

UNITED STATES GOVERNMENT

# Memorandum

TO : MR. FELT

DATE: 5/23/73

FROM : L. M. WALTERS *LMW*

SUBJECT: WATERGATE

- Mr. Felt
- Mr. Baker \_\_\_\_\_
- Mr. Callahan \_\_\_\_\_
- Mr. Cleveland \_\_\_\_\_
- Mr. Conrad \_\_\_\_\_
- Mr. Gebhardt \_\_\_\_\_
- Mr. Jenkins \_\_\_\_\_
- Mr. Marshall \_\_\_\_\_
- Mr. Miller E.S. \_\_\_\_\_
- Mr. Soyars \_\_\_\_\_
- Mr. Thompson
- LMW*
- Tele. Room \_\_\_\_\_
- Mr. Baise \_\_\_\_\_
- Mr. Barnes \_\_\_\_\_
- Mr. Bowers \_\_\_\_\_
- Mr. Herington \_\_\_\_\_
- Mr. Conny \_\_\_\_\_
- Mr. Mintz \_\_\_\_\_
- Mr. Eardley \_\_\_\_\_
- Mrs. Hogan \_\_\_\_\_

## A. PUBLICIZED ALLEGATIONS CONCERNING FORMER ACTING DIRECTOR L. PATRICK GRAY, III

With reference to your memorandum 5/22/73 instructing an analysis of captioned allegations, I have assigned Inspector's Aide Garry O. Watt to do preliminary spadework and will call back an Inspector today from the Los Angeles inspection to work on this project. Mr. Mintz has advised that he personally will participate in it on behalf of the Office of Legal Counsel.

You will recall that one of the publicized allegations (specifics not available to me at the moment) was possible perjury on the part of Mr. Gray in connection with his confirmation hearings. Consideration will be given to a review of that testimony by Charles A. Nuzum, who is the supervisor in the General Investigative Division thoroughly knowledgeable with respect to the entire Watergate investigation.

## B. MEMORANDUM OF PERTINENT EVENTS AT INITIAL STAGES OF CASE BY FORMER ASSISTANT DIRECTOR BATES AND QUESTIONS RELATIVE THERETO POSED BY MR. EARDLEY

Attached hereto is Bates' memorandum of 6/22/72 constituting a running log of events up to 7/6/72, which was returned to the Bureau by Assistant Attorney General Petersen 5/11/73. It is here noted that this memorandum first came to the attention of the Accounting and Fraud Section in the General Investigative Division on February 23, 1973, when Mr. Bates, SAC, San Francisco, came to Washington together with SAC Kunkel of St. Louis to have a briefing session with Mr. Gray prior to the opening of his confirmation hearings. Apparently Mr. Bates had retained this memorandum in his personal possession and I am informed that that original brought in by Mr. Bates has now been made a part of the Bureau file.

Based primarily upon a review of the Bates 6/22/72 memorandum, Mr. Eardley has posed the following questions:

Messrs. Felt, Nuzum, Gebhardt, Mintz

Enclosure

LMW:wjm

(6)

\*(or a copy)

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HEREIN IS UNCLASSIFIED  
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Memo for Mr. Felt  
Re: Watergate

1. Following FBI information concerning the break-in at Watergate was the Federal Government's interest due to the apparent violation of the IOC Act?
2. When did the Bureau learn of the break-in?
3. What steps were taken within the first 24 hours to determine criminal liability?
4. When was the involvement of Hunt and Liddy discovered by the Bureau?
  - 4a. When was their connection with the White House and CREP discovered by the Bureau?
5. When was this information communicated to the Attorney General? To the Acting Director of the FBI?
6. Did you receive any special instructions from either Justice or the Acting Director as a result of this development?
7. Was the investigation impeded in any way by instructions from either Justice or the Acting Director? If so, give full details.
8. Did any senior officer in the Bureau in a position of responsibility conclude that there was an effort to cover-up White House or CREP involvement in the break-in? If so, explain.
9. The seven Watergate defendants were all under indictment by September 1972, and until McCord wrote his letter to the Judge in March 1973, it would appear that a cover-up had succeeded. There is widespread belief that the Washington Post reporters did more to uncover the truth than did the Department of Justice. What did the Department or the FBI do or fail to do to uncover the criminal involvement of high officials in the White House and CREP? Is there a lesson to be learned from this matter? In other words, if a similar operation occurred in the future would the Bureau be dependent for success upon a gratuitous circumstance as in this case?
10. In a memorandum dated June 22, 1972, prepared by C. W. Bates, presumably for the assistance of Mr. Gray, there is a recitation of fact referring to developments in the Watergate investigation. In this connection:
  - a. What was the purpose of the memorandum?
  - b. Why, if known, did Mr. Gray on June 21 and again on June 22 order that information developed to that date be withheld from the White

**Memo for Mr. Felt**  
**Re: Watergate**

House and the Justice Department; and why were interviews with the White House employees held up? (Page 1, paragraphs 2, 4 of Bates' memorandum.)

c. In the afternoon of June 23, 1972, Gray informed Bates of his conversation with the Deputy Director of CIA. (Page 2, paragraph 4 of Bates' memorandum.) What was the information passed on to Bates by Gray?

d. What happened in that conversation which impelled Bates to advise Gray that the Bureau had no choice but to continue the investigation? What was the alternative under discussion?

e. With regard to the Time story: (pages 2, 3 of Bates' memorandum)

(1) Has anyone checked to determine whether Gray and Mitchell were staying at the same hotel in California?

(2) Was there any direction or suggestion by Gray that the case ought to be wrapped up in a hurry?

f. With respect to the meeting of Gray and the Agents on June 24, what was the leak which had angered Gray? (Page 4, paragraph 4 of Bates' memorandum.)

g. Did the leak involve or tend to involve the White House or CREP in the Watergate break-in?

h. In the summer of 1972 or later did Gray express any opinion that someone in a higher echelon than Hunt and Liddy must have organized the Watergate break-in?

i. Why did the FBI wait until Dean's invitation on June 26 to attempt to secure the records in Hunt's White House Office? (Page 5, paragraph 3 of Bates' memorandum.)

j. What did Mr. Gray mean when he gave his opinion on June 27 and again on June 28 that this was possibly a "political operation"? (Page 5, paragraph 5; page 6, paragraph 3 of Bates' memorandum.) At this time was there a reluctance on the part of Gray to continue the investigation, which prompted Mr. Felt and Mr. Bates to urge an aggressive investigation?

**Memo for Mr. Felt**  
**Re: Watergate**

k. Did Gray advise any FBI personnel as to why the meeting with the CIA had been called off? (Page 6, paragraph 3 of Bates' memorandum.) Was there any consideration at that time of the possibility that efforts were being made to call off the FBI investigation because the break-in was a CIA affair?

l. What was the conversation which preceded Gray's statement that he would resign if anyone requested him to hold up the FBI investigation? (Page 6, paragraph 3 of Bates' memorandum.)

m. Did Mr. Gray express any reluctance at developing White House involvement through John Dean? Was there any discussion concerning the possibility of John Dean being himself implicated?

n. Why was the interview of Chenow held up? (Page 6, paragraph 6 of Bates' memorandum.)

o. The eight leads (attachment 1) relate to McCord's activities. Were there no leads arising from the fact that Mr. Hunt had had an office at the White House?

p. What did Gray advise Felt which led to the delay in investigating Ogarrio and Dahlberg? (Page 7, paragraph 1 of Bates' memorandum.)

q. Why did both Bates and Felt feel it necessary on June 28 again to reiterate "the absolute necessity" of a thorough FBI investigation? (Page 7, paragraph 2 of Bates' memorandum.)

r. Didn't Gray report the result of his White House meeting on June 28? If so, what did he say? (Page 7, paragraph 2 of Bates' memorandum.)

s. Did Gray or any FBI personnel protest Dean's determination to sit in on all interviews with White House people? (Page 7, paragraph 4 of Bates' memorandum.)

t. What caused the reversal of the instructions to hold up interviews of Chenow and Young? (Page 7, paragraphs 4 and 5 of Bates' memorandum.)

u. If it is known, why was the interview with Dahlberg again postponed? (Page 7, paragraph 7 of Bates' memorandum.)

