

Discrepancies in the ITT-GOP Scandal



Jack Anderson

THE Justice Department and International Telephone and Telegraph are now trying to lie their way out of a scandal over the suspicious, sudden settlement of an anti-trust suit against ITT.

In earlier columns, we disclosed an ITT memo indicating the Justice Department granted the favorable settlement in exchange for cash support of the upcoming Republican Convention in San Diego.

The author of the memo, ITT lobbyist Dita Beard, told us she arranged the settlement herself in a private conversation with Attorney General John Mitchell at a Kentucky dinner party.

★ ★ ★

MITCHELL refused to talk to us. A spokesman, John Hushen, urged us to withhold our story until he could "get our ducks in a row." He then waited three days before calling us back with a terse statement from Mitchell.

The statement says the Attorney General "was not involved in any way with the Republican National Committee Convention negotiations and had no knowledge of anyone from the committee or elsewhere dealing with International Telephone and Telegraph."

This is false. In mid-May last year, California Lieutenant Governor Ed Reinecke and an aide, Edgar Gillenwaters, met with Mitchell to discuss efforts to hold the convention in San Diego.

We could not reach Reinecke, but Gillenwaters told us he and Reinecke personally informed Mitchell that ITT had of-

ferred to put up as much as \$400,000 to support a GOP convention in San Diego.

ITT also issued a statement on the matter which insisted that only its lawyers were authorized to deal with the Justice Department on the anti-trust cases. "Neither Mrs. Beard nor anyone else except legal counsel was authorized to carry on such negotiations," the statement said.

This is also false. Felix Rohatyn, an investment banker and director of ITT, told us he held a series of about a half-dozen secret meetings during the merger negotiations with Deputy Attorney General Richard Kleindienst. Rohatyn said he was specifically authorized to "make the case on the economic side" by ITT President Harold S. Geneen.

★ ★ ★

ROHATYN'S acknowledgment also puts the lie to an earlier statement by Kleindienst, who has now been named to replace Mitchell as Attorney General. On December 13, Kleindienst wrote to Democratic National Chairman Larry O'Brien to deny that high-level political pressure had been exerted on the Justice Department's anti-trust staff in the ITT case.

"The settlement between the Department of Justice and ITT was handled and negotiated exclusively by Assistant Attorney General Richard W. McLaren (then head of the anti-trust division)," the Kleindienst letter said.

Obviously, if Kleindienst was holding secret talks with Rohatyn on the case, it could not have been "handled and negotiated exclusively" by McLaren and ITT's lawyers.