

Dec. 14, 1972
3rd Ed.

Crash Bares FBI Probe

BY JIM SQUIRES

Chicago Tribune Press Service

WASHINGTON, Dec. 15—

The Federal bureau of Investigation began probing the association between a Chicago accountant, Harold C. Carlstead, and E. Howard Hunt last summer following Hunt's involvement in the Watergate bugging case, it was learned today.

Hunt, a former White House consultant, has said his wife was carrying \$10,000 in cash to Carlstead to invest for him when she was killed in a plane crash in Chicago a week ago.

Carlstead, in a telephone interview, told the Chicago Tribune he was the subject of an FBI probe last June and July. He accused federal agents of tapping his telephone in an effort to gather information about himself and Hunt.

FBI Denies Wiretapping

An FBI spokesman confirmed that agents had questioned Carlstead several months ago, but denied the wiretapping allegation.

Carlstead said he had no connection with or knowledge of the attempted burglary and

bugging of Democratic National Committee headquarters in the Watergate office complex here last June 17 or of any of Hunt's financial dealings.

He said, however, that the FBI began investigating him in late June or early July, following a visit by the Hunts to his Chicago home.

Two Lawyers Named

While there, Carlstead said, Hunt had received a telephone call from "some California attorney."

"After that, they [the FBI] came around and asked if I knew who called and I had not," Carlstead said. "All I

knew was that it was an attorney."

The names of at least two California lawyers, Donald H. Segretti, a former federal employe, and Herbert W. Kalmbach, President Nixon's personal attorney, have figured prominently in the Watergate probe.

Neither is a defendant. Segretti has been accused of being an undercover election campaign saboteur. Kalmbach is known to be one of five men authorized to make payments from a secret intelligence fund, some of which was alleg-

Continued on page 5, col. 1

Continued from first page

edly used to finance the Watergate break-in.

Carlstead said FBI agents later visited a relative in California and interrogated her about Carlstead's association with Hunt and about Carlstead's accounting business. He is a senior partner of Harold C. Carlstead & Co., a public accounting firm in Chicago Heights.

"That's why I think they were tapping my phone," he explained. "They knew all about my telephone calls."

One FBI source, commenting on the wiretap allegation, said he had no personal knowledge of the case. The source said agents were more than likely working from telephone company records.

Carlstead, who is married to a cousin of Mrs. Hunt, has become the subject of renewed interest by the FBI, which is attempting to learn the source of the \$10,000 and why Mrs. Hunt was carrying such a large amount of cash to Chicago.

"I didn't even know she was bringing the money until Mr. Hunt told me when he arrived here after the crash," Carlstead said. "However, I was planning an investment in the near future and I had talked

to Mr. and Mrs. Hunt about it several times in the past."

Carlstead said he first outlined plans for an "investment opportunity" with the Hunts in August of 1971, "way before the Watergate mess."

Picked Midway Flight

Mrs. Hunt's visit, he said, had been planned for some time and a particular United Air Lines flight had been cho-

sen because it landed at Midway Airport which is closer to Carlstead's south suburban Flossmoor home than O'Hare Airport north of the city.

Carlstead said he had "no idea" why Mrs. Hunt was transporting the money in cash, but remarked that was not as unusual as "some people might think."

Altho he again declined to discuss details of the business venture, Carlstead indicated that it concerned the motel industry, in which he already has some financial interests. Carlstead is reported to own an interest in at least one Chicago Holiday Inn and has talked recently about another such investment.

IRS Lien Considered

Meanwhile, it was learned that the Internal Revenue Service is now considering placing a lien on the \$10,000 carried by Mrs. Hunt. The money is now in the custody of the Cook County coroner, Dr. Andrew Toman.

An IRS source said a lien would be used to prevent the money from being claimed until after the government is assured the claimant owes no federal taxes.