

, Mafia

G-Man 'Linked' Alioto, Mafia

Justice Dept. Blames Agent

A Justice Department spokesman admitted today in Washington that an FBI agent furnished information for the Look magazine article that linked Mayor Alioto to the Mafia.

Assistant Attorney General William H. Rehnquist told the Senate Subcommittee on Constitutional Rights that the agent was "disciplined" and subsequently retired. He identified him as Herbert Mudd.

Mudd featured briefly in the Mayor's \$12.5 million libel suit against the magazine, which ended in jury disagreement and is scheduled for retrial.

Alioto said heretoday, however, that Mudd was being used as a "scapegoat." He demanded to know what had been done about his superiors, Charles Hiner and Charles Bates. They had been given memos about Mudd's meeting with Look writers, the Mayor said.

Narco Exhibits

Rehnquist also told the committee that a deputy assistant Attorney General met with the editorial board of Look about the time the article appeared, and that four exhibits in the libel trial had originated with the old Federal Bureau of Narcotics.

He said the disclosures came to light as the result of an investigation ordered by Attorney General John Mitchell when Alioto charged in testimony before the committee five days ago that

eight federal, state and local law agencies had provided confidential information about him to the two freelance writers who prepared the Look article.

Contact With Author

"The FBI," Rehnquist said, "has reported that, after the institution of the libel suit by Mayor Alioto against Look magazine, it received information that one of its San Francisco agents had been a source of data for the controversial article.

"The agent acknowledged that he had been in contact with one of the co-authors of the article and had on various occasions given and confirmed information that appeared in the article.

"At no time were official files of the FBI furnished to Look, and the agent's disclosures and confirmation of information were not made with FBI or other Department of Justice authorization.

"Appropriate disciplinary action was taken against the agent in question and he retired."

The deputy assistant Attorney General who conferred with Look editors was Henry Peterson, still the No. 2 man

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U.S. Admits Agent Leaked Alioto Info to Magazine

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in the department's criminal division, Rehnquist said.

No Alioto Info

He told the committee Peterson volunteered the information that he had met with the editors and said that he had given the magazine no information concerning Alioto.

"The purpose of the meeting, so far as Mr. Peterson was concerned, was in connection with the efforts of Look magazine to set up a reporting unit dealing with organized crime, and had nothing to do with Look's article about Mayor Alioto," he added.

Rehnquist said the Bureau of Narcotics and Dangerous Drugs reported that its predecessor bureau had been the source of the exhibits in the libel action.

"There is no indication of how these reports were released," he told the committee. "The possibility of a disclosure by a bureau employe is currently being investigated, and, if established, will

result in disciplinary proceedings."

He noted that it has been established practice for the Bureau of Narcotics to make its reports available to state and local law enforcement agencies "who have a legitimate interest in their contents."

Rehnquist testified that the involvement of government personnel in the Alioto case came to light in reports delivered to Mitchell by FBI Director J. Edgar Hoover, Director John E. Ingersoll of the Bureau of Narcotics and Dangerous Drugs, and Commissioner Raymond F. Farrell of the Immigration and Naturalization Service.

He did not identify the FBI agent until Senator Sam J. Irvin Jr., committee chairman, asked if he were Mudd. Another Justice Department staffer subsequently confirmed the identification.

During the libel trial, Lance Brisson, one of the Look writers, identified Mudd as the source of one statement in the article to the effect that James "The Weasel" Fratianno and Angelo Marino met with Alioto in his law offices to discuss Fratianno's finances.

Mudd himself subsequently testified, and said he did not provide the writers with that statement, nor did he tell them Alioto was in the law offices that day or that the Mayor used his influence to obtain loans for Fratianno at the First San Francisco Bank.

Didn't Tell of Story

He also testified that while he had discussed organized crime with Richard Carlson, the other writer, on many occasions prior to publication of the Alioto article, Carlson never told him that he planned to do a story on the Mayor.

It was learned out of court, when Brisson first identified Mudd, that Mudd had been transferred to another FBI post and resigned instead.

Alioto was flying to Seattle this afternoon to deliver a memorandum to a federal grand jury there tomorrow in its investigation of a fee-splitting case.

The jury resumed its probe today of how and why the Mayor shared \$530,000 of a \$2.3 million law fee with former Washington Attorney

General John O'Connell and his aide, George Faler.

The money was paid Alioto for representing the state and 15 public utilities in an anti-trust price-fixing suit.

Alioto's lawyers submitted a series of questions to Look attorneys bringing the fee-splitting issue into the libel action.

In the Washington committee investigation, Rehnquist said today that as a result of Alioto's charges last week the Justice Department had written to Time-Life, Inc.

Alioto said that a national magazine had a file cabinet full of Justice Department files, and the purpose of the letter was to ask whether Time-Life did have such files in its possession and, if so, to demand their return, Rehnquist told the committee.

He added that the Justice Department had no evidence other than Alioto's testimony about the files, and that to date no answer has been received to the letter.