Memo for Mr. Felt  
Re: Watergate

v. What was Gray's full statement with respect to the involvement of Dean, Colson and Ehrlichman? (Page 8, paragraph 1 of Bates' memorandum.)

w. On July 5 or at any other time did Gray or any other Bureau official suggest that it might be possible that an effort was being made to have the CIA accept responsibility for the break-in so that the FBI investigation of CREP and the White House would end?

11. Why is the memorandum dated June 22 since it refers to matters as late as July 6?

12. Why did this factual account stop on July 6?

#### PROPOSED ACTIONS TO BE TAKEN

The questions posed by Mr. Eardley can best be answered in an interview with SAC Bates and by preparation of responses by Supervisor Nuzum in the General Investigative Division.

My Number Two Man, Odd T. Jacobson, is currently conducting the inspection of the Los Angeles Division, and I propose sending him to San Francisco during the next few days to interview Bates to obtain his answers, particularly with respect to questions 6 through 12. It is suggested Mr. Felt be considering an input to responses to appropriate questions affecting his responsibilities, particularly questions 10-j, 10-p, and 10-q. With respect to question 10-e, I will have the Inspector now at Los Angeles check this out although I do recall a publicized statement by former Attorney General Mitchell affirming that Gray and Mitchell did stay at the same hotel but did not see each other.

It is not being proposed that a new review now be undertaken by this Division of the entire Watergate file and investigation conducted. This is a 30-volume file and is under review by Mr. Eardley as well as by representatives of the Ervin Select Subcommittee as they choose to make such review. Supervisors Nuzum and Clynick in the General Investigative Division are thoroughly familiar with the file as is the case Agent in the Washington Field Office who had primary responsibility (Angelo Lano). We will draw upon their knowledge in having responses prepared for the foregoing questions.

One general observation with respect to question 9: There are many cases investigated by the FBI, particularly those involving highly placed persons or otherwise of a sensitive nature, wherein known participants in a crime or members of a conspiracy do not confess and will not respond to Agents'

Memo for Mr. Felt  
Re: Watergate

questions. It is not uncommon in those cases to use the technique of Grand Jury inquiry and immunization. Also, it is not unusual to find, as in this case, that after some of the culprits have been convicted and face a possible heavy sentence they are then persuaded that it may be in their interest to reveal facts theretofore kept secret. Such circumstances are not gratuitous but are a natural evolution within the criminal justice process.

RECOMMENDATION:

That the proposed actions outlined above go forward.

~~7~~ LMW  
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WR

UNITED STATES GOVERNMENT

# Memorandum

REC 107

- Mr. Felt \_\_\_\_\_
- Mr. Baker \_\_\_\_\_
- Mr. Callahan \_\_\_\_\_
- Mr. Cleveland \_\_\_\_\_
- Mr. Conrad \_\_\_\_\_
- Mr. Gebhardt \_\_\_\_\_
- Mr. Jenkins \_\_\_\_\_
- Mr. Marshall \_\_\_\_\_
- Mr. Miller, E.S. \_\_\_\_\_
- Mr. Soyars \_\_\_\_\_
- Mr. Thompson \_\_\_\_\_
- Mr. Walters \_\_\_\_\_
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- Mr. Beise \_\_\_\_\_
- Mr. Barnes \_\_\_\_\_
- Mr. Bowers \_\_\_\_\_
- Mr. Herington \_\_\_\_\_
- Mr. Conny \_\_\_\_\_
- Mr. Mintz \_\_\_\_\_
- Mr. Eardley \_\_\_\_\_
- Mrs. Hogan \_\_\_\_\_

TO : MR. FELT *FN*

DATE: June 6, 1973

FROM : L. M. WALTERS *LMW*

SUBJECT: WATERGATE - EVENTS AT INITIAL STAGE OF CASE

*ST*  
*1/11/73*  
JAMES WALTER RECORD

Memorandum Walters to Felt 5/23/73 (attached) set forth a list of questions posed by Mr. Eardley based on review of 6/22/72 memorandum prepared by former Assistant Director Charles W. Bates. Mr. Eardley's questions have been answered by parties directly responsible or knowledgeable of the events which prompted the questions. Set forth on the attached letterhead memorandum are replies to each question.

Attached for reference purposes is the 6/22/72 memorandum prepared by Mr. Bates, loaned to AAG Petersen by Mr. Gray, and returned by Mr. Petersen 5/11/73.

## ANALYSIS OF POSSIBLE INVOLVEMENT BY L. PATRICK GRAY, III

This is a separate project underway by Inspection Division, General Investigative Division, and Office of Legal Counsel and results will be separately reported. Mr. Gray's testimony before the Senate Judiciary Committee is being reviewed against material in the Watergate file. (It is noted that we do not have the Grand Jury testimony of Mr. Gray.) *B.C.*

### RECOMMENDATION:

Forwarding of attached letterhead memorandum to Mr. Cox. *JM*

*6- ENCLOSURE*  
Enclosures

ENCLO. BEHIND FILE

- 1 - Mr. Gebhardt
- 1 - Mr. Mintz

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**Mr. Archibald Cox**  
**Special Prosecuting Attorney**

June 7, 1973

**Acting Director, FBI**

**WATERGATE - EVENTS AT INITIAL STAGE OF CASE**

Attached hereto is a memorandum, in duplicate, prepared in response to questions prepared by Mr. Carl Eardley from review of a memorandum of former Assistant Director Charles W. Bates dated June 22, 1972, in captioned matter.

**Enclosures (2)**

*LMW*

- 1 - Mr. Gebhardt (Sent Separately)
- 1 - Mr. Mintz (Sent Separately)

LMW:wmj  
(5)

NOTE: Based on memo Walters to Mr. Felt, 6/6/73, same caption,  
LMW:wmj

- Mr. Felt \_\_\_\_\_
- Mr. Baker \_\_\_\_\_
- Mr. Callahan \_\_\_\_\_
- Mr. Cleveland \_\_\_\_\_
- Mr. Conrad \_\_\_\_\_
- Mr. Gebhardt \_\_\_\_\_
- Mr. Jenkins \_\_\_\_\_
- Mr. Marshall \_\_\_\_\_
- Mr. Miller, E.S. \_\_\_\_\_
- Mr. Soyars \_\_\_\_\_
- Mr. Thompson \_\_\_\_\_
- Mr. Walters \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Mr. Baise \_\_\_\_\_
- Mr. Barnes \_\_\_\_\_
- Mr. Powers \_\_\_\_\_
- Mr. Hoenigman \_\_\_\_\_
- Mr. Conny \_\_\_\_\_
- Mr. Mintz \_\_\_\_\_
- Mr. Eardley \_\_\_\_\_
- Mrs. Hogan \_\_\_\_\_

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**ENCLOSURE**



June 7, 1973

**WATERGATE - EVENTS AT INITIAL STAGE OF CASE**

Replies to questions one through seven were handled by Special Agent Charles A. Nuzum, principal supervisor at FBI Headquarters of the Watergate case.

**1. Following FBI information concerning the break-in at Watergate, was the Federal Government's interest due to the apparent violation of the IOC Act?**

The first notification received by our Washington Field Office (WFO), at about 4:30 A. M., June 17, 1972, was telephonic advice of the arrests of five men apparently in the act of burglarizing the Democratic National Committee Headquarters' (DNCH) offices at the Watergate. This represented a possible Interstate Transportation of Stolen Property violation if the value of stolen property amounted to \$5,000 or more. Later, Metropolitan Police Department (MPD) detectives observed a white plastic box which indicated it was a "smoke detector." A detective at the Second District Precinct Headquarters closely examined the box, saw it contained wires and batteries and thought it was a bomb. Notification of this fact was made to WFO by telephone at about 6:30 A. M. At approximately 8:30 A. M., Special Agent Angelo Lano, WFO, was instructed by SAC Kunkel to obtain the facts from the MPD and secure the Bureau's interest. He determined after arriving at MPD Headquarters shortly before 10:00 A. M. that devices recovered by the MPD at the burglary scene were electronic eaves-dropping devices which immediately made the crime one within the primary jurisdiction of the FBI since investigation of the IOC statutes has been designated by the Department of Justice to be handled by the FBI.

