

House Investigator Alleges White House Pressure

By PAUL DELANEY

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WASHINGTON, Nov. 27—More allegations of criminal violations, mismanagement and White House pressure were made today at the opening session of public Congressional hearings on the Small Business Administration.

Testimony before the Small Business Subcommittee of the House Banking and Currency Committee disclosed that the scandal was under investigation

in more cities, a total of 22, than previously reported, which shocked several committee members.

Curtis Prins, chief investigator of mismanagement and corruption in the S.B.A. He had found evidence of White House interference on behalf of Bennie McRae, a former defensive half-back for the Chicago Bears and the New York Giants.

Mr. Prins told the committee that "we have evidence of White House pressure to facili-

tate loans and to cover up our investigation." Further, he said he was looking into the possibility that some White House staff members "were involved in funding arrangements as participants" and a White House query to an official of the Federal lending agency as to whether "he would be willing to destroy his files."

Mr. Prins refused to go into details of those allegations, but said that other investi-

gators would do so in testimony Thursday. The White House had no comment on the matter.

Mr. McRae is owner of a construction company in Portsmouth, Va. He was co-chairman of Athletes for Nixon in 1968 and 1972 and also serves as an adviser on physical fitness to the President.

Mr. Prins said the Richmond district office of the Small Business Administration had refused an application for a

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\$100,000 direct loan by Mr. McRae last June. But, the witness added, the office director, Thomas Regan, subsequently wrote a memo to his loan officer stating, "Please get out the papers on McRae (approve the loan) as soon as possible. This is a White House case, and the heat is on."

The investigator testified that another memo from Mr. Regan's file mentioned a telephone call from Lewis Long, deputy administrator of the

agency. He said that Mr. Long had complained about pressure from Mr. McRae regarding the request. Mr. McRae reminded the officials that he had contacts in the White House, Mr. Prins said.

Mr. Long said in the telephone conversation, according to Mr. Prins, that the pressure to approve was not from the Washington central office but from the White House. Mr. Prins said the memo had then stated:

"Long asked that Mr. McRae deal with us directly rather than take the circuitous route to the White House and back to us."

Mr. Prins said that Mr. McRae had defaulted on several other loans and guarantees from the agency and that his construction license had been lifted by the State of Virginia last year, but that he got a loan approval from the Federal Housing Administration for construction of a low income housing project this year.

Mr. McRae could not be reached for comment.

The investigation into the activity of Mr. Regan and his Richmond office set off an inquiry on other S.B.A. offices.

Drivers Fined \$1.9-Million

SALEM, Ore. (UPI)—Fines amounting to \$1.9-million were levied in Oregon for hazardous traffic violations on state highways during 1971-72.