

# Detective Firm Says It Uses

By Nancy L. Ross  
Washington Post Staff Writer

The Wackenhut Corp., third-largest private detective firm in the country, said yesterday it still uses information on individuals supplied by a right-wing political organization that harks back to the McCarthy era.

While protesting that use of such material in pre-employment checks for its business clients was "infrequent," Wackenhut's executive vice president John S. Ammarell told the Privacy Protection Study Commission it nevertheless continues to keep files based on unverified data from the Church League of America. Part of that data consists of hearings from the House Un-American Activities Committee that Wackenhut used until

a few years ago and then gave to the Church League in 1975.

Wackenhut, along with Pinkerton's, was subpoenaed to testify on investigative practices relating to job applicants and insurance claimants. The commission sought the testimony to help decide whether the privacy safeguards which now apply to law enforcement officials should be extended to private detective firms.

The Church League, founded in 1937, calls itself "the largest private research organization and information center on operations of the Communist Party and the New Left movement in the New Left movement in the entire USA." It is headed by a former Air Force intelligence officer, Maj. Edgar C. Bundy, with headquarters in Wheaton, Ill.

The league indexes and disseminates to its subscribers the names of persons it finds "attacking or ridiculing a major doctrine of the Christian faith or the American way of life." These include authors of books, speakers and even signers of group advertisements in leading newspapers. The league's index of publications includes such titles as "Abusing the Girl Scouts," "Sex and the Future Citizen," a denunciation of sex education, and "America, We Beg You to Interfere," by Alexander Solzhenitsyn.

Commission member Edward I. Koch noted that the privacy Act of 1974 does not allow the federal government to question individuals on their exercise of First Amendment freedoms, and asked why should private firms be allowed to do so. Amma-

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rell replied he hadn't read the First Amendment recently.

Koch retorted: "You should read it every week."

A Rand Corp. study for the Justice Department in 1971 reported Wackenhut kept files on 2.5 million individuals at its Coral Gables, Fla., headquarters. Following passage of the Fair Credit Reporting Act, which allows subjects to know what is in their files, the number of files was drastically reduced and now is between 225,000 and 250,000. Wackenhut conducts about 200 investigations a year.

A decade ago, at the request of the Florida governor, Wackenhut conducted a probe of organized crime in Florida. Those files are still used today in the company's investigations of major thefts for insurance companies. The files also contain reports of viola-

tions of state laws at the time by public officials. Ammarell assured the committee these files remain confidential.

Yesterday's hearing also provided some insights into Wackenhut's operations. Most of its 200 investigators have had prior experience with the FBI, state or local law enforcement agencies. Wackenhut's employees are warned against impersonating any of these officials while conducting so-called pretext interviews.

These interviews are a common technique in insurance investigations, Ammarell said. For example, Ammarell explained, the lady of the house would be telephoned by an agent and asked what detergent she used. The caller would ask if he could come to her house and take pictures of her using the product. In reality,

the purpose of the photographs was to show that the woman, who had made a claim for a back injury, was able to do housework normally.

Both Wackenhut and Pinkerton assured the commission they undertake only legal and ethical investigations. Asked for an example of a legal but unethical request, Pinkerton's executive vice president Eugene Fey replied that it would be correct to investigate a prospective bookkeeper's gambling habits, but not the extracurricular activities of a secretary.

Both companies contended that existing laws provide enough protection for the individual and that the Privacy Act should not be extended to the private sector. They also observed that subjects' rights to learn the contents of their files tended to dry up sources of information.