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DATE 6/24/80 BY SP4 JRM/om

- Mr. Felt \_\_\_\_\_
- Mr. Baker \_\_\_\_\_
- Mr. Callahan \_\_\_\_\_
- Mr. Cleveland \_\_\_\_\_
- Mr. Conrad \_\_\_\_\_
- Mr. Dalbey \_\_\_\_\_
- Mr. DeLoach \_\_\_\_\_
- Mr. Marshall \_\_\_\_\_
- Mr. Miller, E.S. \_\_\_\_\_
- Mr. Soyars \_\_\_\_\_
- Mr. Thompson \_\_\_\_\_
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- Mr. Baise \_\_\_\_\_
- Mr. Barnes \_\_\_\_\_
- Mr. Bowers \_\_\_\_\_
- Mr. Irvington \_\_\_\_\_
- Mr. Conroy \_\_\_\_\_
- Mr. Mintz \_\_\_\_\_
- Mr. Eardley \_\_\_\_\_
- Mrs. Hogan \_\_\_\_\_

**2. When did the Bureau learn of the break-in?**

At approximately 4:30 A. M., June 17, 1972, WFO received telephonic advice of the break-in.

**3. What steps were taken within the first 24 hours to determine criminal liability?**

- 1 - Mr. Gebhardt (Sent Separately)
- 1 - Mr. Mintz (Sent Separately)
- JOC:wmj (4)

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside.

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**ENCLOSURE**

KMW

## Watergate - Events at Initial Stage of Case

Instructions were issued to WFO, to be passed on to auxiliary offices as leads developed, that the investigation was to receive immediate attention under personal direction of the SAC and that as many Agents as were needed were to be utilized. All leads were to be set forth by telephone or immediate teletype.

Bureau Agents assisted in the obtaining of search warrants for the two Watergate Hotel rooms at which the subjects were registered and assisted in the search of these rooms which resulted in the obtaining of considerable pertinent physical evidence, including a substantial amount of cash in new \$100 bills, an envelope containing E. Howard Hunt's check in payment for his bill at Lakewood Country Club, Rockville, Maryland, and two address books, one of which belonged to Barker and the other to Martinez. The electronic devices recovered at DNCH were obtained from MPD and were taken to the FBI Laboratory for examination. Indices at FBI Headquarters and WFO were checked on all the subjects as well as Hunt and Attorney Michael Douglas Caddy. Since Hunt had been a subject of a Special Inquiry investigation, this gave us an address where he could be contacted. Since the Special Inquiry was for a position at the White House, Mr. Alex Butterfield was contacted on the evening of June 17, 1972, concerning Hunt and he confirmed that Hunt had been employed as a consultant at the White House but Butterfield believed he had not worked there in recent months. Hunt was contacted the evening of June 17, 1972, admitted the check located at the Watergate Hotel was his own but declined to furnish any information as to how it got there and what he was doing at the Watergate Hotel.

NCIC was checked with negative results concerning the \$100 bills recovered as well as the Bell & Howell equipment recovered at the Watergate. The five arrested men were positively identified. Leads were set forth for Miami to develop background information concerning the subjects. McCord's employment at the Committee to Reelect the President (CRP) was verified. /

Philadelphia was instructed to contact William McCuin regarding the sale of electronic equipment to McCord and McCuin was interviewed on June 17, 1972, by Philadelphia Agents. Alexandria obtained background information from CIA on June 17, 1972, concerning the subjects.

The Avis Rent-A-Car used by the subjects was searched on June 17, 1972. Michael Douglas Caddy, the attorney who gratuitously showed up at the MPD claiming to represent the subjects was contacted for interview but declined to discuss the matter. Eastern Airlines in Miami was contacted concerning travel of the subjects to Washington, D. C. (WDC), and the travel agent who sold

## Watergate - Events at Initial Stage of Case

these tickets was contacted in Miami. Investigation was conducted in New York City concerning the name and address furnished by McCord at the time he was arrested, which name and address proved to be fictitious. New York contacted Hunt's publisher as Hunt's country club bill indicated it was being sent in care of his publisher in New York City. Avis Rent-A-Car was contacted by WFO concerning cars rented by Barker. Hotel registration records at the Watergate Hotel were reviewed extensively on June 18, 1972.

4. When was the involvement of Hunt and Liddy discovered by the Bureau?
- 4a. When was their connection with the White House and CRP discovered by the Bureau?

Hunt's apparent involvement was learned the afternoon of June 17, 1972, when his country club bill and check in payment thereof were found at the Watergate Hotel in one of the rooms rented by the subjects. Hunt's connection with the White House was discovered in the late afternoon of June 17, 1972, after search of the field office indices showed a Special Inquiry investigation on Hunt for a position as consultant at the White House. That evening, Mr. Alex Butterfield, Deputy Assistant to the President, confirmed that Hunt had been employed at the White House but Butterfield believed he was no longer working there. We never did develop that Hunt worked at CRP.

Apparent involvement of Hunt caused WFO to obtain his toll call records by subpoena from the C&P Telephone Company. Among the leads set forth to identify and interview subscribers to the telephone numbers called by Hunt was that of an individual named Jack Bauman, Winter Haven, Florida, [REDACTED]. On June 23, 1972, Bauman told us of efforts by Hunt to hire him to work on a project involving the setting up of a special security staff to work on behalf of the Republican Party. Bauman related that Hunt had been accompanied by an individual who seemed to be Hunt's supervisor. On June 26, 1972, WFO obtained from MPD the address books which belonged to Martinez and Barker. One of the entries in Barker's address book was the name "George" and the telephone number 333-0362 which was determined on June 28, 1972, to be a number at CRP utilized by Gordon Liddy.

Liddy was contacted on June 28, 1972, but declined to be interviewed although he did say he was a former Bureau Agent. It was on this date, June 28, 1972, that Liddy's connection with the CRP was initially determined. Since Liddy's description was similar to that of the unknown individual furnished by Bauman, a copy of Liddy's photograph from his FBI personnel file

## **Watergate - Events at Initial Stage of Case**

was sent by telecopier to Tampa for display to Bauman. On 6/29/72, Bauman said he was almost positive that Liddy was the individual who accompanied Hunt but requested a photograph of better quality be displayed. On July 3, 1972, a more up-to-date photograph of Liddy which WFO had obtained was shown to Bauman and he positively identified Liddy as being the one who accompanied Hunt.

In addition, on July 3, 1972, Hunt and Liddy were positively identified by Mary Denberg in Los Angeles, California, as being two frequent visitors to the Morton B. Jackson law firm in Los Angeles (Jackson's identity was obtained as a result of Hunt's telephone toll calls). Subsequent to efforts to interview Liddy on June 28, 1972, investigation determined that he worked for several months at the Executive Office Building at the White House as a staff assistant on the Domestic Council.

