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Allegations About Ford Said 'Serious'

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The Watergate special prosecutor is investigating what an authoritative government source said yesterday are "serious" and "significant" allegations that Gerald R. Ford, while a Michigan congressman, illegally diverted campaign contributions to personal or improper political use.

A Washington grand jury under the direction of Watergate Prosecutor Charles Ruff began a formal investigation into the matter late last month. Despite the reported seriousness of the allegations, government sources said yesterday that investigators have drawn no conclusions about the Presi-

dent's involvement in the episodes now under examination.

Special Prosecutor Ruff, as previously reported, has subpoenaed the records of three local Republican committees in Ford's former congressional district. In addition, at least eight former local officials of the committees have been interviewed by the FBI.

Ruff has refused to comment on the reports but said last week that any subpoenas issued by his office would be served under the auspices of the regular Washington grand jury under his control.

FBI agents have pointedly asked some former Michigan Republican officials if Mr. Ford received cash or

other funds from money that two maritime unions gave to the local Kent County committees. Kent County makes up the bulk of Mr. Ford's old 5th Congressional District.

The campaign officials said in interviews this weekend that they knew of no such payments to Mr. Ford, other than routine reimbursement to him for such campaign expenses as travel.

Stephen C. Brandsdorfer, counsel for the local Republican committees in Kent County, said yesterday the committees' records for the period under investigation—1964 to 1974—support these assertions.

White House and Kent County Republican officials have sought to dis-

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count the importance of news reports on the investigation. They have speculated that the probe is designed to embarrass Mr. Ford in the midst of the presidential campaign for election.

Persons who know Ruff well describe the special prosecutor as an extremely cautious lawyer—"very bright, very bipartisan, and very careful," in the words of one lawyer. "Knowing how careful he is," said another, "I can't imagine that, under these circumstances, he'd proceed without very good reason."

One informed source said yesterday that Ruff has provided limited information about the case to Attorney General Edward H. Levi.

Meanwhile, Justice Department lawyers expressed doubt that the President would be notified by the special prosecutor of details about the investigation, even if Mr. Ford were the target of the grand jury's probe.

The FBI agents' questions have focused on contributions to the Kent committees from the Marine Engineers Beneficial Association and the Seafarers International Union.

Marine Engineers President Jesse M. Calhoun confirmed last week that his union's records have been subpoenaed. Like White House and Kent Republican officials, he expressed bafflement at the investigation.

Philip Carlip, the Seafarers' chief lobbyist at the House of Representatives for more than 20 years, resigned last month. His friends said it had nothing to do with the current investigation.

Carlip, reportedly a very effective maritime lobbyist, was often involved in arranging large campaign contributions to House members over the years.

Most of the details about the special prosecutor's investigation come from current and former Republican officials in Kent County.

Thomas C. Bloodgood Jr., Kent County GOP finance chairman in 1969-70, said that in his FBI interview he described how \$4,500 from the two maritime unions made its way to the local committee.

According to Bloodgood, the unions gave the money to Mr. Ford in 1970. "He (Mr. Ford) called me from Washington and said he had these contributions and he didn't need them.

"He said that he would either endorse them or they (the unions) would send them direct. They were coming to the committee here and would be available for anything the Kent County Republican Committee needed."

Bloodgood said that the \$54,500 was put in the general Republican account and spent on various campaigns, perhaps including Mr. Ford's.

Concerning his FBI interview on Friday, Bloodgood said the agents "asked if any of this money from the

unions or any cash to the committee was laundered and turned over to Jerry. I said absolutely not."

Bloodgood said that Mr. Ford forwarded the \$4,500 to the Kent local committee because "Jerry didn't need to spend much on his campaigns because he was reassured re-election."

Mr. Ford's campaign contribution records show that it was not at all uncommon for him to transfer funds from his own reelection committees to the county committees or other Republican candidates throughout the country.

In 1972, more than \$15,000 went from Mr. Ford's campaign committees to other candidates, according to records on file at the Federal Election Commission.

If such transfers were properly reported—as they apparently were—there would be no violation of the law.

Paul Goebel, the Kent Republican fi-

nance chairman in 1971-72, said the FBI asked him "if the money from the unions was converted to cash and given to the Ford campaign or to the individual (Mr. Ford)."

Goebel said he told the FBI, "There was no cash conversion . . . They then asked about check payments and yes, there was one from the committee to Ford—a small amount of about \$50 for travel."

Others interviewed by the FBI include Peter Cook, the finance chairman in 1965, Harlod Garter (1973-74) and Eliot Serafin, another former finance chairman.

Brandsdorfer, the local Republican counsel, said that he has been sitting in on the FBI interviews with former Kent officials. He declined to talk about the interviews other than to confirm that the agents' "questions were very broad" and to say "the investigation has been very thorough."

"To my knowledge there is nothing in the records or known by the former officials interviewed in my presence to support allegations" that Mr. Ford took any money improperly, he said.

Brandsdorfer said that the committee records show where every dollar came from and how it was spent.