

Alleged G.O.P. Spy Avoids Full Inquiry

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WASHINGTON, Jan. 29—The Federal Bureau of Investigation has made no attempt to investigate fully the political espionage and sabotage activities allegedly conducted last year by Donald H. Segretti, a California lawyer, who reportedly acted under the direction of the White House and Republican re-election officials.

The disclosure came as both sides rested today in the trial of the two remaining defendants in the Watergate case.

Well-placed Administration sources have said that Justice Department officials learned of some of Mr. Segretti's activities within weeks after the Watergate arrests last June 17, but decided on the basis of preliminary interviews with Mr. Segretti that his activities were legal and therefore beyond the

scope of an extensive F.B.I. inquiry.

That decision was reaffirmed last October, the source said, after newspaper accounts indicated the full scope of Mr. Segretti's activities, which were said to have involved sabotage attempts against Democratic candidates during the primary election campaigns.

It was further learned that Mr. Segretti began his operations, apparently on behalf of some White House officials, as early as September, 1971, at

about the same time E. Howard Hunt, then a White House consultant, reportedly began organizing his political intelligence team.

Mr. Hunt's operation eventually led to the unsuccessful break-in at the Democratic National Committee offices in the Watergate office complex here.

Mr. Segretti is known to have met at least twice with Mr. Hunt, in Florida and in California, and he was once asked to help arrange a fake demonstration during the Democratic National Convention.

Sources said, however, that the Justice Department had made no effort to determine the full extent of Mr. Segretti's activities or to find out who placed Mr. Segretti in contact

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with Mr. Hunt. White House officials have repeatedly said that they did not know either about Mr. Segretti's espionage operation or the political intelligence activities headed by Mr. Hunt and G. Gordon Liddy, a former counsel to the Republican re-election committee.

However, Dwight L. Chapin, President Nixon's appointments secretary, was reportedly asked to leave his White House job after the November election, apparently because he was named last year as the White House contact for Mr. Segretti.

Ronald L. Ziegler, the White House press secretary, subsequently confirmed that Mr. Chapin was leaving. Mr. Ziegler denied that Mr. Chapin was being forced out or that his decision had anything to do with the espionage controversy.

Before last October's newspaper reports about Mr. Segretti, three top Justice Department officials publicly declared that every possible lead was being investigated in the Watergate case.

In a news conference Oct. 5, the last one he held, President Nixon depicted the F.B.I. inquiry into the Watergate case as so thorough and complete that it made the 1948 Congressional investigation of Alger Hiss look "like a Sunday school picnic."

"Let's look at what happened," the President said. "The F.B.I. has assigned 133 agents to this investigation. It followed out 1,800 leads. It conducted 1,500 interviews. I wanted every lead carried out to the end because I wanted be sure that no member of the White House staff and no man

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or woman in a position of major responsibility had anything to do with this kind of reprehensible activity."

But officials of the Justice Department and F.B.I. acknowledged in recent interviews that investigations early in the summer and in the fall of Mr. Segretti's activities were cursory at best, and the two agencies blamed each other for the lack of action.

"The cut-off came just when Segretti went underground; after the newspaper stories on him broke," one F.B.I. official said.

He added that the decision to call off the inquiry had come from the Justice Department's Criminal Division.

"That's a matter of legal judgment" with which the bureau did not officially quarrel, he said, "but I suspect that there was discontent at lower levels."

Henry E. Petersen, chief of the Criminal division, refused to discuss the Justice Department's investigation in an interview, but one well-informed official categorically denied that the F.B.I. was "called off on anything."

"The bureau called up and said, 'We're not doing anything on Segretti,'" the Justice Department official related, "and asked, 'Do you see anything in this?'"

At this point, Mr. Petersen, a Democrat who was named Assistant Attorney General last year, queried the Justice Department's Fraud Division, the official said, and also found no support for a full F.B.I. inquiry on Segretti.

"He had no affirmative recommendations from anybody on this," the Justice Department official said. "If he had, he wouldn't have called it off."

Attorney General Richard G. Kleindienst, told newsmen last Oct. 24 that no inquiry into the activities of Mr. Segretti was planned "because as of right now, any evidence that has come to us would not indicate the violation of a Federal law."

In a series of interviews, a number of past and present Justice Department officials argued that even without any immediate evidence of wrongdoing, the Government had an obligation to investigate fully the activities of Mr. Segretti.

One Justice Department lawyer noted that the department had special procedures for cases involving organized crime figures or major political figures.

"You look at everything when you have a case like this," he said. "It should be fully explored in all its ramifications even though it may appear not to be a criminal violation."

Other sources noted that the published reports of Mr. Segretti's alleged operations described a number of ostensibly illegal activities, including the forging of campaign letters and the promise of future political rewards in return for pre-election support.

In addition, Mr. Segretti was said to have been paid with funds from a Republican fund totaling at least \$350,000 that may have been collected in violation of campaign finance disclosure laws.

Lawrence R. Young of suburban Los Angeles, one of Mr. Segretti's close friends, has told many newspapers that Mr. Segretti said that Republican officials permitted him to review his F.B.I. dossier. Shortly before testifying before a Fed-

eral grand jury about the Watergate case. Mr. Young also quoted Mr. Segretti as having said that Presidential aides coached him before his grand jury appearance.

At least 19 long-distance calls were placed from Mr. Segretti's telephone to Mr. Hunt's between mid-March and June last year, and at least one such call was placed to the home of Mr. Chapin.

Many other friends and former associates of Mr. Segretti have been traced by newsmen, usually through long-distance telephone toll reports, and have publicly told of having been approached by the young lawyer and asked to participate in a large-scale espionage and sabotage operations against the Democratic party.

Administration officials have consistently discounted such reports as hearsay and unprovable rumors.

Mr. Kleindienst challenged reporters last year to "get the evidence to me that would indicate that a specific person has violated a special criminal law and my department will investigate it."

But in a series of interviews over the last two weeks, former friends and associates of Mr. Segretti said that they had not been contacted by the F.B.I.

"I'm amazed, just absolutely amazed that they never called me," said Mr. Young, a lawyer. "I was so sure they were coming I even had a speech prepared."

Among the things the bureau would have learned, Mr. Young said, was that Mr. Segretti had told him of a Miami meeting with Hunt in which Hunt "mentioned hiring Cuban refugees to pose as McGovern supporters and tear up the inside of the Doral Hotel," the Miami Beach hotel to be used by Mr. McGovern as his Democratic convention headquarters.