

Ex-Gurney Aide Tells of Money Raising by F.H.A.

By MARTIN WALDRON
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TAMPA, Fla., April 28—A one-time aide to former Senator Edward J. Gurney of Florida testified today in Mr. Gurney's trial that most Federal Housing Administration officials in Florida were eager to help raise money for Mr. Gurney by in effect selling commitments to home builders for F.H.A. insurance and F.H.A. grants.

The aide, Larry E. Williams, testified that the scheme so appealed to the director of the F.H.A. in Miami, William Pelski, that Mr. Pelski wanted a cut of the money.

Mr. Williams is the main Government witness against Mr. Gurney and four men being tried with him on charges of conspiring to extort. He was on the stand last Friday and today, but has not yet directly connected the former Florida Republican Senator to what the Government called a shake-down.

Mr. Williams is a 30-year-old, one-time car rental agent who resembles the actor Robert Redford.

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In describing the money-raising method that reportedly lasted for almost three years and netted hundreds of thousands of dollars, Mr. Williams said that only one F.H.A. director in Florida, Forrest Howell of Jacksonville, gave him any trouble.

He said that Mr. Howell sometimes refused to approve applications for agency grants or insurance by builders who had agreed to donate money to Mr. Gurney's re-election campaign.

"Howell was wishy-washy," said Mr. Williams.

Mr. Howell, since replaced as the F.H.A. director at Jacksonville, would seem to promise that a certain housing project

would get an F.H.A. grant but then would not follow through, Mr. Williams said.

This, he testified, would leave him in an awkward position since he would have collected money from a builder on the promise that Mr. Howell would approve the application.

Mr. Williams said he complained about Mr. Howell to both Senator Gurney and to the Senator's administrative assistant, James L. Groot, and that eventually Mr. Gurney said he would have Mr. Howell replaced.

Mr. Williams has not yet

testified as to the total amount of money he raised from Florida home builders between January, 1971, and early 1974 when his scheme collapsed. But he said that in the early weeks, he collected \$100,000, which was kept in a safety deposit box in an Orlando suburban bank. Money that was collected also paid the travel expenses of five Gurney aides and some of those of the Senator himself, he said.

Mr. Williams testified he once took \$50,000 in cash to Washington and turned it over to Mr. Groot. On many occasions, he said, he wired from \$2,500

to \$10,000 to the Senator's office in Washington or mailed money orders for similar amounts.

In addition to Mr. Pelski, F.H.A. officials in Florida who gave him full cooperation were Wayne Swiger of Tampa and Ralph N. Koontz of Jacksonville, he said.

Mr. Pelski has already served a short prison term for his actions. Mr. Koontz and Mr. Swiger are now being tried with Mr. Gurney along with Mr. Groot and another one-time Gurney assistant, Joseph Bastien.