

8844
R 86/2
F 49

Storage

FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

Y 4
R 86/2
F 49/PT. 15

HEARINGS BEFORE THE COMMITTEE ON RULES AND ADMINISTRATION UNITED STATES SENATE EIGHTY-EIGHTH CONGRESS FIRST AND SECOND SESSIONS

PURSUANT TO

S. Res. 212 and S. Res. 291

RESOLUTIONS AUTHORIZING AN INVESTIGATION INTO THE
FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR
EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE
SENATE

FEBRUARY 27 AND MARCH 2, 1964

PART 15

Testimony of John Gates, William E. Kentor, Edward Levinson,
and Edward Torres

Printed for the use of the
Committee on Rules and Administration



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1964



COMMITTEE ON RULES AND ADMINISTRATION

B. EVERETT JORDAN, North Carolina, *Chairman*

CARL HAYDEN, Arizona

CARL T. CURTIS, Nebraska

HOWARD W. CANNON, Nevada

JOHN SHERMAN COOPER, Kentucky

CLAIBORNE PELL, Rhode Island

HUGH SCOTT, Pennsylvania

JOSEPH S. CLARK, Pennsylvania

ROBERT C. BYRD, West Virginia

GORDON F. HARRISON, *Staff Director*

HUGH Q. ALEXANDER, *Chief Counsel*

SPECIAL STAFF FOR THE PURPOSES OF SENATE RESOLUTION 212 AND SENATE
RESOLUTION 291

LENNOX P. MCLENDON, *General Counsel*

W. ELLIS MEEHAN, *Chief Investigator*

BURKETT VAN KIRK, *Associate Counsel (Minority)*

JAMES H. DUFFY, *Associate Counsel*

CONTENTS

Opening statement by Senator B. Everett Jordan, chairman of the Committee on Rules and Administration.....	Page 1381, 1413, 1427
Testimony of:	
John Gates, accompanied by Hubert A. Schneider, counsel.....	1382
William E. Kentor, accompanied by Irwin J. Askow, attorney.....	1428
Edward Levinson, accompanied by Edward L. Carey and Walter E. Gillerist, attorneys.....	1466
Edward Torres, accompanied by Adrian Marshall, counsel.....	1414

EXHIBITS

Gates exhibit 1. Telegram from John Gates to Norman Chumaceiro regarding casino proposition.....	1386
Gates exhibit 2. Letter, dated June 21, 1963, from John Gates to Norman Chumaceiro regarding Ed Levinson.....	1387
Gates exhibit 3. Letter, dated July 19, 1963, from Intercontinental Hotels Corp. to Ed Levinson regarding casino contract.....	1388
Gates exhibit 4. Letter, dated July 22, 1963, from N. M. Chumaceiro to John B. Gates.....	1392-1393
Gates exhibit 5. Letter, dated August 13, 1963, from John B. Gates to Norman Chumaceiro.....	1393
Gates exhibit 6. Letter from Clifford Jones and Jacob Kozloff to Intercontinental Hotels Corp.....	1394-1395
Gates exhibit 7. Letter, dated September 12, 1963, from John B. Gates to Norman Chumaceiro.....	1396-1397
Gates exhibit 8. Letter, dated September 18, 1963, from N. M. Chumaceiro to C. Jones and J. Kozloff.....	1398
Gates exhibit 9. Letter, dated September 18, 1963, from N. M. Chumaceiro to Floyd S. Sweet.....	1399
Gates exhibit 10. Letter, dated October 2, 1963, from John B. Gates to Norman Chumaceiro.....	1400
Gates exhibit 11. Letter, dated November 5, 1963, from George M. Markides to John B. Gates.....	1401-1402
Gates exhibit 12. Letter, dated November 7, 1963, from John B. Gates to Norman Chumaceiro.....	1403
Gates exhibit 13. Letter, dated November 9, 1963, from George M. Markides to John B. Gates.....	1404
Gates exhibit 14. Letter, dated November 12, 1963, from Norman Chumaceiro to John B. Gates.....	1405
Gates exhibit 15. Letter, dated November 11, 1963, from Norman Chumaceiro to Clifford A. Jones.....	1406
Gates exhibit 16. Letter, dated November 14, 1963, from John B. Gates to Norman Chumaceiro.....	1407
Gates exhibit 17. Letter, dated November 15, 1963, from Clifford A. Jones to John B. Gates.....	1408
Gates exhibit 18. Letter, dated November 15, 1963, from Clifford A. Jones to Norman Chumaceiro.....	1409
Gates exhibit 19. Letter, dated November 20, 1963, from John B. Gates to Norman Chumaceiro.....	1410
Gates exhibit 20. Letter, dated November 20, 1963, from John B. Gates to Clifford A. Jones.....	1410
Kantor exhibit 1. Check, dated March 28, 1963, to Tucker & Baker for \$459, from Packers Provision Co., Inc., and supporting documents.....	1449-1452

EXHIBITS—Continued

Kentor exhibit 2. Check, dated May 13, 1963, to Tucker & Baker for \$2,134.37, from Packers Provision Co., Inc., and supporting documents_	Page 1452-1454
Kentor exhibit 3. Check, dated August 16, 1963, to Tucker & Baker for \$3,522.91, from Packers Provision Co., Inc., and supporting documents_	1454-1458
Kentor exhibit 4. Check, dated October 23, 1963, to Tucker & Baker for \$2,185.02, from Packers Provision Co., Inc., and supporting documents_	1458-1462
Kentor exhibit 5. Memorandums relating to payment of \$1,530.13 to Tucker & Baker, dated December 13, 1963_	1463-1464
Kentor exhibit 6. Memorandum relating to payment of \$1,035.09 to Tucker & Baker, dated December 27, 1963_	1465
Levinson exhibit 1. Summons served on Edward Levinson at committee hearing on March 2, 1964_	1480-1481

FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

THURSDAY, FEBRUARY 27, 1964

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
Washington, D.C.

The committee met, pursuant to recess, at 10:22 a.m., in room 318, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Cannon, Pell, Clark, and Curtis.

Also present: Gordon F. Harrison, staff director; Hugh Alexander, chief counsel; L. P. McLendon, general counsel; Burkett Van Kirk, associate counsel; James H. Duffy, associate counsel; William B. Whitley, staff assistant to Senator Jordan; William Ellis Meehan, investigator; and Alice Clark, staff.

The CHAIRMAN. The committee will please come to order.

Mr. Gates, will you please come forward, sir? Your counsel may accompany you, sir. Mr. Gates, you may have a seat, sir.

Mr. GATES. Thank you.

The CHAIRMAN. It is necessary, Mr. Gates, that I read to you an opening statement in order that you and your counsel might know your rights, and under what authority this committee is operating.

A quorum being present, the committee will please come to order.

The committee is acting by direction and under the authority of Senate Resolution 212, agreed to October 10, 1963, and Senate Resolution 291, agreed to February 10, 1964.

Senate Resolution 212 authorizes and directs the Senate Committee on Rules and Administration—

to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purposes of ascertaining.

(1) Whether any such interests or activities have involved conflicts of interest or other improprieties; and

(2) Whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities.

Witnesses have been interviewed by the staff and heard both in executive and in public sessions. Considerable evidence has been obtained and testimony received to date.

Witnesses who have appeared previously, or who will be called in the future, possess information which the committee believes is material and pertinent to the provisions of the resolutions of direction and authorization, and which will aid the committee in fulfilling its legislative purpose.

The Chair advises each witness that he is entitled under the rules of procedure of the committee to retain and be accompanied by counsel. The counsel may advise the witness of his legal rights during the course of his testimony. Should the witness not fully understand any question, the witness might ask for clarification. Counsel, however, shall not coach the witness or answer for the witness.

We will now proceed to hear the testimony of Mr. Gates. He will be sworn in.

