

Saxbe Criticized for Dropping

By John Hanrahan

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U.S. Attorney General-designate William B. Saxbe's performance as Ohio attorney general has been criticized by two men who played roles in a 1967 investigation by Saxbe's office into allegations of payoffs involving police, politicians and gamblers in Lorain, Ohio.

The two men, a newspaper editor and a former Lorain policeman, contended in interviews this week that Saxbe let the investigation drop for political reasons at the time when they thought indictments appeared likely. Saxbe's Senate office said Tuesday that the investigation was not dropped but was turned over to local prosecutors.

Ohio editor James Daubel, who helped initiate the 1967 state probe, said he knows of no intense local investigation carried out after the state probe ended. Further, he said, the state investigation had been sought in the first place because the touchy Lorain atmosphere

made local investigation and prosecution unlikely.

A spokesman for the prosecutor's office in Lorain said that a local gambling kickback investigation had been undertaken in early 1968, but that it resulted in no indictments.

Daubel, now editor of the Fremont News-Messenger editorial page, and former Lorain vice squad policeman Gilbert Kudrin, both told The Washington Post in telephone interviews that the state investigation faded away when Saxbe began to run for the U.S. Senate in 1968, and there was never any public announcement of why the probe was dropped.

Kudrin, who said he left the police force in March of this year after proclaiming himself a Marxist and a member of the Socialist Workers Party, said he gave testimony to Saxbe's aides in 1967 about a policeman's alleged plot to murder a gambler, but that he was never called to testify in any local investigation.

Saxbe, speaking through his Senate press spokesman, James Duerk, said Tuesday

that the 1967 state investigation did turn up evidence of wrong doing in Lorain, but that under Ohio law the attorney general had no power to impanel a grand jury.

Only local prosecutors or the governor can do this, Duerk said, so Saxbe turned over all the evidence to the prosecutor in Lorain Duerk said no evidence was submitted to then-Gov. James Rhodes, who, like Saxbe, is a Republican.

The Dayton newspaper also reported that it has in its possession a confidential Ohio Liquor Control Department report that said Klein "is allegedly connected with the Cleveland organized crime element and probably controls the major portion of the coin machine business in Ohio."

Daubel said he and Otto Schoepfle, publisher of the Elyria Chronicle-Telegram for which Daubel then worked, personally met with Saxbe in early 1967 to request that his office investigate gambling kickback allegations in Lorain.

A state probe was needed,

Daubel said, because the strong possibility that local politicians and policemen were involved made them doubt that local prosecutors would investigate the matter thoroughly.

Daubel said he attempted to find out in 1968 what had happened to the state investigation, but was only told by the attorney general's office that they were following through.

"Suddenly, Saxbe decided to run for the Senate and, bang, the whole thing fell apart and was never heard from again," Daubel said. Saxbe, a Republican, was elected to the Senate in 1968. Last week, he was nominated by President Nixon to be U.S. Attorney General, subject to Senate confirmation.

Daubel said that, as a reporter in Elyria, he had developed a number of good police and gambling sources who told him of corruption in Lorain, but that because much of the information was conflicting, he was unable to publish much of it. It was under those circumstances that he and Schoep-

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fle went to see Saxbe, he said.

Initially, Saxbe sent in a three-man team, headed by attorney David L. Kessler, to question a large number of witnesses and take sworn, tape-recorded statements from a large number of witnesses, including gamblers and policemen, Daubel said.

Daubel said he personally sat in on interviews conducted by the attorney general's office and, from what he heard, is certain "there was sufficient evidence to bring some indictments." Kessler could not be reached for comment.

Schoepfle said in a telephone interview that he recalled going with Daubel to see Saxbe about gambling in Lorain, but could not recall whatever happened to the investigation.

Lorain, a basically blue-collar community of about 80,000 mainly had "penny-ante gambling," Daubel said, including bookie operations, Bolita (numbers) and tip boards. He said there were allegations that both Republican and Democratic politicians, as well as

police, were benefiting from payoffs and campaign contributions from gamblers.

Kudrin, who left the police, on another matter, Saxbe's office acknowledged yesterday that Saxbe had, on Sept. 15, 1969, written a letter to the Nevada Gaming Control Board's chief investigator, Harold E. Anderson, vouching for the reputation of Cleveland millionaire gambling figure Sam W. Klein.

Klein at the time was seeking a gambling license. He subsequently withdrew that application.

Duerk disclosed the contents of the letter yesterday after the Dayton Daily News reported its existence Monday. The newspaper reported yesterday that Klein again listed Saxbe as a reference on April 25 of this year in a new application for a gambling license from the Nevada Gaming Control Board.

Klein is the major stockholder in the Bally Corp. of Chicago, a pinball and slot-machine manufacturing firm, in which Saxbe bought 400 shares shortly after he

was elected to the Senate in 1968. Saxbe said he sold the stock a year later after learning that one of the company's officers had been linked to organized crime.

Saxbe said yesterday, through Duerk, he knows of nothing that would change his opinion of 1969 that Klein has a good reputation and is "a person worthy of trust."

Newsmen Approve Pact in Pittsburgh

PITTSBURGH, Nov. 7 (AP) —News personnel at the Pittsburgh Post-Gazette receive a \$60 weekly pay increase over three years, plus legal protection if they are pressed to divulge confidential sources, under terms of their new contract.

The agreement, retroactive to Jan. 1, was signed Tuesday by the PG Publishing Co. and the Newspaper Guild of Pittsburgh. It provides a top minimum salary of \$320 a week in mid-1975 for reporters, photographers and artists and \$324 per week for copy editors, sportswriters and editorial ers.