

Ford Envoy to Nixon Was Reportedly Under Investigation by

Government Lawyers in Tax Fraud Case

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Justice Department lawyers investigating a tax fraud case recommended that the Government seek an indictment of Benton L. Becker a month before the lawyer was sent to California by the White House to inform Richard M. Nixon that he would be pardoned, according to well-placed sources.

However, the magnitude of the investigation reportedly was not made known to the White House until several hours after President Ford's pardon of Mr. Nixon two weeks ago for any crimes the former President might have committed while in office.

One source said the investigation involved sworn allega-

tions by a former client of Mr. Becker that the two men had participated in a scheme to allow Mr. Becker to claim spurious deductions on his Federal income-tax return.

Mr. Becker has reportedly denied the allegations under oath before a Federal grand jury here.

'Under a Cloud'

Federal prosecutors, the source said had told Mr. Ford several months earlier "that Becker was under a cloud."

But it apparently was not until the evening of Sunday, Sept. 8, the day Mr. Nixon was pardoned, that Earl J. Silbert, the Acting United States attorney here reportedly learned of Mr. Becker's involvement in the sensitive discussions and telephoned the office of Philip W. Buchen, the White House counsel, to give an updated report on the status of the investigation.

Mr. Buchen said in a telephone interview today that he had not learned of the investigation involving Mr. Becker until after the pardon was announced, and that "at the time he was given that assignment there was no knowledge" in the White House that the inquiry was continuing.

He added that Mr. Becker told him on Sept. 8 that he had had no idea until then that the allegations against him were still under examination by the Justice Department.

Mr. Silbert's report, sources said, was based on a memorandum outlining the strengths and weaknesses of the case and concluded that, based on the evidence, the Government

should try to obtain an indictment of the 36-year-old lawyer.

The memorandum summarizing the year-old tax fraud investigation was reportedly prepared for Mr. Silbert by subordinates shortly before Mr. Nixon resigned the Presidency last Aug. 9, although the prosecutor did not review it until he returned from vacation in late August.

One source said that Mr. Buchen's office expressed complete surprise when told of the progress of the Government's case against Mr. Becker, information he was certain the White House had not possessed which Mr. Becker was

sent to see Mr. Nixon at his San Clemente, Calif., estate.

The evidence against Mr. Becker, the source said, has not yet been forwarded by Mr. Silbert's office to the Tax Division of the Justice Department, which must give its approval in tax cases before an indictment can be sought.

Several sources said that Mr. Ford was advised by the Justice Department of the allegations against Mr. Becker last November during Congressional hearings on the nomination of Mr. Ford to succeed Spiro T. Agnew as Vice President.

Mr. Becker was representing Mr. Ford as counsel during the confirmation hearings, one

source said, and someone decided Mr. Ford ought to be told what was going on.

Target of Inquiry

Mr. Becker was formally notified by the Government around the beginning of the year that he was the target of a criminal investigation. Federal prosecutors here and in Baltimore began recording accusations against him in August, 1973, more than two months before Mr. Ford's nomination.

Based on the November briefing, one source said, the White House possessed sufficient information to be aware that "by using Becker for anything, Ford was exposing himself and

his Administration to potentially serious embarrassment."

During a news conference last week, Mr. Ford responded to a question about the state of Mr. Nixon's health by referring to a first-hand report he had received from "a member of my staff" who had seen the former President during the pardon negotiations.

John W. Hushen, the acting White House press secretary, confirmed that Mr. Ford had been referring to Mr. Becker, whom Mr. Hushen described as an unpaid, "volunteer" member of the President's staff.

Mr. Becker, who has been working to smooth Mr. Ford's

transition to power, reportedly helped with the research on the legal precedents for pardoning an individual who, like Mr. Nixon, has not been formally accused of a crime.

Buchen Supports Becker

When Mr. Buchen was asked two weeks ago about the allegations made against Mr. Becker, he replied that Mr. Becker had informed him of the circumstances surrounding the charges and that he was convinced that Mr. Becker had done nothing wrong.

"Becker is just as straight as he can be," Mr. Buchen said of his long-time friend. "Somehow he gets involved in those things."



Associated Press

Benton L. Becker

According to the account provided by several sources, the Government's investigation includes, in addition to the allegations of income-tax evasion, charges by two of Mr. Becker's former clients that he suborned their perjury, destroyed pertinent documents and made false statements of his own about their involvement in stock manipulation and political extortion scandals.

Mr. Becker's principal accuser is reportedly Joel Kline, a young Maryland stock and real estate speculator and one-time multimillionaire who is now an admitted perjurer and convicted felon, as well as a

major Government witness.

Since he pleaded guilty in August of 1973 to obstructing a Securities and Exchange Commission investigation of his financial activities, Mr. Kline, whose \$14-million paper fortune has since vanished, has testified extensively about political corruption in Maryland.

Sources said that Mr. Kline had given testimony in the Federal investigation in Baltimore that helped to force Mr. Agnew from the Vice-Presidency a year ago. His testimony also played a role in the conviction last March of N. Dale Anderson, the Baltimore County Executive, on charges of extortion and tax evasion.