Mr. SCHNEIDER. Mr. Chairman, my name is Hubert A. Schneider. I am vice president and general counsel of Pan American World Airways, which is the 100-percent owner of Intercontinental Hotels Corp. On my left is Mr. Gates, the witness. I have talked to Mr. McLendon on the subject of Mr. Gates having a slight speech impediment, and I would request the committee's understanding of this as Mr. Gates testifies. I would like, also, the record to show that Mr. Gates is appearing at the request of the committee voluntarily, and not in response to a subpoena.

The CHAIRMAN. Thank you very much.

Mr. Gates, would you please stand and be sworn in? Place your left hand on the Bible and raise your right hand.

Do you solemnly swear that the evidence you are about to give before this committee in the matter now under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GATES. I do swear.

The CHAIRMAN. Thank you, sir. Have a seat.

Mr. SCHNEIDER. Mr. Chairman, Mr. McLendon, Mr. Gates has a short statement by way of identification of himself, and of Intercontinental Hotels Corp., which I request he be permitted to read. I think it will save time.

Mr. McLENDON. May I get his name and address, and your name and address on the record, first?

Mr. Gates, will you state your full name and residence address?

TESTIMONY OF JOHN GATES, ACCOMPANIED BY HUBERT A. SCHNEIDER, COUNSEL

Mr. GATES. My name is John Gates. My address is Oakley Lane, Greenwich, Conn.

Mr. McLENDON. Is your counsel present with you this morning?

Mr. GATES. Yes.

Mr. McLENDON. Will he state his name and address?

Mr. SCHNEIDER. My name is Hubert A. Schneider, vice president and general counsel of Pan American. My residence is 8012 Westover Road, Bethesda, Md.

Mr. McLENDON. Now, you indicated you wanted to read a statement?

Mr. SCHNEIDER. Yes, sir.

Mr. McLENDON. The chairman says you may do that now. It would be all right for counsel to read it.

Mr. GATES. Actually, that would speed it up for everyone concerned, because I am liable to——

Mr. SCHNEIDER. This is as if Mr. Gates were reading it:

My name is John Gates. I am chairman of Intercontinental Hotels Corp., and have held this position for two and a half years. Intercontinental operates 23 hotels in 19 foreign countries. Three of these are resort hotels in the Caribbean area, where it is necessary for competitive reasons to include a gambling casino as part of the operation. These three casinos are licensed and operated in accordance with the applicable laws of the countries in which the hotels are located. The three are in Curaçao, Santo Domingo, and Puerto Rico.

Intercontinental Hotels does not wish to operate the gambling casinos itself. In Curaçao, Intercontinental operates the hotel, as managing agents for the owners of the hotel. The casino is treated as a concession, and is let out to a professional gambler acceptable to the local government, the owners, and Intercontinental.

In Santo Domingo, Intercontinental owns the hotel and casino. The casino is treated as a concession and is let out to a professional gambler acceptable to the local government.

In Puerto Rico, Intercontinental operates the hotel, including the casino, pursuant to a lease agreement with the owners. By law, as the hotel operator, Intercontinental must itself operate the casino. It cannot be treated as a concession.

(At this point, Senator Clark withdrew from the hearing room.)

The CHAIRMAN. Thank you, sir.

Mr. McLENDON. Do you have a copy you can leave with the reporter?

Mr. Gates, when did you first become acquainted with Robert G. Baker?

Mr. GATES. On June 20.

Mr. McLENDON. 1963?

Mr. GATES. 1963.

Mr. McLENDON. You had never known him prior to that time?

Mr. GATES. I had never been acquainted with him before that time.

Mr. McLENDON. Was an engagement made with you to see Robert Baker by Mr. Samuel Pryor?

Mr. GATES. Yes, sir.

Mr. McLENDON. Who is Mr. Samuel Pryor?

Mr. GATES. A vice president of Pan American.

Mr. McLENDON. Pan American Airways?

Mr. GATES. Yes.

Mr. McLENDON. Did Mr. Baker keep the engagement which Mr. Pryor asked you to make?

Mr. GATES. Yes.

Mr. McLENDON. Did he attend it?

Mr. GATES. Yes.

Mr. McLENDON. Was Mr. Pryor present?

Mr. GATES. No.

Mr. McLENDON. Who else was present besides you and Mr. Baker?

Mr. GATES. A Mr. Edward Levinson.

Mr. McLENDON. Had you known Mr. Levinson prior to the date that this conference took place?

Mr. GATES. No, sir.

Mr. McLENDON. Was he introduced to you on that day by Mr. Robert Baker?

Mr. GATES. Yes, sir.

Mr. McLENDON. Mr. Gates, would you, in your own way, tell what occurred at this conference that had been arranged through Mr. Pryor?

Mr. GATES. They inquired as to whether there might be a possibility for Mr. Levinson to become associated with either the casino in Santo Domingo or the casino in Curaçao.

Mr. McLENDON. Did Mr. Baker tell you who Mr. Levinson was, and what his business interests were?

Mr. GATES. Yes.

Mr. McLENDON. What did he say?

Mr. GATES. He identified himself as the owner of the Fremont Hotel in Las Vegas.

Mr. McLENDON. Did Mr. Baker, or did he not, represent that Mr. Levinson was experienced in running gambling casinos?

Mr. GATES. I cannot recall, but certainly that was the burden of the—

Mr. McLENDON. Information that they gave you?

Mr. GATES. The introduction; yes.

Mr. McLENDON. Let me be sure I understood one statement you made. Did you say that these two men, Baker and Levinson, said that Levinson wanted to talk with you about securing permission to operate these gambling casinos, and that Baker had no interest in it? Did you say that?

Mr. GATES. No; I didn't say the latter, because I don't have any knowledge of it.

Mr. McLENDON. Well, can you tell the committee what person or persons the application was to be made for—in behalf of? Was it Levinson acting by himself, or was it Baker and Levinson acting together?

Mr. GATES. No—it was Levinson acting by himself. That was the way I understood it.

Mr. McLENDON. Did Baker make any explanation of his interest or possible interest in it?

Mr. GATES. No. I inquired, and he said that the gentleman was simply a friend.

Mr. McLENDON. Now, at that time your company, of which you were chairman of the board of directors, Intercontinental Hotels, owned three casinos that you have identified in the statement you read there; is that correct?

Mr. GATES. No, sir.

Mr. McLENDON. No?

Mr. GATES. We don't specifically own any of the casinos, with the exception of the casino in Santo Domingo.

Mr. McLENDON. As to the other two, do you lease them?

Mr. GATES. The casino in Puerto Rico we operate under a lease. The casino in Curaçao is let out on a concession basis by the owners, not by us.

Mr. McLENDON. Did Baker and Levinson understand what you have just told the committee, about the ownership and operation of these casinos?

Mr. GATES. Yes; I made all of it very clear.

Mr. McLENDON. In substance, Mr. Gates, what did you tell these two gentlemen?

Mr. GATES. I told them that the contract on the casino in Curaçao was about to expire in September, and that the owners were going to send out, or they actually had sent out, an invitation for bids. And at the request of Levinson, I sent a letter to the owners advising them of Levinson's interest, and leaving it up to them as to whether they wanted to send him an invitation.

Mr. McLENDON. You gave the investigators for the committee access to your files. Do you have a copy of a telegram in your files there that you sent in consequence of this conference that you had with Baker and Levinson?

Mr. GATES. Yes.

Mr. McLENDON. Is that the first document in the file?

Mr. GATES. Yes, sir.

Mr. McLENDON. Mr. Chairman, may we let his counsel read it for him?

Mr. SCHNEIDER. This is a wire addressed to Mr. Norman Chumaceiro, Maduro Bros., Willemstad, Curaçao, Netherlands Antilles:

Have been approached with new casino proposition which may interest you assuming no commitment has been made to Jones. Will advise further details next week.