5. When was this information communicated to the Attorney General?  
To the Acting Director of the FBI?

The Attorney General was telephonically advised by Mr. Felt of the initial facts received and that the FBI was conducting investigation on the afternoon of June 17, 1972. The Extra Duty Supervisor in the General Investigative Division (GID) was informed of this fact at 4:39 P.M.; however, the time of Mr. Felt's call to the Attorney General is not known. At that time McCord had not been identified and was still going under the alias of Edward Martin which he gave at the time of his arrest. Possible involvement of Hunt was not known at that time. Acting Director Gray was briefed by the Resident Agent at Santa Ana, California, between 2:00 P.M. and 2:30 P.M., Eastern Daylight Time. This included only the initial facts of the break-in and did not include the identity of McCord or the involvement of Hunt. At 6:45 P.M., Eastern Daylight Time, June 17, 1972, the Los Angeles Office was advised by the GID Extra Duty Supervisor of McCord having been identified as an ex-FBI Agent and security officer for the CRP. The time this information was subsequently furnished to Mr. Gray is not known. Possible involvement of Hunt was telephonically furnished to the Extra Duty Supervisor by WFO Supervisor John Ruhl at 7:11 P.M., June 17, 1972, and Mr. Felt was briefed concerning developments up to that time at 8:27 P.M., June 17, 1972. At 8:20 A.M., Eastern Daylight Time, June 18, 1972, Mr. Bates was briefed by the Extra Duty Supervisor and he said he would advise Mr. Felt who would advise Mr. Gray. At 9:50 A.M., Eastern Daylight Time, a conference call was had with the weekend duty Supervisor, Mr. Bates and Mr. Felt. Following this, Mr. Felt instructed that Assistant Attorney General Petersen be briefed as to developments which was done at 10:05 A.M. At 11:50 A.M., June 18, 1972, the FBI Headquarters switchboard record showed conversation between the Attorney General and Mr. Gray.

## Watergate - Events at Initial Stage of Case

6. Did you receive any special instructions from either Justice or the Acting Director as a result of this development?

No special instructions from either Justice or Acting Director as a result of this development are known. It was not necessary for anyone to order the FBI into the investigation since there was preliminary indication of a crime within the investigative jurisdiction of the FBI. Although jurisdiction is concurrent between the Bureau and the MPD, U. S. Attorney Titus conferred with Assistant Attorney General Petersen during the morning of June 17, 1972, and it was decided by them that the FBI should assume the investigative responsibility for this case. WFO was instructed on June 17, 1972, that the investigation was to receive immediate attention under the personal direction of the SAC, and that as many Agents as were needed were to be utilized.

At 7:40 P. M., June 17, 1972, Washington Field Office Supervisor John Ruhl advised that Assistant Attorney General Henry Petersen, Criminal Division, telephonically contacted Washington Field Office and advised he desired immediate investigation at CIA to determine if the subjects were actively employed by that agency. He said he desired all pertinent information by 11:00 A. M., June 18, 1972, in order that he could brief the Attorney General. He also indicated he was closely following the investigation relative to Hunt and desired that all new information developed be furnished to him (Mr. Petersen) for passage to the White House. At 8:06 P. M., June 17, 1972, Assistant Director Bates instructed the Extra Duty Supervisor that briefing of Mr. Petersen was to be done by FBI Headquarters in accordance with established FBI practice. Washington Field was instructed not to furnish information to Mr. Petersen and if he called again to tactfully inform him that he should seek information through FBI Headquarters rather than from the field. Mr. Petersen was telephonically briefed of developments at that time by the General Investigative Division Extra Duty Supervisor, upon instructions of Assistant Director Bates, at 10:05 A. M., June 18, 1972.

7. Was the investigation impeded in any way by instructions from either Justice or the Acting Director? If so, give full details.

Investigation was not impeded by any instructions from the Department of Justice. Certain actions of the Acting Director may possibly be viewed as having impeded the investigation. Specifically, the decision to allow John Dean to sit in on all interviews of White House personnel had a deleterious effect on the investigation at the White House, particularly in light of recent disclosures of the involvement of Dean in the attempted cover-up of the Watergate matter by senior White House personnel. Obviously, having Dean

## Watergate - Events at Initial Stage of Case

present at interviews may have had the effect of limiting pertinent information furnished to our Agents. Although eventually all leads which WFO desired to be covered were covered, with the exception of interview of a CIA employee, delays were encountered in conducting pertinent interviews. The reasons for these delays are not positively known, but it is easy to speculate that Mr. Gray held up coverage of leads until he could discuss such leads with Dean or someone else at the White House or CIA. Specifically, by teletype dated June 19, 1972, WFO requested authority for interview of Charles W. Colson, for whom White House records showed that Hunt worked. A memorandum was prepared on the afternoon of June 19, 1972, recommending that Bureau Liaison handle this interview but this was not approved until the morning of June 22, 1972.

[Redacted] Rather, Miss Chenow was brought back to the United States, apparently on instructions of the White House and she was interviewed on July 3, 1972, in Dean's presence, furnishing scant information of value.] *tl*

[Redacted] Similar delays were encountered relative to interview of Kenneth Dahlberg, as Mr. Gray on June 29, 1972, instructed that he not be interviewed or investigated at that time because of national security considerations. He was subsequently interviewed by Minneapolis Office on July 6, 1972, with Mr. Gray's approval.] *u*

In considering impediments to obtaining the full story of this case the furnishing by Mr. Gray to John Dean of copies of FBI reports as well as copies of other WFO communications must be considered. In retrospect, review of these reports by Dean at the White House would indicate to him what information had been developed which would be of value in the devising of strategy to cover up this case. In addition, the destruction by Mr. Gray of documents apparently taken from Hunt's safe likely impeded the investigation although it cannot be stated positively what information was contained in the material he destroyed.

## **Watergate - Events at Initial Stage of Case**

Questions eight through twelve were handled by either Messrs. Felt, Bates, Kunkel and/or Nuzum as noted by their responses:

8. Did any senior officer in the Bureau in a position of responsibility conclude that there was an effort to cover up White House or CRP involvement in the Break-in? If so, explain.

Mr. Bates answered -- "No. There were lots of discussions with Mr. Gray involving Mr. Felt, Mr. Kunkel and myself, at which time any one of us discussed chagrin over lack of complete cooperation from the White House or the Committee. I did not feel that the lack of complete cooperation was anything other than is sometimes encountered in other major investigations."

As one of the senior responsible officers, Mr. Felt stated in his own mind there was much more involved in this case, either at CRP, the White House or both. On several occasions in conversations with Gray Mr. Felt advised that he recommended to Gray that the President be urged to get the whole case out in the open regardless of who was involved. He stated he was acutely aware of lengthy delays in getting access to certain individuals, which delays were caused by individuals in high positions at the White House and Committee to Reelect the President. Mr. Felt stated he recalled that Gray in response to his suggestion indicated he did not think communication with the President was a proper course to pursue.

SAC Kunkel advised he did not conclude there was an attempt to cover up either White House or CRP involvement in the break-in; however, from his personal experience in supervising the extensive and continuing investigation in WFO he stated he was unable to explain the reluctance to cooperate by various personnel in both the White House and in the CRP. He stated that even simple questions raised to various phases of the investigation brought numerous delays while decisions were made in the White House and in the CRP as pertaining to authority to proceed in certain areas of WFO's investigation. He cited as examples the checks being made of the toll records and contents of the desk and safe belonging to E. Howard Hunt in the White House. He recalled that at the CRP, employment records and the background information on James McCord were delayed by a decision to be made by Robert C. Odle, Jr., Director of Administration, CRP.

9. The seven Watergate defendants were all under indictment by September, 1972, and until McCord wrote his letter to the Judge in March, 1973, it would appear that a cover-up had succeeded. There is widespread belief that the Washington Post reporters did more to uncover the truth than did the Department of Justice. What did the Department or the FBI

## Watergate - Events at Initial Stage of Case

do or fail to do to uncover the criminal involvement of high officials in the White House and CRP? Is there a lesson to be learned from this matter? In other words, if a similar operation occurred in the future, would the Bureau be dependent for success upon a gratuitous circumstance as in this case?

Mr. Nuzum responds that if there is a widespread belief that the Washington Post reporters did more to uncover the truth than did the Department of Justice, this is a myth of monumental proportions. Those newspaper reporters undoubtedly did more to publicize this case than did the FBI since the FBI does not make press releases detailing advances made in a pending matter. The FBI was well ahead of all matters reported in the press with regard to the Watergate incident, except for Dahlberg's revelation in a deposition given on August 23, 1972, to Richard Gerstein's office (State's Attorney, Dade County, Florida) that Dwayne Andreas was the source of the \$25,000 cashier's check which passed through Barker's bank account. That development was publicized in the press on August 25, 1972, and was contrary to information furnished to us in a signed statement by Dahlberg on July 7, 1972, when he claimed \$25,000 was money he had obtained through solicitations in Florida, the implication being that there were a number of contributors making up that \$25,000.

