

EX-OFFICIAL'S TIES TO MOTEL STUDIED

Former F.B.I. Aide Said to Have Invested With Man Now Facing Fraud Trial

By JOHN M. CREWDSON
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WASHINGTON, Aug. 5—The Justice Department's internal inspection team is investigating a reported financial relationship between John P. Mohr, a former top official of the Federal Bureau of Investigation, and a Virginia real estate developer accused of defrauding the Small Business Administration, according to department sources.

The developer, Joseph C. Palumbo, was indicted by a Federal grand jury in Richmond last week along with Samuel R. Calabrese, his cousin, whom law-enforcement sources described as an organized crime figure from Las Vegas.

Asked whether Mr. Palumbo was believed to have links to organized crime that extended beyond his relationship with his cousin, one Federal official replied "It depends on who you talk to," and another said there was "some rumor that there may be more connections."

According to one source familiar with the scope of the inquiry, Mr. Mohr, who retired from the F.B.I. as an assistant to the director in 1972, invested \$10,000 in a South Carolina



Associated Press
John P. Mohr

motel venture organized by Mr. Palumbo. It could not be learned whether the reported investment was made by Mr. Mohr before or after he retired.

No S.B.A. Funds Found

Several sources said that, to their knowledge, the motel project had not been financed with any of the S.B.A. money that Mr. Palumbo has been accused of obtaining through fraud and that Mr. Calabrese had not been a partner in the enterprise.

Before he retired, Mr. Mohr was the F.B.I.'s top administrative official, with authority over purchasing and at least two independent sources of bureau funds, all of which have come under scrutiny from the Justice Department's Office of Professional Responsibility.

That office is investigating possible kickbacks to bureau executives from a number of private companies. It is also looking into possible misappropriation of the funds of the bureau's recreation association, over which Mr. Mohr had control, and of funds of the bureau's \$18-million-a-year medical insurance program.

The insurance program is administered by the Special Agents Mutual Benefits Association, of which Mr. Mohr was once president, and for which he served as a paid consultant after his retirement from the bureau.

One of Mr. Mohr's associates said that he believed Mr. Mohr's \$10,000 investment in the motel, the Family Inn of Florence, S.C., had come from his own funds. He said that Mr.

Mohr had "inherited a substantial amount of money."

This associate said that Mr. Mohr became involved in the Palumbo venture after learning of it from his son-in-law, a student at the University of Virginia who was a client of Mr. Palumbo's Richmond insurance agency.

Trial Due Next Month

Mr. Palumbo and Mr. Calabrese, who is described in the Federal indictment as "a promoter" from Las Vegas, are scheduled to stand trial in Richmond beginning Sept. 22.

They are accused of giving "money and other things to value" to Thomas F. Regan, the former district director of the S.B.A. in Richmond, "in return for his aid and assistance in the preparation and approval of" S.B.A. loan and lease guarantees for Mr. Palumbo and Mr. Calabrese.

The two defendants allegedly kicked back part of the proceeds to Mr. Regan.

Mr. Regan, who was dismissed from the S.B.A. in December 1973, was subsequently indicted for fraud. He was sentenced six weeks ago to a nine-year term in Federal prison.

The Justice Department's search for possible irregularities in the administration of the F.B.I. over the last few years, one of two departmental investigations of the bureau now under way, is reportedly looking into assertions that the recreation fund, made up of agents' dues, was diverted to improper uses.

The New York Times reported last week that the department was also inquiring whether dividends from the insurance program had been used to finance dinners, vacations and gifts for people who, like Mr. Mohr, had administered the program.

Brian Gettings, Mr. Mohr's attorney, confirmed that his client had received a \$300 boat from the insurance fund after he retired, but he said that his client had denied any wrongdoing in connection with the gift.