JOHN GATES,
Pan Air.

Mr. McLENDON. On the next page did you write this same gentleman a letter dated June 21, 1963?

Mr. GATES. Yes, sir.

Mr. McLENDON. You have produced that, and the committee has a copy of it. Is that a correct copy before you?

Mr. GATES. Yes.

Mr. McLENDON. It is not necessary to read the whole letter, but I ask you if the letter did not say:

I talked to Mr. Ed Levinson of the Hotel Fremont in Las Vegas. He is a "bigtime" casino operator. But John Scarne advises me that Levinson is completely reliable and runs an honest operation.

Have I read the first paragraph of the letter correctly?

Mr. GATES. Yes, sir.

Mr. McLENDON. The purpose of this letter was to advise this man who had control of the casino about Mr. Levinson and that he was an applicant for the franchise to operate the casino?

Mr. GATES. Yes, sir.

Mr. McLENDON. Mark that, Mr. Reporter.

(The telegram referred to was marked "Gates Exhibit 1," and is as follows:)

GATES EXHIBIT 1

An.

THIS MESSAGE WILL BE SENT AS A TELETYPE UNLESS OTHERWISE INDICATED BY CROSSING OUT THE CODE "00"

XXXXXXXXX 46F 6/20

VIA COMMERCIAL WIRE

NORMAN CHUMACEIRO
MADURO BROS
WILLEMSTAD
CURACAO (N. A.)

HAVE BEEN APPROACHED WITH NEW CASINO PROPOSITION WHICH MAY INTEREST YOU ASSUMING NO COMMITMENT HAS BEEN MADE TO JONES STOP WILL ADVISE FURTHER DETAILS NEXT WEEK.

JOHN GATES, PANAIR

9259-0124D PRINTED 12 PANAMA
1/63 U.S.A. SHIPPING MARK
3 PART U.S.A. PLEASE TYPE PLAINLY WITHIN BORDER - DO NOT FOLD

(The document referred to was marked "Gates Exhibit 2," and appears on p. 1387.)

Mr. McLendon. Does your file contain a letter dated July 19, addressed to Mr. Ed Levinson?

Mr. Gates. Yes, sir.

Mr. McLendon. By whom is that letter signed?

Mr. Gates. That is signed on behalf of the hotel-owning company by Chumaceiro. He is the chairman of the board of the hotel-owning company. And down below there is a space for signature by my company. But I don't think it was signed. I am not sure.

Mr. McLendon. And the purpose of that letter was to explain to Mr. Levinson, was it not, the conditions under which the company would entertain bids?

Mr. Gates. Yes, sir.

(The document referred to was marked "Gates Exhibit 3," and appears on p. 1388.)

Mr. McLendon. Following that, did you have a second conference with Mr. Baker in July 1963?

Mr. Gates. I can't recall if it was in July or whether it was in early August. But there was a further and final conversation with Baker.

Mr. McLendon. And was that held in your office, in New York?

Mr. Gates. Yes, sir.

Mr. McLendon. And was it attended by Baker, Edward Levinson, a man named Clifford Jones, and his partner, Jacob Kozloff?

Mr. Gates. Yes, sir.

Mr. McLendon. Will you identify for the committee Clifford Jones and his partner, Jacob Kozloff?

Mr. Gates. Jones and Kozloff are the operators of four or five casinos in the Caribbean area.

Mr. McLendon. Had you known Jones and Kozloff before this meeting?

Mr. Gates. No, sir.

Mr. McLendon. Who introduced them to you?

Mr. Gates. Baker—or anyhow, they all four of them came in.

GATES EXHIBIT 2

Personal & Confidential

June 21, 1963

Mr. Norman Chumaciero
 President
 Hotelmaatschappij El Curacao, N. V.
 Willemstad, Curacao, N.A.

Dear Norman:

I talked to Mr. Ed Levinson of the Hotel Fremont in Las Vegas. He is a "big time" casino operator but John Scarne advises me that Levinson is completely reliable and runs an honest operation.

Levinson inquired about the casino operations in Santo Domingo and in Curacao. With respect to Curacao I told him that the casino is now being operated by Sweet and that negotiations are also being conducted with Jones. He said he knew Jones well and that if there were any possibility he would like to be given an opportunity to make an offer which would include Jones.

I told Levinson that all of the negotiations were in your hands, and he requested an opportunity to meet you. Although he talks "big" in terms of good entertainment and promotion and casino results, I am inclined to think he probably has the ability to deliver, and it might be worthwhile for you to see him or we can both see him together when you come to New York, which, as I recall, was to be in July. Please let me know.

When I called John Scarne to ask about Levinson he started talking about the Curacao set-up and Intercontinental and Hilton. Apparently he is going to Curacao in the next week or ten days. I told him that other people were interested in the casino situation, and he claimed that unless he got the deal for both hotels that Hilton would insist that the Curacao Government give it a separate casino license, etc. Whether Scarne can produce entertainment and promotion and revenue that would be the equivalent to Jones or Levinson or someone else I do not know but as far as I do know he has not had any experience in actual operations.

It appears to me he was putting on quite a bluff in saying that Hilton would insist on a separate license, etc. since he knows that the Government would be in a very difficult position to grant this without the agreement of the Curacao Intercontinental. It certainly seems to me that in any agreement with the Government to give up the exclusive casino rights the Curacao Intercontinental can pretty much dictate the terms, providing it is not arbitrary and unreasonable, and I cannot see that it would be arbitrary and unreasonable to insist on joint operation of both casinos by one operator and that we have the privilege of naming the qualified operator who offers us the best deal.

Please let me know what you think about all of the foregoing and also whether you would be prepared to see Levinson, and where and when.

We were delighted to have you visit us here in New York and hope that we are going to be in a position to make real progress.

Best regards.

Sincerely,

John E. Gates
 Chairman of the Board

Mr. McLendon. They what?

Mr. Gates. I say all four of them came into the office.

Mr. McLendon. Do you recall who arranged for this appointment?

Mr. Gates. I think it was Baker's office.

Mr. McLendon. Did Baker make any explanation of why he brought with him not only Levinson, but these other two men, Jones and Kozloff?

GATES EXHIBIT 3

July 19, 1963.

Mr. Ed Levinson
c/o Hotel Fremont
Las Vegas, Nevada

CASINO CONTRACT

Dear Sir,

We are prepared to negotiate a new contract for 2 1/2 years with an operator who will undertake to operate the Casino of N.V. Hotel Mij. "El Curacao" for our account in accordance with our Casino license, commencing July 1, 1964.

You are kindly invited to put in your offer on or before September 2, 1963 not later than at 2 p.m. This offer should contain a guaranteed minimum payment to the Hotel Company and should cover separately the following 3 alternatives:

1. Offer for operation of present Casino under present conditions.
2. Offer if an addition of approximately 100 rooms is made to Hotel Curacao Intercontinental.
3. Offer for present operation and for operating the Casino of the Hilton Hotel at Piscadera with 200 rooms.

The conditions for a contract may be suggested by you and normally preference will be given to the best offer received. The Hotel however, reserves the right to reject any offer if at its discretion no sufficient guarantees are given for a first class operation including entertainment or if for any reason the offer is deemed not to be advantageous for the Hotel Company.

Offers will be opened in the presence of bidders in the managers office at Hotel Curacao Intercontinental on September 2, 1963 at 2.30 p.m.

Very truly yours,

N.V. HOTELMIJ. "EL CURACAO"

Intercontinental Hotels Corporation

Mr. GATES. Yes, sir.

Mr. McLendon. What was his explanation?

Mr. GATES. Levinson said that Jones and Kozloff and himself had decided to join forces and put in a bid on the casino in Curacao.