With the advantage of hindsight, it is apparent the Bureau would have been a great deal more successful in the development of this case had the Acting Director

(1) refused to allow Dean to sit in on interviews,

(2) directly contacted the President and clearly spelled out interference by Dean in bringing facts to light such as the week's delay in furnishing Hunt's effects to WFO,

(3) if such an appeal to the President failed, the Acting Director could have submitted his resignation with attendant publicity as to his reasons;

however, in the absence of taking the foregoing rather strong steps, it appears that investigation in a similar future case or situation would be unlikely to achieve more than was achieved in the extensive far-reaching handling afforded the Watergate matter. It is simply a fact of life that thinking that one is being lied to does not provide evidence and if no one involved in a conspiracy will talk truthfully, the only way to obtain a breakthrough in the development of truth is the method used in this case; i. e., development of an airtight case against these defendants who can be convicted, coupled with the courageous action of the courts in giving a maximum sentence to the convicted defendants. This is



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what produced the breakthrough in this case.

Concerning the overall FBI investigative effort in captioned case, Mr. Felt stated that he considered this investigation to be indeed noteworthy in spite of the difficulties encountered. He stated it was a penetrative, very detailed and completely thorough investigative effort which subsequently resulted in a successful trial wherein all seven defendants were found guilty. The convictions in turn led to stiff sentences against the defendants by trial judge Sirica which provided the ultimate break in the entire case when convicted conspirator McCord decided to talk rather than face a lengthy sentence.

SAC Kunkel advised that from the inception of this case he felt the FBI and his Agents in particular vigorously pursued all facets of the investigation. It was handled from the beginning as a special with various techniques being used in WFO, such as special indices on individuals, phone numbers, and other items which would facilitate the necessary checks and investigations to be made. He stated the only lesson in his opinion the FBI could learn from the Watergate investigation would be that under no circumstances should the Bureau have permitted various legal counsel at the White House and CRP to sit in on interviews of certain personnel conducted at both places. He stated he voiced his opposition to this arrangement with Gray and other officials at the Bureau by observing that the individuals interviewed were naturally inhibited by the attorneys present.

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10. In a memorandum dated June 22, 1972, prepared by C. W. Bates, presumably for the assistance of Mr. Gray, there was a recitation of fact referring to developments in the Watergate investigation. In this connection:

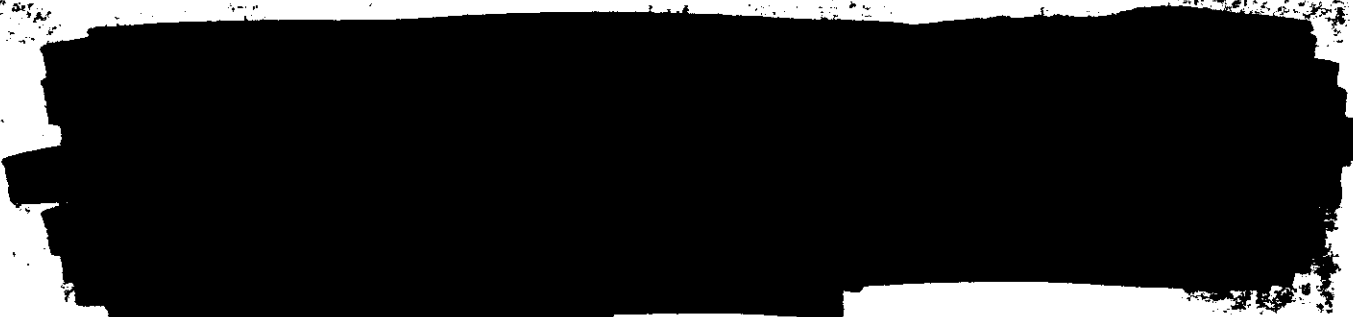
a. What was the purpose of the memorandum?

Mr. Bates' response is - "After our meeting with Mr. Gray on June 21, 1972, I asked Gray if he was going to write a memorandum or wanted me to write a memorandum reflecting our discussions, and he said, 'No, keep your notes.' Upon returning to my office, as has always been my custom, I dictated from notes taken and put it in the form of a running rough draft memorandum rather than retain notes."

b. Why, if you know, did Mr. Gray on June 21, 1972, and again on June 22, 1972, order that information developed to that date be withheld from the White House and the Justice Department; and why were interviews with the White House employees held up?

Mr. Bates responds - "The normal procedure which I suggested to Gray would have been to prepare a letter to the White House and to the Department of Justice setting forth facts and indicating the Bureau investigation. When I suggested this, Gray instructed that such dissemination be held up. He did not explain further and this was not pursued. I can't remember why a discussion was had to hold up interview of employees at the White House but there should be something in file to show why interviews of White House personnel were pertinent at that time. It is my further recollection that WFO Agents had already made contact at the White House."

c. In the afternoon of June 23, 1972, Gray informed Bates of his conversation with the Deputy Director of CIA. What was the information based on to Bates by Gray?



## **Watergate - Events at Initial Stage of Case**

**What happened in that conversation which impelled Bates to advise Gray that the Bureau had no choice but to continue the investigation? What was the alternative under discussion?**

**Mr. Bates refers to his answer above and adds - "I recall no alternatives discussed. In this regard it may be helpful if copies of CIA memoranda which have been referred to in Congressional hearings be obtained. They might disclose the details of the conversation between Gray and General Walters."**

**e. With regard to the Time story:**

**(1) Has anyone checked to determine whether Gray and Mitchell were staying at the same hotel in California?**

**Inquiry by Inspectors at our Los Angeles Office disclosed the following summary of activities of Gray and Mitchell: Both arrived at the Los Angeles International Airport June 16, 1972 (Friday), approximately six hours apart. Gray stayed at the Beverly Wilshire Hotel and Mitchell at the Beverly Hills Hotel (approximately one and one-half miles away). On June 16, 1972, Gray visited the FBI Office, had a press conference and a dinner-speech at his hotel while Mitchell's activities and/or itinerary were not known to the Los Angeles FBI. On Saturday, June 17, 1972, Gray departed his hotel for Santa Ana and arrived at the Newporter Inn, Newport Beach, for lunch and at approximately 2:30 P. M. cancelled original plans to go to Palm Springs and arrangements were made for overnight stay at Newporter Inn. Mitchell's only known itinerary on June 17, 1972, included Republican meeting with Governor Reagan, press conference and ultimate return to his hotel after 2:00 P. M. On Sunday, June 18, 1972, Mitchell arrived at Newporter Inn at approximately 3:00 P. M. and an unidentified member of Mitchell's party inquired of our Agents where Gray was. When asked why, the individual responded that inquiry was made for "Mr. Mitchell." This individual was directed to the pool area of the Newporter Inn where Gray and his wife were sunning. No information was developed regarding an observed contact between Gray and Mitchell at that time or any previous time during their respective stays in the Los Angeles area.**

**At approximately 5:00 P. M., June 18, 1972, Gray departed the Newporter Inn for Palm Springs and Mitchell remained at the Inn overnight. Gray then departed Palm Springs at 11:50 A. M., June 19, 1972, while Mitchell departed the same date from Los Angeles at approximately 10:15 A. M.**

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Details of these interviews are attached. It is noted for SAC Wesley G. Grapp (now retired) declined to be interviewed on advice of his counsel.

- (2) Was there any direction or suggestions by Gray that the case ought to be wrapped up in a hurry?

Messrs. Nuzum, Bates, Felt and Kunkel all state they had no suggestion or direction along this line.

