

# GURNEY TESTIFIES IN KICKBACK CASE

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Senator Quizzed by Federal  
Jury Investigating Political  
Bribery by Contractors  
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By WAYNE KING

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JACKSONVILLE, Fla., May 13—Senator Edward J. Gurney spent a full day testifying today before a Federal grand jury investigating allegations of widespread bribery and kickbacks to politicians from Florida building contractors.

The Florida Republican emerged from the guarded and cordoned-off jury room only a few times during the day, looking somewhat pale and distracted and refusing to talk to newsmen about his appearance before the panel.

Although the proceedings were conducted under strictest secrecy—it was not even revealed whether Senator Gurney would appear again to testify tomorrow—the grand jury was said to be interested in a full accounting of the Senator's campaign finances.

He appeared before the grand jury voluntarily, not in response to a subpoena.

## \$300,000 from Contributors

His appearance is expected to end the present phase of the jury's inquiry, began last fall,

into allegations of bribery involving up to \$300,000 in campaign contributions solicited in the Senator's name from Florida contractors seeking favorable Government action on housing projects.

Senator Gurney, who became nationally known as a member of the Senate Watergate investigating committee, is running for re-election in November. The grand jury is expected to act quickly to either indict or exonerate him in the alleged kickback scheme.

The Senator has acknowledged that funds were collected from builders in his name, but he denies that he knew anything about them. The exact amounts and dispositions of the money are not known.

Senator Gurney has been indicted in Tallahassee on a charge of failing to report \$100,000 in campaign donations, which he has said he learned about in June of 1972. Florida law requires that candidates report such donations, but Senator Gurney contends that he was not a candidate at the time, and so was not obliged to report them.

## Associates Questioned

The county indictment in Tallahassee — a misdemeanor charge—is regarded as a sidelight to the Federal grand jury investigation.

The Federal panel has previously taken testimony from some of Senator Gurney's close associates. One is Larry E. Williams, 30 years old, who headed the fund-raising effort under investigation.

Mr. Williams is serving a one-year term in Federal prison. He admitted failing to pay taxes on money that he took for himself from the campaign contributions and he admitted taking money from builders in return for favorable treatment by the Federal Housing Administration on building projects.

Senator Gurney has said that he knew nothing of the bribes.

## 2 Others Indicted

The grand jury has also heard testimony by two others who have been convicted of involvement in the bribery and kickback activity. They are William Pelski, director of the F.H.A. office at Coral Gables, and John J. Priestes, a Miami contractor. Mr. Pelski is serving an 18-month Federal prison term for accepting a \$10,000 bribe from Mr. Priestes, who is serving a one-year term.

Senator Gurney's former chief aide, James Lee Groot, has also testified. Mr. Groot and at least one other former aide to Senator Gurney said that they had authorized Mr. Williams to collect campaign money for the Senator.

A number of other builders and political figures, including the Republican state chairman, have also testified before the panel.