Mr. McLendon. The statement, then, was made to you by Baker and Levinson—the statement that they had brought with them Jones and Kozloff because Levinson and Baker proposed to submit a joint bid with Jones and Kozloff; is that correct?

Mr. GATES. No, sir. It was to be a joint bid by Jones and Kozloff and Levinson.

Mr. McLendon. Baker was not to be included?

Mr. GATES. No, sir.

Mr. McLendon. At that time, was any explanation made to you of what Baker's interest was, that he would come all the way to New York for a second conference with you?

Mr. GATES. Well, he said in response to a question that these were clients and friends.

Mr. McLendon. Clients and friends?

Mr. GATES. Yes.

Mr. McLendon. What resulted from this second conference, if anything, with respect to these casinos?

Mr. GATES. Now, I cannot quite recall if it was the second conference or if it was after a further conference that I had with only Jones and Levinson a few days afterward, that I advised Levinson that if his brother was associated in any way with either of the casino propositions—

Mr. McLENDON. Let me interrupt you, Mr. Gates. You are referring to Edward Levinson's brother?

Mr. GATES. Yes.

Mr. McLENDON. If Edward Levinson's brother was to be connected in any way—go ahead now.

Mr. GATES. That we were very sorry, but such an association would be entirely unacceptable, and it was at that point that I was advised later on by Jones that Levinson advised that he would withdraw all of his interest in either of the casinos.

Mr. McLENDON. Let me repeat that testimony in substance.

Mr. GATES. Yes, sir.

Mr. McLENDON. Because it was found that Levinson's brother would not be acceptable as an employee in connection with the operation of the casino—

Mr. GATES. An associate.

Mr. McLENDON. An associate—Edward Levinson announced that he would withdraw as an applicant.

Mr. GATES. Yes, sir.

Mr. McLENDON. Do you know whether that was before or after you had a third meeting in August with Levinson, Jones, and Kozloff, a meeting that had been planned by Baker to attend, but Baker did not show up. Do you recall that?

Mr. GATES. Yes, sir. And it was after the third meeting.

Mr. McLENDON. Will you tell us—

Mr. GATES. That Levinson withdrew.

Mr. McLENDON. Will you tell us which one of these individuals arranged the third meeting with you?

Mr. GATES. I believe it was Jones. No—it was Baker's office.

Mr. McLENDON. His office?

Mr. GATES. Yes. And I believe he was prepared to be present, but there was something very urgent on the floor of the Senate, and his office phoned and requested that he be excused.

Mr. McLENDON. It was following this meeting of Levinson, Jones, and Kozloff in your office in August, which Baker intended to attend, you said—

Mr. GATES. Yes.

Mr. McLENDON. That Levinson withdrew?

Mr. GATES. Yes, sir.

Mr. McLENDON. Now, did either Levinson or Baker thereafter have anything to do with negotiations for these gambling casinos that were owned or controlled by your hotel?

Mr. GATES. No, sir.

Mr. McLENDON. They did not. Did you ever have any further conversation with Baker about it?

Mr. GATES. No, sir.

Mr. McLENDON. Do you have any knowledge as to whether Baker made a trip or more than one trip to inspect or visit these hotels?

Mr. GATES. No, sir.

Mr. McLendon. Did you have any conversation with him in which he said he intended to make such trips?

Mr. Gates. No. All I recall is the second time we were in New York, we were talking about Santo Domingo, and he said that he visited and had stayed in our hotel.

Mr. McLendon. I am sorry—I am not quite sure—

Mr. Gates. I am sorry.

Mr. McLendon. That is all right. Did you say it was after that that Baker told you that he had visited some of these hotels?

Mr. Gates. It was at the time of the second session in my office. And it was simply by way of conversation that Baker said that he had visited and stayed on several occasions in our hotel in Santo Domingo.

Mr. McLendon. Mr. Gates, in your interview with the investigator for the committee, you indicated that you perhaps had some curiosity about Baker's activities, and that you—both you and Mr. Pryor made some inquiry to satisfy yourselves as to whether Baker really was a participant in this thing, or whether he was just merely introducing these people. Is that right?

Mr. Gates. No, sir.

Mr. McLendon. That is not correct?

Mr. Gates. No. I am sorry.

Mr. McLendon. I am sorry, too, because I did get that impression. Did Mr. Pryor report to you, make any report to you with respect to any inquiry he made about Baker's interest?

Mr. Gates. No, sir.

Mr. McLendon. He did not?

Mr. Gates. No.

Mr. McLendon. Now, your file indicates that in the summer of 1963, and because of the publication of a news story relating to Baker, and some disclosure with respect to his activities as secretary to the Senate majority, you and others connected with these hotels expressed some concern as to what effect that might have upon the operation of these casinos by anyone with whom Baker had been associated.

Mr. Gates. I don't believe it was in the summer. It was on November 7.

Mr. McLendon. As late as November 7?

Mr. Gates. I think so.

Mr. McLendon. All right—I may be wrong about the dates, myself.

Mr. Schneider. The November 7 letter enclosed the New York Times article.

Mr. McLendon. You are correct—November 7. Will you explain that circumstance to the committee, Mr. Gates?

Mr. Gates. Well, the circumstances were that I was interviewed by a reporter from the Times.

Mr. McLendon. New York Times?

Mr. Gates. Yes, sir. And a considerable article on the subject appeared on the first page of the Times. And in it I said that the casinos are problems, and so on, and we preferred to have someone else operate them, and so I felt that I should send a copy of the article to the owner of the Curaçao Hotel, in order to explain the statement.

Mr. McLENDON. I notice in the last paragraph of that letter of November 7 that you said :

I recommend you write Jones—
the same Jones you spoke of earlier—

asking whether Levinson is associated with him, since my sources of information about Levinson may have been wrong, and I have a feeling that Levinson's name is going to be very much in the press from now on in connection with the Baker case.

Mr. GATES. Yes, sir. I gained that impression from the reporter on the Times, because I told him that I had checked him—or the reporter said that possibly the check was very superficial. And he inferred that perhaps there was considerably more behind it than appeared on the surface. And so I felt rather obligated to pass it on to the owners.

Mr. McLENDON. I notice from your file that he took your advice and wrote to Mr. Jones and asked him if he was connected with Levinson; did he not?

Mr. GATES. Yes, sir.

Mr. McLENDON. And he was informed by Mr. Jones that there was no connection?

Mr. GATES. Yes, sir.

Mr. McLENDON. I will ask if you will examine this file—I am not going to take the time to call attention to each letter—but to complete the picture, I would like to have the whole file in evidence. Just take a minute there to check it; will you, please?

Mr. SCHNEIDER. The file of correspondence which the reporter has is accurate.

Mr. McLENDON. That is a complete file turned over to the committee by Mr. Gates?

Mr. SCHNEIDER. Yes, sir.

Mr. McLENDON. I would like to call your attention to one letter in that file, Mr. Gates, dated November 15, 1963—I beg your pardon; it is November 20, 1963—also written to Mr. Chumaceiro.

Mr. GATES. Yes, sir.

Mr. McLENDON. In which you said :

I am enclosing herewith also a clipping from this morning's New York Times which is one of a series of articles being done on Las Vegas. I believe this should be the end of any mention of the Bobby Baker episode so far as Intercontinental and Curaçao are concerned.

Why did you say it would be the end of any mention of Bobby Baker in connection with Curaçao and your company?

Mr. GATES. Well, because it was a series of articles that was run in the New York Times on the subject of gambling in Las Vegas. I don't happen to have the articles here, but I am quite sure they said something about the tieup between Baker and Levinson and the fact that they had been in to see me. And everything else in this series of articles about Las Vegas, et cetera, so subordinated the very small connection between the Curaçao Hotel and the case that I just felt that that was probably going to be the end of it.

Mr. McLENDON. Had the contract for the casino at Curaçao been let then?

Mr. GATES. No.

