

Sen. Gurney Admits Probe Of Finances

Washington

Senator Edward J. Gurney (Rep-Fla.) confirmed yesterday that the Justice Department is investigating allegations that a secret fund was set up to handle unreported contributions from contractors seeking influence with the Federal Housing Authority.

"The Justice Department is conducting an ongoing investigation into these matters," Gurney said in a statement. "They have asked that neither me nor any member of my staff make any comment until the investigation is concluded."

The Miami Herald quoted unnamed sources yesterday as saying the "Gurney Booster Fund" was set up in 1971 by Gurney and his aides to pay office and travel expenses and "for other unknown purposes."

According to the Herald:

Larry E. Williams, 30, of Orlando, a former Gurney

aide, collected more than \$300,000 in cash which was channeled to Gurney's office in 1971 and 1972 but never reported as political contributions as required by law.

The money was kept in a special bank account administered by Gurney's close

business associate and campaign treasurer, George F. Anderson of Winter Park.

Some of the funds collected in cash from builders seeking FHA contracts were processed through the Commercial Bank of Winter Park, which Anderson heads. Gurney serves on the bank's board.

Other contributions were passed on directly in cash to Gurney's then administrative assistant James Groot, 30. Groot resigned from Gurney's staff last month.

Groot and Williams appeared before a federal grand jury in Miami last Friday which for the past 18 months has been investigating alleged bribery in the granting of federal housing contracts.

Associated Press