INTELLIGENCER

Snepp Calls Reporters Spies

Wendell Merick, Keyes Beech: Reporters cited in CIA memo.

Ex-CIA officer Frank Snepp, author of the banned *Decent Interval,* accused Wendell Merick of *U.S. News & World Report* and Keyes Beech, now of the Los Angeles *Times*, of being friends of the agency on *60 Minutes* last year. The charge was loosely drawn, and Snepp was criticized for smearing the reporters. But now Snepp claims to have proof that both had cozy relations with the CIA and actually helped the agency spy on him prior to publication.

He cites a CIA memo written in the third person by then Acting Deputy Director for Operations Ted Shackley. Divulged during discovery proceedings in the government's case against *Decent Interval,* the document reads: "In the time frame 28 February to 9 March, 1977, Mr. Shackley, ADDO, has had a series of meetings to discuss intelligence topics of mutual interest with people like Mr. Merick, *U.S. News & World Report,* Mr. Beech, Chicago *Daily News.* . . . As those meetings unfolded, bits and pieces of tangential data emerged in the conversation which focused on Mr. Snepp as all the people knew him in Vietnam. In short, in all cases, Mr. Snepp's name was introduced into the conversation by persons other than Mr. Shackley."

Snepp was hardly surprised by Shackley's revelation. "These guys were frequent sounding boards for CIA propaganda during the Indochina debacle," he says, "and so I would expect them to give the agency a hand in my case."

"As usual, Snepp's charges are ridiculous," responds Merick. "I was at home recovering from a heart attack at that time and met him only once in this country, at a party at my house. Therefore the memo doesn't make any sense to me." (Keyes Beech is in Bali and unavailable for comment.)

James O: Out of NBC's Closet

Apropos NBC's financial scandal: What did company higher-ups know and when did they know it? James O, the recording angel of NBC's sins, claims that network officials have long been apprised of improbity and have chosen to cover it up. The pseudonymous Mr. O, whose identity still baffles NBC staffers, regrets his own silence. But he now says he's ready to come forward and name names.

"From my own personal knowledge, many network executives were aware of certain isolated but blatant corruption as early as 1956," Mr. O remarked last week. "It was a way of life. Some turned their heads while others participated. It became systematic almost at once when budgets were increased in all departments in a budding industry. Corruption then became less than isolated. The '68 conventions were classic tales. We would need a full-time team of auditors to investigate the legitimacy of every convention bill submitted to NBC. In 1969, I recommended an in-house audit of the convention by memo. But nothing happened. Every name on my list—which I did not include in the memo—has been fired, ten years later. I verbally suggested an audit of the '76 conventions. Again nothing happened. I kept a record of many more NBC employees involved in dishonesty during that eight-year span. They too have been released with the exception of six. I liken the situation at NBC today to the twenties, when everybody was told the economy was good because it seemed to be good. Money was there for the taking. Then the taking stopped with the Depression. Unfortunately, nobody had done any planning.

"Now Jane Pfeiffer states that we are investigating and will root out the devils—nonsense! It goes too high. I can name 2 people on the RCA board who are guilty of corruption, as well as 50 more in all areas who are guilty of stealing or taking kickbacks ranging from $50 to $5,000 or more—a way of life that is still a philosophy at NBC. But I don't believe in it. That's why I will come out of the financial closet. I have been shut in for years by my own cowardice."

NBC board chairman Pfeiffer refused to comment on Mr. O's statement.

Hard Times at CBS

There was nervous waiting for pink slips at CBS Records last week. Reports circulated that hundreds of people would soon get the ax. Other sources close to management said the cuts would be closer to 60 and would be spread "across the company." CBS's West Coast label, Portrait, is meanwhile due for "restructuring."

The layoffs appear ill-timed, since CBS Records—with 10 of the top 25 albums on the *Record World* chart—is currently very hot. But parent CBS, Inc., reported a 44 percent drop in first-quarter earnings and pointed the finger of blame at its $1-billion records unit, the country's largest record company. And the Record Group now seems to be battening down the hatches for a possible further drop in what is already a soft market this year.

"They're all expecting a recession," said one inside source. "There is an across-the-board effort not to sign acts with baseball-park-size contracts." —**Jack Egan**

Dirty Tricks on Rosenbergs

The dirty tricks played on Julius and Ethel Rosenberg would make even Richard Nixon weep. According to Sol Stern and Ronald Radosh, authors of a forthcoming book on the case, the FBI covered up anti-Semitism in the jury room. A recently released FBI memo mentions a wire-service reporter who happened to wander into the jury room, where he noticed an anti-Semitic remark in the foreman's notebook. Instead of writing up the incident, and perhaps forcing a mistrial, the reporter informed the FBI. Of course, the bureau kept quiet.

Another FBI memo to Hoover aide Clyde Tolson related attorney Morris Ernst's intention—only if the bureau approved—to spy on the Rosenbergs while pretending to work on their appeal. The late Ernst, a member of the board of the American Civil Liberties Union and a prominent literary lawyer, was actually a Hoover groupie who secretly fed the FBI information about ACLU cases. But Hoover refused to give him the go-ahead.

BY PHILIP NOBILE

Photo: top left, U.S. News & World Report.