

# White House Concedes It Failed to Make Usual Checks on Nominee for Energy Job

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By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The White House conceded an embarrassing mistake that seems certain to cripple, and perhaps even doom, its nomination of Andrew E. Gibson to head the Federal Energy Administration.

President Ford's press spokesman said the White House neglected to make "the usual background checks" of Mr. Gibson before the President personally announced on Oct. 29 his intention to nominate him. The admission came after published reports, which first appeared in Wednesday's Wall Street Journal, that as FEA head Mr. Gibson would continue to reap financial benefits from an oil transport company while making decisions that could benefit that company.

The concern is Interstate Oil Transport Co., a Philadelphia tug and barge operator whose income comes solely from the oil and utility industries, for which it hauls petroleum along the East Coast and Mexico. When Mr. Gibson stepped down as Interstate's president last May, he took with him a \$1 million contract calling for quarterly separation payments over a 10-year period.

Presidential spokesman Ron Nessen said the background checks were "waived" in Mr. Gibson's case because of the "urgency" of naming a replacement for Federal Energy Administrator John Sawhill, fired by the President for being too outspoken. But this explanation raised more questions than it answered.

For one thing, Mr. Gibson told a Wall Street Journal reporter Tuesday that before the announcement he had informed the proper White House officials about the financial arrangement with Interstate, and that he was told it wouldn't pose any problem. He wouldn't identify the White House officials involved, presumably executive recruiters.

For another, there really wasn't all that much "urgency" about the whole matter. Mr. Sawhill was abruptly fired for political reasons—namely because he kept advocating energy policies that the White House didn't want to consider. Mr. Sawhill kept saying, publicly and privately, the mandatory energy conservation measures are needed, but the White House didn't want to

even think about such controversial policies—at least not until after Tuesday's election.

After his firing, Mr. Sawhill volunteered to stay on until a successor could be confirmed. He remains on the job today and Mr. Gibson has set up a temporary office at FEA while Mr. Sawhill shows him the ropes.

A final hole in the "urgency" argument is the fact that, even before yesterday's admission congressional sources indicated that the Senate would be unlikely to get around to Mr. Gibson's nomination until sometime next year.

Now there's some question of whether the nomination will even be submitted. The official White House line is that Mr. Ford still intends to nominate Mr. Gibson, and that the background checks will belatedly be made. But, of course, the official line could be rendered inoperative if those checks turn up potentially embarrassing information.

Even under the best of circumstances, Mr. Gibson seems certain to receive a tough Senate grilling. Yesterday, a key Senate staffer said he doesn't see how the Interior Committee can avoid killing the nomination.

Committee Chairman Henry Jackson, (D., Wash.) hasn't gone that far. But after The Journal's story appeared he wrote President Ford requesting all FBI and White House background investigatory files on Mr. Gibson. The Senator was out of the country yesterday, but it's known that the White House angered him by failing to consult him before picking Mr. Gibson in the first place.

Sources familiar with Mr. Gibson's contract with Interstate Oil say it was for \$1 million, including payments of \$120,000 made to him during the 16-month period he was company president. Since leaving that office, he has received two additional payments from the company of \$22,000 each, leaving him a balance due of \$836,000.

In addition, the Senate committee seems certain to look into Maritime Administration subsidies and loan guarantees that Interstate Oil Transport received, beginning in the spring of 1972, when Mr. Gibson first negotiated for a job with the company. At the time he was Federal Maritime Administrator.