

The pleasant demise of Wesley Grapp

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(AFS) — Six months ago, Wesley G. Grapp enjoyed a very comfortable position. The twenty-five year veteran of the FBI held the powerful rank of Special Agent-in-Charge of the huge Los Angeles Bureau office, belonged to exclusive social clubs, lived in a magnificent house, and owned two Cadillacs.

Besides the trappings of power and comfort though, Mr. Grapp possessed a curious ability to borrow large amounts of money for his extra-curricular financial enterprises. And last May the Justice Department's own Organized Crime Strike Force began to suspect that some of Grapp's financial affairs were less than discreet for an agent of the government. Though subsequent FBI investigations carefully cleared him of illegal financial dealings, Grapp's career with the FBI crumbled rapidly through the summer in a series of ironic and suspicious episodes.

Soon after the Strike Force advised FBI Director Patrick Gray that Grapp might be up to no good, a team of Bureau inspectors — referred to by many agents as the "goon squad" — descended on the L.A. headquarters. The inspectors learned, as the *Los Angeles Times* did later, what may have caught the attention of the Strike Force: the fact that there were no public records showing Grapp had borrowed more than \$250,000 from several different L.A. banks. Moreover it looked as though much of that money had been obtained as gratuities, since in some cases Grapp had provided little or no security for the loans.

For example, one of Grapp's loans, \$37,500 from the Fidelity Bank of Beverly Hills, was granted not long after a sensational 1968 kidnapping case in which Grapp's agents had rescued the son of Stanley Stalford, who heads the Fidelity Bank. Grapp's loan was one of many which were written off as "uncollectable" last April when San Diego financier C. Arnholt Smith merged the Fidelity with his U.S. National Bank. In addition, the *Los Angeles Times* discovered that Frederick Levy, Jr., a director of Stanley Stalford's first Fidelity Company, had personally guaranteed three of Grapp's loans.

Grapp also borrowed over \$135,000 from the City National Bank of Beverly Hills, which is headed by

Alfred Hart, a longtime friend of the late J. Edgar Hoover, of whom Grapp was a favorite. But Hart was also a former executive of Gold Seal Liquors, a Chicago firm which Senator, Estes Kefauver's Crime Committee labeled mob-dominated back in the early fifties.

Director Gray has declined to reveal the FBI's regulation regarding the financial affairs of agents; and of

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course neither Grapp nor any other agents are in the habit of discussing Bureau matters with the press. But William W. Turner, an author who was an FBI agent for over ten years, stated that agents are "supposed to pay their bills, and of course they're not supposed to accept gratuities; hell, they don't even like you to buy speculative stock!" But Wesley Grapp had some fine explanations or else the rules have changed with the new Director, because when the inspection team departed L.A., Grapp had, publicly at least, withstood the heat of the allegations. For many years however, the paramount rule inside the FBI has been to avoid anything that might constitute "an embarrassment to the Bureau."

Grapp's Los Angeles stewardship thus remained unshaken, but the official sniffing of his personal matters apparently put him in a recalcitrant mood. Grapp has always had a high respect for his own power. It is said that he once refused J. Edgar Hoover's order to trade places with the Bureau chief in Boston — an action that would have earned anyone else a swift demotion and a train ticket to Butte. Similarly perhaps, Grapp felt he could ignore Director Gray's order early in June which allowed agents to wear long hair or mustaches if they wished. Grapp intended to rule his fiefdom as he saw fit, and he countermanded Gray's order and disciplined agents who had other ideas.

When word of this more blatant indiscretion reached the Director, the "goon squad" was shortly on its way back to L.A. This time though, Grapp didn't fare so well: he was summoned to Washington for a personal reprimand and suspended for twenty-five days without pay. Grapp characterized his humiliation as a vendetta against an old-line chief, but even if he had to pay his own way to the capital, the loss of three weeks' wages is barely a wrist slap to a man who is reportedly worth about three hundred grand. For that reason perhaps, Gray added the clincher: Grapp would be transferred to El Paso, Texas, although he would be allowed to retain his position as Agent-in-Charge of that more modest office.

But Grapp's punishment still seemed odd to many people. Director Gray had previously disclosed that he intended to discontinue Hoover's long standing policy of using transfers to remote offices as a form of discipline. In addition, Grapp's insistence on straight appearance seemed like a lesser offense than the matter of his questionable dealings with money outside the Bureau. But perhaps the image of a strict Director taming an insubordinate chieftain looked better to Gray than the prospect of pulling the lid off a potential scandal involving a top officer of a government agency that has always trumpeted its freedom from corruption. Moreover, a ticket to El Paso would be a neat way to remove Grapp from his unusually well-feathered nest in L.A.

But if J. Edgar Hoover couldn't get Grapp out of L.A. (and why did he want to?), then perhaps L. Patrick Gray shouldn't even have tried.

Wesley Grapp didn't succeed in the FBI because he had a trusting nature. On the contrary, as ex-agent William Turner's inside history of the Bureau (*Hoover's FBI: The Men and the Myth*) points out, Grapp was well known as "an iron disciplinarian of the most zealous sort," and therefore was none too popular among his subordinates. Recently, for some reason, Grapp became especially distrustful, perhaps anxiously wondering who was tattling to the higher-ups about his irregularities. In any case, Grapp began recording office conversations and telephone calls, casting himself in the richly ironic role of the first FBI agent, as far as we know, to bug his own headquarters.

Director Gray learned of Grapp's eavesdropping on Aug. 29, only four days after the two had met in Washington, and a few days later he dispatched yet another inspection team to the L.A. Bureau. The inspectors verified that Grapp had indeed made secret recordings of agents' and visitors' conversations and telephone calls with a device attached to his phone. Grapp was subsequently notified that he was being suspended for an additional month, reduced to the lowly status of a regular Special Agent with an accompanying \$11,000 cut in annual pay, and his in-service exile was to be switched to the barren cold of Minneapolis.

Grapp's punishment sounds tough, and of course it made front pages across the country, but again Gray's action looked like an attempt to side-step the more serious — and more embarrassing — issue. Neither Gray, nor the U.S. Attorney in California, nor the Los Angeles D.A.

expressed any concern that Grapp's illegal eavesdropping was a violation of California (if not federal) law.

The Director's disciplinary action proved especially hollow when he turned around, only three days later, and made a deal with Grapp which dropped the transfer and the demotion and allowed Grapp to retire with the full benefits accorded a bureau chief. So now, despite the fact that the FBI caught one of its own men violating the laws regarding criminal eavesdropping, taxpayers will henceforth pay Wesley Grapp \$18,000 a year to try to stay out of trouble.