

Casey Details ITT File Shuffle

By Laurence Stein
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Former Securities and Exchange Commission Chairman William J. Casey acknowledged yesterday that he insisted on transferring "politically interesting" ITT files from his agency to the Justice Department a month before last year's presidential election.

The material documented contacts between executives of the beleaguered conglomerate and top administration

officials while a series of separate investigations were in progress against ITT.

Casey disclosed that at one point he received a call from former White House domestic counselor John D. Ehrlichman—a contact he conceded to be "improper"—expressing concern about an SEC staff investigation of ITT.

Casey said he assumed that Ehrlichman's call was prompted by ITT complaints to the White House at SEC staff demands for certain corporate documents.

"I guess he felt we were reaching out and poking into things," Casey said of the Ehrlichman call which came to him shortly after publication in March, 1972, of the famous Dita Beard memo alluding to a pledge of ITT financial support for the 1972 Republican National Convention.

"I wouldn't say he wanted us to curtail the investigation, but I guess he raised a question as to whether it was necessary," Casey said. He testified that he told Ehrlichman the staff felt the investigation was necessary and also advised his staff of the Ehrlichman call.

The former SEC chairman, now undersecretary of state for economic affairs, also said Sen. Edward M. Kennedy (D-Mass.) called him in behalf of a friend who faced possible implication in an SEC civil proceeding. A spokesman for Kennedy said the senator called Casey to endorse the integrity of Andre Meyer, whose underwriting firm of Lazard Freres was cited in ITT dealings related to its con-

troversial merger in 1971 with the Hartford Insurance Co.

The Kennedy spokesman said the senator's call was made at the request of Meyer and that Kennedy told Casey he knew nothing about the merits of the case.

Casey, a tough and testy witness, sparred for some six hours with Rep. Harley Staggers (D-W.Va.), chairman of a House commerce investigating subcommittee. He accused Staggers of "highly irregular" and "clandestine" tactics in the subcommittee's pursuit of the ITT material and said the name in the file could be "politically useful" to opponents of the Nixon administration.

Among those mentioned in the ITT file of letters and memos of meetings were former Attorney General John N. Mitchell, Vice President Spiro T. Agnew, former Treasury Secretary John Connally and former White House aides Peter G. Peterson, Charles Colson and Ehrlichman. None of those mentioned have as yet been substantially implicated in ITT's widespread appeals during 1972 for administration help in its anti-trust and SEC proceedings.

To keep the ITT dossier out of the hands of Congress it was shipped in 34 cartons by parcel truck last Oct. 6 from the SEC to safekeeping in the Justice Department.

Staggers produced testimony from Deputy Attorney General Nathan F. Erickson that the Justice Department initially refused to take custody of the politically explosive

ITT file despite Casey's appeals to former White House counsel John Dean.

Dean testified at length in closed session last May 24 on Casey's efforts to get the Justice Department to accept the ITT material. Dean's testimony is to be made public today when Casey is questioned again on conflicts between his own version and the accounts of both Dean and Erickson.

Erickson maintained that the impetus for transfer of the files came from Casey and that the Justice Department refused to issue a letter requesting receipt of the ITT files. Casey maintained that he delivered the material to Justice at its request.

Casey said his concern in entering into this Alphonse and Gaston relationship with the Justice Department was a fear that public leaking of the names in the ITT file would hurt those mentioned and might jeopardize any criminal prosecutions.

Erickson, in testimony to the subcommittee, described as "unreasonable" Casey's demands that Justice formally request the controversial files from the SEC. Eventually, compromise wording was agreed upon. After a quick SEC meeting held at Casey's call, the documents were shipped to Justice.

Asked why he went to White House counsel Dean for help in his dealings with the Justice Department, Casey explained that Dean was the expert on such matters and also that the White House had a closer working relationship with the Justice Department.

In previous testimony Charles S. Whitman, ITT's executive assistant to the SEC, testified that Dean was the White House expert and perhaps the Washington expert on executive privilege and the preservation of files.