

Part
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The Director

By Maxine Cheshire



Associated Press

J. Edgar Hoover

A foundation financed by Schenley Industries' Lewis Rosenstiel has contributed more than \$1 million to establish a separate foundation honoring FBI Director J. Edgar Hoover.

The president and one of the founding directors of the four-year-old J. Edgar Hoover Foundation is Louis B. Nichols, who was No. 2 man at the FBI until he left in 1957 to become executive vice president of Schenley's. Nichols, a campaigner for President Nixon last year, reportedly has told associates he has the inside track as Hoover's replacement.

The Hoover Foundation spent virtually none of the funds it received in its first three years of operation, according to records on file with the Internal Revenue Service here. Most of the tiny amounts listed as spent between 1965 and 1967 (records for 1968 are not yet available) were in connection with the Freedoms Foundation, at Valley Forge, Pa. The Hoover Foundation charter specified it would work closely with the Freedoms Foundation.

Whisky tycoon Rosenstiel has been described as a "father figure" to Roy Cohn, the controversial, onetime chief counsel for Sen. Joseph McCarthy. Cohn now is under indictment in two separate Federal cases in New York.

The American Jewish League Against Communism, of which Cohn is president and founder, gave \$500 to help start the Hoover Foundation. The Foundation was incorporated in the District of Columbia in 1965.

Cohn and Rosenstiel have been closely associated for years. So have Rosenstiel and Nichols, who friends credit with the idea of establishing the Foundation as an appropriate "tribute" to Hoover. All three men are said to be personally devoted to Hoover.

Nichols named his eldest son J. Edgar. Rosenstiel re-

and the Foundation

VIP

portedly has bought large quantities of books about Hoover and distributed them as gifts.

Cohn caught Hoover's eye when the FBI director became impressed with the younger man's devotion to anti-Communist activities.

Hoover, according to a former Justice Department source who knows both men well, showered Cohn with compliments and notes and photographs.

Nichols, too, became a friend and admirer of Cohn's in the McCarthy era. Rosenstiel, 77, and Nichols, 63, both retired from the corporation within the past year.

Nichols has been a dedicated supporter of President Nixon. During the 1968 campaign, he organized "Operation Eagle Eye," for the Republican ticket. He recruited lawyers and former FBI agents in every state to go over voter registration lists and watch the polling places against possibilities of fraud.

He was loyal to Nixon in the days when the President was out of the limelight. One source says. "For years after 1960, it was Lou Nichols who met Nixon at the airport with a chauffeured limousine every time he came back from anyplace—and that was when everyone else was treating him like a has-been."

Another New Yorker who knows Nichols well says: "He is a close enough friend that I saw him go up into the Nixon box at the Republican Convention and kiss Mrs. Nixon on the cheek."

Nichols created the J. Edgar Hoover Foundation four years ago. Rosenstiel was the principal contributor. He gave 1000 shares of Schenley stock. The value then was listed at around \$35,000.

Nichols himself also gave a small, but undisclosed, amount of Schenley stock.

Then, in 1966, the Dorothy H. and Lewis Rosenstiel Foundation in New York made a grant of \$50,000 to

the J. Edgar Hoover Foundation.

In 1968, the Rosenstiel Foundation came up with an additional \$1 million. That gift was made in the form of bonds of the Glen Alden Corporation, which last fall took over Schenley Industries.

Nearly everyone directly associated with Nichols in the Hoover Foundation is or was connected with either the FBI or Schenley's.

Two former agents became vice presidents and directors. They are Donald J. Parsons, president of the Parsons Paper Co. here, and William G. Simon, former Special Agent-In-Charge in Los Angeles and now a practicing attorney there.

C. D. DeLoach, who is Hoover's No. 3 man at the FBI, became secretary.

A young Washington lawyer named Robert F. Sagle, a friend of Nichols, became assistant secretary. According to DeLoach, Sagle's office at 910 17th Street nw. now serves as the mailing address for the Hoover Foundation.

The treasurer is a former Schenley official, N. J. L. Pieper, who was with Nichols in the FBI. The assistant treasurer is Nichols' former secretary at Schenley's, M. Patricia Corcoran. None of the officials receives salaries, according to IRS records.

The purpose of the Foundation, according to the charter filed in the District of Columbia, is "to safeguard the heritage and freedom of the United States of America and to promote good citizenship through and appreciation of its form of Government and to perpetuate the ideas and purposes to which the Honorable J. Edgar Hoover has dedicated his life."

