

Payoff to Gabon President Reported

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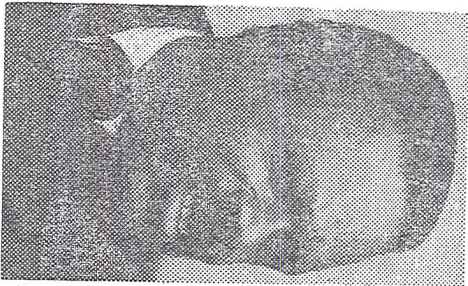
President Albert-Bernard Bongo of Gabon was the recipient of a \$150,000 payoff made by Ashland Oil Co. in 1972 in order to keep doing business in the West African country, informed government sources said yesterday.

Ashland, in a lengthy report filed Tuesday with the Securities and Exchange Commission detailing domestic and foreign political contributions, listed payments of \$150,000 and \$40,000 to "two high Gabonese officials" but did not disclose their names.

The officials, Ashland said, claimed the money would go for "social welfare and public purposes in Gabon."

The recipient of the \$40,000 payment was believed to be Gabon's vice president and minister of coordination who has responsibility for approving foreign business ventures in the country.

Officials at the Gabon embassy in Washington declined to comment.



ALBERT-BERNARD BONGO
... Gabon president

An Ashland spokesman said the company "has never voluntarily disclosed nor does it intend to disclose any recipients of the payments—either foreign or domestic."

The names of the apparent recipients of illegal payments from Ashland have been submitted to the company's board of directors but were not included in the report filed with the SEC and the courts. The SEC could still force the company to make these names public.

In a related development yesterday, a \$240,000 payment from Ashland to Saudi Arabian Prince Mishal Abdul-Aziz, one of 38 half-brothers to the country's King Khalid, was disclosed by a confidential company letter made public by columnist Jack Anderson.

According to the letter,

Prince Mishal was retained by Ashland in May, 1974, to "provide aid in representations within the government of Saudi Arabia," so that Ashland could obtain crude oil for its U.S. refineries. Ashland, an independent petroleum refiner, does not own its own crude oil supplies.

Ashland spokesman said the prince served as a consultant and that there was nothing improper in the agreement since Prince Mishal, though a member of the royal family, was not a Saudi government official.

"We wanted to get somebody who knew the turf and certainly we wanted to get someone who was well-connected," the Ashland spokesman said. He pointed out that Ashland was unsuccessful in from the Saudis after retaining additional crude oil from Prince Mishal, and the consulting agreement was terminated June 20.

Separately, Ashland confirmed as "basically accurate" a story yesterday's editions of The Wall Street Journal.

The Journal said Ashland probably unwittingly purchased an unidentified smaller company in 1968 that had been organized by the CIA as a cover for intelligence activities abroad. When Ashland discovered the company was a CIA front, it agreed to continue paying the employees and was in turn reimbursed a total of \$98,986 by the agency, according to the story.

Ashland said "the company's arrangement with the CIA was terminated a number of years ago and no arrangement

now exists." It said it could not elaborate "under an agreement with the CIA."

A CIA spokesman also confirmed the story and indicated that Ashland was not the only corporation serving as a CIA conduit.

In the report to the SEC, Ashland said the Gabonese payments occurred after the company acquired Union Carbide Petroleum Co. in late 1971. The new subsidiary had \$4.3 million in holdings in Gabon.

An Ashland executive visited Gabon to prepare for operations there and "was advised that UC Petroleum or persons acting on its behalf had failed to honor what were stated by certain high Gabonese officials to be obligations to them."

The executive was also told the company "would not be able to commence its operations unless it satisfied these apparent obligations to the officials in question," the report added.