

Post 8/3/74 SEC Investigation of ITT

I would like to place in correct perspective statements of the staff of the House Judiciary Committee carried in your July 20 issue. They relate to official acts arising out of the Securities and Exchange Commission investigation of ITT in which I participated as Chairman of the Commission.

Referring to congressional requests for access to ITT documents subpoenaed by SEC, the report states that this request was refused by Chairman Casey. These requests were denied by formal action of the Commission taken by unanimous vote of all members of the Commission. The Commission followed a well established position it had developed over the years for substantially the same reason. Special Prosecutor Jaworski refused to provide the Judiciary Committee with evidence which his office had obtained by subpoena.

It is further stated that "the ITT material was transferred by the SEC to the Department of Justice." This omits two important points. The SEC enforcement staff had recommended that possible criminal phases of its ITT investigation should be referred to Justice. The Commission's referral to Justice was accompanied by a letter in which the Commission recommended

that Justice investigate to determine whether there had been an obstruction of justice in shredding or otherwise failing to deliver documents covered by the SEC's subpoena.

It should also be pointed out that the discussions with Mitchell, Colson and Dean referred to in the Judiciary Staff statement, occurred some three months after the Commission, in keeping with its tradition and practice, had determined that it should not give congressional committees access to raw evidence which had been subpoenaed for law enforcement process and which might be used in a judicial proceeding. Colson did inquire about the matter but there was no discussion with him. I initiated discussions with Mitchell and Dean as well as chairmen of other independent agencies, the Commissioner of Internal Revenue and members of Congress to seek advice and precedent on handling a congressional request which the Commission believed could violate its tradition and its obligation to the law enforcement process.

WILLIAM J. CASEY

Washington.

Mr. Casey, former chairman of the SEC is chairman of Eximbank.