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Mitchell and ITT have lied in effort to cover up scandal

WASHINGTON — 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 a landmark anti-trust suit against ITT.

In earlier columns, we disclosed a remarkable ITT memo indicating the Justice Department granted the favorable settle-

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ment 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 then 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 Lt. Gov. Ed Reinecke and an aide, Edgar Gillenwaters, met with Mitchell in his Washington office to discuss efforts to hold the convention in San Diego.

Mitchell misleads

We could not reach Reinecke, but Gillenwaters told us he and Reinecke personally informed Mitchell that ITT had offered to put up as much as \$400,000 to support a GOP convention in San Diego.

"He liked the idea of (having the convention in) San Diego," Gillenwaters said of Mitchell. "He didn't need any persuading. He said, 'If you can do it, more power to you.'"

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 Dep. Atty. Gen. Richard Kleindienst. Rohatyn said he was specifically authorized to "make the case on the economic

side" by ITT President Harold S. G. Geenen.

Puts the lie

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 Dec. 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 Asst. Atty. Gen. 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.

MITCHELL'S STATEMENT

For more than three days, this column tried to get from the Justice Department Atty. Gen. John Mitchell's response to the ITT memo linking the settlement of three anti-trust cases with ITT's \$400,000 offer to help subsidize the Republican convention.

The Justice Department released the statement to other newsmen before finally sending us a copy. The attorney general's statement therefore has already received wide publicity. In fairness, however, we want to provide a full response.

Here is the attorney general's complete statement:

"I 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. In fact, I do not know as of this date what arrangements, if any, exist between the RNC and ITT.

"When the Department of Justice first brought action against ITT, I removed myself from all consideration of such matters. I have not discussed the subject with anyone from ITT or in the department with one exception, the exception being that at a reception held in the executive mansion of the state of Kentucky a Mrs. Beard approached me on the subject. I advised her that I was not familiar with the matter and that the appropriate people representing ITT should take the matter up with the appropriate people in the Department of Justice. That was the only time I have ever seen Mrs. Beard and the above is the extent of our conversation on the subject.

"With respect to allegations that the President discussed the matter with me, there would be no occasion for him to do so and he did not."