By NEIL SHEEHAN Special to The New York Times

WASHINGTON, April 3-A fund with John Birch Society associations has paid about 80 per cent of the \$26,500 in legal costs incurred by Otto E. Otepka in his four-year fight to win reinstatement as the State Department's chief security evaluator.

James M. Stewart, who runs the American Defense Fund, said that \$22,000 had been given to Mr. Otepka, who has been nominated by President Nixon to the Subversive Activities Control Board.

While the fund was publicizing his dispute with the Department to solicit money on his behalf, Mr. Otepka also spoke to gatherings at the homes of Birch Society activists and to a large meeting of 700 to 800 persons in the auditorium of another ultra-conservative organization the Flick-Reedy Education Enterprises in Bensenville, Ill.

There is no apparent illegality in Mr. Otepka's acceptance of the legal fees. But he has been a figure of controversy in the past and thus the legal fees and the question of his association with Birch members may become a matter of dispute if the Senate Judiciary Committee proceeds with its tentative plan to hold a confirmation hearing on his nomination after the Easter recess.

Links to Birch Events

An investigation showed that Mr Otepka's association with Birch members has been considerable over the last several! years.

Last summer he attended the four-day annual God, Family and Country rally in Boston organized by Birch Society leaders. The rally chairman is Col. Laurence E. Bunker, a member of the Birch National Council.

Gordon D. Hall, the lecturer and authority on extremist groups, said he had seen Mr. Otepka autographing glossy, 8 by 10 inch photographs of himself beside the fund's display booth in the Statler-Hilton Hotel, where the rally was held. •Mr. Hall said that another

Associated Press Otto F. Otepka

eye witness had told him that Mr. Bunker had formally introduced Mr. Otepka to an assembly of the participants in the rally.

Medford Evans, book review editor for American Opinion, the Birch Society magazine and managing editor of The Citizen, the segregationist White Citizens' Council monthly, said that Mr. Otepka had taken a modest part in two political seminars at the rally.

Mr. Otepka declined to discuss his appearances at the homes of Birch Society activists on the ground that these were "private activities." He contended that the large gathering at the Flick Reedy auditorium had also been a "private meeting."

No 'Ideological' Discussion

Asked if he was aware of the Birch Society membership of his hosts on these occasions and at the Boston rally, Mr. Otepka said, "I am not going to discuss the ideological orientation of anyone I am associated with."

He gave a similar answer when asked about the Birch Society Associations of Mr. Stewart, the American Defense Fund head.

Mr. Otepka would not say why he had given the talks, but he maintained that "I have at no time engaged in any activities to solicit funds."

In his struggle to win rein-

several years. "He comes here statement, Mr. Otepka has rewhenever he comes to Chiceived \$22,000 from the fund cago," Mr. Butler said. and \$4,500 to \$5,000 from Mr. Butler said that in addisources he would not disclose. tion to explaining his dispute He was originally dismissed with the State Department, in 1963 for passing classified Mr. Otepka also talks about treason in high places in Washdocuments to the Internal Secuington "and all the other horrity Subcommittee of the Senrible things that are taking ate Judiciary Committee withplace." out authorization.

After lengthy hearings, former Secretary of State Dean Rusk formally reprimanded him in December of 1967 and demoted him to what Mr. Otepka called a "clerical job" that paid about \$5,000 less than the \$20,585 he drew as a security investigator.

He is now on leave without pay. The position on the subversive activities board pays \$36,000.

Mr. Otepka said he had gone to the Boston rally because he and his wife like the "seashore air" and he happened to be in the city on vacation. He said he did not remember autographing any photographs and would not say if he had participated in the seminars.

Mrs. Harold N. McKinney, a She said she had known Mr.

Birch Society chapter leader who is the rally's executive secretary, said Mr. Otepka had come as an invited guest. Otepka before he had been suspended in 1963 and that he had been "very helpful" in arranging for speakers at meetings in the Boston area.

Colonel Bunker, former aide de camp to the late General of the Army Douglas MacArthur, said the rally was not a Birch Society activity and was just a gathering of conservatives, but Mr. Evans said "at least half the people there were John Birchers" and while the rally was not an official function of the society "there is a lot of overlap."

A number of the exhibitors are official Birch Society fronts, including the anti-civil rights Truth About Civil Turmoil Committee. Others are independent ultraconservative organizations, including the anti-Semitic magazine, The American Mercury.

Julius Butler, a Birch Society chapter leader in Oak Brook, Ill., said Mr. Otepka had spoken to groups "of 15 to 20 or 30 or 40 people" at Mr. Butler's home four or five times over the last

He said Mr. Otepka never solicited money at any of these gatherings but that Mr. Stewart might have occasionally mentioned how much the fund had collected for Mr. Otepka up to that date.

Among other activities, Mr. Butler was an original member of the Emergency Committee

Against Having Soviet Spies in Chicago, created in early 1967 to oppose the consular treaty with the Soviet Union.

Jay Klopfenstein, the chief organizer of the antispy committee and a Birch chapter leader in Evanston, Ill., said he had heard Mr. Otepka speak twice in the last several years, once at the Flick-Reedy auditorium and again to a gathering at the home of a "friend" in Glencoe, Ill. He said Mr. Otepka had struck him as "a very capable, cold analyzer of subversives."

He said he had not particularly been impressed with Mr. Otepka's oratorical talents, "but I wouldn't expect a subversive analyzer to be a good public speaker."

Mr. Klopfenstein said he had subsequently received circular letters of appeal from Mr. Stewart and made several modest contributions.

Jerome F. Coniker, a Birch chapter leader in Deerfield, another Chicago bedroom community, said he had heard Mr. Otepka speak "a few times" to "small groups of 30 or 40 people" at the homes of friends. He confirmed that one occasion was at the home of Jay R. Sheesley, a wealthy Glencoe resident who is a fund raiser for the Birch Society. Mr. Stewart, a 39-year-old

advertising executive of Palatine, Ill., would neither affirm nor deny whether he was a member of the Birch Society. "I am not answering the question," he said, "because it is irrelevant."

He said he does subscribe to Birch Society publications as well as to those of other ultraright organizations because "I am in accord with their endeavors."

Mr. Stewart was formerly assistant director of the "edu-'cational" program of the Flick-Reedy organization. Frank Flick, the president of the Flick-Reedy Electronics Corporation, has cooperated with Birch Society leaders in political endeavors.

Mr. Stewart was a speaker at the annual Boston rally in 1965 and has set up an exhibition booth for the fund there in the years since.

Colonel Bunker, the Birch National Council member who organizes the rally, said he "would assume" that Mr. Stewart is a member of the society, "but I can't vouch for it."

Last Sunday Mr. Stewart appeared on the Chicago television program of Dean Clarence Manion, another Birch National Council member, and praised President Nixon's nomination of Mr. Otepka.