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Big SEC Probe of Corporations

Washington

The Securities and Exchange Commission revealed yesterday an ever-widening investigation of corporations that have misused their funds to make kickbacks, bribes and illegal political contributions, among other things.

Roderick Hills, chairman of the SEC, told a congressional subcommittee investigating corporate abuse of power that "about 30" unspecified companies are being investigated for alleged misuse of funds.

The SEC has already gone to court against nine major corporations charged with mispending funds both here and abroad.

In six of those cases, the companies have agreed to end such abuses and have produced or are producing detailed studies by

independent directors outlining for the public all instances of mispending and how that mispending has concealed.

Early yesterday morning, Gulf Oil Corp. announced a substantial shakeup of its top corporate officers because more than \$12 million had been concealed in a foreign subsidiary and used to make illegal political contributions.

Besides Gulf, the SEC also has moved against Minnesota Mining and manufacturing Co., American Ship Building Co., General Refractories Co., Phillips Petroleum Corp., The Northrop Corp. and Ashland Oil Co.

Senator William Proxmire (Dem-Wis.), chairman of the hearings, said he was shocked that except for Gulf and 3M, there

have been no firings or dismissals of the corporate officers who have been held responsible for bribes and illegal contributions.

Stanley Sporkin, head of the SEC's enforcement division, said he shared Proxmire's concern, but said the SEC's prime aim has been to establish a "new form of governance" for the corporations to protect shareholders and the public.

Sporkin was referring to the SEC insistence in court settlements that the directors of the company who are not corporate officers be responsible for investigating the wrongdoing, for determining whether any action should be taken against corporate officers and whether restitution should be sought.

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