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Merry-Go-Round

CIA Switched File Sent to the FBI



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THE CENTRAL Intelligence Agency switched files on the FBI, we have now learned, in a deliberate attempt to mislead the G-Men who were investigating the Watergate break-in.

The agents had discovered from the grand jury testimony that Mrs. James McCord, wife of the Waterbugger, had burned some of her husband's papers after he was arrested inside the Watergate on June 17, 1972.

According to the testimony, someone named Pennington, who had served with McCord in the CIA, had been present at the burning.

This led to a routine FBI request for a CIA file on Pennington, which threw CIA officials into a panic. For Lee Pennington, a CIA consultant, not only had been present but had participated in the burning. A faithful CIA man, he had reported the incident to his superiors.

Pennington later testified that he had driven to the McCord home, as a friend of the family not as a CIA informant, after the Watergate arrest. Pennington found Mrs. McCord burning papers and joined in, although he insisted nothing sensitive was fed to the flames.

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THE LAST THING the CIA wanted was to be linked to the Watergate incident. So the CIA sent the FBI a file on Cecil Pennington instead of Lee Pennington. By a coincidence, Cecil Pennington once had also been associated with McCord in the CIA.

Our sources say it was no accident that

the CIA furnished the FBI with the wrong file. They claim it was deliberate obstruction of justice.

The FBI quickly recognized that Cecil Pennington had nothing whatsoever to do with Watergate. Still suspicious, the agents asked once more for clarification. But again, say our sources, the CIA dodged:

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DISTINGUISHED old Senator John Stennis (Dem-Miss.) the Pentagon's foremost Senate champion, intervened to kill an investigation of Deputy Defense Secretary William Clements.

Sources privy to the incident say Clements privately asked Stennis to intervene.

Clements had come under fire from the Senate Commerce Committee for a possible conflict of interest. He own stock valued at \$100 million in SEDCO, a Dallas drilling firm. Yet he has presided at the Pentagon over policy-making decisions with regard to the Alaskan Naval Petroleum Reserve.

His company is a bidder on the pipeline, which would be the likely outlet for oil should the rich Alaskan reserve be opened. Clements has urged that it be thrown open to commercial development.

Stennis asked Senate commerce chairman Warren Magnuson (D-Wash.) to halt the investigation of Clements, claiming jurisdiction for his own Senate Armed Services Committee. Out of Senate courtesy, Magnuson called off the investigation and turned it over to Stennis.