

U.S. ENDS INQUIRY ON CARDINAL CODY

Official Says 'Case Is Closed' on Allegations That Church Funds Were Diverted

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CHICAGO, July 6 — A Federal investigation into allegations that the late John Cardinal Cody improperly diverted hundreds of thousands of dollars in church funds for personal use while he was the Roman Catholic Archbishop of Chicago was terminated today without indictments.

Dan K. Webb, the United States Attorney for the Northern District of Illinois, said that since April 25, when the Cardinal died of a heart attack, he had "extensively reviewed and evaluated the remaining allegations as they relate to other persons" and discussed the evidence with the Federal grand jury that had been investigating the matter.

"My office has applied our normal prosecutive guidelines and the decision has been made not to seek any indictments from the grand jury," he said in a prepared statement on which he refused to elaborate. "The case is closed."

'Particularly Sensitive' Case

The Federal action closes the books on an investigation that Mr. Webb described as "particularly sensitive." Throughout the inquiry, Cardinal Cody refused to turn over to the authorities materials the Federal grand jury had ordered him to produce. This put the Federal authorities in the position of having to back down on their request for the information or to seek a contempt citation against the Cardinal, a powerful figure as spiritual leader of the 2.5 million Catholics in the Chicago area. No citation was issued.

The investigation had created sharp divisions among Catholics here. Some viewed it as illustrative of a need to open up church finances to greater scrutiny. One group, Ad Hoc Concerned Catholics of Chicago, asked the Vatican to put pressure on the Cardinal to publicly respond to the charges.

Other Catholics here firmly supported the Cardinal, viewing the allegations as he did: an attack on the church. The allegations of impropriety were initially made by The Chicago Sun-Times in a series of news articles.

When the Cardinal died, many people, including Helen Dolan Wilson, a longtime friend, asserted that his heart attack was in large measure a result of the pressures of the investigation and the daily news accounts. Mrs. Dolan was said to have received much of the purportedly diverted funds.

The announcement that the investigation was ended came one day after the Illinois Department of Insurance ruled that Mrs. Wilson was ineligible for a \$300-a-month pension she now receives from the Archdiocese of Chicago. However, spokesmen for the agency said there appeared to be no violations of law on her part and that no further action was expected.

Eligibility for Benefits

The state agency, after studying a pension contract between the Archdiocese and Aetna Life Insurance Company, concluded that Mrs. Wilson was well beyond the age of eligibility for the plan when she began receiving benefits in 1969 and that the contract did not allow credits to be transferred to the Chicago plan from elsewhere. Mrs. Wilson had been given service credit in Chicago for time she actually worked in St. Louis, the agency found.

Commenting on today's announcement by Mr. Webb, the Very Rev. John R. Keating, who was appointed administrator of the archdiocese pending the naming of a new archbishop, said, "Confident always in this outcome, we are pleased to hear the news, which adds more depth to our fond memories of the Cardinal."

There was no immediate comment from Mrs. Wilson on the decision to end the investigation and The Sun-Times said it would have no comment.