(Companion story, "Ziegler Declines to Elaborate," by Peter Osnos, pasted separately.)

White House: No Spy Director Here

McCord Office Next to Muskie's

10-19-7 By Karlyn Barker Washington Post Staff Writer

James W. McCord Jr., one of seven men indicted in the Watergate bugging incident, apparently leased a K Street office next door to Sen Edmund S. Muskie's campaign office last spring while Muskie was candidate for the Democratic presidential nomination.

At the time McCord was the security coordinator for the Committee for the Reelection of the President.

The co-owner and an employee of an optician's office on the ground floor of the building at 1908 K. St. NW said McCord rented the second floor office there in May or June of this year.

The building's landlord refused to discuss the matter but confirmed that a man named McCord leased the

The building is attached to the one next door, at 1910 K St. NW, which served as Muskie headquarters from January, 1972, until the last week in July when it became the main office for the presidential campaign of Sen. George S. McGovern.

McCord, a former CIA employee and FBI agent, has been linked to one other spying incident in addition to the Watergate, where he was arrested June 17. Federal investigators say that while he was employed by the President's re-election committee McCord conducted an investigation of columnist Jack Anderson, apparently to learn where the columnist was getting information critical of the Nixon administration.

A spokesman for Muskie said Tuesday that "everything we had to say (about campaign plans) was being said" at the K Street headquarters. "The senator went in there frequently to make

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phone calls to political leaders and discussions about whether we would stay in the race and what we might do in Miami took place there at that time."

Leonard M. Gatti, landlord of the 1908 K St. building, said yesterday that it was his understanding that the second floor space "was to be used as an accounting office." Gatti said he never met the renter in person.

Gatti refused to discuss the circumstances of the lease agreement or the duration, saying only, "A man pays his rent. He get a key."

The Washington Post was told that McCord intended to use the office on K Street as a Washington branch of McCord Associates, Inc., a security firm he had opened in Rockville in the spring of 1971.

Paul Pattyson, co-owner of an optician's office below the one rented through Gatti, told The Washington Post Tuesday that it was James McCord who rented the office a few months after January when it was vacated by a landscape firm.

"I know it was him. He got mail here that had to be returned to the post office because he never picked it up," said Pattyson

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Pattyson said he was
called by Gatti "in May or
June, I think; and told the
office had finally been rented—by a James McCord.

Maria Musgrave, an employee of Pattyson, said she once "loaned a key to get into the upstairs office" to a man who said he was James McCord. Miss Musgrave was unable to identify McCord from photographs yesterday.

She said she saw the man only once, at night.

She said there was no evidence that anyone used the office during the day because the mailmen and gasmen could never find anyone there.

"I had to let the gas people in to read the meter," she said, adding that the upstairs office showed no signs of being either renovated or occupied when she last saw it—before the present tenants moved in.

Jean Ballosi, owner of the Owl and Tortoise Restaurant around the corner from 1908 K St., said she leased the second floor office there about a month ago.

"It looked just like a landscape firm (that left in January) with maps and charts still on the walls," she said, "but I've completely redecorated it now."

Renting a room near the target of a surveillance operation is a standard bugging technique. The rented room is used as a monitoring post. In it, signals transmitted by radio transmitter bugs planted in the room under surveillance are picked up and recorded.

There is no evidence that McCord rented the K Street office for bugging purposes or that the Muskie headquarters were bugged.