

Through Watergate

The Hughes Connection and

By Carl Oglesby

(This is the final article in a three-part series. In Parts I and II, Oglesby outlined the fights with Rockefeller and then national crime syndicate interests which came to a head in the showdown of November 1970 in Las Vegas. In that episode, Chester Davis collided with Robert Maheu on the question of which of them actually spoke for Hughes. Davis was backed by the Hughes Tool Company directors out of Houston and LA. Maheu spoke for the Nevada operations. After a fast and furious battle — the ruins are still smoldering — Davis came out on top and Maheu was deposed.)

Why do I think Robert Maheu was, if not the good guy, then at least the victim in this drama? And that the Davis-Toolco triumvirate's claims were bogus? My reasons are purely circumstantial, and even if I had "inside information," I wouldn't trust it. There are too many wierd operators in this scene and the planting of false information is too basic a technique. (There is a case here, by the way, for the methods of scholarship over those of journalistic investigation.) Here are the reasons.

1. — Chester Davis was in Hughes' doghouse, according to memoranda from Hughes to Maheu in Hughes' own handwriting. The good and simple reason for this is that there had to be some explanation of why Hughes had once owned an airline and now owned one no longer. Ultimately Davis's lawyering was vindicated. In January, 1973, the Supreme Court handed

down a verdict in the case *TWA versus Hughes* that completely upheld the legal strategy Davis had clung to so stubbornly from the first, and Hughes did not finally have to pay up on the TWA damages suit. But still he lost the airline. And in the mid-sixties who could know that the strategy and the lawyer that had lost every important battle up to that point — five years of fulltime battle are involved — would somehow pull it off in the last inning seven or eight years later?

2. — Bill Gay, of Toolco and the Mormon Mafia, was also in the Hughes doghouse. Hughes' memos make it abundantly plain that for whatever queer reasons he held Gay responsible for the deterioration of his marriage to Jean Peters, which ended in divorce in 1970. Gay had also dreamed up an illusion named Hughes Dynamics, Inc., which he sent forth to blow IBM away with a result that might have been predicted, namely, total wipe-out for Hughes Dynamics. Hughes could see nothing in that episode to recommend Gay's judgment over Maheu's.

3. — The only communication Maheu ever had with Hughes, — he has never laid eyes on him — was over phones that were monitored and taped by the Eckersley guard and through hand-written memos that were carried in and out by the same. This made it ridiculous for the triumvirate to claim, as it loudly did, that Maheu did not have Hughes' support. Through his sergent Eckersley, Gay knew everything that passed between Hughes and Maheu. The Hughes memos in which Maheu

read time and again that he had Hughes' complete support, especially in the TWA affair, had been carried to him by these people. It was true enough, looked at diagrammatically, that Maheu seemed to report to nobody but Hughes, and that nobody had anything but Maheu's say-so for what went between them. But that is only because the normal corporate line-of-management chart has no provision for a palace guard operating in what was once called the Asiatic mode around a headman kept incommunicado. The fact was that everything occurring between Hughes and Maheu was instantly and totally known to the Eckersley group, hence to the Toolco directors. There is no way Maheu could ever have been in the least bit confused about that.

4. — The presence of Intertel in such a key role in the 11/70 takeover raises a whole other set of suspicions leading back to Lansky.

Intertel is mainly staffed by former officials, agents, and operatives of the national security establishment, notably the criminal division of the Justice Department, the people who are in substantial part responsible for our conspicuous national noneffort to conquer the forces of organized crime. Intertel's collective professional biography glitters, if that's the word, with high-ups whose backgrounds are the FBI, the IRS, the Treasury cops, the JD, the CIA. Intertel's pitch is that these people have spent years on the inside fighting crime, and that their combined experience is now available for sale to the businessman fearful of syndicate

the Great Rip-off

penetration. The truth is perhaps a little funnier than that.

