

Sen. Gurney Faces

By Spencer Rich

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Facing the greatest political crisis of his life, Florida Republican Edward J. Gurney is expected to announce today that he is a candidate for re-election to the U.S. this fall.

Six months ago the handsome, transplanted New Englander, who was rapidly gaining national recognition as a member of the Senate Watergate committee, looked like a sure bet for another six years in the Senate.

Today, his prospects are uncertain and his career may be in ruins, the outcome of charges that an aide promised government favors to builders in return for campaign contributions.

New Democratic challengers to take on Gurney in November are popping up, with five already reported in the race or on the edge: Florida congressman Bill Gunter, State Sen. Richard Pettigrew, Florida Secretary of State Dick Stone, State Senate President Mallory Horne and former state bar association chief Burton Young.

Four possible challengers to Gurney in the Sep. 10 GOP senatorial primary are also beginning to surface: Congressman Lou Frey, Paula Hawkins, described as a "populistic Republican" on the state public service commission, State Sen. David McClain, and state legislator Russell Sikes.

Gurney associates, conceding he has been hurt by the building scandal, in which he denies any personal involvement or knowledge, contend, "He stands a good chance. He was down there recently and got a good reception, especially on the West Coast." But many Democrats believe that even if legal charges are never preferred against him, Gurney has been so badly hurt politically that he is ripe for the taking. Gunter, in a statement recently, predicted that Gurney won't even get renominated.

What has brought about



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Sen. Edward J. Gurney: challengers popping up.

this remarkable change in Gurney's political fortunes is a growing scandal involving Larry Williams, a former GOP political fundraiser and one-time Gurney business associate in real estate ventures, who also used to drive Gurney around the state from time to time during his political trips.

According to reports in the Miami Herald and other Florida newspapers based on alleged leaks from grand juries in Jacksonville and Miami:

- Williams raised somewhere from \$100,000 to \$300,000 in campaign and office expense funds for Gurney, starting in 1971, from builders who were promised that Gurney would intercede to help get them government

housing loans and guarantees. None of this money has ever been reported by Gurney in Senate fund receipts so far.

- The reports contend that Williams personally transmitted to Jim Groot, Gurney's administrative assistant in Washington who resigned last Oct. 3, some \$45,000 or more in envelopes full of cash, which Groot allegedly stored in a safe in Gurney's Senate office.

- Moreover, the Miami Herald has charged that the Oxnard Corp., formed by Gurney, Groot and Williams to make land investments in Pinellas County (St. Petersburg area) in 1972, received money directly from builders hoping for government housing favors.

Uphill Race

Gurney, in a Dec. 6 press conference and in statements to reporters by his aides here, has denied all complicity in any illegal acts.

He concedes that he met Williams early in 1971 and discussed with him and others the possibility of establishing an Ed Gurney Boosters Fund to raise money for various campaign or office expenses.

But he says there was no final decision on whether to set up the fund and that he was surprised when he learned in 1972 that Williams had already collected \$100,000 for him.

Gurney says:

- He hasn't any knowledge or complicity in promises of government aid to builders allegedly made by Williams to obtain the contributions.

- He never received any of the money raised by Williams except for about \$16,000 turned over to his Winter Park office without his knowledge and apparently used for office expenses in Gurney offices in Florida;

- He knows nothing about the use of his office safe (to which he didn't have the combination) to store any money

When he finally opened the safe a few months ago, aides said, there wasn't any money in it.

In his Dec. 6 press conference, Gurney said he had formed the Oxnard Corp. with Groot and Williams strictly for land investment purposes, and had given Williams \$10,000 to cover various expenses on July 24, 1972, but "the venture was a complete failure and my \$10,000 is gone."

Gurney said he had never reported the \$100,000 raised by Williams—part of which apparently was kept in a lockbox in a Winter Park bank of whose board Gurney was between campaigns and didn't feel it appropriate to report yet. Aides said he will report the \$16,000 given to his Winter Park office in a filing to the Secretary of the Senate shortly.

Already a number of indictments and Fifth Amendment pleas have occurred in the case:

- John Priestes, 36, a Florida builder, pleaded guilty to two charges involving FHA homes and, according to the Miami Herald, told the grand jury he paid \$170,000 to Williams and former FHA Miami office director William Pelski, in hope of a favorable FHA financing decision on 20 units of housing.

- Williams on Jan. 18 was indicted on charges of accepting \$10,000 from Priestes in connection with Priestes attempts to get the 20 units approved by Pelski's office.

- Former Gurney administration assistant Groot, Duke Crittender, a former state GOP chairman who allegedly was in on early meetings looking toward creation of the Gurney Booster fund, and George Anderson, president of the Winter Park bank where Williams reportedly kept some of the money, all have taken the Fifth Amendment in various Florida proceedings involving the scandal, according to Gurney aides.

James Allison, a former Gurney campaign manager who investigated the financial reports for Gurney, insisted in a conversation recently that Gurney had absolutely no knowledge or involvement in any wrong doing and had volunteered Dec. 6 to go before the grand jury, though he hasn't been called yet.

"The two crucial questions," Allison said, "are did he know anything about promises of favors? And, did he receive any of the money... aside from the \$16,000 that was given to his Florida offices? The answer to both is no."

"Be that as it may," commented one Florida Democrat on Capitol Hill, "the feed I get from Florida is that the Republicans have no intention of letting Gurney have the nomination. Not with Watergate to carry."