

## U.S. EXPANDS PROBE OF 'CALL BOY' RING

Paul M. Rodriguez and George Archibald *The Washington Times*; Final Section: A Page: A1 Thursday, July 6, 1989

A Secret Service officer assigned to the midnight shift at the White House was interrogated for more than 10 hours Monday about his association with Craig J. Spence - Washington lobbyist; host to the capital's political, business and media elite; and patron of homosexual call-boy services - and the officer was said to have failed a lie-detector test.

The officer, Reginald A. deGueldre, accepted a gold Rolex wristwatch valued at \$8,000 in return for "unspecified favors" from Mr. Spence, for whom he arranged at least four middle-of-the-night private tours of the White House for high-ranking military officers, well-known figures in the news media and male prostitutes.

Officer deGueldre has been told he will be called to testify before a federal grand jury.

President Reagan was in the White House residential quarters during one of the Spence visits, which was restricted to the West Wing, site of the Oval Office.

U.S. Attorney Jay Stephens, meanwhile, widened his investigation of the homosexual prostitution ring, which has ensnared Mr. Spence and several key Reagan and Bush administration officials.

Mr. Stephens' office is now looking closely at the White House tours and the activities of Mr. Spence, 48, a consultant to Japanese government officials and others.

John Pyles, the Secret Service special agent assigned to direct the investigation of allegations of breaches of White House security, said only, "We're not in a position to talk about this."

Mr. Pyles and Secret Service spokesman Allan Cramer said they were ordered to refer inquiries about the investigation to Assistant U.S. Attorney Alan Strasser, who is preparing evidence for presentation to the federal grand jury.

"You'd have to ask them why they referred you to me," Mr. Strasser said yesterday. "There is nothing I care to say to you about this at this time."

The Secret Service, after accounts were published in *The Washington Times*, has talked to people who took the July 3, 1988, White House tour set up by Mr. Spence, several of those interviewed say.

The agents are investigating possible security breaches by those who entered the White House compound as well as by Officer deGueldre, *The Times* was told.

One of those reached yesterday by the Secret Service said questioning focused on Mr. Spence and his associates. Questions were also asked about Mr. Spence and the use of cocaine.

Officer deGueldre failed the portion of a polygraph test involving favors he may have done for Mr. Spence, the law enforcement official said. The Secret Service officer visited on several social occasions with Mr. Spence, who was said to have **held out the offer of a high-paying security industry job in Florida to him.**

Officer deGueldre, who said he immediately reported himself to his superiors when the story of the late-night Spence visit appeared in the June 29 editions of *The Washington Times*, said he had done nothing wrong.

"To this day, I still believe that Craig is still an American hero," the Secret Service officer said. "The guy never hit on me. . . . My relationship to him was officer to citizen. . . . That's how I met him - when I was walking the street (as a patrolman in the embassy area of the fashionable Kalorama neighborhood where Mr. Spence lived).

"The first time he called me was maybe five years later," Officer deGueldre said. "He said he wanted to be my friend and invited me to a party. . . . I was shocked.

"I was introduced on a one-to-one basis with some very important people. . . . I met top brass, politicals . . . I was invited to a lot of functions at Craig's house. There was all kinds of heavy types there."

But, the officer added: "I had no idea about sex, drugs, nothing like that. . . . A lot of stuff now makes sense though. . . . **I always suspected he worked for the CIA.**"

Officer deGueldre said he understands, given his free access to the White House and the president's living quarters, why the Secret Service is concerned about the Spence tours.

Mr. Spence, said one law enforcement official close to the case, also **asked Officer deGueldre to intervene on his behalf to help clear Secret Service records of a 1987 arrest at a White House gate for disorderly conduct, described by one source as a lewd sex act.**

Three persons who went along on the post-midnight tour of the White House arranged by Mr. Spence July 3, 1988, recalled being admitted by a uniformed Secret Service officer named "Reggie."

**"Reggie met us at the gate, and he was the one who let us in," one man said in an interview. "There was another guard who was obviously upset by this."**

The three persons also remembered seeing "Reggie" at various parties given by Mr. Spence at which "Reggie" appeared to be serving as a bodyguard or security man for the host.

Others said **Mr. Spence used "Reggie" to arrange other White House tours, including one that Mr. Spence took with a 15-year-old boy, whom he identified as his son Will.**

That tour, according to former friends and associates of Mr. Spence, occurred June 29, 1988. **The "son" had a Southern accent and was actually a male prostitute who provided sexual services for Mr. Spence and several male friends.**

Mr. Cramer, the Secret Service spokesman, declined to answer questions about these tours, too. **All inquiries about Mr. Spence's past White House dealings and visits were covered by the gag order imposed by the U.S. Attorney's Office, he said.**

**Evidence concerning Mr. Spence - even information about his past White House connections - is being tightly held by the Secret Service "because it's tied into a criminal fraud case we are investigating."**

"We're under orders from the U.S. attorney. . . . The U.S. attorney has restricted us from commenting on that case at all, or anything peripheral to it, because of the judicial tie-in," Mr. Cramer said.

Mr. Stephens' office, which first agreed to discuss the call-boy ring investigation with reporters for The Times last week but later in the day declined to do so, did not respond to inquiries yesterday.

The U.S. Attorney's Office to date has said only that it is investigating "possible credit-card fraud" in connection with arrests made in raids on a house on 34th Place NW, described as the headquarters of a homosexual prostitution ring operating as an escort service.

The Times learned that the FBI is eager to investigate illegal interstate prostitution activities and other possible federal violations incurred by operators of the homosexual prostitution ring, but **evidence confiscated by the Secret Service during raids on the house on 34th Place in February and in May is not being shared with the bureau.**

**This evidence includes information involving high-level government officials and political celebrities who were clients of the ring.**

Several law enforcement authorities said **relations between local and federal law enforcement agencies have been strained by the Secret Service's behavior in the call-boy case.**

The Secret Service - an agency within the Treasury Department whose 1,900 special agents and 960 uniformed personnel are charged with investigating currency counterfeiting and credit-card fraud as well as protecting the president and vice president - is largely dependent on the Metropolitan Police Department, U.S. Capitol Police, National Park Police, the FBI and other law enforcement agencies, Mr. Cramer acknowledged in an interview yesterday.

**For example, when the Secret Service arrests anyone on the White House grounds, the person is turned over to D.C. police for "processing, transportation and lock-up," Mr. Cramer said. He declined to discuss allegations that the Secret Service had "frozen out" the FBI in the call-boy investigation.**

Craig Spence was linked this week to a Japanese politician, Motoo Shiina, a leading member of the ruling Liberal Democratic Party who is considered **an inside favorite to succeed Prime Minister Sousuke Uno.**

Federal court records in Washington revealed that Mr. Spence and Mr. Shiina engaged in a bitter lawsuit in 1984 over the ownership of a house on Wyoming Avenue NW, valued last year at \$1.15 million. **The two-story Victorian house in which Mr. Spence later lived, was planted with electronic bugs and video recording equipment that, according to homosexual call boys and others who routinely visited the house, was used to make incriminating tapes to blackmail guests.**

Mr. Spence has told several current and former friends that, after obtaining the money, **he blackmailed Mr. Shiina by threatening to reveal that the cash to buy the house had been brought into the country in violation of currency regulations. Mr. Shiina settled the lawsuit out of court after he was ordered to answer questions about the money's origins.**

\* Michael Hedges and Jerry Seper contributed to this report.