

President Finds No Impropriety, Keeps FBI Chief

9/5/76

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President Ford, saying he finds nothing improper in FBI Director Clarence M. Kelley's acceptance of gifts and personal services from subordinates, announced yesterday that he will keep Kelley in his post.

"I believe Clarence Kelley has had and will continue to have the capacity to meet the essential high standards of the FBI," Mr. Ford said.

He acted after reviewing a secret report from Attorney General Edward H. Levi about the allegations against Kelley. The Justice Department also released a statement yesterday based on the report.

The statement said that Levi and Deputy Attorney General Harold R. Tyler Jr. had concluded that the gifts accepted by Kelley "clearly fall" within the standards established by federal regulations for gift-giving by subordinates to a superior official.

In regard to the personal services provided Kelley by the FBI, the statement said, Levi and Tyler found that they were performed initially without his knowledge and that after learning of them, Kelley "immediately offered to pay for them."

The FBI said Kelley would have no comment on the White House and Justice Department actions.

The department's statement said, "It is our view that Mr. Kelley should remain as director of the FBI and that he should reimburse the bureau, as he has sought to do, for goods and services as to which there may be even the slightest question."

Neither Justice Department nor FBI officials were immediately able to say whether Kelley will make reimbursements to the government. Since the Attorney General found that the gifts were not improperly given, it was not clear whether Kelley will be expected to make restitution for them. On Thursday, he paid the FBI \$335 for a set of window fittings in-

stalled in his Bethesda apartment.

The Justice Department statement said, "The office of the deputy attorney general has been designated to work with Mr. Kelley on this matter."

The statement said the department's inquiry had found "evidence of an effort to be honest and careful, which are persuasive of Mr. Kelley's integrity." It added:

"It has been suggested that unless Mr. Kelley is forced to resign there will be an aura of special treatment because of his high position. But Mr. Kelley's conduct was different in kind from the conduct of others which had led to disciplinary action and criminal prosecution.

"In our view, the caliber of government service is not improved in situations such as this, where there is every evidence of an intention to be honest, by a reading of human conduct in its worst possible light."

At the White House, Mr. Ford's spokesman, Ron Nessen, said the President "accepts the view of the Department of Justice" and has "concluded that no adequate justification exists for terminating the services of Clarence Kelley."

These statements capped a controversy that clouded Kelley's status for most of last week. In the midst of a Justice Department investigation into allegations of financial wrongdoing by some FBI officials, Kelley publicly acknowledged on

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Tuesday that he had been given gifts by his office staff and the top echelon of FBI executives.

He also said that a pair of valances—wooden frames covering the tops of windows—had been constructed by the FBI's special exhibits section and installed in his apartment shortly after he took office in July, 1975.

Kelley said the valances had been made at a time when he was engaged full time with taking over his new job and had asked subordinates to assist his wife, who was ill with cancer, in preparing their apartment for occupancy. Ruby D. Kelley died Nov. 10, 1975, at the age of 62.

The Washington Post reported Wednesday that John W. Dowd, the Justice Department official heading the "abuses of power" probe, had recommended to Levi that Kelley be fired. The report also said Dowd's superior, Michael E. Shaheen Jr., head of the Office of Professional Responsibility, disagreed, saying Kelley should be publicly reprimanded.

These developments prompted Mr. Ford to ask Levi for a report, delivered to the White House Thursday night. In preparing the report, Justice Department officials said yesterday, Levi worked closely with Tyler and Assistant Attorney General Rex E. Lee, head of the Civil Division; Assistant Attorney General Richard L. Thornburgh, chief of the Criminal Division, and Norman A. Carlson, director of the Bureau of Prisons.

The Justice Department statement said this group,

in reviewing the gifts given Kelley—among them a mantel clock, a walnut table and a lounge chair—found that applicable regulations "permit voluntary gifts of nominal amounts given on special occasions." The regulations, it added, also "clearly permit" associates or friends to join together to pool the nominal amounts into a larger sum.

Kelley, the statement said, was told that these gifts were paid for by pooled voluntary donations from members of the Executive Conference, the FBI's 16 top-ranking officials. "The most expensive item purchased was a chair, which was purchased for \$105 by the 16 members at a cost of \$6.56 apiece," the statement said.

"As to goods and services provided by the bureau," the statement said, "some were requested and provided to assist the director to work at home, particularly during the period of his wife's terminal illness. Others were provided because of concerns relevant to the security of a top law enforcement and security official."

In these two categories, the statement said, were such items as a cabinet loaned to Kelley to hold bureau materials he kept at home and two television sets "because it was felt that he should have immediate access to broadcast news." Kelley, it added, "considered these items at all times as bureau property on loan."

The exhibits section, the statement continued, also repaired a hinge on a cabinet purchased by Kelley and provided a plywood bedboard to help ease pain caused by a back problem. FBI officials said last night that the plywood was used material that otherwise would have been discarded.

In regard to the valances, the statement said: "The director did not ask the bureau to make these valances and when he discovered it had done so, immediately offered to pay for them."

However, the statement added, bureau officials assured him that there was nothing improper because the security of the apartment would be vulnerable to penetration during the time that privately purchased valances were being installed by outside labor.