

FBI Officials Warned Gray Of Cover-up

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Top FBI officials warned former acting FBI Director L. Patrick Gray III several weeks after the Watergate break-in that there appeared to be a cover-up going on and urged him to immediately alert President Nixon, according to two reliable sources.

But Gray declined to go to the President, he told the officials, because he felt it would be improper and might appear as if he were seeking guidance from Mr. Nixon, the sources said. Gray's exact reasons are unclear. He could not be reached for comment yesterday.

Gray has told Senate investigators that he had mentioned to President Nixon in a brief telephone conversation on July 6 that he was confused about the action of White House aides in the Watergate probe and that their actions could cause trouble for the President, according to Senate sources.

The President called Gray on that occasion. It is not known if that conversation took place before or after Gray had been warned by his officials.

One Justice Department source said yesterday that Gray, who in July had been acting director for about two months, "just didn't get the message to the President because he was apparently afraid to make it appear he didn't know what he was doing."

By contrast, the sources said, top FBI officials were then convinced that there was a cover-up in progress though no one had any idea how high it went.

One source, who last summer told The Washington Post that more than the seven original Watergate defendants were involved, said yesterday:

"There was some evidence then that it went higher, and the word was passed to Mr. Gray ... he was presented with the case, but did not move."

Other government sources have said that there is no evidence that Gray was involved in a Watergate cover-up. One

source described Gray as naive and too responsive to directions from the White House.

Reliable sources also reported that:

• FBI communications channels were used by former Attorney General John N. Mitchell early last year to send a secret cable to the U.S. Embassy in Lebanon to obtain assistance for financier Robert L. Vesco in Vesco's unsuccessful attempt to gain control of a Middle Eastern bank.

It has previously been reported that Mitchell interceded in the Lebanese deal for Vesco, but the use of FBI communication channels had not been revealed. Mitchell and Vesco were indicted last week by a federal grand jury in New York on charges of obstructing justice by interfering with a Securities and Exchange Commission investigation of Vesco's operations.

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Mitchell also was indicted on charges of lying to the grand jury.

• The telephones of at least 17 White House aides and news reporters were tapped by the FBI from 1969 to 1971 as part of an investigation to determine the sources of news leaks involving national security matters. Included were the home or office telephones of about 12 members of the National Security Council staff or aides to Dr. Henry A. Kissinger, the President's foreign policy adviser. (Acting FBI Director William D. Ruckelshaus is scheduled to announce today the results of an

inquiry into the disappearance of the records of those wiretaps.)

Records of the wiretaps have been traced to former Assistant Attorney General Robert C. Mardian who received them in 1971 from William C. Sullivan, former No. 3 man in the FBI. Sullivan took the only transcripts of the sensitive national security taps in October, 1971, when he retired.

(Time magazine reported in its editions today that the wiretap records went from Mardian to the office of John D. Ehrlichman, the former chief domestic adviser to the President.)

Reliable sources have told The Post that Sullivan was arranging to take as many as six file cabinets of FBI summaries (called "monographs") to use as material for a book, but was prevented from doing so by then-FBI Director J. Edgar Hoover. Sullivan took the wiretap logs before his disputes with Hoover reached the point where Hoover ordered Sullivan locked out of his own office.

It is unclear whether government investigators have been able to obtain copies of the wiretap records or whether, as previously reported, all the records have been destroyed.

Mardian and Sullivan could not be reached for comment yesterday.

In a related matter, government sources last week reported that Mardian sent FBI information on anticipated demonstrations to E. Howard Hunt Jr. and G. Gordon Liddy while the two were White House and Nixon campaign aides in 1971-72. Hunt and Liddy were convicted earlier this year in the Watergate burglary and bugging case.