1. With respect to the meeting of Gray and the Agents on June 24, 1972, what was the leak which had angered Gray?

Mr. Bates responds - "I don't recall specifically but, in reviewing my memorandum, it is noted that Gray informed me on the 23rd of June that Smith, a reporter for "Time" magazine, had called him, stating "Time" had information that Gray had refused to permit Agents to check Colson's telephone toll calls and to interview him and that Gray had instructed this investigation be wrapped up in 24 to 48 hours, the inference being it was a whitewash of the investigation on Gray's instructions. I can, therefore, conclude that this could have been the basis for Gray's talk with the WFO Agents on June 24, 1972.

At 11:00 A. M. on June 24, 1972, SAC Kunkel, Gray and I met with 27 WFO Agents in Mr. Gray's conference room. He pointed out his concern for leaks to the news media, the seriousness of them and then became quite agitated. In a strong voice he accused the Agents of this leak, demanded that the Agent responsible step forward, and later said that whoever did it would be fired. My recollection is that this confrontation with the Agents lasted 15 or 20 minutes, after which he curtly dismissed the Agents."

SAC Kunkel recalls that the "leak" was allegedly brought to the attention of FBIHQ by Sandy Smith regarding a proposed article in Time Magazine. He recalled the tenor of Smith's remarks, according to Gray, attacked Gray's integrity, but not the Bureau in general. He stated he did not specifically recall any other specifics concerning this "leak."

After the meeting with the Special Agents from WFO on June 24, 1972, Mr. Gray had informed Mr. Kunkel that he was quite agitated over this "leak" and had felt that it emanated from one of the 27 Agents working on the case or from a Bureau official who was privy to certain unusual aspects of the Watergate investigation. Gray stated that he was so

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agitated and concerned that while driving to the office that morning he was trying to make up his mind where he would send SAC Kunkel if one of the WFO Agents admitted being the source of the "leak."

- g. Did the leak involve or tend to involve the White House or the CRP in the Watergate break-in?

Mr. Bates states - "Not to my recollection. I don't recall that at that time there was any information to support the involvement of the Committee or the White House. It was my feeling at the time that such leaks could have come from the White House, U. S. Department of Justice or more probably from the Police Department who had all of the material taken from the subjects at the time of their arrest, and the subjects were also in their custody."

SAC Kunkel advised he could not recall specifically. He did believe, however, that the first possible White House connection came to light through an address book found in the Howard Johnson Hotel room in which Hunt's White House telephone number was noted as well as a personal check of Hunt's made out to a local Country Club.

- h. In the summer of 1972 or later, did Gray express any opinion that someone in a higher echelon than Hunt or Liddy must have organized the Watergate break-in?

Mr. Bates states - "Not to my knowledge."

Mr. Felt recalled Gray advising him that in Gray's opinion there were possibly higher-ups involved in the Watergate case. Felt frequently emphasized to Gray the need to aggressively pursue the investigation regardless of to whom it led.

SAC Kunkel stated he has no firsthand knowledge that Gray expressed any opinion relative to someone in the higher echelon other than Hunt or Liddy had organized Watergate break-in.

- i. Why did the FBI wait until Dean's invitation on June 26 to attempt to secure the records in Hunt's White House Office?

Mr. Nuzum points out that the FBI did not wait until Dean's invitation on June 26 to attempt to secure Hunt's effects. Set forth below are the actions taken which led up to the obtaining of the material from Dean and Fielding.

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- (1) On June 17, 1972, Hunt's probable involvement in the Watergate incident came to WFO's attention because of his country club bill found in the Watergate hotel and because of information contained in Barker's address book.
- (2) WFO, about 6:00 - 7:00 P.M., June 17, 1972, contacted Mr. Butterfield of the White House and learned that Hunt had previously worked as a Consultant to the White House. Mr. Butterfield was told Hunt may be involved in the Democratic Committee Headquarters bugging.
- (3) On June 18, 1972, Mr. Butterfield recontacted WFO and advised that Hunt had worked for Charles Colson, Special Counsel to the President.
- (4) On June 19, 1972, SA Saunders reviewed Hunt's personnel file at the White House and also called White House number 456-2282 (which number was contained in Barker's address book), asked to speak to Mr. Hunt and was informed that he had not come to his office that day.
- (5) On the afternoon of June 19, 1972, WFO by teletype requested Bureau authority to interview Mr. Colson. On June 22, 1972, upon Mr. Gray's instructions, then Assistant Director Bates, at about 10:25 A.M., authorized SAC Kunkel to have Agents contact Mr. Dean to discuss an interview with Colson and discuss obtaining of telephone toll call records involving Hunt at the White House. Thereafter, SA Saunders contacted Dean to set up interview of Colson which was conducted on the afternoon of June 22, 1972, in Mr. Dean's office with Mr. Dean present.
- (6) During the interview when Mr. Colson said that he believed Hunt had worked on the third floor of the building, SA Lano asked Mr. Dean if the Agents could accompany Mr. Dean to Hunt's office on the third floor to determine if Hunt may have left anything there. Mr. Dean stated that this was the first he was aware of this office. In response to an Agent's request to examine the office, Dean advised the White House would provide the FBI with any contents belonging to Hunt.
- (7) On the morning of June 26, 1972, Mr. Dean called SA Lano and advised he had something to turn over to the FBI. SAs Mahan and Michael J. King were then sent to Mr. Dean's office. At

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approximately 11:00 A. M., Mr. Dean gave these Agents a box containing some of Hunt's effects and between 4:00 and 4:30 P. M., June 26, 1972, Mr. Dean's assistant, Fred Fielding, gave some Agents a second box of Hunt's effects.

1. (1) What did Mr. Gray mean when he gave his opinion on June 27, 1972, and again on June 28, 1972, that this was possibly a "political operation?"

Mr. Bates responds - "Our discussion about this matter at the time included various theories advanced with no supporting evidence. I don't recall any facts that would support Mr. Gray's theory but do recall that various theories were discussed by all of those present."

Mr. Felt stated he was unable to recall specific references during the early stages of the Watergate investigation by Gray theorizing that Watergate was a "political operation." During many conferences various theories were discussed pertaining to ideas and possible involvement in the overall case. Mr. Felt stated he never detected a reluctance on Gray's part to vigorously pursue this investigation except that he did feel Gray was somewhat hesitant to look above rank-and-file responsibility for this matter.

- (2) At this time was there a reluctance on the part of Gray to continue the investigation which prompted Mr. Felt and Mr. Bates to urge an aggressive investigation?

Mr. Bates' answer is - "There was none. I do recall, and this is not reflected in my memorandum, which can be supported by Mr. Kunkel and Mr. Felt, that at one of these discussions early in the case, the suggestion was made to Gray that he should personally go to the President, tell the President that we were receiving less than full cooperation from the White House staff and the Committee, suggest that he instruct all of these people to cooperate completely regardless of where the chips might fall, it is further suggested that the President might want to consider after that a public statement to the effect that the FBI was going into this matter thoroughly with the President's complete backing and that anyone responsible would have to take the consequences and that the President would countenance no one associated with him to do anything illegal or underhanded. Gray said he felt he could not do this."

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It was then suggested that he might have the Attorney General do so. He then called Jeb Magruder on the telephone but was unable to reach him. He gave no indication as to what he intended to discuss with Magruder.

My memorandum discloses that on June 28, 1972, Mr. Felt and I met with Mr. Gray. I pointed out that under no circumstances should we back off from any investigation at the request of CIA without forcing them to reveal completely their interest. In addition, at that time I suggested that Gray ask for a letter from CIA explaining in detail, if they were involved, their complete operation, what it entailed and who it involved and expressly stating in the letter that such investigation by us would have an adverse effect on the nation's security."

Mr. Felt stated that he recalled on several occasions that he had repeated to Mr. Gray the need for a continued aggressive approach toward the FBI's investigation.

- k. Did Gray advise any FBI personnel as to why the meeting with the CIA had been called off? Was there any consideration at that time of the possibility that efforts were being made to call off the FBI investigation because the break-in was a CIA affair?

