

AUG 14 1976

Agent Guilty Of Taking FBI Property

SFChronicle

Washington

An FBI official pleaded guilty yesterday to a criminal charge of converting FBI property to his own use, the Justice Department announced.

The charge was the first to be brought as a result of a wide-ranging department investigation of alleged financial improprieties within the FBI.

John Dunphy, chief of the bureau's exhibits section, entered the guilty plea in U.S. District Court here.

He resigned from his \$37,800-a-year job at the close of business Thursday, department spokesman Robert Havel said.

Dunphy entered the plea as part of an agreement with department prosecutors, Havel said.

Havel refused to disclose the other terms of the plea bargain. But such agreements usually require the defendant to cooperate with

investigators by providing additional information about others involved in wrongdoing.

Havel said Dunphy had been with the FBI about 28 years.

At the time of this resignation, Dunphy was in charge of the section that builds exhibits for use in training programs and other displays.

He was specifically charged with converting to his personal use lumber and other materials owned by the FBI. The value of the converted property was \$100 or less, the Justice Department said.

A special team department prosecutors and FBI agents launched an investigation last spring of alleged improprieties in FBI purchases of electronic equipment.

The probe quickly grew into a wide-ranging review of possible corruption in the FBI's general purchasing policies, and its insurance and recreation funds. Investigators also are reviewing allegations that some present and former FBI officials used the laboratory for their own projects and converted property to their own use.

Associated Press