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# Sen. Gurney Denies He Knew Slush Fund Had Been Solicited

By William Chapman  
Washington Post Staff Writer

JACKSONVILLE, Fla., Dec. 6—Battling to protect his political career, Sen Edward J. Gurney (R-Fla.) went on a statewide television broadcast tonight to deny reports that he knew a slush fund had been solicited in his name in exchange for promises of political influence with federal housing officials.

"It's true that I was careless and unobservant and too trusting," Gurney said. But he insisted he neither knew of the solicitations nor benefited from them.

"I have received nothing," the senator declared in an emotional wind-up to the program. "I've made no personal gain."

Gurney said the solicitations apparently had been made by a former volunteer aide, Larry E. Williams, without his knowledge. He discovered Williams had used his name to collect at least \$100,000 from Florida builders who were promised favorable treatment—through Gurney's office—with the Federal Housing Administration, he said.

Federal grand juries in Jacksonville and Miami are investigating reports of builders' kickbacks in exchange for FHA help in their projects. Newspaper reports estimate the total at more than \$300,000. Williams has pleaded guilty to two felony charges and is cooperating with the grand juries.

The Miami Herald, in a series of investigative stories, has reported that kickback money has been traced to a safe in Gurney's Washington office.

Today, the Herald quoted sources as saying Williams and Gurney's former administrative assistant, Jim Groot, have testified that at least \$45,000 of the money had been placed in that safe on one occasion.

The story said Groot and Williams testified Gurney was not present when the money was placed there but that the senator knew of the transaction and had expected it.

Asked about that report tonight, Gurney said, "I have no personal knowledge of that. I've looked in my safe and there's no money there." Until she retired recently, only his former secretary knew the safe's combination, he added. "It's a standing joke around my office that Gurney doesn't know the combination of his own safe," he said.

Gurney faced about 30 newsmen tonight in a telecast from station WJXT here. It was broadcast on several other CBS-affiliated stations throughout Florida.

After maintaining silence for months as the charges appeared in Florida newspapers, Gurney accepted the offer to face newsmen when it became apparent that his political career is in jeopardy. He is up for re-election next year.

Gurney was stern-faced but calm tonight as he appeared before the camera for an hour, asserting repeatedly that he may have been careless but not crooked. He said he will appear before the grand juries if they call him and disclosed that his current aide, James Allison, will testify before one of them Friday.

Gurney said he learned to his surprise in June, 1972, that Williams had solicited \$100,000 for his next Senate campaign. He said he was "appalled" and had asked Williams if he had done anything illegal. "He assured me he had not," Gurney said. "I told him he had put me in an extremely embarrassing position. I told him to stop at once."

Why hadn't he reported the contributions under a new federal law that had gone into effect two months earlier? Gurney was asked.

"There was no way to re-

port the funds since I wasn't a candidate then," he replied. He said he had decided to wait until he announced formally and then file statements in Washington and Tallahassee.

Why hadn't Gurney returned the money to the contributors? The senator said that even now he does not know the names of any donors. Williams, citing his lawyer's advice, has refused to give him the list of names, Gurney said.

A Gainesville builder has complained publicly that Williams sought a \$5,000 contribution from him and offered to use Gurney's influence to help get him FHA approval for two apartment projects. Gurney said tonight no Florida builder, including the one from Gainesville, has told him of being solicited.

Gurney also attempted to clear up one apparent contradiction between his earlier comments and recent press disclosures about his alleged participation in planning the fund-raising drive.

Gurney said flatly last July that he never discussed a solicitation campaign with Williams. The Miami Herald has reported that the initial planning for the campaign was done at a meeting in 1971 in Gurney's home and that Gurney was present.

Furthermore, former GOP Chairman Duke Crittenden attended the meeting and told the Herald he was sure that Gurney was aware Williams was raising money for a "Gurney Boosters Fund."

Gurney acknowledged tonight that there had been talk at that meeting of the need for contributions for his political travels and for his field office aides' work. There was, he said, talk of a "boosters fund."

But he said he never heard anything more about it and assumed until the summer of 1972 that no one had actually begun soliciting money.

Asked to explain the apparent contradiction in his comments on the fund-raising plans, Gurney said tonight, "It's a matter of semantics." He said he had discussed the idea of a fund-raising campaign but knew nothing of the solicitation drive that subsequently was carried out.

The FBI interviewed him about one reported builder's kickback and he assumed that an investigation had been made without finding any wrongdoing, Gurney said. He said he had asked Assistant Attorney General Henry Petersen, chief of the Justice Department's Criminal Division, to make a full investigation.

Gurney acknowledged he had traveled frequently in Florida with Williams, who acted as chauffeur and volunteer political aide, and that they even had planned a business venture together. But he insisted he knew nothing of Williams' solicitation in his name. Some of the money was spent in his field offices, but he is not sure where most of it went or where the remainder is now, he added.

Asked to whom Williams was responsible to in the fund-raising role, Gurney said, "That's a good question. I'm really not sure."

Asked why he didn't force Williams to identify the donors when he first learned of the \$100,000 fund, Gurney said, "I must say I wish I had... I was unobservant and careless."