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FBI Probe Reported On Insurance

Washington **SFChronicle**

The FBI has opened an extensive internal investigation into allegations of malfeasance and impropriety in the management of an \$18 million-a-year insurance program that covers 19,000 present and former bureau employees, law enforcement sources reported yesterday.

The insurance program, which has \$350 million of life insurance in force and administers hospital and medical care insurance for the bulk of the bureau's employees, is directed by the Special Agents Mutual Benefits Association, which in turn is headed by a five-man board of directors made up of senior FBI personnel.

According to sources familiar with the investigation, FBI inspectors are examining whether the dividends from the life insurance programs were in part used to pay for lavish dinners, vacations and gifts for the men who headed the association over the past few years.

One allegation under investigation is whether association funds were used to purchase a boat,

U.S. Plans to Indict FBI

Washington

The Justice Department has concluded that it has sufficient evidence about burglaries allegedly committed by the FBI in the New York area during the past five years to begin seeking indictments.

Informed sources said yesterday that unless something unexpected happens, department investigators expect to begin presenting the evidence to a federal grand jury in New York by the end of August.

Washington Post

outboard motor and trailer for J. P. Mohr, a former assistant to the director of the FBI and at one time president of the association.

Thomas Feeney, an FBI inspector who is now president of the association, denied that there had been any malfeasance or misuse of funds. He said the program is routinely audited by the Prudential Life Insurance Co., which provides the life insurance coverage, by the Civil Service Commission and by a private auditing concern, Ernst & Ernst.

New York Times