

Larry O'Brien ... The No. 1 Enemy



Jack Anderson

The Nixon administration not only audited the taxes of Democratic leader Lawrence O'Brien, the number one "enemy" on the White House list, but destroyed his small business firm.

Although O'Brien feels the demise of "Dukor Modular Systems" was government revenge on him for his work as Democratic National Chairman, the federal officials involved in its destruction deny it.

They admit, however, they were aware O'Brien was a director of Dukor, a California business set up to build federally-financed housing. And the documents in the case are full of bizarre "coincidence."

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IN 1970, for instance, when O'Brien was stumping for Democratic congressional candidates, Dukor was given a conditional go-ahead by the Farmers Home Administration to build and sell 40 homes in Morgan Hill, Calif.

Dukor made its investment, built the homes and sent the buyers' applications to Farmers Home for a final okay. But Farmers Home backed out, forcing Dukor to use costly bank financing. Eventually, the homes were rented or sold by Dukor at a heavy loss.

Shaken by the odd setback, Dukor went

on with another project, this time with the initial support of the Federal Housing Administration. Dukor was told at one point that a "letter of feasibility" was being typed and only needed the regional director's signature.

At the last moment, however, word came from "above" ordering rejection of Dukor, according to a memo in Dukor's files. Instead, a competing firm was given the award using virtually the same specifications as Dukor.

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IN MAY 1972, Dukor got past the "letter of feasibility" stage for a project in California named "Raintree Terrace." Suddenly, the letter was rescinded, but entreaties by Dukor got it restored.

Dukor bought the land and was eagerly preparing to build when the Federal Housing Administration objected and ordered an unusual change of specifications that made it almost impossible for Dukor to comply. The company was ruined.

Footnote: O'Brien joined Dukor at the request of his longtime friend, George Bissell. Although the former Democratic Chairman lost no money, Bissell did. Dukor had employed 200 people, more than 90 per cent of them from minority groups.