Mr. McLENDON. Was it let to Levinson?

Mr. GATES. No, sir.

Mr. McLendon. Or anyone associated with him?

Mr. Gates. No, sir.

Mr. McLendon. Was it let to Jones & Kozloff?

Mr. Gates. No, sir. The owners still are trying to decide.

Mr. McLendon. They are still negotiating for an operator?

Mr. Gates. Yes, sir.

Mr. McLendon. I see. Now, to sum it up, Mr. Gates, after this third conference in your office, about which you testified in the late summer of 1963, you did not have any further communication with Baker; is that correct?

Mr. Gates. No, sir.

Mr. McLendon. Either in writing, by telephone, or otherwise?

Mr. Gates. No, sir.

Mr. McLendon. That is all, Mr. Chairman, except that I want to introduce the file, Mr. Reporter.

(The documents referred to were marked Gates exhibits 4 through 20, and are as follows:)

GATES EXHIBIT 4



N.V. Hotelmaatschappij „EL CURAÇAO”

Hotel Corporation „EL CURAÇAO”

De Kerkstraat
Tel. No. 11967

Telegram-address:
Inhotelcor-Cury,ao

Willemstad, Curaçao, July 22, 1963.
Netherlands Antilles

Mr. John B. Gates
Intercontinental Hotels Corporation
PAN AM Building
New York 17, N.Y.
U.S.A.

Dear John,

For good order's sake I acknowledge receipt of your letter of June 21, regarding the Casino operation.

Charlie Tripple undoubtedly by now has informed you that we have decided to accept Bud Sweet's offer to operate the casino during 1963/64 at a minimum of \$ 144,000.- and that on September 2, 1963 at 2.30 we await bids for the operation after June 30, 1964.

We have asked bids from Sweet, Jones & Kossloff and from Mr. Ed. Levinson. The requests for bids have been mailed or handed personally to the parties concerned. It has been decided in our Board that after the bids are opened, we shall have a Board meeting to select the best bid. At this occasion I.H.C. will of course be consulted.

Your remarks regarding Scarne's comments on the casino rights as related to the Hilton Hotel are entirely correct. We feel like you on the subject and will act accordingly. The only advantage we have to counterbalance the enormously favourable financing offered to Hilton is the casino right and we have to use this right fully, without of course becoming arbitrary or unreasonable.

I wish to inform you that we were glad to have Charlie with us. He made a very favourable impression on the Board and I hope that he will continue showing interest in our venture.

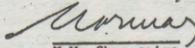
I.H.C. will now submit to us a contract for architectural services which we hope to accept if the conditions are right. The renewal of the contract may be brought up by I.H.C. now, but I strongly recommended to Charlie not to link the architectural contract with the renewal, as we consider these two things as quite apart.

GATES EXHIBIT 4—Continued

On its own merits I personally believe the Board will have no objection to discuss a renewal with your Company now.

With kind greetings,

Very sincerely yours,
N.V. HOTELMAATSCHAPPIJ "EL CURACAO"


N.M. Chumacero

GATES EXHIBIT 5

August 13, 1963

Mr. Norman Chumacero
President
N.V. Hotelmaatschappij "El Curacao"
Willemstad
Curacao, N.A.

Dear Norman:

I should like to report on two things.

First, the two accountants were not able to agree in the dispute in connection with the contract dated December 11, 1954. I am now exploring the possibility of finding a law school professor (Harvard or Columbia) who would agree to arbitrate the matter for us for a fee of, say, \$500 to be divided equally between us. Before going ahead I want to be sure that this procedure is satisfactory to you. I have purposely omitted the Yale Law School because of my personal connection with the School.

The second item is to report to you that Messrs. Jones, Kosloff and Levinson called on me yesterday in regard to the casino contract. They are going to present a joint bid, and, contrary to what Scarne said, they claim that they would be perfectly acceptable to Hilton if a joint operator for both casinos is the ultimate solution of the casino problem in Curacao. I think we all agree it is essential that there be one operator for the two casinos in order to avoid extremely expensive competition between two separately operated casinos.

They wanted to tell me what they were going to bid but I refused to allow them to do this because, if the details ever leaked out before the opening of the bids, I did not wish to be suspect.

They are planning to be in Curacao the day the bids are opened and are, of course, hopeful that they will be successful. They seem to have a flair for booking big name entertainment at reasonable prices.

I trust all goes well with you. Best regards.

Sincerely,

John B. Gates
Chairman of the Board

cc: Mr. Huyot
bcc: Mr. Pirie

GATES EXHIBIT 6

M. V. HOTELMIJ "EL CURACAO"
Curacao, Netherlands Antilles
Attention: Mr. Norman M. Chumacheiro

INTERCONTINENTAL HOTELS CORP.
Curacao, Netherlands Antilles
Attention: Mr. Charles W. Tripp

Re: BID - CURACAO CASINO

Gentlemen:

In response to your letter of July 19, 1963, in which you invited our company to place a bid for the operation of the casino located in the Intercontinental Hotel, Curacao, we hereby submit the following for your consideration:

In response to Item No. 1 in said letter, we hereby offer and agree as follows: we will operate your casino on the basis of dividing all of the profits derived therefrom on a 50-50 basis, after all expenses of the operation and entertainment are paid. In this connection, we would guarantee a return to you of \$201,000 per year payable pro-rata on a monthly basis. We are submitting herewith a proposed contract which sets out in detail the obligations of the various parties under our proposal. This contract is a draft only with the various provisions being subject to negotiation and change.

In response to your Item No. 2 in which you request an offer if an additional 100 rooms are added to the Hotel Intercontinental, in this case we will offer a contract on the same basis as we have offered in Item No. 1, with the following addition: we would increase our guarantee by an amount equal to \$50,000 per year if and when the remodeling is completed adding the 100 rooms.

In response to your Item No. 3 in which you ask for a bid for the present operation and the operation of the casino to be located in the new Hilton Hotel at Piscadera which will have some 200 rooms, our offer is as follows: we would agree to operate both casinos on the following basis: we would furnish all of the bankrolls and operating bank accounts for both casinos. We would furnish at our expense the additional furniture and equipment needed for the Intercontinental Casino and all of the furniture and equipment necessary to furnish the Hilton Casino. We would train at our expense all of the

GATES EXHIBIT 6—Continued

Page Two

help necessary for the operation of both casinos. We would then operate both casinos on a basis of 40% of the profits to our organization and 60% of the profits to the Owner Operator groups of the hotel. It would be our suggestion that the profits be handled as follows:

The Casino profits of both hotels should be combined and divided so that each ownership corporation, Hotel Maatschappy "El Curacao" N. V. on the one hand and the Government on the other hand should receive one-half each of the owners portion of the joint Casino net income. Provided, however, that the Hotel Maatschappy "El Curacao" N. V. should be guaranteed as a minimum the net amount that it is now or would at that time be receiving for its single operation. This is more than justified as this company pioneered the luxury Hotel and Casino here and it invested its money on this venture. In addition, it is the owner of the license for Casinos on an exclusive basis for a twenty-five year period that has many years yet to run.

The Hotel operators portion of the profits that is, the portion that Intercontinental would be entitled to from its Hotel and the portion that Hilton would be entitled to, should be combined and divided, each receiving an equal amount or one-half each. I would be logical again that Intercontinental should receive as a guarantee the net amount that it now receives from its operation as a minimum.

The Casinos should both be operated under the exact same arrangements as to the manner in which the music, entertainment, liquor sales in Casino, etc. so there would be no advantages or confusion. The Casino Administrator in addition to his other obligations as are usual for Casino Administrators, should make and provide the guarantees to the Hotel Maatschappy "El Curacao" a firm guarantee from the Administrator to come first from the operation or from the Administrator if there were not sufficient profits from his separate independent funds.

