

## Text of Prosecutor's Statement on Probe

By memorandum dated July 13, 1976, the director of the Federal Bureau of Investigation brought to the Attorney General information concerning alleged misuse of political contributions by President Gerald Ford during the period from 1964 to early 1974. The Attorney General requested that the Watergate Special Prosecution Force assume jurisdiction over this matter, and the special prosecutor agreed to do so, pursuant to the regulations governing his office which permit the assignment to him of matters which do not fall within his primary jurisdiction. Formal assignment was accomplished by a memorandum from the Attorney General to the special prosecutor dated July 16, 1976.

The information furnished to the Attorney General by the FBI concerned a previously unreported allegation that political contributions from certain named unions had been transmitted to political committees in Kent County, Michigan, with the understanding that they would be passed on to Mr. Ford for his personal use. This allegation was made to an agent of the FBI by an individual who had recently become aware of the underlying information. Investigation has revealed no apparent motive on the part of this individual to fabricate.

Upon receipt of the referral from the Attorney General, the

Special Prosecution Force, with the assistance of agents of the F<sup>BI</sup>, examined various public documents reflecting contributions made by the unions as well as those received by Mr. Ford or committees acting on his behalf. FBI agents then undertook an examination of the books and records both of the unions' political arms and of the Michigan committees. Persons who might have relevant information were interviewed either by the FBI or by attorneys on the staff of the Special Prosecution Force, or both. In addition, on Sept. 30 the special prosecutor contacted counsel for President Ford and requested that he furnish certain information relating to the President's personal finances. Counsel for the President complied with this request and, also at the special prosecutor's request, authorized the Internal Revenue Service to make available the work product of its 1973 audit of President Ford's income tax returns for the years 1967-72.

The evidence developed during this investigation was not corroborative of the allegation on which it was predicated. Nor did evidence disclosed during the inquiry into that allegation give reason to believe that any other violations of law had occurred. Accordingly, the matter has now been closed, and counsel for the President has been so advised.

ence of illegal action by Ford, con-  
tained several damaging disclosures,  
among them the following: That Ford  
his wife had apparently managed  
e on between \$5 and \$13 cash a  
week during 1972; that Ford paid most  
of his day-to-day living expenses that  
year from checks drawn on a bank ac-  
count funded by honoraria from polit-  
ical speeches, reimbursement for

travel expenses and "some political  
contributions"; that Ford mistakenly  
paid \$1,167 for a family ski vacation  
from the same account; that the ac-  
count was also used to pay for clothes  
costing \$871 for Mr. and Mrs. Ford.  
The IRS ruled that the Fords should  
pay a \$435 penalty tax as a result of  
the improper deduction for the  
clothes.