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The Vicuna Coat Cover-Up

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Out of the past, we have now uncovered the murky details of a little Watergate, a scandal that the White House hushed up nearly two decades ago. Presidents of both parties joined in the cover-up.

Remember Sherman Adams, the flinty White House chief of staff back in the 1950s? He was the late President Dwight Eisenhower's H. R. Haldeman until we exposed his relationship with textile tycoon Bernard Goldfine. We reported that Adams had accepted gifts from Goldfine. One of the presents, a vicuna coat, became the symbol of corruption in those days.

Boston publisher John Fox added a more serious charge to our story. Goldfine had told him, swore Fox, about helping Adams in a more material way — "with cash." The White House tried to demolish Fox with denials and personal attacks. In those innocent days, the White House was still believed, and Fox went into obscurity a bitter, discredited man suspected of lying about Adams out of personal vengeance.

We have now learned that Fox may have been right. This was determined by federal authorities who have now told us the details that have been suppressed all these years. It was only through the intervention of Presidents Eisenhower and John Kennedy that Adams was spared criminal prosecution.

By a curious fluke, federal sleuths learned that Goldfine apparently was slipping cash to Adams. It seems that one of Adams' landladies didn't like him. Sometimes he paid her in cash, sometimes with cashier's checks. When he gave her a cashier's check, she surreptitiously recorded the number and

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the name of the bank it was drawn of before depositing it. She was able, therefore, to give investigators invaluable leads. They quickly discovered that Adams, during his official travels, bought cashier's checks all over America. This strange practice began before he came to the White House. As he moved upward in New Hampshire politics into the governor's mansion, he apparently supplemented his salary with secret handouts from the textile magnate.

After the Justice Department and Internal Revenue Service had finished compiling the figures, they were astonished to find that Adams allegedly had obtained \$15,000 in a single month from Goldfine and an estimated \$350,000 during their entire relationship. The investigation reached its climax in the early 1960s while the late Robert Kennedy was Attorney General.

On Capitol Hill, the Senate's most accomplished persuader, the late Everett Dirksen (R-Ill.), learned that Kennedy was thinking of moving against Adams. Dirksen phoned President Kennedy's top trouble-shooter, Kenny O'Donnell, and pleaded: "Let's not be silly. Sherm may have been naive, but what's a vicuna coat? What good will all this do now?"

O'Donnell, unaware of the case against Adams, but much aware of Dirksen's power on Capitol Hill, promised to do what he could. Always the

tactician, O'Donnell first checked with Robert Kennedy who found his prosecutors weren't terribly eager to go ahead with the case. "We've got a prosecutable case," they advised him, "but it's a marginal one."

O'Donnell then took Dirksen's appeal to the President. John Kennedy pondered briefly, then remarked to his aide: "Why go backwards? Why embarrass Ike? That's where it's going to land—on Ike. And he's done too much for the country."

But President Kennedy, still unsure, sent an emissary to Adams' old boss, Dwight Eisenhower. The emissary advised Eisenhower that Kennedy held him in high regard and, in effect, wanted him to decide whether Adams should be prosecuted. Ike's reply: Adams had suffered enough by the disgrace of being driven from the White House. President Kennedy graciously concurred and dropped the case.

Meanwhile, Adams wrote an explanatory letter to the Kennedy administration. Sources who have seen the letter say Adams admitted receiving money from unremembered donors but denied any of the cash came from Goldfine. Strangers would press money upon him, Adams allegedly wrote, to help him financially so he could afford to continue in public service.

We tried to reach Adams who now runs a ski resort in his New Hamp-

shire hills. He is traveling overseas and never responded to the messages we left. We also contacted his friend and attorney at the time, Gerald Morgan, who declined any comment on the old case.

After President Kennedy's assassination, President Johnson inherited the duty of collecting the taxes that Adams owed on the cash he had accumulated. There were also some severe civil penalties for his failure to pay earlier.

One day, President Johnson was surprised to hear from Eisenhower. The call wasn't about affairs of state but about the vigorous efforts to collect from Adams. LBJ heard Eisenhower out and then called his Internal Revenue Commissioner, Sheldon Cohen.

"Look," said the President, "Ike's leaning all over me about this thing." What was Cohen's attitude, asked Johnson. Cohen told his boss simply: "I think we ought to handle it just like any other case." The tax chief recommended that they proceed just as if Eisenhower hadn't called. Johnson agreed, and Adams quietly paid up.

Footnote: Looking back on the Adams debacle, we were surprised how many of the cast of characters remain unchanged. Richard Nixon, then the Vice President, was musing: "The trouble with Republicans is that when they get in trouble, they start acting like a bunch of cannibals." Then, as now, administration spokesmen were making sure no one thought for a moment that the President was touched by the scandal. And Sen. Barry Goldwater, (R-Ariz.), and Rep. John Moss (D-Calif.), then as now, were leading the cry for reform.