

11/2/72
Merry-Go-Round

Sequel to the ITT Dita Beard Memo



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THERE was a startling sequel to our publication last February of the Dita Beard memo, which linked the settlement of ITT's antitrust cases with an offer to help subsidize the Republican Convention.

The memo was read with considerable astonishment inside the Securities and Exchange Commission. The SEC had subpoenaed all documents relating to ITT's acquisition of Hartford Fire Insurance, the grand prize in the antitrust settlement. Yet nowhere in 34 cartons of files, which ITT had turned over to the SEC, could investigators find the Dita Beard memo.

Angrily, they accused ITT of holding out on them. The conglomerate, not wishing to antagonize the mighty SEC, hastily produced several additional confidential memos and letters. Sources who have had access to these documents say they contain incriminating details about White House intervention to get a favorable antitrust settlement for ITT.

The same sources tell us, however, that the incriminating documents "were immediately locked up in Ron Hunt's safe." Hunt is secretary to the SEC.

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WHEN we asked SEC Chairman William J. Casey about this, he would say only: "I am not going to comment on the investigation." Hunt told us that "no documents have been kept in a safe under my control."

Meanwhile, House Commerce Chairman Harley Staggers (Dem.-W.Va.) formally requested the ITT documents from

the SEC. This put Casey on the spot, since he was appointed by the President but the SEC is an arm of Congress.

He put his loyalty to the President first and refused to deliver the documents to Congress. This angered Staggers who summoned Casey up to Capitol Hill. The SEC chairman, accompanied by Commissioner A. Sydney Herlong Jr., spent an hour closeted with Staggers.

Sternly, Staggers reminded them that the SEC operates under the jurisdiction of Congress and that he had once cited former Federal Communications Chairman Rosel Hyde for contempt for holding back documents.

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STAGGERS later told us Casey and Herlong had given him the impression they would comply with his request. Instead, they packed off the 34 boxes of ITT papers, including the hot documents in Hunt's safe, to the Justice Department.

Casey notified Staggers that the Justice Department had requested the documents. But Staggers disputed this. "We checked this out with the Justice Department," he told us. "They said they had not asked for the ITT documents but that Casey had informed them he was shipping them over."

Top officials of the Justice Department are deeply implicated in the ITT scandal. Staggers has now asked Justice for access to the ITT documents, but he told us ruefully: "I understand the 34 boxes are kept under lock and key where no one can see them."