Mr. Bates' response is - "To my knowledge he told no one of the reasons the meeting was cancelled. I didn't consider it significant at the time. I did not consider at that time that this was a CIA operation although the possibility had occurred to me that it might be a "spin-off" of some operation of theirs. There was no indication of any attempt to call off the investigation since it might involve a CIA operation."

Mr. Felt was unable to recall any specifics as to why the CIA meeting in the early stages of the Watergate investigation was called off. He recalled that there was no consideration for calling off the FBI investigation for any reason although the FBI was initially concerned the operation detected at Watergate may have been a CIA or CIA-backed operation due to the CIA background of several of the subjects. He stated he was aware that certain interviews were temporarily held up because of direct or suspected CIA involvement. Until the matter was completely resolved between Gray and CIA Deputy Director Walters, certain interviews were held in abeyance. ✓



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What was the conversation which preceded Gray's statement that he would resign if anyone requested him to hold up the FBI investigation?

Mr. Bates answers - "I feel that this was Mr. Gray's follow-up to our statement that we should not hold back under any circumstances and that he made reference to the President as emphasis on this point.

m. Did Mr. Gray express any reluctance at developing White House involvement through John Dean? Was there any discussion concerning the possibility of John Dean being himself implicated?

Mr. Nuzum advised that it is not known that Mr. Gray ever expressed any reluctance to deal through John Dean; rather, at his confirmation hearings, he testified that Dean was the individual on the White House staff having liaison with the Justice Department and the FBI and he was the one the FBI should deal with. Until recent disclosures by McCord and Jeb Magruder, there was no information indicating that Dean was implicated in this case.

n. Why was the interview of Chenow held up?

Mr. Nuzum reports that while it is only speculation, it now seems likely that interview of Kathleen Chenow was held up in order that she could be brought back to the United States for briefing by Dean.

o. The eight leads (attachment 1) relate to McCord's activities. Were there no leads arising from the fact that Mr. Hunt had had an office at the White House?

Mr. Nuzum points out that there were numerous leads arising from the fact that Hunt had worked at the White House. The eight leads mentioned in Attachment 1, as the caption on that attachment states, relate to interviews at the CRP. Hunt was not working at the CRP, but McCord was. Accordingly, questioning at the Committee, initially, concentrated on McCord.

p. What did Gray advise Felt which led to the delay in investigating Ogarrio and Dahlberg? (Page 7, paragraph 1, of Bates' memorandum.)

Mr. Felt advised he recalled Gray suspected Messrs. Ogarrio and Dahlberg and others were possibly involved in CIA activity and this resulted in some delays in conducting immediate interview of these individuals. ✓

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Why did both Bates and Felt feel it necessary on June 28, 1972, to reiterate "the absolute necessity" of a thorough FBI investigation?

Mr. Bates answers - "This was a recurring theme in all of our early discussions with Mr. Gray, probably based on the fact that he was new in the FBI and that we were reiterating a long-standing policy of the organization. There were no specifics which prompted this."

Mr. Felt advised that as he recognized the growing magnitude of the Watergate investigation and the fact that certain investigative delays were being encountered, he and other Bureau officials felt that Gray must be made aware the investigation must be vigorously and aggressively handled in order to preserve the Bureau's reputation.

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Didn't Gray report the results of his White House meeting of June 28, 1972. If so, what did he say?

Mr. Bates states - "He did not. I had no knowledge of why he was going to the White House and received no information as to the results of any meeting there. I felt that if it had been pertinent he would have told me."

s. Did Gray or any FBI personnel protest Dean's determination to sit in on all interviews with White House people?

Mr. Nuzum says the decision to permit Dean to sit in on interviews with White House people was apparently reached by Mr. Gray. Supervisors in the Accounting and Fraud Section were not in a position to overrule the Acting Director's instruction.

SAC Kunkel stated he has no information relative to the determination of John Dean to sit in on interviews with the White House people, or protests by any FBI personnel of such practice.

t. What caused the reversal of the instructions to hold up interviews of Chenow and Young?

Mr. Bates states -- "My memorandum reflects that at 12:50 P.M., June 30, 1972, Mr. Felt told me that Dean said to hold off interviews of Young until Dean talks with Gray. Thirty-five minutes later, at 1:25 P.M., Felt told me it was all right to interview Young and that he would be made available on July 3, 1972. He said that Chenow was returning from England and would be made available next week. I know of no reasons why these interviews were held up even though it was for a very short period."

u. If it is known, why was the interview with Dahlberg again postponed?

Mr. Nuzum advised that according to memorandum dated June 28, 1972, from Mr. Felt to Mr. Bates, Acting Director Gray instructed that "the following CIA employees or contacts not be interviewed or investigated at this time because of national security considerations." Dahlberg is one of those listed and no reason is given. U

Mr. Felt advised the interview with Dahlberg was postponed upon instructions of Mr. Gray with no reason given for this course of action.

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What was Gray's full statement with respect to the involvement of Dean, Colson and Ehrlichman?

Mr. Bates' response is -- "I cannot recall Gray's full statement in any specifics. Many of these sessions we were having with Mr. Gray with regard to Watergate were what I would now describe as 'rap sessions' because in the days of Mr. Hoover whenever any discussion was had it had to be supported by facts and that this was a new approach to me. Therefore, in these 'rap sessions' many names, theories and possibilities came up which would include the names of Dean, Colson and Ehrlichman."

w. On July 5, 1972, or at any other time, did Gray or any other Bureau official suggest that it might be possible that an effort was being made to have the CIA accept responsibility for the break-in so that the FBI investigation of CRP and the White House would end?

Mr. Bates states -- "Absolutely no."

11. Why is the memorandum dated June 22, 1972, since it refers to matters as late as July 6, 1972?

Mr. Bates explains -- "This was first dictated on June 22, 1972, to record conversations based on my notes. As more conversations ensued, I merely added to the memorandum so that I would have a reference to them."

12. Why did this factual account stop on July 6, 1972?

Mr. Bates states -- "My recollection is that after the first three weeks this investigation settled down and developments were on the record through memoranda and other communications. There was no other reason as far as I am concerned."

### ADDITIONAL INTERROGATORIES POSED TO FORMER ASSISTANT DIRECTOR BATES RELATIVE TO HIS LOG

When Mr. Bates was interviewed concerning the questions posed by Mr. Bardley, additional interrogatories were presented to him in an attempt to clarify additional points raised in examination of his log:

1. Referring to Page 2, first paragraph, it is to be noted that Mr. Gray

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authorized on June 22, 1972, a contact with John Dean regarding interviews and information needed at the White House. Why with Dean? Had Dean already been contacted by Gray regarding the FBI investigation?

Mr. Bates -- "I do not know specifically why with Dean. It was Gray's pronouncement Dean was considered to be the liaison contact in this matter."

2. With reference to the 4th Paragraph on Page 2, it is noted that at 3:15 P.M., June 23, 1972, Gray called Bates and informed him in detail of a conversation with the Deputy Director of CIA. Does Bates recall who called whom, i.e., who initiated the call?

Mr. Bates -- "In refreshing my memory I have referred to my memorandum and it is to be noted that Walters, the Deputy Director of CIA, had been at Gray's office. I do not know who prompted the visit."

3. Referring to Page 3, Paragraph 5, Item 3, Sandy Smith of "Time" magazine talked to Bates, Smith telling Bates that Gray told him (Smith) that "no records are maintained at White House as to Hunt's calls." What prompted this alleged statement that there were no records at the White House regarding Hunt noting he did work there; did have an office there. Did Bates ever discuss this with Gray?

Mr. Bates advises -- "I don't ever recall having discussion with Gray on this point but I do recall some difficulty WFO had in obtaining these records."

4. Referring to Page 4, Paragraph 4, which is the meeting of Mr. Gray, Bates and Kunkel with the 27 WFO Agents, was there any indication that Mr. Dean prompted this meeting, claiming that the leaks were coming within the Bureau (when they could have been coming from the White House)?

