

Ex-FBI Official Probed For Tie to Fraud Case

Washington

The Justice Department's internal inspection team is investigating a reported financial relationship between John P. Mohr, a former top official of the FBI, and a Virginia real estate developer accused of defrauding the Small Business Administration, according to department sources.

The developer, Joseph C. Palumbo, was indicted by a federal grand jury in Richmond last week along with his cousin, Samuel R. Calabrese, whom law-enforcement sources described as a Las Vegas figure in organized crime.

Asked whether Palumbo was believed to have links to organized crime that extended beyond his relationship with his cousin, one federal official replied, "It depends on who you talk to."

According to one source familiar with the scope of the inquiry,

Mohr, who retired from the FBI as an assistant to the director in 1972, invested \$10,000 in a South Carolina motel venture organized by Palumbo. It could not be learned whether the reported investment was made by Mohr before or after he retired.

Several sources said that to their knowledge the motel project had not been financed with any of the SBA money that Palumbo has been accused of obtaining through fraud, and that Calabrese had not been a partner in the enterprise.

Mohr was the FBI's top administrative official, with authority over purchasing and at least two independent sources of bureau funds. Those have come under scrutiny from the Justice Department's Office of Professional Responsibility.

That office is investigating possible kickbacks to bureau executives from private companies.

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