

Hammer Must Give Testimony to S.E.C.

NYTimes DEC 18 1975

By ROBERT M. SMITH

Special to The New York Times

WASHINGTON, Dec. 17—A Federal judge today ordered Armand Hammer, chairman of the Occidental Petroleum Corporation, to submit to questioning by the Securities and Exchange Commission concerning possible payments by Occidental to foreign government officials.

District Court Judge John H. Pratt issued the order despite the assertion of Dr. Hammer's lawyer, Arthur Groman, that the 77-year-old executive suffered from a heart condition that might make the questioning fatal.

Judge Pratt asserted there was "an inconsistency between the diagnosis and the man's actual mode of living."

"He can't be as sick as the doctors say he is and maintain this schedule," the Judge said. "It's just contrary to fact."

At the same time, Judge

Continued on Page 75, Column 1

HAMMER ORDERED TO TALK TO S. E. C.

Continued From Page 71

Pratt ordered Occidental to deliver to the S.E.C. no later than Dec. 31 documents the agency has subpoenaed. That date was chosen because Mr. Groman said the company was particularly fearful of "leaks" of the material before a Venezuelan commission investigating alleged bribes by Occidental to Venezuelan officials finishes its work.

According to papers filed by

the S.E.C., "the testimony sought from Hammer and the documents called for by the subpoena relate to information which Hammer and Occidental may have regarding possible falsification of Occidental corporate records and disbursements of millions of dollars of Occidental funds to foreign governmental officials in connection with the acquisition of foreign business."

The papers contend that Dr. Hammer's testimony is necessary because "it is the belief of the [S.E.C.] staff that Hammer is the only person to have knowledge of Occidental's operations."

"Since he took part in almost all of Occidental's negotiations

with foreign governments," the papers continue, "he and he alone has the firsthand knowledge of what if anything was paid to governmental officials to obtain business for Occidental."

Mr. Groman, of the Los Angeles firm of Mitchell, Silberberg & Knupp, argued that despite the fact that Dr. Hammer visited the Soviet Union only six months ago and that he was still chief executive of Occidental, his health prevented his interrogation by the S.E.C.

'A Sick, Old Man'

Mr. Groman described Dr. Hammer as "a sick, old man." He said that the executive "lives four blocks from the

office, goes in late, goes home for lunch and takes a nap" in the afternoon.

The lawyer said that the Venezuelan investigating commission had agreed to accept Dr. Hammer's written answers to its questions, adding that he could not believe "the Securities and Exchange Commission is less humane than the Venezuelan commission."

"We'll assume Dr. Hammer has serious heart disease," Judge Pratt said after listening to Mr. Groman argue for a short while. "Like all of us, he is going to die some day. Every breath he takes is one breath less. It may happen to him a little sooner. The

commission is entitled to take Dr. Hammer's deposition."

The judge pointed to the difference between the agency's being able to question Dr. Hammer in person and having to pose written questions. "It's very difficult to frame interrogatories to cover the waterfront," he said. "There are too many follow-up questions."

Also, Judge Pratt noted, in being able to respond to written questions, "Dr. Hammer will have the advice of counsel

standing by him with respect to every word he writes."

With regard to the subpoenaed documents, Mr. Groman said that the crucial consideration was not having to turn them over before Dec. 31 because of the Venezuelan investigation.

The lawyer said in an interview later that the Venezuelans had undertaken their investigation and were "withholding \$42 million of Occidental's money" because of a news article that

appeared in The New York Times.

The article reported that the former general manager of Occidental's Venezuelan subsidiary had charged in a suit that Dr. Hammer caused the company to pay more than \$3 million in bribes and campaign contributions to Venezuelan officials and political candidates.

Mr. Groman asserted that the story had been "leaked" to The Times by a Government investigator.