Here's how Intertel came about. Once upon a time, not so long ago, the front for Lansky's interests in Florida and the Bahamas was a Tampa outfit called the Mary Carter Paint Company. Mary Carter Paint started acquiring casinos and got into the business of developing resorts, notably on Paradise Island in the Bahamas. In time it dropped the paint business and changed its name to Resorts International, Inc. Its president was and is Richard Nixon's close friend James Crosby (who met Nixon through Rebozo, of course). Eyebrows went up it is said, when Crosby hired Bob Peloquin of the JD's anti-crime division to take charge of security for the Paradise Island holdings of Resorts International, notably of the Britannia Beach Hotel where Hughes is supposed to have come to rest after his curious and sudden departure from the Desert Inn. From the enormous success Peloquin is supposed to have achieved in protecting this syndicate enterprise from syndicate rip-offs, Crosby framed the idea of institutionalizing Peloquin (yes, as in Batman) as International Intelligence, Incorporated, and selling the service to private businessmen as the best way to keep the syndicate out. What a racket! On my old playground, they used to call that *protection*. In the big leagues they seem to prefer *insurance*.

Intertel has often been accused in the most public places (e.g., Greenspun's Las Vegas Sun, which did a big

series well before the 11/70 action gave Greenspun another motive) of being an arm of the Lansky syndicate. It has elected never to contest these claims in court.

5. — Intertel is also the group that Nixon tried to bring into the White House in 1969 to take charge of certain unnamed phases of White House security. That was vetoed by the FBI and the CIA. But the subsequent surprise of the Plumbers at work showed how Nixon persists in the teeth of such obstacles. The fact that E. Howard Hunt offered McCord a job with "the Hughes people" is only one of many indications of a tie-in between the Plumbers and Intertel types. And after the 11/70 Vegas coup, Intertel of course took over the security assignments for Hughes.

Still more intriguing is the fact that the shipment of Hughes from Nevada to the Bahamas was coordinated on the Paradise Island end of things by James Golden. Golden is the former Secret Service agent who was assigned to Nixon at the beginning of his Vice Presidency in 1952 and who grew close to him over the next eight years (he is in *Six Crises*). When Nixon won the Oval Office in '68, Golden was rewarded with the post in the Bahamas he was tending at the time of Hughes' arrival. He was Nixon's Man in the Bahamas. Golden's presence in such a key role in the Hughes move of 1970 is a strong circumstantial indication that Nixon was himself, at some level, in some capacity, an insider to the event. And that makes us say: If this whole wierd

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business was nothing more than the good managers of a company getting rid of the bad managers in behalf of the company's owners, then what was Nixon doing with a finger in it?

6. — Two years after the overthrow of Maheu, Howard Eckersley, the chief of the Hughes inner guards, the Mormon Mafia, was accused in a case still pending of a leading role in a large-scale securities swindle involving useless silver-mining claims, a bogus company called Pan American Mining, and individuals high up in the Canadian finance bureaucracy, some of whom had to fly by night. Eckersley had used his well-known association with Hughes to create the impression that Hughes himself was afoot in the deal. That made it look legit and interesting and drove up the price of the stock he was selling.

Toolco directors never faltered in their support of Eckersley, though the case against him was a thousand times stronger than the case on which Maheu was deposed. Eckersley suavely waved off the *Wall Street Journal's* expose as part of a smear, though he never said why he thought the *WSJ* should want to do him any wrong. The first interesting thing about this is that it is so very uncharacteristic of Hughes to tolerate the use of his name in any kind of wheeling and dealing. The second thing is that the Eckersley business looks so much like the Meier business that came right before it in 1969 and 1970 when presumably Hughes was still sitting in the eye of his imperial spider hole.

John Meier — and now the plot thickens some more — was Hughes' man for land and related deals and reported to him directly, not through Maheu. He is also the guy who was hanging out with Donald Nixon and trying to involve him in mining and land development projects that took them to the Dominican Republic and once to Switzerland. His presence around Donald Nixon for some reason freaked out Rebozo so much that he started bearing down on Maheu to fire Meier, something Maheu said he wanted and tried to do but could not because Meier didn't work for him and Hughes wouldn't listen to his entreaties — entreaties, remember, that

could only reach Hughes through lines of communication totally controlled by Gay and Eckersley and the rest of the Mormon Mafia. Interesting how it was just at this time, early '70, that Maheu says he first started encountering difficulties in communicating with Hughes.

