

CIA(D) FBI - II

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House Investigation

FBI Accused of Hindering Probe

Washington

An investigator for the select House intelligence committee said yesterday "that the FBI may be attempting to retaliate against or squelch" an investigation of possible FBI purchasing improprieties.

The committee's staff director, A. Searle Field, made the charge in a letter to Attorney General Edward H. Levi and asked for an investigation.

Afterward, the FBI denied the allegation.

Field said that an important witness disavowed a statement the committee attributed to him after FBI agents had interviewed him for six hours.

The witness, Martin L. Kaiser, has testified that wiretap



MARTIN L. KAISER
Key witness

equipment he sold to an FBI purchasing company was marked up 30 per cent by the company before it was resold to the FBI.

Field said in the letter to Levi that the committee as a result of that testimony is investigating "possible improprieties in the purchase of wiretap equipment by the FBI.

"We have as a result of our investigation determined that U.S. Recording added substantial markup to the price of this equipment, often without providing any services aside from paperwork," Field told Levi. "We have also established a close relationship between the president of U.S. Recording and the FBI official in charge of purchasing until 1972."

Attached to the letter was a statement, which Kaiser wrote out in longhand and which was signed by himself and the two FBI agents, stating that he had told the committee that a statement it prepared for him "is grossly inaccurate."

Kaiser's handwritten statement also said he had seen only one bill that marked up wiretap equipment 30 per cent by the U.S. Recording Co. before it was resold to the FBI.

Later, the committee released the transcript of a deposition in which Kaiser claimed he had been pressured by the two FBI agents. It quotes Kaiser as saying at the end of six hours, "I had the two of them standing behind me now, over my shoulder, and this was the close of the day, the close of the statement and they kept pressuring me."

A spokesman for the FBI said the agency is investigating Kaiser's testimony of high markups by the U.S. Recording Co. and is further investigating other allegations that a former high FBI official, John P. Mohr, had a close relationship with the president of the company.

"The second thing about the agents trying to con him or get him to change his testimony, we categorically deny," the FBI spokesman said. *Associated Press*

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See this file 10 Oct 75.

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