \$250 clock, a \$250 easy chair and a teak and mahogany jewelry box.

In his statement Kelley said he is "prepared to make restitution for any of such gifts which are not clearly permitted" by federal regulations.

One regulation states that government officials

cannot give, or solicit others to give, a gift to a superior or accept a gift from an employee earning a lesser salary. However, the regulation does not prohibit "a voluntary gift of nominal value or donation in a nominal amount made on special occasions such as marriage, illness or retirement."

Justice Department sources said that banding together to give gifts on such occasions is a common practice throughout the federal bureaucracy. And, they added, the regulations do not specify what constitutes "nominal value."

According to FBI sources, the executive conference members who met yesterday with Levi told him that the regulation had been taken into account when they made their joint gifts to Kelley.

Each gift, they reportedly told Levi, had been given on a special occasion like Christmas or a wedding anniversary and represented a pooling of funds by from 15 to 17 persons, each of which gave approximately \$15.

There normally are 16 members of the executive conference, although three positions are now vacant. Current members are:

Associate Director Richard Held, Deputy Associate Director James B. Adams, and Assistant Directors Andrew W. Decker Jr., Donald W. Moore Jr., John J. McDermott, Richard Gallagher, Richard H. Ash, Harold N. Bassett, Thomas W. Leavitt, Jay Cochran Jr., John A. Mintz, Wilburn Debruler and Federick C. Fehl.

Justice Department sources said the valances installed in Kelley's apartment had a value of approximately \$300. FBI sources originally said their value was about \$30 to \$40, but they yesterday changed their estimate to agree with the Justice Department.

The FBI sources said the figure of \$30 to \$40 covered the cost of plywood and original labor, but did not take into account the fact that the valances did not fit at first and that bureau personnel had to make four trips to Kelley's apartment before the valances were properly installed.

Federal law makes it a crime for government em-

ployees to convert government property to personal use. Misappropriation of such property valued at less than \$100 is a misdemeanor punishable by up to a year in prison and a \$1,000 fine. If the property is worth more than \$100, the offense is a felony punishable by as much as 10 years in prison.

Part of the Justice Department's investigation of the FBI has focussed on charges that personnel and material of the special exhibits section, which makes crime scene models for use in court trials, were sometimes used for repair and maintenance work for bureau officials.

Last month, John P. Dunphy, a 28-year bureau veteran who had headed the special exhibits section, was fired by Kelley from his \$37,800-a-year job and then pleaded guilty to a misdemeanor charge of taking government-owned lumber to build a bird house at his home.

FBI sources said yesterday it was difficult to gauge the effects of Kelley's problems on the already battered morale of rank-and-file bureau agents and other personnel.

Some agents, particularly oldtimers from the Hoover era who are resentful of Kelley's changes, appeared to feel that the allegations have compromised the director to such an extent that he should resign.

Their attitude, the sources said, was summed up by such comments as: "Why should Dunphy have to take a fall for using government wood to build a bird house and Kelley get away with using government wood for valances to hang his curtains?"

However, the sources added, an apparently stronger feeling among FBI personnel was that the allegations against Kelley resulted from misunderstandings, exaggerations and distortions of acts that were innocent or, at the most, minor lapses of judgment. Many agents, the sources said, openly blamed the controversy on what they called a "vendetta" by anti-FBI people within the Justice Department.

Kelley was described by FBI sources as personally convinced he had done nothing wrong. He is known to have told associates he has no intention of resigning.