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The Knoxville

Knoxville, Tenn. 37901,

FBI Knew of 'Ray Payoff'

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WASHINGTON — The Federal Bureau of Investigation received a report in March 1974 that an Imperial, Mo., businessman was "the individual who made the payoff of James Earl Ray after the killing" of Dr. Martin Luther King, according to bureau documents made public yesterday.

The documents, released under the Freedom of Information Act to Harold Weissberg, a private investigator of assassination matters, and The New

York Times, included a control agent's account in 1974 of an informer's report to him late in 1973.

It was based upon the informant's conversation with Russell G. Byers, a one-time St. Louis car parts dealer who is now a witness before the House Select Committee on Assassinations.

Although the censored document did not specify who Byers said had made the payoff to Ray, Government sources said he had identified the man as John H. Kauffmann, a former stockbroker who

died in 1974. Byers last week confirmed to The New York Times that he had told the committee that Kauffmann and a Missouri lawyer had offered him \$50,000 to arrange the assassination of King, and that he turned the offer down.

But the documents released yesterday showed that in 1973, Byers told an FBI informant that one of these two men was the person who paid off James Earl Ray after King's murder on April 4, 1968. Ray is serving a 99-year sentence in Brushy Mountain State Prison in Petros,

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Man in '74, Records Show

Tenn., for the killing. He has said, after pleading guilty, that he did not shoot the black leader.

The bureau memorandum noted that "During the fall of 1973 (lengthy deletion) Beyers (the name was misspelled) talked freely about himself and his business, and they later went to (short deletion) where Beyers told a story about visiting a lawyer in St. Louis County, now deceased, not further identified, who had offered to give him a contract to kill Martin Luther King." The memorandum

continued:

"He said that also present was a short stocky man, who walked with a limp. Later, with regard to the actual individual, Beyers commented that this man was actually the individual who made the payoff of James Earl Ray after the killing."

There is no indication that Byers presented any corroboration for the charge that Kauffmann paid Ray.

An inquiry by New York Times reporters has uncovered court testimony

that Kauffmann was smuggling amphetamine powder into the Missouri State Penitentiary, where Ray was serving a robbery sentence, in 1966. According to some accounts of Ray's activities, he was receiving money from the sale of drugs in prison. It is from this penitentiary that Ray escaped a year before King's death.

The House Assassination Committee staff is now concentrating its investigation on the direct connections, if any, between Kauffmann and Ray or members of his family.