



Washington Merry-Go-Round by JACK ANDERSON

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WASHINGTON — The federal government, perhaps illegally, has hired a controversial private snooping firm to provide information on citizens who seek government-insured home loans.

The firm, Retail Credit Company, with headquarters in Atlanta, has repeatedly been the subject of congressional scrutiny for its snooping practices. It was indicted not long ago for bribing a New York City policeman and other municipal employees to get information.

The company is licensed in a number of states as a private detective agency. Yet federal law prohibits the government from contracting with detective agencies.

Whether legal or not, the Housing and Urban Development Department's contract with Retail Credit should be enough to raise the eyebrows of many

Americans who have been investigated by the firm.

By its own count, the company maintains data on 48 million Americans. Its files are loaded with assorted facts, rumors and hearsay swept together by clerk-investigators who seem more interested in volume than veracity.

For instance, Retail Credit's hard-pressed gumshoes are frequently assigned to as many as 15 cases a day, hardly an incentive for painstaking reporting.

GOSSIP GATHERING — Their favorite technique is the so-called "neighborhood check," a hasty canvassing of the subject's neighbors. The information obtained from talkative neighbors may be accurate, or it may be idle, even malicious, gossip.

The company insists it "makes

every possible effort to interview the person being investigated." This is contradicted, however, by its confidential "Inspector Manual," which instructs its sleuths "to investigate in such a manner that the (subject) will not learn of the investigation."

Since this is not always possible, Retail Credit occasionally calls upon the subject. But its firm policy is to give no advance notice of the visit. Result: the housewife usually is caught unawares by one or two strangers who want to inspect her home or interview her.

The company also has been caught up in questionable political schemes.

For example, when the American Homes Products Company was opposing a drug bill before the Senate Finance Committee two years ago, it asked Retail Credit to investigate a committee staff member, Jay Constantine. The company's gumshoes immediately began asking Constantine's neighbors about his personal affairs under the pretext that he was seeking a new job.

POLITICAL DIRT — In another case, Pennsylvania Democrats, in an attempt to dig up dirt on Rep. Herman Schneebeli, R-Pa., during last year's congressional elections, hired Retail Credit to run down a list of his campaign contributors. The investigation showed that money was pouring into Schneebeli's campaign coffers from out-of-state corporate bigwigs, whose axes he ground in Congress.

One of the Schneebeli donors was identified by Retail Credit as the executive vice president of a Wall Street brokerage firm. The contributor turned out, instead, to be an executive of another company. It was his son who ran the brokerage firm.

Despite Retail Credit's involvement in such episodes and despite its haphazard investigative methods, it is now under contract to provide information on applicants for FHA and VA home loans.

The company's confidential reports include information on the marital stability of the prospective home buyers. The purpose is to spot couples who are likely to get divorced and may no

longer keep up their house payments.

Retail Credit's total take from the government is unknown, since it is paid on a report-by-report basis. The reports are believed to cost about \$5 apiece.

Incidentally, the reports not only are widely circulated, but carry a low security classification. This gives an alarming number of government employes access to unproved, often derogatory information about their fellow citizens.

Footnote: Retail Credit's president, W. Lee Burge, insists his company is not a detective agency although it is licensed as such in a number of states. He also denies that his company uses improper or careless methods.

WALL STREET EXPOSE — A bombshell book about Wall Street has been greeted with a strange silence by Wall Street's book reviewers.

The book, "Wall Street: Security Risk," is written by Securities and Exchange official Hurd Baruch. This is unusual in itself since SEC regulators generally speak out only in legal briefs. Baruch lashes Wall Street for being rigged against the small investors and in favor of the fat cats.

At this writing, however, there have been no reviews in the nation's eminent business journals. Baruch, meanwhile, has been barred by his SEC superiors from boosting his book on radio or TV. Considering what it has to say about the stock exchanges, the wonder is that SEC Chairman William Casey had the courage to let him print it all.