The Foundation is also dedicated "to combat communism or any other ideology of doctrine which shall be opposed to the principles set forth in the Constitution . . . or the rule of law."

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The Director and



Roy Cohn during 1954 hearings.

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The Foundation is supposed to "conduct education programs . . . organize study groups . . . give lectures . . . establish scholarships and endow chairs . . . circulate magazines and books and pamphlets."

In the first three years of operation, the J. Edgar Hoover Foundation spent very little money.

In 1965, with a net worth of \$39,891.62, the following contributions were listed:

One book for J. Edgar Hoover Library: \$7.20

Subscription for J. Edgar Hoover Library: \$30 (the Library is located in one room set aside at the Freedom Foundation building in Valley Forge, according to DeLoach.)

Literature donated for summer institute: \$227.90

Contributions to Freedoms Foundation: \$100.

In 1966, with assets of \$43,409.10, the following contributions were listed on the 990-A form which the tax-exempt Hoover Foundation filed with the Internal Revenue Service:

Books for J. Edgar Hoover Library: \$3000

Compensation for librarian \$1500

Scholarship to attend Freedoms Foundation Seminar: \$400.

In 1967, with an additional \$50,000 grant from the Rosenstiel Foundation increasing the net worth to \$107,373.37, the following contributions were listed:

Justify compensation for librarian: \$1000.

Memorial Pew at Freedoms Foundation: \$450.

No figures have been made public for 1968, because the 990-A form for the last year is still being processed by the IRS.

DeLoach, contacted early last week, would not make public any records that are not already on file with the Internal Revenue Service.

"You'll have to get all your information from Lou Nichols," DeLoach said. "He's the president. I'm only the secretary. I take the minutes at the meetings. I don't keep the books."

Nichols, fishing with Rosenstiel aboard the yacht "Gallant Lady," was located Thursday in the Bahamas by marine telephone. He gave his permission for Foundation records to be examined. But by that time, DeLoach was unavailable.

Nichols confirmed the contributions by himself, the Rosenstiel Foundation and the American Jewish League Against Communism.

Cohn and Rosenstiel have been like father and son. One source who knows them says that Cohn refers to Rosenstiel as "Commander In Chief."

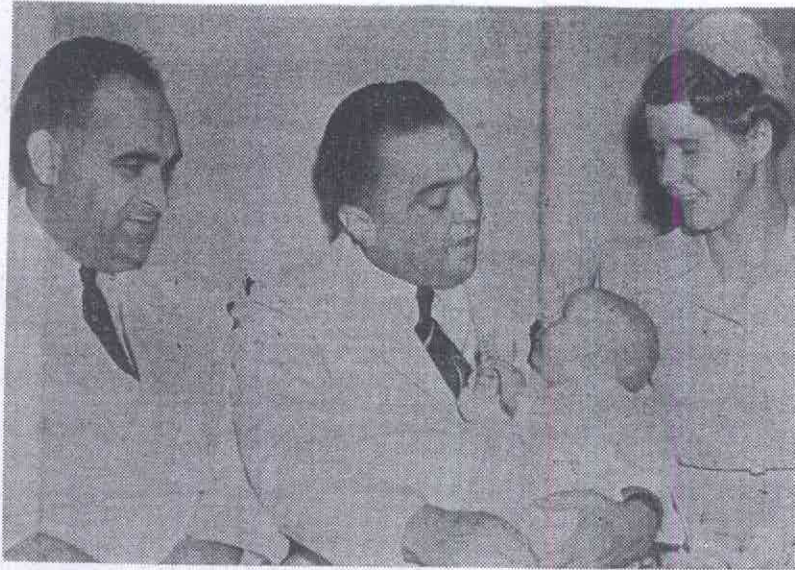
Rosenstiel, in turn, calls Cohn his "Field Commander."

The two routinely salute each other on sight.

"I never believed that until I saw it with my own eyes at an Al Smith memorial dinner," says the source. "I spotted Rosenstiel looking around the room. He scanned every table till he saw Cohn and caught his eye. Then Cohn stood and Rosenstiel stood and they saluted right there in front of everybody."

LIFESTYLES

the Foundation



Hoover was godfather at the christening in Washington on July 14, 1939, of J. Edgar Nichols. The Hoover namesake was the son of Mr. and Mrs. Louis B. Nichols. Nichols was No. 2 man in the FBI until moving to Schenley Industries in 1957.

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C. D. DeLoach