

OCT 9 1975

New Charges Against Hammer

Washington

The former general manager of the Occidental Petroleum Corp.'s Venezuelan subsidiary has charged in a suit that Armand Hammer, the corporation's chairman, caused Occidental to pay more than \$3 million in bribes and campaign contributions to Venezuelan government officials and political candidates.

Hammer said in a telephone interview yesterday that "the suit is groundless" and had been brought by "a disgruntled former employee." In court, Hammer has so far responded to the suit by asserting that the Texas state court involved lacks jurisdiction over him.

Meanwhile, another former Occidental employee has told the New York Times that he knows of bribes of \$5000 each to two Venezuelan legislators by Occidental. The source said that the company had paid the bribes in July, 1970, to members of a Venezuelan commission that was considering what contracts should be granted for foreign oil companies to exploit deposits in southern Lake Maracaibo.

According to the source — who says he has personal knowledge of the transactions — the \$5000 payments were meant as "down payments." If the legislators were able to produce contracts that met a typed list of conditions, they were to receive much more money.

Informed of these allegations, Hammer called them "preposterous and absurd." He said that neither he nor Occidental had made illegal payments of any kind in Venezuela.

In the suit, filed in a state court in Houston, John F. Ryan, former vice president and general manager of Occidental Petroleum de Venezuela, S.A., charges that certain persons connected with Occidental conspired to secure his dismissal by the oil company.

According to the suit, "their motive in doing so was to continue and conceal a course of illegal and fraudulent conduct with reference to the Occidental Petroleum Corp. This course of conduct . . . consisted of a scheme to bribe Venezuelan government officials, the actual bribery thereof and the execution of service contracts with Occidental

Petroleum Corp. by means of which defendants received money and other things of value as kickbacks."

"Pursuant to this scheme," the petition to the court continues, "the defendants formed a Bahamas company called Noark, Ltd., and the defendant Hammer caused Occidental Petroleum Corp. to pay large sums of money, in excess of \$3 million, to the Panamanian bank account of Noark, Ltd., from whence it was distributed as bribes and campaign contributions to government officials and candidates for office."

Ryan asserts that the payments were concealed from Occidental's stockholders.

His suit does not say when the alleged bribes were paid, it does assert that they continued into 1974.

Hammer recently pleaded guilty in a federal court here to having tried to cover up \$54,000 in personal campaign contributions to former President Nixon's re-election campaign in 1972.

Associated Press