

Perot Prospered Under Nixon

By Jack Anderson

H. Ross Perot, the likable, loquacious Texas millionaire who has bankrolled many of President Nixon's favorite projects, has been given a fortune in Medicare contract payments over the strenuous objections of Social Security experts.

In one case, the Nixon administration overruled Social Security, which handles Medicare, at the very time in 1969 when Perot was cranking up to back President's Vietnam policy with national newspaper ads.

Only a few months before, Perot had agreed to serve with other well-known moneybags as a trustee on the Richard Nixon Foundation, which will fund a library and museum for the Nixon papers.

Earlier, Perot had personally paid the salaries of six employees of his Electronic Data Systems while they were on leave of absence to work on the 1968 Nixon presidential campaign.

Again, in 1971, Perot's good works for Mr. Nixon coincided with administration approval of Perot's Medicare contracts. This time, contract approval in five states had been held up by Social Security for more than a year. Some experts at Social Security doubted they should be allowed to go through at all.

But the log jam broke within a week after Perot decided to pour \$64 million into a fail-

ing Wall Street firm at the personal request of then-Attorney General John Mitchell, White House aide Peter Flanigan and other high administration persuaders.

The White House wanted to save investors from disaster but the failure of the Wall Street firm, duPont Glore Forgan, also would have been personally embarrassing to President Nixon. One of the merged firms making up duPont Glore was formerly headed by Maurice Stans, Mr. Nixon's Commerce Secretary and now his chief campaign fund raiser.

Perot's Progress

Hundreds of pages of public records in the two cases, while they do not show any direct tie with Perot's pro-Nixon gestures, do clearly establish that Perot got special treatment from the administration.

When Mr. Nixon came to office in January, 1969, Perot was under fire for what one Social Security expert estimated was more than 100 per cent profits on his Texas contracts. Perot says it was only 14 per cent.

After careful study, Social Security finally said in June that it wasn't going to fully reimburse Texas Blue Shield on the Perot contract demands. Blue Shield took the case directly to Health, Education and Welfare Under Secretary John Veneman's office.

Perot met personally with Veneman. Although neither is sure exactly when it was, Perot told us twice that there was no talk of contracts. Veneman recalls contracts were discussed during their private meeting.

The Under Secretary, through a spokesman, said these were not Texas contracts, but a proposed California contract that was turned down. Whatever the truth, Veneman's office took over leadership of the Texas case from Social Security.

In October, 1969, four months after Social Security had turned down Perot, Veneman made the ultimate decision to give Perot the payments he wanted.

This is the testimony of Social Security Health Insurance Chief Thomas Tierney. Tierney also told a top aide, Dr. Thomas Bell, that "the HEW decision is to go with Ross Perot."

Veneman's own handpicked aide on the deal, James McLane, now deputy director of the Cost of Living Council, also affirms that he made the recommendation and Veneman approved it. Veneman disputes this.

In any case, even as Perot was getting his way on Texas, he was looking to new contract payments in Indiana, Iowa, Massachusetts, New York and Minnesota.

Strange Coincidences

Again there was strong op-

position within Social Security.

But a freeze of 15 months on the New York contract thawed suddenly on March 23, 1971—six days after Perot salvaged the Wall Street firm for the administration. The other four contracts also were quickly approved by Social Security.

Perot, in two long, impassioned talks with my associate Les Whitten, insisted that the contracts had nothing to do with his bailout of duPont Glore, his Vietnam ads, or other pro-Nixon actions.

On the contrary, he said, in Milwaukee, California and Washington, D.C., he was treated unfairly on contracts. Where he succeeded, he said earnestly, it was because Electronic Data Systems did a better job at a cheaper rate.

"I have done no favors for President Nixon," said Perot. "The things that I have done regarding the prisoners of war and regarding the investment in Wall Street were done without regard to who was President. I would have done the same thing as a matter of conscience had Senator Humphrey been President."

Footnote: Rep. L. H. Fountain (D-N.C.) has been digging into Perot's contracts for Medicare computer work. His Intergovernmental Relations subcommittee is quietly drawing up a report for release in 1973.