

FBI Probes Loss of Loan Firm Data

By Lou Cannon

Washington Post Staff Writer

The Federal Home Loan Bank Board has asked the FBI to investigate the disappearance of a confidential file on a Florida savings-and-loan firm operated by associates of presidential intimate C. G. (Bebe) Rebozo.

The missing file, according to board officials, contains a "digest and memorandum" that may show why the board overrode the recommendation of its own investigator and granted insurance to the new savings-and-loans association in Key Biscayne. The new association will be operated on land leased from Rebozo in the same building as the Key Biscayne Bank and Trust Company.

Last summer the comptroller of the currency overruled the efforts of a rival banking group to launch a new bank on Key Biscayne, citing the inability of the island to support a new bank. Less than a month later the Federal Home Loan Bank Board approved a grant of insurance for a savings-and-loan association, whose applicants used many of the same arguments that had been rejected in the case of the rival banking group.

Unlike the rival banking group, the savings-and-loan association has ties to Rebozo. Two of the association's directors are also directors of the Rebozo bank.

The apparent theft of the confidential file at the Federal Home Loan Bank was discovered Oct. 16 after some of the material in the file had been aired on a CBS

special report the night before.

But it was unclear if this was all the file contained, or whether it also contained notations on the memoranda explaining the reasons for the board's change of heart in granting the insurance. The same day the file was reported stolen to the FBI a copy was given to The Washington Post by Robert S. Marshall, a board spokesman.

Joseph R. Reppert, the board's information director, minimized the loss of the file yesterday and said "there is nothing in it we cannot replace."

But Board Chairman Thomas R. Bomar was concerned enough about the purported theft on Oct. 17 to write a letter to FBI Director Clarence Kelley in which he said the board had become "newly conscious of what had been a low-key

problem of confidential information being made available to others through unauthorized means. In particular the contents of a sensitive file with which the media is currently concerned unaccountably disappeared."

"Other confidential information was obtained by persons outside of the agency," the letter continued. "The board requests the FBI's assistance in resolving the apparent theft of government information and material. We also request that the FBI advise us on improving our internal security practices."

FBI sources said that the request for investigation of stolen government material was not unusual but added that it appeared to be "press leaks" that concerned the board. He said the additional request to obtain FBI assistance in improving the security procedures of the agency was "not a usual request."

It was known that the missing file contained a report made by William D. Branham, supervisory agent of the investigation into the request for federal insurance of the savings-and-loan association. Branham described Rebozo as "an interested observer" in the association's activities.

"Even though Mr. Rebozo is not a member of the proposed board of directors, it is our opinion that he would exert considerable influence

over the organizers," Branham said. "He is a person who is much respected by all who know him . . . The residents there feel he can do no wrong."



C. G. (BEBE) REBOZO . . . reported "very upset"

Despite Branham's favorable report, the application for insurance was rejected on March 6 on grounds the Key Biscayne economy could not support a savings-and-loan association. On April 2, Rebozo's attorney, Thomas Wakefield — one of the directors of the proposed association — applied for reconsideration.

This application also was rejected promptly by the regional office of the Home Loan Bank Board. However, the request for reconsideration was approved on July 18, six weeks after two Nixon appointees were named to the board.

Reppert, said yesterday that while such reconsiderations have happened before "They are not a frequent occurrence."

Reppert said the board approved the application because economic data submitted by the association

showed a "very high per capita income and a good market for savings dollars." Similar arguments failed to win a bank charter for the group seeking to compete with Rebozo's bank.

The savings-and-loan association, unlike the bank, is chartered by the state of Florida. However, federal insurance was considered important to its economic success.

"It is much more difficult to induce savers to invest without the insurance," Reppert said.

Bomar, at a press conference in New Orleans, denied any favoritism on behalf of the savings-and-loan association.

"There was absolutely no political pressure or involvement of any kind in this application," Bomar said. "There were no improper contacts of any kind with regard to this application."

Rebozo has been one of Mr. Nixon's closest friends for many years. Mr. Nixon was the first depositor in the Key Biscayne bank and wielded the shovel at the bank's groundbreaking in 1964.

White House spokesman Gerald L. Warren, who said last week that Mr. Nixon was convinced there was no impropriety exercised by Rebozo in accepting a \$100,000 campaign loan from Howard Hughes, said that Rebozo spent Friday and Saturday night at the White House and returned to Florida yesterday. (9, 20 OCT)

It was the Hughes loan, which Rebozo said he stored in a savings deposit box for three years and returned to Hughes early this year because it had become an embarrassment, that may have triggered the firing of Watergate Special Prosecutor Archibald Cox.

A highly placed White House source said that Cox's decision to investigate the Hughes loan convinced the President that Cox was "out to get him" and triggered the events which led to Cox's firing Saturday night.

The source said that the President believed that Cox was trying to make an example of Rebozo because he was a friend of the President's.

Rebozo, according to this source, became "very upset" by a story bannered last Thursday by The Miami Herald which said that Cox was looking into the Hughes loan. (18 OCT)



THOMAS R. BOMAR . . . asks FBI's help