**SFChronicle** 

JAN 24 1976

A Pensinsula firm that has retained former Senator Sam J. Ervin Jr. as its \$1500-amonth special counsel announced yesterday it is going into the business of helping individuals learn what is in their federal files.

"I have agreed to serve as a legal consultant to the company but not to represent any of the individual clients," Ervin, a North Carolina Democrat and former chairman of

the Senate Watergate Committee, said in Morganton, N. C.

Rainer W. Mahlmann, president of Freedom of Informa-tion Services, Menlo Park, said at a news conference at the Press Club it has been estimated that as many as 40 million Americans might want to learn what iss in their personnel files at agencies like the FBI, the CIA and the Internal Revenue Service.

Once the information is

received, he added, individuals will have the right to mail letters to the agencies de-manding that any errors be corrected.

Mahlmann said his company plans to earn its fee solely from its skills and solely from its skills and knowledge in how to prepare applications correctly. Later, he said, the firm probably will expand its operations to include state governments and private intelligence firms, such as credit bureaus.