The Administrator (Casino) should furnish all bank rolls, expense, budgets and furnish all additional equipment at his expense for the two places.

We are agreeable to provide under all three paragraphs entertainment on a scale and basis that would be comparable to the entertainment presently being provided on the Island of Aruba. *When ever no response is made in this letter bid to amount of money it means "silence" of the United States of America.* JK
12/20

Very truly yours,

West R. B.
Vice President, Secretary, Caribbean
American Investment Co. Inc.

W. H. ...
President, Caribbean America
Investment Co. Inc.

GATES EXHIBIT 7

September 12, 1963

Mr. Norman M. Chumaceiro
President
N. V. Hotel Maatschappij El Curacao
Curacao, N. A.

Dear Norman:

I have received from George Markides a copy of the comparative of the two bids for the Curacao casino.

From a strictly objective, business point of view it would appear to me that the bid of Jones and Kozloff is better for the Hotel Curacao Intercontinental.

It provides a more favorable guaranty and the quality of their entertainment is well known.

Sweet on the other hand has apparently never provided entertainment satisfactory to the Board of Directors and this has been a source of criticism for a number of years.

It was interesting to note that Jones and Kozloff will employ and train the Curacao citizens as they have successfully done in Aruba whereas this has not been done by Sweet. It would appear to me that employment of local citizens is desirable not only from a nationalistic point of view but it will give persons in Curacao a feeling of confidence in the integrity of the casino. This should be important to the Government.

So much for the business point of view. Apparently there is some problem about Jones and Kozloff insofar as the Government of Curacao is concerned and they may have compelling reasons for preferring Sweet but I am in no position to judge or evaluate the reasons since I do not know what they are. I am writing you this letter for the sole purpose of giving you my personal initial reaction to the two bids.

GATES EXHIBIT 7—Continued

Mr. Norman M. Chumaceiro

- 2 -

September 12, 1963

I would be most interested in what your own personal evaluation of the situation is, when you plan to schedule the next meeting of the Board, etc.

Jones and Kozloff were in to see me this morning and I told them it seemed to me since the Government was the majority shareholder it would be for them to decide and not for IHC as the operator. Of course if the Government decides not to exercise control over the Board of Directors it would then be up to the Board. Anyway, I told them that IHC would not go to the Board or the Government and affirmatively and aggressively urge that the contract be awarded to them. I said we would only be in a position to give our opinion if it is asked and to instruct our Board member how to vote if and when the question comes to a vote.

Best regards.

Sincerely,

John B. Gates
Chairman of the Board

P. S. Since dictating the foregoing your letter of September 9 has arrived. I have made inquiry in the United States regarding Jones and Kozloff because we have asked them to make a bid on our casino in Santo Domingo. Everyone I have contacted gives them a clean bill of health. Included in my inquiries was one to Bob Caverly who is Strand's boss in Hilton. Bob said that as far as he was concerned Jones made a good record with Hilton in Havana and he knew no reason why they would not employ Jones again if appropriate occasion arises.

I had lunch with Strand a couple of weeks ago and we talked a about the Curacao situation and he said that Scarne was given the letter on the theory that if Scarne could negotiate with the Government to get a casino authorization for Hilton on a satisfactory basis to Hilton, then Scarne could have the contract. Strand, however, did say that he had no knowledge that Scarne was to be associated with Sweet when he wrote the letter. It is my impression that Scarne more or less has what you might call a "hunting license" on an exclusive basis. If he does not produce something that satisfies Hilton they will not be under any further obligation.

cc: Mr. Ivan Moreno

Edward M. ...

GATES EXHIBIT 8

September 18, 1963.

Messrs. G. Jones & J. Kosloff,
c/o Hotel Aruba Caribbean,
Oranjestad, Aruba - N.A.

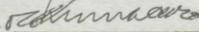
Dear Sirs,

We have received and thank you for your offer of September 2, 1963 for operating the casino of Hotel Curacao Intercontinental for the period July 1, 1964 to December 31, 1966.

Your offer is considered of great interest, but as it takes our Board some time to make a complete comparison of the bids received we cannot take a decision before October 2, 1963, as verbally mentioned to you on September 2. We hope however to let you have our decision by November 2, 1963 or earlier if possible.

Kindly acknowledge the receipt of this letter and confirm your concurrence to the above by signing and returning the attached copy of letter.

Very sincerely yours,
N.V. HOTELIJ. "EL CURACAO"



N.M. Chumacero
President

Confirmed

Ch/nv.-

GATES EXHIBIT 9

September 18, 1963.

Mr. Floyd S. Sweet
N.V. Curacao Holidays (in the process of formation)
Curacao - N.A.

Dear Sir,

We have received and thank you for your offer of August 31, 1963 for operating the casino of Hotel Curacao Intercontinental for the period July 1, 1964 to December 31, 1966.

Your offer is considered of great interest, but as it takes our Board some time to make a complete comparison of the bids received we cannot take a decision before October 2, 1963, as verbally mentioned to you on September 2. We hope however to let you have our decision by November 2, 1963 or earlier if possible.

Kindly acknowledge the receipt of this letter and confirm your concurrence to the above by signing and returning the attached copy of letter.

Very sincerely yours,
N.V. HOTELMIJ. "EL CURACAO"



N.M. Chamaelero,
President

Confirmed

Ch/mv.-

GATES EXHIBIT 10

October 2, 1963

Mr. Norman M. Chumaceiro
President
Hotelmatschappij El Curacao, N.V.
8a Kerkstraat
Willemstad, Curacao, N.A.

Dear Norman:

Ivan and I are dictating this letter to you jointly and have just cabled you as follows: "LETTER FROM MORENO AND ME REGARDING CASINO SITUATION IN MAIL TODAY STOP IN VIEW OF DEVELOPMENTS REGARDING SALE OF SHARES ETC. RECOMMEND POSTPONEMENT DECISION ON CASINO BIDS."

With respect to the decision on the casino it is our combined judgment and recommendation that the Board accept the Jones & Kozloff casino bid providing:

- 1) They are able to furnish a letter from Hilton to the effect that under appropriate circumstances Hilton would be prepared to enter into a contract with them for the operation of a casino or casinos in any Hilton hotel;
- 2) Jones & Kozloff have received a clear bill of health in the investigation being conducted by the Lieutenant Governor of the Island of Curacao;
- 3) Some provision is made for a deposit or bond to insure performance of the minimum guarantee provisions of the contract.

The reasons for our recommendation favoring Jones & Kozloff are strictly on a business basis. Dud Sweet's performance with respect to operations and entertainment are a matter of actual experience. Compared with the results of the Jones & Kozloff operations in Aruba and the quality of the entertainment provided, Sweet appears at a considerable disadvantage in both respects. John Scarne, who would be associated with Sweet, has never to our knowledge had any experience in the actual operation and management of a casino nor in the entertainment field. The support he could give to Sweet is, therefore, an unknown quantity whereas the experience and performance of Jones & Kozloff in both respects are known quantities.

In our cable to you today we suggested that any decision on the bid be postponed. The reasons for this are to allow time for Jones to obtain the letter from Hilton, for the report of the Lieutenant Governor to be received and considered, and finally to consider the impact of the offer of Synco Securities Corporation for a majority of the shares of the hotel company. In connection with this last item, I am obtaining a bank report on Synco and will let you know what I can find out as soon as possible.

Ivan and I both send our best personal regards.

Sincerely,

John B. Gates
Chairman of the Board

cc: Mr. Ivan Moreno

GATES EXHIBIT 11

HOTEL CURAÇAO INTERCONTINENTAL



PLAZA PIAR, WILLEMSTAD, CURAÇAO, NETHERLANDS ANTILLES
TELEPHONE 12500 - CABLE: INHOTELCOR CURAÇAO

5th November, 1963.

