

Dita Beard Shifted as ITT Shuffles Office

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The International Telephone and Telegraph Corp. has shuffled the key staff and functions of its large Washington office, which was at the center of a controversy over Attorney General Richard G. Kleindienst's nomination last spring.

First to go are the two principals in an ITT memorandum—whose authenticity was never conclusively established—that linked the settlement of three Justice Department antitrust cases against the conglomerate and ITT's contribution to this year's Republican National Convention.

Dita Davis Beard, the outspoken corporate lobbyist who allegedly signed the memo, will conduct "sales research" for ITT in Denver, where she has been under treatment for a heart ailment since last spring.

Sources close to the

shakeup said that Mrs. Beard has been formally relieved of her position as a liaison with government officials and that she will report directly to corporate headquarters in New York.

William R. Merriam, the director of the ITT office here who allegedly received Mrs. Beard's memo, will leave Washington shortly after the first of the year for Europe, where he will work on the corporation's international trade relations.

The sources said that Merriam will be replaced here by Jack H. Gardner, now an associate general counsel of ITT in New York.

Gardner's transfer here is said to be part of a shift in the Washington office's responsibilities away from a political role and toward the conglomerate's dealings with federal regulatory agencies.

In the past, the ITT office here has frequently written

speeches for congressmen in both parties and provided them with transportation on corporate aircraft.

Merriam did not return a reporter's calls yesterday to discuss his place in the shakeup.

A press spokesman for the ITT Washington office confirmed the changes, but said there would be no official explanation.

During ITT's annual meeting in Memphis last May, the corporation's chief executive, Harold S. Geneen, said that the board of directors would be reexamining the office's structure and roles.

Geneen was infuriated last spring not only by publication of the memo but also by the Washington office's reaction, which included destruction of files in a shredding machine.

At the annual meeting, the ITT executive called the shredding "a very unfortunate and regrettable incident" that was "against company policy."

The ITT controversy—which, along with other matters, ultimately delayed Kleindienst's confirmation as Attorney General for four months—began in late February when syndicated columnist Jack Anderson published the notorious "Beard memorandum."

It implicated former Attorney General John N. Mitchell, former Kentucky Gov. Louie B. Nunn, White House staff director H. R. Haldeman and other prominent politicians in an alleged scheme to settle the antitrust litigation.

The tradeoff, according to the memo, was ITT's pledge of \$400,000 to help bring the GOP convention to San Diego, where the conglomerate's Sheraton subsidiary was building a new hotel, which would allegedly be President Nixon's convention headquarters.

(The Republican convention was later shifted to Miami Beach, in part because of the ITT controversy.)

When Anderson published the memo—and also revealed that Kleindienst, as deputy attorney general, had met several times privately with ITT director Felix G. Rohatyn—Kleindienst asked the Senate Judiciary Committee to re-

open the hearings on his nomination lest he take office with "a cloud" over his head. The hearings lasted for months and many of the major questions were never answered although Kleindienst's nomination was ultimately confirmed.

While FBI tests suggested that the disputed memo may have been typed at the ITT office here, the corporation's privately hired experts said it was a fraud and could not have been prepared on the date indicated, June 25, 1971.

Testifying from a Denver hospital bed last March, Mrs. Beard described much of the memo as "pure baloney," but confirmed some of its details.

Mrs. Beard has been in Denver ever since.

Here

The shift in power at ITT's Washington office comes before what may be another protracted set of congressional hearings involving the conglomerate.

Rep. Harley O. Staggers (D-W.Va.), chairman of the House Commerce Committee, has vowed a full exploration of the Securities and Exchange Commission's decision—with White House advice—to send sensitive documents concerning ITT to the Justice Department rather than Congress.

The SEC has been probing alleged "insider trading" of stock by ITT executives and other matters related to the corporation's acquisition of smaller companies.