Mr. Bates states -- "There was nothing to indicate that at that time. Knowing what we have learned since that time, that could have been a possibility."

5. Referring to Page 5, Paragraph 3, under whose instructions did [redacted] holding take everything from the White House office of Hunt and [redacted] into boxes? They were under guard by whom? (Note that the [redacted])

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period they were allegedly under guard was from June 19, 1972, to June 26, 1972.) Why wasn't this material turned over immediately?

Mr. Bates states -- "I have no knowledge who authorized Fielding to take this action. I am aware that WFO had been attempting to obtain the material from Hunt's office and that there had been considerable delay. WFO was concerned as to the chain of evidence. I instructed WFO to get full information as to who removed the material so that we could reconstruct the chain of evidence if required."

6. Referring to Page 5, Paragraph 4, it is noted that Mr. Gray noted in the margin in red ink, "CIA?" Do you know why this reference was scratched on there?

Mr. Bates' answer is "No."

7. Referring to Page 5, last paragraph, did Gray mention to Bates that he (Gray) got the idea from conversations with John Dean that the latter did not want FBI to engage in an all-out, aggressive investigation regarding Watergate?

Mr. Bates states -- "No. We were faced with some delays which I have described previously, all of which I did not feel were unusual since such delays were common in other major investigations."

8. Referring to Attachment No. 1, Item No. 2, there is a statement by General Redman that he could furnish Hunt's toll calls from the White House, which possibly conflicts with Page 3, Paragraph 5, Item 2, when Gray allegedly told Sandy Smith that there were no records maintained at the White House re Hunt's calls. Can Bates in any way clarify?

Mr. Bates responds -- "As best I can recall, WFO may have run into difficulty in obtaining these calls and in pursuing the matter went to General Redman and obtained this information."

9. Again referring to Attachment No. 1 and the last sentence on the page, can Bates in any way tell what prompted this line, "Dahlberg is under orders not to talk to us"?

Mr. Bates answer is -- "We had made a number of attempts to contact Dahlberg at various places and he had refused to talk to us. On this contact

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with him (June 26, 1972), he refused to talk on advice of his attorney and would not furnish the attorney's name. This appeared strange to me as I could not conceive of an attorney wanting his name withheld when he represented a client. This, plus the fact of the numerous contacts which were unproductive, prompted this statement. I do recall information from WFO later that during the time we were trying to interview Dahlberg, he had made telephone calls to the CRP."

10. Referring to Page 6, Paragraph 3, Gray states, "Not the appropriate time to sit down with CIA." Who said so - John Dean? ✓

Mr. Bates states -- "I have no recollection of any reference to John Dean. In our discussion with Mr. Gray, the only reference as to why we should not sit down with CIA was that first we should get everything together so that we could discuss the matter with CIA from a position of strength."

11. Also in the same paragraph, Gray remarked, "CIA covert activity." What prompted this remark by Gray?

Mr. Bates states -- "I cannot recall, except that he had mentioned it earlier and it was in the vein of a theory, as far as I was concerned."

12. Also in the same paragraph, Gray said, "He would not hold back . . . this investigation at anyone's request," yet he had already cancelled the meeting with CIA. This does not appear to be consistent. Can Bates clarify this?

Mr. Bates states -- "I have no explanation as I was not aware of the reason for the cancellation of the meeting and, therefore, at that time I did not consider that there was any inconsistency."

13. Referring to Page 7, first paragraph, Bates said he told Felt that these leads should be covered regardless. What prompted this remark by Bates? Did he feel it was an attempt to cover up - by Gray or anyone else?

Mr. Bates -- "I had no feeling of a possible cover up attempt but if the coverage of such leads did get into a CIA operation, I could see no objection to holding them up temporarily until CIA laid out the story to us. But I am strongly that they should eventually be covered."

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14. Referring to Page 8, first paragraph, what possibly prompted Gray, Mark, Dean and Colson not involved in any way but Ehrlichman was caught up in something?

Mr. Bates' answer is -- "I have no further explanation other than what I set forth earlier, except to explain that our discussions were free and open and that many theories and many names were discussed."

**CHRONOLOGICAL LOG OF FBI CONTACTS WITH THE DEPARTMENT CONCERNING EARLY DEVELOPMENTS IN THE WATERGATE CASE**

For possible added clarification file material shows the following sequence:

**DATE: 6/17/72**

**TIME: 4:39 P.M.**

Extra-Duty Supervisor was informed - time of Mr. Felt's call not known

The Attorney General was telephonically advised by Mr. Felt of the initial facts received and that the FBI is conducting investigation.

**DATE: 6/17/72**

**TIME: About 9:00 P.M. per SA Lano**

Assistant Attorney General (AAG) Petersen telephonically contacted Washington Field Office and requested that the FBI find out the CIA assignment or affiliation of the five men who were arrested.

**DATE: 6/18/72**

**TIME: 10:05 A.M.**

AAG Petersen was telephonically briefed by Extra-Duty Supervisor R. K. Besley, General Investigative Division, on the instructions of then Assistant Director Bates.

**DATE: 6/19/72**

**TIME: 2:00 P.M.**

Per Mr. Felt to Acting Director memo 6/19/72

The Attorney General was briefed by Mr. Felt.

**DATE: 6/20/72**

**TIME: The time given in Bates to Felt memo 6/20/72**

AAG Petersen was contacted by then Assistant Director Bates regarding an inquiry from William Proxmire's office relative to the trace of the \$100 bills which were recovered from the subjects.



**Watergate - Events at Initial Stage of Case**

**DATE: 6/28/72**  
**TIME: 11:45 A.M.**  
**per C. W. Bates**  
**to Mr. Felt memo**  
**6/28/72**



**b1**

**DATE: 6/30/72**

Thirteen investigative reports were personally delivered to AAG Petersen.

**DATE: 6/30/72**

A blank memorandum regarding Kenneth Dahlberg was forwarded to AAG Petersen.

**DATE: 7/3/72**

Thirteen investigative reports were personally delivered to AAG Petersen.

**DATE: 7/7/72**

Ten investigative reports were personally delivered to AAG Petersen.

**DATE: 7/14/72**

Twenty-two investigative reports were personally delivered to AAG Petersen.

**DATE: 7/17/72**  
**TIME: 4:50 P.M.**  
**per Bates to Felt**  
**memo 7/17/72**

AAG Petersen called then Assistant Director Bates and requested we hold up interviews of Herbert Porter and Jeb Magruder at the Committee to Reelect the President until Mr. Petersen could confer with Committee to Reelect the President attorneys Kenneth Parkinson and Paul O'Brien.

**Watergate - Events at Initial Stage of Case**

**DATE: 7/18/72**  
**TIME: 2:50 P.M.**  
per Bates to Felt  
memo 7/18/72

Mr. Petersen called Mr. Bates to advise that attorneys Parkinson and O'Brien had cancelled their meeting with him and the FBI should proceed with interviews of Porter and Magruder if we desired. Mr. Porter was interviewed on July 19, 1972, and Mr. Magruder was interviewed on July 20, 1972.

**DATE: 7/19/72**

Twenty-three investigative reports were personally delivered to AAG Petersen.

**DATE: 7/19/72**  
**TIME: 5:00 P.M.**  
per Bates to Felt  
memo 7/19/72

Then Assistant Director Bates telephonically contacted AAG Petersen to determine if he could see any objection to an interview of John D. Ehrlichman, Assistant to the President for Domestic Affairs, regarding the activities of Hunt and Liddy who previously worked under Mr. Ehrlichman. He was interviewed on July 21, 1972.

**DATE: 7/20/72**

One investigative report was delivered to AAG Petersen.

**ENCLOSURES**

Copy of June 22, 1972, memorandum of former Assistant Director Charles W. Bates.

Copies of memoranda reflecting interviews by Inspectors with Special Agents Joseph C. Alston, William C. Carroll, John F. Morrison, Chester E. St. Vincent, and James H. Santon concerning Mr. Gray's activities June 15-19, 1972.