It has since come to light that Meier was one of the principals of an elaborate and far-flung swindle of which the victim was Howard Hughes himself. Meier's job was to tell Hughes what was worth buying in the way of mining concessions. Two grand jury indictments returned early this year accuse him of conspiring with other individuals and groups, chiefly with syndicate-linked Anthony J. Hatsis and Hatsis' Toledo Mining Company — a Salt Lake City outfit and thus at one or another level a Mormon outfit — to sell Hughes a whole stream of silver mines that had, alas, no silver in them. Meier is alleged to have got kickbacks from these sales which he funneled off to a syndicate laundry in Holland called Maatschappij Intermovie. Cleaned up there, the money could then flow back to the U.S. as plain old investment capital. It was evidently ventures financed by this money that Meier was trying to involve his friend Donald Nixon in towards the end of 1969 when he, Meier, at last was forced out of the

Hughes organization. He joined Toledo Mining as a \$6000 per month consultant.

It is hard to make definite and precise accusations, but to an outsider's eye, the parallels between Meier's game and Eckersley's game are — striking. Striking enough at least to impose an unambiguous burden of explanation on the group — the Davis group that ousted Maheu in 1970 — whose claims of authorization from Hughes are based exclusively on a proxy signed in secret, notarized by Eckersley, and witnessed only by another member of Eckersley's Mormon Mafia.

Much more could be added to the case against the Davis side in the 1970 power play. We have hardly touched on the emptiness of Davis's charges against Maheu, tissue-thin fabrications which are still being invented at

this late date. For example, that Maheu has been skimming Hughes' pay-offs to politicians. Maheu was supposed to have been "stealing Hughes blind," but the crimes in question (worth \$6-10 million) turn out to have been Meier's crimes, not Maheu's, and to have been continued in the Eckersley variations after Maheu was booted out.

But let's leave that now, since we are only sketching an outline here, and see what emerges if we sum up what we have said so far. Our problem in brief is to interpret the purposes of a cast of characters, the triumvirate of 11/70, which includes:

• **Davis:** Responsible in Hughes' eyes for the loss of TWA. Out of favor with Hughes at the time of the coup.

• **Gay:** Responsible for the fiasco of Hughes Dynamics and in Hughes' mind at least for the break-up of his marriage.

• **Intertel:** Rumored to be the syndicate intelligence outfit and certainly well connected to the world of syndicate operations. Behind Intertel, Resorts International. Behind RI, Mary Carter. Behind Mary Carter, Meyer Lansky.

• **Golden:** Nixon's man in the Bahamas and an old veteran of the national security wars.

• **Eckersley and the Mormon Mafia:** The ones who actually carried out the movement of Hughes out from under the eyes of the Maheu security group. Involved in subsequent big-time fraud.

We do not begin to know how to unriddle all this, no more than we can unriddle the assassination of John Kennedy. We know nothing about Hughes' movements during this period for a fact, less than nothing about his true wishes and his perceptions of what was happening to him. Two phone conversations, one of them provoked by the Clifford Irving affair, are all we have in substantiation of Davis's claim that he speaks for Hughes with Hughes' consent. Some say the man is dead and has been for a long time, and that he is being kept propped up in the saddle while the vultures decide which of them gets the liver, which the heart. We have no way of knowing about that so far and can only say that almost anything would make sense if it is only bizarre enough.

What we do know is that

Maheu was thrown out (a) on the basis of a proxy whose authenticity is attested to only by anti-Maheu figures in the struggle, (b) by a triumvirate of jealous and possibly discredited Toolco executives backed up (c) by a private police force linked by a host of crime writers to Hughes' main competition in the hotel-casino business, the Lansky syndicate, with the support (d) of Mormon church figures subsequently accused of financial crimes at high money levels opportunistically using Hughes' name, and (e) with the technical assistance of a man

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long and intimately associated with the President.

We promised in the beginning that this story would not close, it would conclude only in more complex mysteries. We can only continue searching for the details and patiently trying to fit them into place as they appear. With so many connected litigations underway in Vegas, Los Angeles, Salt Lake City and Washington, new fragments will surely be turning up. What we are obliged to conclude already, however, on what can now piece together, is that the orthodox version of these events does not hold color in the light. Something big is hiding here.