

Hoover Held an Insurance Post

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By Spencer Rich

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J. Edgar Hoover served for 15 years as a member of the board of directors of a private insurance firm, Acacia Mutual Life Insurance Co. of Washington, D.C., while director of the FBI.

But he gave up the insurance post in 1964, according to company officials, after an insurance examiner discovered that he had never been legally eligible to serve on the board because he had never held an Acacia policy.

This sidelight of Hoover's long and controversial career as the nation's No. 1 G-Man is revealed in annual reports filed by Acacia with the D.C. insurance department for the years 1949-64.

According to these reports and statements by Acacia officials, Hoover never received any compensation, never attended any board meetings and never voted in company matters by proxy or any other method.

Aside from the enhanced prestige and public confidence that the company might have gained from having the famous FBI director's name associated with it, it is not clear what benefit Acacia derived from Hoover's membership on the board.

It is known, however, that about a year after Hoover was first put on the board in 1949 by then-president, William Montgomery, the firm launched an "anti-Communist crusade" which continued throughout most of the period of Hoover's membership.

The crusade featured distribution of such pamphlets as "You Can Help Combat Communism" and "If Communism Prevails, Life Insurance Fails." By 1966, according to the company's annual report, 50 million copies of "You Can Help Combat Communism" had been distributed.

Whether Hoover had any

role in the firm's anti-Communist crusade is not clear. The FBI declined comment on Hoover's links to Acacia, Montgomery died 15 years ago and other company officials who might have worked on the program are now retired and could not be reached.

Executive Vice President George R. Walter said there are no written company records indicating any Hoover participation in the crusade. He said if Hoover had any connection at all, it would have been on a personal basis

with Montgomery in the early years.

Hoover's association with Acacia apparently began on a sunny beach in Atlantic City during the summer of 1948 or 1949, where company officials said Hoover and Montgomery met while both were vacationing.

Montgomery, the builder and dominant figure in the company's history, was described as a "great admirer" of Hoover by Daniel Hurson, who now heads Acacia. The two men took a liking to each other and not long after, Montgomery apparently nominated Hoover as a director of the firm.

D. C. records indicate that Hoover was subsequently reelected at company annual meetings in 1951, 1954, 1957, 1960 and 1966. The D.C. records also show that Hoover received no compensation from the firm during the entire time he served as a director.

Explaining why Hoover left the board, Walter said.

"Our bylaws require that a director be a policyholder, but there is no record of Hoover ever having had a policy." (D.C. laws also require this, insurance department officials said.)

Walter said that during the years Hoover was on the board, "our files show that he was notified regularly of quar-

terly board meetings. Each time he sent a letter saying he had read through all the material with great care and interest, but the press of business left him unable to attend. He never did attend and he never voted by proxy; we do not have a proxy voting arrangement for directors."

It appears doubtful that Hoover's uncompensated service on the Acacia board violated any conflict-of-interest statute or regulation, other than the D.C. requirement that a board member of a mutual insurance company hold a policy with the company.

A spokesman for the Civil Service Commission said the general rule is that civil servants can hold such outside positions as long as they don't conflict, or appear to conflict, with their primary federal duties.

Hoover Plans to Stay On Eve of 47th Year

United Press International

John Edgar Hoover, 76, begins his 47th year as FBI director Monday as determined as ever to continue on the job.

"I have no thought of leaving my present position and intend to remain as director of the FBI as long as I can be of service to the country and my health permits," Hoover said in a letter to UPI. He said much the same thing on the occasion of his 46th anniversary May 10, 1970.

UPI wrote Hoover April 27 requesting an interview marking his latest anniversary and asking specifically that he give his side of the recent wiretap controversy and talk about his future plans.

On April 29, Hoover replied in a personal note saying: "I regret that the pressure of official business precludes me from complying with these requests" and adding that he had no thought of leaving.