

U.S. Hit On Laos Fraud

By Kim Willenson
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Two former U.S. officials in Laos charged yesterday that senior officials of the American Embassy in Vientiane were involved in widespread corruption from 1970 to 1973, using profits from sales of excess U.S. military goods for personal gain.

The charges were immediately denied by former U.S. Ambassador G. McMurtrie Godley, but he acknowledged that investigators for the General Accounting Office and the Agency for International Development had concluded "there were instances where people didn't follow the regulations to the letter."

The two officials, Howard F. Mushett of San Clemente, Calif., former embassy chief of security forces, and Col. Ralph F. Newman (ret.) former chief of the AID requirements office—through which military equipment was funneled to the Laotian army testified before the House Foreign Affairs Subcommittee on foreign operations.

Mushett's charges were largely directed against Godley and the former embassy administrative officer, Reed Robinson, who has since retired from the Foreign Service.

Mushett charged that between \$7 million and \$8 million of excess U.S. military property was delivered to Laos from Vietnam and Thailand as the war was winding down, and large quantities of it were illegally bartered by Robinson and other embassy officials both to pay for \$110,000 in improvements to Godley's residence and for private profit.

"It is my opinion that much of the property was disposed of to provide unauthorized construction on the ambassador's residence and for the personal financial gain of the counselor of the embassy for administrative affairs (Robinson) and two of his subordinates," Mushett testified.

The improvements on Godley's house included repairs on a swimming pool and extensive reconstruction of what had been a billet for Indian officers, attached to the International Control Commission. Godley charged the figures were grossly exaggerated and said nothing improper was done to finance the repairs. He is scheduled to testify, along with the GAO and AID investigators, next week.

Mushett also alleged that other officials were involved in a variety of illegal activities including manipulating currency, diverting to personal use the profits from the embassy's operation of a private guard service, diverting government fuel and spare parts to maintain their private automobiles, using U.S. helicopters for private hunting trips, and drinking on the job.

Newman charged that embassy officials ignored the theft of entire truckloads of aviation gasoline by Laotian air force personnel, even after it discovered that some of the gas was being resold to North Vietnamese truckers operating down the Ho Chi Ninh Trail. State Department sources said it was simply untrue that the embassy had "acquiesced" to such transactions.