

Watergate Isn't Over for Minorities

By Jack Anderson
and Les Whitten

The Watergate scandal isn't over for blacks and other minority businessmen.

The Office of Minority Business Enterprise (OMBE), which is supposed to find and foster business opportunities for minority entrepreneurs, is floundering under the leadership of a political operative appointed by President Nixon.

Alex Armendaris, a 45-year-old Mexican-American, was named OMBE's director in 1973 as a reward for faithful service to Nixon.

At the White House, he had served with a task force which manipulated federal grants and contracts to win political support from Spanish-speaking Americans.

He apparently learned his lesson well. For at OMBE, he has continued to reward friends with federal funds and to punish enemies by denying them money.

From confidential OMBE files, here are a few examples:

—Armendaris intervened to help a former White House colleague, Tony Rodriguez, obtain an OMBE contract. As

Armendaris acknowledged to our reporter Gary Cohn, Rodriguez lost his job and needed the money. Armendaris saw nothing wrong with aiding his friend, because he was "qualified."

—The Greater Jamaican Chamber of Commerce, a New York City organization, recently requested \$100,000 for a trade fair. OMBE officials who read the proposal found it "ludicrous." Nonetheless, Armendaris scratched around for enough money to help the chamber. Reason: it happened to be located in the district of Rep. Joseph Addabbo (D-N.Y.), who heads a subcommittee with jurisdiction over the OMBE.

—Another time, Texas Tech University asked for \$40,000 for a training program. Armendaris' general counsel, John Topping, personally intervened to make sure the money was granted. Texas Tech is located in the home district of Rep. George Mahon (D-Tex.), who runs the House Appropriations Committee.

—Over \$7.4 million was squandered last year on dead-end projects which, according to a confidential memo to Armendaris from two of his aides, won't "have an effect

on minority business enterprise."

—Armendaris has accepted valuables from contractors seeking OMBE funding. Once he accepted a carton of toys for his children from a St. Louis businessman who wound up with an OMBE contract. Armendaris explained that the toys were shipped to him and he merely forgot to return them. "They weren't very good anyway," he said. Another St. Louis contractor allegedly provided Armendaris with a gallon of liquor and a free hotel suite. The OMBE chief told us he couldn't remember who paid the hotel bill.

—Last winter, Armendaris took three subordinates to sunny Puerto Rico for what he insists were "business" purposes. On another occasion, he tried to placate a disgruntled assistant, LeRoy Rogers, by taking him on a business trip to Hawaii. Armendaris told us he likes to take someone to handle scheduling and administrative details.

Footnote: The Commerce Department, OMBE's parent agency, is taking what officials assure us is a "serious" look at Armendaris' activities.

Other OMBE officials have beseeched us to help clean up their agency.

Watch On Waste — It costs the taxpayers \$650 for a full field investigation, only \$7.50 for a simple security check.

Yet the Energy Research and Development Administration, formerly the Atomic Energy Commission, ordered 13,000 "Q" clearances for new employees last year. A "Q" clearance requires the full \$650 investigation.

Among those who got the \$650 clearance:

—An optometrist who fits safety glasses for employees, works one day a week and has no access to classified areas.

—Two employees who were cleared to install lockers. They worked only three days, yet received \$1,300 worth of investigating between them.

—An entire 150-man electricians' union was cleared, not to work at the plant but to be available if needed.

An ERDA spokesman denied that any unnecessary investigating was done. He contended that all employees have possible access to classified areas.

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