

NOV 6 1973

Watergate Unit to Hear Convicted Florida Builder

The Washington Star-News

WASHINGTON, Nov. 5.—The Senate Watergate committee is to hear testimony this week from a witness who is a key figure in a Justice Department investigation involving a committee member, Senator Edward J. Gurney, Republican of Florida.

John J. Priestes, a Florida builder who is to begin serving a one-year prison term next week, is expected to recount how Nixon campaign officials asked him for a \$50,000 donation in exchange for a favor from the Federal Housing Administration.

The Senate committee plans to confine Priestes's testimony to the Nixon fund-raising charge and to avoid any questioning on allegations affecting Senator Gurney.

Priestes told Federal investigators he had made \$170,000 in secret cash payments over the last two years to a former F.H.A. director in Miami and a Florida Republican campaign official, Larry E. Williams, who has been described as a fundraiser for Mr. Gurney.

Inquiry Confirmed

Senator Gurney, in a brief statement last week, confirmed that "the Justice Department is conducting an ongoing investigation into these matters." He said that the department had asked him not to make any further comment.

The Florida Senator met with Assistant Attorney General Henry E. Petersen, head of the Justice Department's Criminal Division, to discuss the inquiry late last month, sources said.

Priestes, a 36-year-old former minor league baseball player from Coral Gables, Fla., is due to be an early witness

when the committee hearings move into the campaign finance stage, probably on Wednesday.

Priestes was sentenced to one year of Federal detention after he pleaded guilty to having received cash kickbacks from subcontractors and to filing a false tax return. The charges were not related to campaign contributions.

The builder said that he was approached for the Nixon campaign donation around March 1972, after he had been suspended from a Federal housing subsidy program because of the inquiry into cash payments to Mr. Williams. Priestes said he had been asked for the contribution "to get my suspension lifted."

The builder said that the request was made by Ben Fernandez, the head of the "National Hispanic Finance Committee to Re-Elect the President."

That group, which directed its efforts last year mainly to persons of Latin-American origin, had a Glendale, Calif., address, but it operated as a direct arm of the Nixon campaign headquarters here. It raised about \$400,000.

Mr. Fernandez is also scheduled to testify this week, sources said.

It is not clear whether Priestes ever made the contribution. The committee is focusing on the way the money was solicited.

Samuel Dash, chief counsel of the committee, said that Priestes would be questioned only about the Nixon donation since the panel is confined by Senate resolution to investigating the 1972 Presidential campaign.

Senator Gurney has been touched by a Justice Department inquiry into the housing

program because of Mr. Williams, but his connection with the Florida fund-raiser is unclear.

In a statement last July, Mr. Gurney said, "On no occasion have I discussed fund-raising on my behalf with Mr. Williams."

The Miami Herald quoted sources last month as saying that Senator Gurney "sanctioned a covert political fund-raising operation" by Mr. Williams in 1971 and 1972. The Herald said that Mr. Williams had collected more than \$300,000 in cash that was channeled into Mr. Gurney's office, but was never reported as political contributions as required by law.

Also under investigation with

Mr. Williams is William Pelski, a former Miami F.H.A. director who resigned amid the controversy earlier this year.

The Senate Watergate hearings are due to resume tomorrow with Republicans planning to call three witnesses to testify about "dirty tricks" assertedly staged by local supporters of Senator George McGovern, the Democratic Presidential nominee.

Coyotes Adapt to Man

SAN FRANCISCO (UPI)—The California Department of Fish and Game says the coyote has adapted to changes caused by man and in recent years has extended its range into all of the state's counties except San Francisco County.