

## Senate Hearing

# U.S. Admits an FBI 'Leak' of Data on Alioto

By George Draper

Mayor Joseph L. Alioto obtained partial satisfaction yesterday regarding his complaint that Government investigative agencies have been leaking confidential information about him.

This happened when a high Department of Justice official in Washington, D.C., acknowledged that an FBI agent had furnished information for a look article that sought to link Alioto to the Mafia.

William H. Rehnquist, head of the department's office of legal council, said the agent was disciplined and then retired.

Rehnquist also said Deputy Assistant Attorney General Henry Peterson met with the editorial board of Look just prior to publication of the article about Alioto published in September, 1969.

### LEAKS

Rehnquist testified before the Senate Subcommittee on Constitutional Rights, the same committee Alioto appeared before last week and complained of the confidential information leaks.

The mayor is suing Look for \$12.5 million for libel. The first trial ended with a hung jury last spring. A second trial is scheduled for May.

On learning of Rehnquist's testimony, the mayor held a press conference and charged the Department of Justice still has not told the whole story.

### ICEBERG

"These acknowledgements are only the tip of the iceberg," the mayor said, "and as far as Peterson is concerned he (Rehnquist) is not telling the whole truth."

The mayor charged that Peterson met with Look's lawyers in a Miami hotel on last January 17, at the time of the Super Bowl, to "discuss the chronology of the Seattle grand jury proceedings.

"There manifestly was a

plan here which included the Look article and the Seattle grand jury investigation," the mayor said.

### BOWL

A Department of Justice spokesman, when asked about the alleged Super Bowl meeting between Peterson and the Look lawyers, said:

"The department for various reasons is not in a position to engage in a running battle of press releases with Mayor Alioto as to subsequent charges which he may choose to make."

A federal grand jury in Seattle began hearing evidence early last month regarding a huge legal fee that Alioto split with the former Washington State attorney general.

The grand jury investigation resumed in Seattle yes-

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# U.S. Admits FBI 'Leak' Of Alioto Information

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terday and Mayor Alioto is scheduled to make his second appearance before the grand jury today.

When he testified before the Senate Subcommittee last week, Alioto charged that the fee-splitting investigation was triggered by the leak of Internal Revenue Service information to two newspapers.

It was eventually reported that Alioto had paid \$530,400 to then Attorney General John J. O'Connell.

And it was also reported that Alioto had paid \$272,413 to O'Connell's special assistant, George K. Faler.

## LEGAL

Alioto has insisted the fee splitting was on the up and up, completely above board and completely legal.

He had been retained by Attorney General O'Connell, before he became mayor, to handle some antitrust cases in behalf of 15 public utility districts in Washington.

The cases were settled for \$6 million; Alioto got a \$2.3 million fee and gave O'Connell and Faler about \$802,000.

He said the money was paid for work O'Connell and Faler performed on the cases in their capacities as private lawyers.

## CHARGES

In his testimony yesterday before the Senate Subcommittee, Rehnquist said Attorney General John Mitchell had ordered an investigation of Alioto's charges of information leaks.



UPI Telephoto

W. H. REHNQUIST  
Justice Department Aide

He failed to name the FBI agent whom he said leaked information to Look.

The Mayor, however, identified him as Herbert Mudd.

"I am not satisfied with the wire service report that 'appropriate disciplinary action was taken against the agent in question and he retired,'" the mayor said.

## AUTHORS

The Mayor said Mudd should not be made the scapegoat for the attorney general because Mudd's superiors, Charles Hiner and Charles Bates, had knowledge of the contact between Mudd and the Look authors.

Alioto identified Hiner as squad supervisor for the Organized Crime Unit of the FBI and Bates as special agent in charge of the San

Francisco office.

With regard to Deputy Assistant Attorney General Peterson, Rehnquist told the subcommittee that Peterson had no furnished the Look editors with any information about Alioto.

## CRIME

"The purpose of the meeting (with the Look editors), 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

He said the meeting had nothing to do with Look's article about Alioto and the Mafia.

The other agencies under the Department of Justice were also checked for possible information leaks on Alioto, Rehnquist said.

The Immigration and Naturalization Service was approached by the Look reporters but gave out no information, he said.

## drugs

the Bureau of Narcotics and Dangerous Drugs, Rehnquist said, reported that some of its reports and information were introduced in evidence at the Look libel trial last spring.

At his press conference yesterday, Mayor Alioto repeated his charge that the many information leaks concerning him by government agencies were "pursuant to a plan."

"I don't know where the ultimate planner is ... I won't speculate how high up it went," he said.