

Bank Role in Telethon Probed

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The FBI has been investigating the arrangements made by Democratic Party officials and a Washington bank to process contributions generated by the fund-raising telethon in July, The Washington Post learned yesterday.

The investigation reportedly

was ordered by Henry E. Petersen, head of the Justice Department's Criminal Division, to determine if there had been a violation of a federal law prohibiting banks from contributing, directly or indirectly, to committees or candidates in federal elections.

Parties to the arrangements told a reporter that they be-

lieved they had established weeks ago that there had been no violation. Yesterday, however, a Justice Department spokesman would say only that it is department policy not to confirm whether an investigation is under way. He would not say if the investigation has been completed.

The first hint of the investigation came on Aug. 18, when FBI Special Agents Robert E. Lill and Michael J. King questioned Donald Petrie, treasurer of the Democratic National Committee, in his office at the Watergate.

As Petrie recalled, the agents told him they were making the investigation for Petersen, whose "theory" ap-

parently was that the National Bank of Washington was processing without charge possibly 280,000 pieces of paper—mainly envelopes and checks—sent in response to appeals by entertainment stars and politicians who appeared on the 19-hour telethon.

Petrie said yesterday he regarded the "theory" as "an insult" to his predecessor, Robert Strauss, who had made the arrangements, because he is "not only not stupid, but one of the finest people I've ever met."

Petrie, who had no firsthand knowledge of the matter, said that after about a half-hour of discussion with the agents he suggested that they go see Strauss and examine a copy of the telethon trust agreement that Strauss, as sole trustee, and an aide, George Bristol, had executed with the bank.

"I would not like you to get the impression that I felt harassed, because I didn't," Petrie said.

Four days later, on Aug. 22, two FBI agents—possibly Lill

and King—called on Strauss in Washington. Yesterday, Strauss would tell a reporter only that "the FBI checked to see if there were any violations and apparently concluded there were none."

The same day, after Strauss had supplied a copy of the agreement, Lill and a second agent interviewed True Davis, president of the National Bank of Washington.

Davis, himself one of the telethon's financial chairmen, said he told the agents that the agreement was a straight business arrangement of the kind made for "a number of customers." Specifically, he said, the Democratic National Committee is credited with interest, at an annual rate of 4 per cent, for funds deposited. Processing charges offset the interest credit.

"We had to hire additional help and have charged the committee approximately \$14,000," Davis said. He added that he had known beforehand of the legal prohibition on bank contributions and had been scrupulously careful to avoid a possible violation.