

ITT Campaign for Defense Contract



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REPRESENTATIVE Chet Holifield, one of the grand old Democratic powers of the House, took a \$500 payoff from ITT about the same time that he wrote the Defense Department on behalf of a multi-million dollar ITT contract proposal.

Holifield got the \$500 in hundred dollar bills from ITT's Robert Schmidt, the same man who helped him draft a letter to the Defense Department.

Our sources inside ITT say the corporate brass, fearful that the Democrats might learn about the ITT pledge to help finance the Republican Convention, discussed offering a similar commitment to the Democrats. In both cases, a commitment up to \$400,000 was mentioned. We could find no evidence that the offer was actually made to the Democrats.

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THE SCENARIO of the ITT payoff to Holifield began in mid-1968. At that time, ITT was eagerly seeking a contract with the Defense Department for electronic airfield equipment that was certain to bring ITT tens of millions.

With competition at fever heat, ITT went all out for the contract. As the ITT campaign geared up, Schmidt called Holifield's office to let it be known how interested ITT was in the contract. As chairman of the House Government Operations Military Subcommittee, Holifield had vast watchdog powers over all defense contracts.

Schmidt suggested that a letter to the Defense Department would be helpful to ITT. When Holifield agreed to write it, Schmidt said he would have the letter

ready for the Congressman when the time was ripe for ITT's contract bid.

Some weeks later, Schmidt brought a draft of the letter to Holifield's office, it was retyped substantially as Schmidt prepared it. The congressman sent it on to the Defense Department.

At about this time, Schmidt made another visit to Holifield's congressional office on Capitol Hill. The California Democrat was not present, so Schmidt left \$500 in five 100-dollar bills with an aide, Eliot Stanley, who accepted it on Holifield's behalf.

From sources with ties deep inside ITT, we have learned the money ostensibly was supposed to be a "campaign contribution." But we have not yet been able to turn up any such "campaign contribution" in available public campaign records.

Meanwhile, ITT continued its campaign for the contract, but in the end failed to get what it wanted.

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WE SPOKE with Holifield about the case, but he was noncommittal. "I have no recollection of any such contribution," he said.

As for the letter to the defense department, he said: "I have no answer," then amended this reply to say he could not recall the letter. (For further details of Holifield's comment, see Page 13.)

The Holifield aide, Stanley, has now left Capitol Hill and declined any public comment.

As for Schmidt, although we left repeated calls with his secretary, he did not return the calls.