

Ford to Keep Kelley at the FBI

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Washington, Sept. 4 — President Ford announced today that "no adequate justification exists" for firing FBI Director Clarence Kelley. Ford made his statement after reading a Justice Department report on allegations that Kelley had accepted gifts from his subordinate and free goods and services from the bureau.

Ford, in a statement read by White House Press Secretary Ron Nessen, said that he was satisfied with the Justice Department's conclusions — that the gifts, goods and services provided to Kelley were permissible under federal regulations.

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

The statement was released by the White House shortly after Attorney General Edward Levi had issued the six-page report on the investigation of Kelley. In his report, Levi recommended

that the President leave Kelley in his post despite the allegations.

An Honest Manner

The Levi report said that the investigation indicated that there was "every evidence" that Kelley had conducted in an honest and forthright manner his job of reforming the FBI.

Levi said that the information

on Kelley's "receipt of gifts from subordinates and his receipt of goods and service from the FBI" had come to light as part of a Justice Department investigation into allegations that some FBI officials had:

- Received kickback from other FBI officials for the purchase of equipment for the bureau.
- Misappropriated funds granted for confidential expenditures and for the FBI recreation association.
- Engaged in systematic theft of government goods and services.

Levi said the investigative report "contained no evidence that Director Kelley was implicated in any of these matters. It did show that Mr. Kelley received various items as director of the FBI."

"No Disciplinary Action"

Levi said that Deputy Attorney General Harold R. Tyler Jr. and two assistant attorneys general — had concluded, after reading the report, "that no disciplinary action against Director Kelley was warranted." However, Levi noted that they had recommended that Kelley should be instructed to reimburse the bureau for any items "that could possibly raise a question."

Kelley gave the FBI a check for \$335 last Thursday to pay for drapery valances that had been installed in his suburban apartment by FBI agents. He also said that he would make restitution

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Ford: I'll Keep Kelley

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for a number of gifts including a mantle clock, a walnut table and a lounge chair — given him by top FBI officials, if the Justice Department decided it had been improper for him to accept them.

In his statement today, Levi ruled that the gifts that Kelley had received through contributions of the 16-member FBI executive committee "clearly fall within what the department's standard of conduct allows." Thus, Levi felt that Kelley need not make restitution for the gifts.

On the goods and services provided by the bureau and its personnel, Levi noted that most of them had been provided in the interest of security and that repeated efforts by Kelley to reimburse the bureau for them were turned down. Among the items referred to in Levi's report were the drapery valances, a hinge on a damaged cabinet, a bed purchased, a plywood bedboard and a cabinet to hold bureau materials when Kelley worked in his suburban Maryland apartment.

FBI garage employees also did repair work on Kelley's personal auto on one occasion, but Kelley instructed them that in the future his car should be serviced at a private garage at his expense, Levi noted. THE ATTORNEY GENERAL DISCLOSED FOR THE FIRST TIME THAT THE FBI had lent Kelley two television sets that Kelley had not requested. The director subsequently returned the TVs. Commenting

on the provision of goods and

services for Kelley by the bureau, Levi said:

"Mr. Kelley's attempts to reimburse the bureau, which were turned down, his efforts to avoid repetition of the incidents and his repeated refusal to accept other benefits which we have not described are evidence of an effort to be honest and careful which are persuasive of Mr. Kelley's integrity.

"The circumstances which surrounded these incidents—the concern in the bureau that security not be breached, the director's preoccupation at the time with bringing that agency through a difficult period of inquiry and change, and the profound sadness of the terminal illness of Mr. Kelley's wife—are additional factors to be taken into account."