

UNDERWORLD LINKS

Mr. Walsh has been linked, in one deposition prepared for the Cook County (Ill.) Circuit Court, with a savings and loan association that had dealings with the Chicago underworld. In another proceeding, the same court found that Mr. Walsh participated in a 1963 scheme to "misappropriate" a total of \$365,000 from the owners of a suburban Chicago apartment project.

Long before this, Mr. Walsh apparently had problems in the courts. He and another individual were indicted in the District of Columbia in 1954 for allegedly "tricking" a widow into giving him \$3,500 in connection with the sale of certain oil leases she owned; however the indictment was later dismissed. In 1955, Mr. Walsh and his father, James R. Walsh Sr., were indicted on charges of grand larceny after they allegedly took several thousand dollars from a number of individuals for the development of a country club in Virginia that never materialized. But this indictment also was dismissed by the Government.

Even before that, police records in Hot Springs, Ark., show that Mr. Walsh was convicted on a loitering charge in March 1940, and served 90 days in jail. In December 1944, Mr. Walsh was arrested in the District of Columbia and charged with "assault with intent to kill." However, the charges were never formally pressed in court, according to the court records. Mr. Walsh couldn't be reached for comment on these two incidents.

On earlier occasions, Mr. Walsh, who doesn't have any official position with ABC, has declined to discuss his past or other matters relating to the organization. "I've had a lot of problems in my life, but you are invading my privacy. At the proper time, I'll make an explanation."

Robert D. Hayes, managing trustee of ABC, denies any knowledge of most of Mr. Walsh's legal difficulties. But he says he plans to check into them and will be "most concerned" if they are true. Meanwhile, Mr. Hayes, who is 66 years old, says he has complete confidence in the "character" and "reputation" of Mr. Walsh. A sales training expert for 35 years, Mr. Hayes says he was introduced to Mr. Walsh and his "exciting idea" in 1965 and together they created ABC in early 1966.

Despite Mr. Hayes' imperturbability, a visit to ABC's plush headquarters in a converted mansion in this Chicago suburb indicates a few cracks in ABC's structure. The Philippa Schuyler Memorial Foundation, which is named for the Negro pianist killed in Vietnam earlier this year and whose advisory board included such prestigious names as Henry Cabot Lodge, William F. Buckley, editor of The National Review, and former Congressman Hamilton Fish, has quietly severed its ties with ABC.

ABC, which had helped finance the establishment of the Schuyler foundation, denies that the break with its most prominent member foundation is final. Under the guidance of ABC, the Schuyler foundation had launched a Vietnamese aid program last June called "Winning the Peace." The program attracted nationwide attention to ABC, which said last July 26 that member foundations had made grants totaling more than \$30,000 to the program. However, it has been learned from an officer of the Schuyler Foundation that only about \$15,000 in grant money has actually reached it. Mr. Hayes says ABC has no control over individual ABC-member foundations that may have failed so far to meet their grant pledges.

Last August, Messrs. Walsh and Hayes told this newspaper that ABC then had "in excess" of 800 members. Mr. Hayes now concedes that the estimate was "slightly optimistic." Other sources close to ABC suggest that the total number of members is closer to 250.

HOUSE PANEL TO START HEARINGS

Rep. Patman's House subcommittee on foundations has subpoenaed certain records of ABC for hearings that will begin next week. Mr. Hayes and Mr. Walsh both have been served with subpoenas to testify.

In the civil suit against Mr. Walsh and seven other defendants, in which a Cook County circuit court judge awarded the owners of the Boxwood Apartment project in Mount Prospect, Ill., a \$365,000 judgment, attorneys for the plaintiffs say the judgment hasn't been satisfied. Mr. Walsh has declined to comment on whether he plans to appeal.

The civil court decree states that Mr. Walsh and an associate, George Staniszek, "fraudulently misappropriated or otherwise secreted for their own personal use and benefit" \$100,000 in rent proceeds they had collected while employed to manage the apartment from early 1963 to February 1964. The decree