John B. Gates Esq.,
Chairman,
Intercontinental Hotels Corporation,
Pan Am Building,
NEW YORK 17 - N.Y.
U. S. A.

Dear Mr. Gates,

Mr. Norman Chumaceiro has asked me to pass on to you for your information and guidance, the attached copy of his letter addressed to Mr. Peter Grimm and in so doing, for your further information and guidance I am taking the opportunity to acquaint you - very confidentially, of course, of the intricacies which have gradually developed over the Casino issue.

Actually, the sale of the Hotel shares is not the real purpose behind the Casino decision delay, but rather, a situation which serves to divert attention from the acute difference of opinion amongst the Directors on the two Casino bids.

As you know, Mr. Chumaceiro has taken a firm stand in favour of the best offer which, according to various comparisons plus other factors taken into consideration, would be the offer made by Jones & Kozloff. On the other hand, Minister Kroon has taken a strong stand in favour of J.F. Sweet, and the matter now appears to be growing into a political issue.

A few of the Directors have been influenced by the latter; others have personal and business reasons, and the rest seem reluctant to vote openly in favour of the offer they feel best for the Company. In the meantime, Mr. Chumaceiro, when at the peak of his perplexity, talks about resigning, and is especially unhappy that even Alex Rojer as the Owning Company's Lawyer, at the same time, openly supports Bud Sweet as a friend.

The problem is becoming more complicated by the fact that, whereas Mr. Kroon who represents the Central Government is in favour of F.J. Sweet, the representative of the Island Government seems to be in favour of Jones & Kozloff.

/over



INTERCONTINENTAL HOTELS CORPORATION

GATES EXHIBIT 11—Continued



-2-

As a last resort although which, Norman, because of his other closely related business interests on the Island and, on principle, is reluctant to enforce, he could call a General Shareholders meeting at which, he feels sure he could obtain a vote of confidence and authority to make the ultimate Casino decision in the best interest of the Company.

Regarding the financing of the extension, this might also be affected by the Casino decision as, in spite of the fact that the money would be allotted by the Island Government, it would have to be first approved by the Central Government, the tempo of whose approval could easily be influenced depending on how harmoniously the Casino impasse is solved.

Alas, as you are aware, the Casino decision has to be taken before December 2nd so, I am sure Mr. Chumaceiro will communicate with you in the course of the given time.

Sincerely yours,
HOTEL CURAÇAO INTERCONTINENTAL

George M. Markides.
General Manager.

GMM/SdR.

Encl.

c.c. Mr. Robert Huyot.
Mr. Robert E. Smith.
Mr. Charles W. Trippe.

GATES EXHIBIT 12

November 7, 1963

Mr. Norman M. Chumaceiro
President
Hotelmaatschappij El Curacao, N. V.
8a Kerkstraat
Willemstad, Curacao
Netherlands Antilles

Dear Norman:

Enclosed are articles from the New York Times and the New York Herald Tribune this morning regarding the Bobby Baker case. Baker is the one who arranged for the appointments with Levinson and Jones.

The article in the Times quotes me at great length and also talks about the Curacao casino contract. There is one quote in the article in the Times which is only half of what I said and I am concerned that your Government or even the Board might take offense. The quote to which I refer is, "There are casinos in these places and we don't want anything to do with running them. We just want someone else to take care of that, and keep us out of it. Gambling is just a headache for us in these places."

What I also said but which the reporter apparently chose to ignore or considered unimportant is that, "IHC's concern with gambling is simply to have a reputable operator acceptable to the hotel owners and to the Government."

If any question comes up in Curacao with respect to these articles the above will help to set the matter straight.

As for Levinson, you will note that Jones is quoted as saying he is not involved.

For your information I checked Levinson's general reputation through a confidential and reliable source last June, and he came out with a clean bill of health although it is true his brothers have been in real trouble with the law. I also checked with John Scarne who said Levinson ran a good clean operation in Las Vegas.

In any event no harm has been done to the good name of Curacao since no award of the casino contract has as yet been made.

I recommend you write Jones asking whether Levinson is associated with him since my sources of information about Levinson may have been wrong, and I have a feeling that Levinson's name is going to be very much in the press from now on in connection with the Baker case.

Best regards.

Sincerely,

John B. Gates
Chairman of the Board

bcc: R. H., C. W. T.

GATES EXHIBIT 13

HOTEL CURAÇAO INTERCONTINENTAL



PLAZA PIAR, WILLEMSTAD, CURAÇAO, NETHERLANDS ANTILLES
TELEPHONE 12500 - CABLE: INHOTELCOR CURAÇAO

9th November, 1963.

John B. Gates Esq.,
Chairman,
Intercontinental Hotels Corporation,
Pan Am Building,
NEW YORK 17 - N.Y.
U. S. A.

CONFIDENTIAL.

Dear Mr. Gates,

In keeping you posted on all current events concerning the Casino, Mr. Chumaceiro thought it advisable in assessing the most beneficial financial value of the bids tendered by F.J. Sweet and Jones and Kozloff, to call upon the neutral services of Horwath and Horwath in Caracas.

This assessment is now being processed and a report is expected to be in our hands by the end of next week.

For your further information, the enclosed clipping is from the Thursday, November 7th edition of the Caracas Daily Journal which, together with the pertinent column in the New York Times of the same date is, for obvious reasons, being taken advantage of by Bud Sweet and his sympathizers.

Kind regards,

Yours sincerely,

HOTEL CURAÇAO INTERCONTINENTAL.


George M. Markides.
General Manager.

GMM/SdR.

Encl.

c.c. Mr. Robert Huyot
Mr. Robert E. Smith
Mr. Charles W. Trippe.

P.S. Mr. Chumaceiro has just 'phoned to tell me his today's mail brought a letter and newspaper clippings on the above subject, from you.



GATES EXHIBIT 14



N.V. Hotelmaatschappij „EL CURAÇAO”

Hotel Corporation „EL CURAÇAO”

8a Kerkstraat
Tel. No. 11967
Telegram-address:
Inhotelcor-Curaçao

Willemstad, Curaçao,
Netherlands Antilles

November 12, 1963

Mr. John B. Gates
Chairman of the Board
Intercontinental Hotels Corporation
PAN AM Building
NEW YORK 17, N.Y.

Dear John:

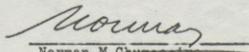
Have to hand your letter of November 7 and have written
Cliff Jones as suggested. Attached please find copy.

In the meantime I would like I.H.C. to inquire from the
people who conducted the investigations in the present case,
whether the group of Jones & Kozloff has been cleared or not
and whether we should continue or stop negotiations with them.

The frank opinion of PAA and I.H.C. will also be appreciated
as the Hotel Board in Curaçao would certainly not like to do any-
thing which might do harm to the name of Curaçao, PAA or I.H.C.

Kind greetings,

Very sincerely yours,


Norman M. Chumacero

CH:MC

GATES EXHIBIT 15

November 11, 1963.

Mr. Clifford A. Jones
Jones Wiener & Jones
230 Las Vegas Boulevard South
Las Vegas, Nevada
U.S.A.

Dear Cliff,

In connection with the articles that appeared recently in the New York Times I would thank you to inform me if you are associated with Mr. Levinson and whether the result of the investigation conducted in connection with the Baker case has terminated without any harm to your name or that of Jacob Kosloff.

In view of the discussions we shall have in the second half of November regarding the Curacao Casino Contract the above information is of great importance.

I shall also await the further advice of Intercontinental Hotels Corporation.

With kind greetings, I am,

Sincerely yours,

A handwritten signature in dark ink, appearing to be 'J.E.', written over the typed name 'Sincerely yours,'.

Ch/zv.-

GATES EXHIBIT 16

November 14, 1963

Mr. Norman Chumaceiro
President
Hotelmaatschappij El Curacao, N.V.
Willemstad
Curacao, N.A.

Dear Norman:

Thank you for your letter about the newspaper article.

