

Charges at Hearing

Wiretap Sales and FBI

Washington

The FBI has secretly bought thousands of dollars' worth of electronic surveillance equipment through a front company that added 30 per cent to the actual prices, the House intelligence committee was told yesterday.

The allegation was one of many leveled at a hearing that showered the bureau with charges of laxity and indifference in enforcing the anti-eavesdropping laws and even connivance in violating them.

One witness, Martin L. Kaiser, whose Maryland firm manufactures electronic surveillance equipment, said that he sold \$100,000 worth of such devices to the FBI over a five-year period, but that he was always ordered to route it through the U.S. Recording Co., a private firm in Washington.

He said he finally refused to do business with U.S. Recording in late 1973. The FBI, Kaiser said, has made no such purchases from him since, although it has continued to buy bomb detection equipment that he has always sold to the bureau directly.

In another highlight of the hearing, Anthony V. Zavala, former Houston plainclothes policeman who is to start a three-year federal prison term for wiretapping, said FBI agents, as well as representatives of other agencies such as customs and the Bureau of Narcotics and Dangerous Drugs, were fully aware of illegal wiretaps carried out by Houston police.

The former U.S. attorney in Houston, Anthony J. P. Farris, added that he was consistently unsuccessful in his efforts to get the FBI to make a serious

investigation of illegal electronic surveillance by the Houston police.

Farris, who left office last December, said even appeals he directed to FBI Director Clarence Kelley and former Attorney General William Saxbe resulted in "nothing—zip."

"Saxbe didn't answer. Kelley didn't answer... no one answered," Farris protested. "I don't think they were listening."

The FBI had no immediate comment on the equipment purchases or any of the other charges.

Kaiser said his dealings with the FBI began around 1967 or 1968 but except on one occasion, "The FBI would never correspond with me. Instead they sent agents to my factory who selected equipment and made large orders."

The FBI, Kaiser said, also directed him not to send the equipment to the bureau, but to U.S. Recording. When he told the bureau that federal law would not allow him to sell some of the equipment to anyone "except a bona fide governmental agency," Kaiser said the FBI supplied U.S. Recording with a stamp certifying that the purchases "were in accordance with U.S. law."

Under questioning by Representative David Treen (Rep-La.), Kaiser said he learned of the 30 per cent markup U.S. Recording was charging the FBI by happenstance, on a visit Kaiser once paid at the Old Post Office Building to the FBI official he dealt with.

Kaiser said he noticed some paperwork from U.S. Recording on the FBI official's desk, looked at it, and compared the prices with what he had been charging.

Although he said he stopped doing business with U.S. Recording in 1973, Kaiser testified that he was recently contacted by a distributorship in Massachusetts which "had received a request for my equipment to be routed through U.S. Recording."

The Massachusetts firm's brochure shows a 100 per cent markup in the price he charges, Kaiser said, and the equipment "will undoubtedly receive a fur-



UPI Telephoto

MARTIN KAISER
Sales to a 'front'

ther markup at the hand of U.S. Recording on the way to its ultimate consumer."

Kaiser said his dealings with other government agencies, such as the Bureau of Narcotics and Dangerous Drugs, often involved the routing of equipment through Ft. Holabird, Md., "which was Army intelligence at the time, as though it were an Army purchase.

On visits to Ft. Holabird, he added, "I noticed that my equipment was being inserted into a number of imaginative objects, including but not limited to mattresses, golf clubs and electric toothbrushes."

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See SFC 8 Dec 75, this file.

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