

The President and The Black Doctor

Washington

A congressional investigator said yesterday the White House organized a number of federal agencies to provide \$1.8 million in monetary aid to a black doctor in New York, then attempted to squash an investigation when the man committed "grand larcenies" with the federal money.

Curtis Prins, chief investigator for the House Banking Committee, said information he obtained over the weekend in New York indicates that President Nixon considered Dr. Thomas Matthew a prime example of "black capitalism," and designated some Matthew projects as a "pilot program" for his black capitalism program.

He produced testimony given by Matthew in a private hearing before the Securities Exchange Commission on June 9, 1969 that Mr. Nixon had told Matthew personally that he would give his "fullest cooperation" to black capitalism. The next summer, Prins said, Finch met with Matthew to discuss making his projects into Mr. Nixon's pilot black capitalism program.

Matthew, a neurosurgeon, was jailed on tax evasion charges but was freed in 1969 by a presidential pardon.

Then, in April, 1971, the White House named Anthony

Chase, deputy administrator of the Small Business Administration, to coordinate all federal aid efforts for Matthew.

By June 23, 1971, Matthew had received more than \$1.8 million in government loans and contract assistance, Prins said. Things soured fast, however, and by November, 1971, the SBA had begun an intensive audit of Matthew's financial affairs since several SBA loans were involved.

No federal charges were ever filed. Prins noted the two-year delay in federal action during which the state of New York prosecuted and convicted Matthew on 61 counts of funds mismanagement.

"During the week of August 20, 1972, Dr. Matthew met at the Fontainebleu hotel with L. Patrick Gray, who at the time was the acting FBI head, to discuss the prosecution of the Dr. Matthew case," Prins said.

He then read a series of memos from the files of Lawrence J. Finnegan Jr., a deputy district attorney in Queens County, N.Y., who was involved in prosecuting Matthew on state charges. Finnegan's memos spoke of the "powerful connections this man (Matthew) has with the White House and the 'criminal political significance of the SBA dealings with Dr. Matthew.'"

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