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ALL INFORMATION CONTAINED

To: [REDACTED]

HEREIN IS UNCLASSIFIED

8/22/77

Re: SITOL

DATE 3-25-82 BY SP2TMB/CL

Finance and Personnel Division has instituted file reviews in connection with numerous names appearing in material seized during SITOL searches which could possibly relate to past or present FBI employees. View in mind is to interview all present employees. However, a question has arisen in the courts concerning constitutionality of SITOL search and seizures. In hearing before U. S. District Court Judge in Los Angeles, 8/18/77, AUSA requested FBI be allowed to retain referenced documents and conduct appropriate investigation pertaining to them. These investigations to be administrative in nature. AUSA states that FBI may continue administrative inquiry regarding material and Deputy Assistant Attorney General John C. Keeney, Criminal Division, Department of Justice, concurred with AUSA 8/19/77 but indicated that continuation of administrative inquiry by Bureau was at discretion of Bureau if Bureau so desired.

Bureau has previously advised all offices to hold administrative inquiries in abeyance since ruling on constitutionality of searches is pending. Los Angeles recommends we move forward with administrative inquiry at this time. Finance and Personnel Division disagrees and recommends we continue to hold in abeyance inasmuch as the court ruling, which will be held 8/29/77, if unfavorable to the

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Government, would allow all documents and all information obtained during administrative inquiry relating to these seized documents be placed in the custody of the court.

RECOMMENDATION: That we continue to hold in abeyance all administrative inquiries and interviews resulting from SITOL matter pending results of court ruling 8/29/77.

*RMB*

*W*