

I.T.T. Aide Says Many Papers Were Destroyed as Unneeded

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By FRED P. GRAHAM MAR 17 1972

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WASHINGTON, March 16—The general counsel to the International Telephone and Telegraph Corporation testified today that "many sacks of papers" from files of the corporation's Washington office were destroyed the day after Jack Anderson, the columnist, informed the corporation that he had obtained a memorandum written by its Washington lobbyist, Mrs. Dita D. Beard.

The Senate Judiciary Committee was told that the primary reason for feeding the papers into a shredder on Feb. 24 was to destroy documents that might cause "unwarranted embarrassment" to individuals mentioned in them in the event that Mr. Anderson "misused

and misconstrued" them in his syndicated column.

Papers were also destroyed because they were outdated or unneeded, Howard J. Aibel, general counsel and a senior vice president of International Telephone, told the committee.

He said that none of the employes in the office knew of any destroyed documents that

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linked the company's pledge of up to \$200,000 toward the expenses of the Republican National Convention with the Justice Department's settlement of three antitrust suits against the concern.

Mrs. Beard's memorandum did link the two events of last summer, saying, "Our noble commitment has gone a long way toward our negotiations on the mergers." Its publication by Mr. Anderson on Feb. 29 led to the current hearings.

Mr. Aibel disclosed that some of the shredded documents did pertain to the San Diego convention and others concerned the antitrust settlements. He said that the San Diego material included tourist brochures and statistics on facilities, which could be replaced, and that the antitrust papers were copies of documents preserved in files elsewhere.

Senator John V. Tunney, Democrat of California, declared, "This looks bad on its face." He added that International Telephone employes could hardly be expected to acknowledge now that documents already destroyed had linked the corporation's convention pledge and the antitrust settlements.

Mr. Aibel testified together with the corporation's president, Harold S. Geneen, who promised the committee yesterday to report today on the document-shredding incident, which was first disclosed in Mr. Anderson's column.

Interim Report Made

An "interim report" was filed with the committee, based upon an inquiry into the shredding incident by four lawyers retained by the corporation. One of the four, John S. Martin Jr. of New York, testified that the lawyers had been assigned to "give separate and distinct advice" to International Telephone's employes about any legal liabilities they might have incurred by destroying the papers.

Mr. Aibel's report said that, shortly after an investigator for Mr. Anderson went to the corporation's Washington office on Feb. 23 to verify the authenticity of Mrs. Beard's memorandum, company headquarters in New York were asked to dispatch a security officer to check out the Washington office's security. Russell Tagli-

areni, a security official, was sent to Washington that afternoon.

The next morning the Washington office's 25-member staff was told that "our files were an open sieve." According to Mr. Aibel's report, the employes were instructed to destroy unneeded or embarrassing papers. He said that none had been shredded by the security official and there had been no intention to thwart any governmental investigation, as reported by Mr. Anderson. No records required by the internal revenue laws were destroyed, the report said.

Terms Office Lax

Mr. Martin said that John E. Ryan deputy chief of the Washington office had gone through Mrs. Beard's files with her to select those to be shredded. No copy of the memorandum that touched off the controversy was found.

Mr. Aibel told the Senators that many of the shredded papers had simply been old documents that had not been routinely destroyed because the Washington office had been lax in following the corporation's "document retention program" for disposing of old papers.

He gave the committee copies of memorandums establishing a three-tier security classification system reminiscent of the secrecy system employed by the Government.

Classified documents are stamped "system confidential," "legal confidential" or "personal and confidential." The last classification, which applied to Mrs. Beard's memorandums, is used for "information of an embarrassing," "controversy within or between headquarter staffs, group and or I.T.T. unit personnel," and "psychological assessment reports."

In his testimony, Mr. Geneen, the company president, said that he knew of no International Telephone executive who had asked Mrs. Beard to "get out of town" after publication of her memorandum, as reported by Mr. Anderson.

Mr. Geneen also said that the Sheraton Corporation of America, the International Telephone subsidiary that pledged the \$200,000 to the Republican convention as a "promotional expense," had not contributed any money to the Democratic National Convention in Miami Beach, although there are two Sheraton hotels there. The dif-

ference, he said, is that Sheraton has three hotels in San Diego, including a new one where president Nixon's headquarters will be located.

After the session today, the hearing here was recessed until next Wednesday so that a subcommittee can take Mrs. Beard's testimony on Monday and Tuesday in her hospital room in Denver, where she is confined because of a heart ailment.

The Judiciary Committee chairman, Senator James O. Eastland, Democrat of Mississippi, added Quentin N. Burdick, Democrat of North Dakota, to the subcommittee today. The other members are Philip A. Hart of Michigan, chairman; Edward M. Kennedy of Massachusetts and Mr. Tunney, all Democrats; and Marlow W. Cook of Kentucky, Charles McC. Mathias Jr., of Maryland and Edward J. Gurney of Florida, Republicans.

Says He Was 'Imprecise'

Jerris Leonard, former chief of the Justice Department's Civil Rights Division, said today that he was "imprecise" when he wrote a 1970 memorandum mentioned in the hearings yesterday. In the memorandum, Mr. Leonard ordered negotiation of a recommended suit against a Southern California real estate company because John N. Mitchell, then the Attorney General, "knows some of the top people" in the company.

In a statement today, Mr. Leonard said that Mr. Mitchell had actually said he understood that the company, Coldwell-Banker & Co., "was a large company and he could not believe it was official company policy to discriminate against Negroes, as a Justice Department investigation had determined, Mr. Mitchell testified yesterday that he knew nothing about the company except that it had many advertising signs in Southern California and must be a large concern.

The incident was brought into the hearings because the company is a client of the Los Angeles law firm of Herbert W. Kalmbach, President Nixon's personal attorney in California, who has helped arrange financing for the San Diego convention. In the racial discrimination case, which was settled out of court last month, the Caldwell company was represented by O'Melveny & Myers, another Los Angeles law firm.