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# Gulf Oil's Huge Web Of Payoffs

**Washington**

In a detailed picture of the Gulf Oil Corp.'s massive payments to politicians and candidates here and abroad, an independent investigative committee yesterday described the company's domestic contributions as "shot through with illegality."

"The activity was generally clandestine and in disregard ofhfederal, as well as a number of state, statutes," the three-member panel said in a special report to the Securities and Exchange Commission and the U.S. Court for the District of Columbia.

The Special Review Committee disclosed not only the details of foreign payments previously disclosed but made public the existence of a "gray fund" for giving tips and presents to "relatively low-level governmental personnel" with whom Gulf had contact in South Korea and a "fondo nero" or black fund in Italy, out of which Gulf paid $10,815 to newspapers, editors and journalists.

Yesterday's report is unusual because of the scope of Gulf's activities — the report puts the total of Gulf's lawful and unlawful contributions at $12.3 million.

The 298-page report, with six appendices, is the result of a 10-month inquiry headed by John J. McCloy, a senior partner of the New York law firm of Milbank, Tweed, Hadley and McCloy.

McCloy said that the investigation should provide Gulf's board of directors "with information needed to take whatever action the directors deem necessary and proper." The board will begin its formal consideration of the report January 12, he said.

As part of the settlement of a government suit, Gulf agreed to arrange for the inquiry by the Special Review Committee. The resulting reports are filed with the SEC and the appropriate court.

On the key issue of the responsibility of Gulf's officers, the special committee found that Royce H. Savage, former general counsel of the company, was "aware that (Claude C. Wild Jr., a Gulf lobbyist) had a source of

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corporate funds available to him which he was probably using for political contributions and payments."

It also found that Herbert C. Manning, another lawyer who was secretary of the company, "failed to inquire as diligently and professionally as he should have into the source of funds he received" before making political contributions. Similarly, it concluded that William L. Henry, an executive vice president, and Fred C. Deering, former controller, failed to make adequate inquiries.

As for the company's chief executive, Bob R. Dorsey, the report concluded that the evidence it had gathered "falls short of demonstrating theat Dorsey was informed of Wild's unlawful political activities."

Most of the recipients of Gulf money had been identified earlier as information trickled out of the case in the form of depositions taken from persons associated with the operation.

Domestic recipients identified earlier included Senator Hubert Humphrey (Dem-Minn.) during his 1968 presidential campaign; Lyndon Johnson, shortly after his election as vice president, and Senate Republican Minority Leader Hugh Scott.

The identification of Scott as the recipient of $5000 in the spring and $5000 in the fall of each year back to 1960 was second-hand. It came in a deposition by a Gulf atttorney who attended briefings by Wild before investinators in 1972 and 1973.

The committee report provided new information that even after the eruption of publicity over Watergate in 1973, according to a lawyer's recollection of an interview with Wild, Scott again asked for money.

"Wild apparently told the senator that he could not provide money any longer, but the senator seemed unable to understand why," the committee said.

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