As long as Mr. Levinson is not connected with Jones and Kozloff it is our opinion that the recent publicity should have no effect on the decision on the bids.

Best regards.

Sincerely,

John B. Gates
Chairman of the Board

GATES EXHIBIT 17

Jones, Wiener & Jones

ATTORNEYS AT LAW

WIENER-JONES BUILDING - 230 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NEVADA 89101

CLIFFORD A. JONES
LOUIS WIENER, JR.
HERBERT M. JONES

TELEPHONE
382-0888

November 15, 1963

Mr. John B. Gates
Chairman of the Board
Intercontinental Hotels Corporation
Pan Am Building
New York 17, New York

Dear John:

I am enclosing to you a copy of a letter received by me from Mr. Norman Chumaceiro, together with my answer to him, both of which are self-explanatory.

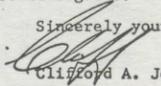
After it became apparent to Mr. Levinson that there was no possibility whatsoever of his brother participating in either the Santo Domingo deal or Curacao, and that he could not even be licensed in either place, Mr. Levinson informed me he had no further interest in either place. You will note that the contract sent to you was for my company only. Also, you will note in my letter to Norman who the stockholders of my company are. You, no doubt, are acquainted with Mr. Lavino, his company or family, as well as Mr. Piatecki. Ours is a small closed group. All the men are men of wealth and have good social positions.

I am extremely pleased to announce that we have obtained a commitment for the appearance of Mr. Harry Belafonte on the opening night in Curacao, if we are successful in obtaining the contract.

There are absolutely no political implications in this matter whatsoever. I would be very happy to meet with you and discuss the matter further at any time.

With kindest personal regards.

Sincerely yours,


Clifford A. Jones

CAJ/hl
Encls.

GATES EXHIBIT 18

November 15, 1963

C
O
P
Y

Mr. Norman Chumaceiro
N. V. Hotelmaatschappij "El Curacao"
Willemstad, Curacao
Netherlands Antilles

Dear Norman:

In response to your letter of November 11, 1963, I wish to inform you that the publicity concerning the Baker case has not in any way done any harm to me or Jake Kozloff.

In regard to the matter in Curacao, we do not have any connection with Mr. Levinson or anyone else, except our own company. You will recall that you invited Mr. Levinson to bid in Curacao without our knowledge that he was being invited to bid. I believe this is the result of some interest that Mr. Levinson had shown in Santo Domingo, and this interest I am sure was for the purpose of establishing a place for his brother, Louis Levinson. When it was learned by Mr. Edward Levinson that his brother, Louis, would not be acceptable for either the Curacao or the Santo Domingo deal, then Mr. Levinson withdrew his interest in Santo Domingo and Curacao. In fact, Mr. Levinson took the attitude that he would not be a party to a bid against Mr. Kozloff and myself for the Curacao concession. In declining to bid, he did decline in our favor. You will note that our bid was for our company alone, and our contract submitted was for our company alone. Mr. Baker and Mr. Levinson have no part whatsoever of our company, and never have had.

We are happy to furnish you with a list of the stockholders of our company, which include only Mr. Kozloff and myself, as major stockholders. The only other stockholders, and they are not major stockholders, are:

Mr. Winfield West, President and practically sole owner of the West Transportation Company of Boyertown, Pennsylvania;

Mr. E. E. Lavino, President of Lavino Shipping Corporation of Philadelphia, and major stockholders of several other companies; and

Mr. F. Piatecki, President of Piatecki Aircraft of Philadelphia.

Mr. West, Mr. Lavino and Mr. Piatecki are very outstanding men, not only socially but economically, and you are personally acquainted with Mr. Kozloff and me.

We, of course, are still very interested in the Curacao casino because we believe we could do a much better job for you than is being done at the present time. However, with us it is certainly not a life or death matter.

Jake has just returned from South America and has been very busy. He has not been back in Curacao because the last time he was there it was indicated there would be no action taken on the granting of the casino until December 2nd.

I am still looking forward to your visit to Las Vegas.

With kind personal regards.

Sincerely yours,

Clifford A. Jones

CAJ/hl



GATES EXHIBIT 19

November 20, 1963

Mr. Norman M. Chumaceiro
President
Hotelmaatschappij El Curacao, N. V.
Willemstad
Curacao, N.A.

Dear Norman:

Enclosed herewith is a copy of a letter dated November 15th from Cliff Jones and a copy of my acknowledgement.

I am enclosing herewith also a clipping from this morning's New York Times which is one of a series of articles being done on Las Vegas. I believe this should be the end of any mention of the Bobby Baker episode so far as Intercontinental and Curacao are concerned.

Alex Rojer telephoned me today but we merely exchanged greetings. We await with interest the results of the meeting on December 2nd.

Sincerely yours,

John B. Gates
Chairman of the Board

Enç.

GATES EXHIBIT 20

November 20, 1963

Mr. Clifford A. Jones
Jones, Wiener & Jones
230 Las Vegas Boulevard South
Las Vegas, Nevada

Dear Cliff:

Thank you for your letter of November 15th which clarifies the position of Mr. Levinson.

I believe the Board of the Curacao Intercontinental Hotel is holding a meeting December 2nd and that the question of casino operation will be determined at that time.

Kindest personal regards.

Sincerely yours,

John B. Gates
Chairman of the Board

bbcc to Mr. Chumaceiro

The CHAIRMAN. Senator Curtis, do you have any questions?

Senator CURTIS. A few, Mr. Chairman.

Mr. Gates, you have been very helpful, and I shall try to be brief. Altogether, how many appointments concerning these gambling casino matters were there where Mr. Baker appeared?

Mr. GATES. Two.

Senator CURTIS. Did he arrange for any more where he did not appear?

Mr. GATES. Yes—the third was arranged through Mr. Baker's office, but that was the end of it.

Senator CURTIS. Now, in the course of your conversation with Mr. Baker, or Mr. Baker's associates, did they refer to the fact that they had been down in the Caribbean and looked at certain gambling arrangements prior to their meeting you?

Mr. GATES. Yes. I believe that both Mr. Jones and Mr. Levinson said they were acquainted with the casino in Santo Domingo, and Jones said he was acquainted with the casino in Curaçao.

Senator CURTIS. Did Baker have anything to say about that?

Mr. GATES. No, sir; not that I can recall.

Senator CURTIS. Specifically, do you remember whether it was mentioned that Robert Baker, Grant Stockdale, Jack Cooper, and Ed Levinson were down in Santo Domingo on March 29, 1963?

Mr. GATES. No, sir.

Senator CURTIS. Did they make any reference to the fact that Robert Baker, Grant Stockdale—the same four men were there on April 13, 1963?

Mr. GATES. No, sir.

Senator CURTIS. Did Baker make any reference to being there by himself, on May 10, 1963?

Mr. GATES. No, sir; he simply said, as I testified before—he said, in sort of a casual conversation, he had stayed in our hotel.

Senator CURTIS. But he did not make any specific reference—Baker did not make any specific reference about visiting Santo Domingo on June 8, 1963?

Mr. GATES. No, sir; nothing specific.

Senator CURTIS. But he gave you to understand he was acting for friends and clients?

Mr. GATES. Yes, sir.

Senator CURTIS. Was there anything said or took place that revealed the fact that Levinson and Baker had had joint business ventures in other instances where one or the other would be the owner of record and the other would have a beneficial ownership in it, although not the disclosed one?

Mr. GATES. No, sir.

Senator CURTIS. I think our records will show that Mr. Baker was an owner of record of the District of Columbia National Bank, and Mr. Levinson and others acquired an interest. The same is true in Serv-U and the Farmers & Merchants Bank in Tulsa. You, of course, are not familiar with these things. But in the Serv-U situation, Mr. Baker was a very important beneficial owner and participant, and Mr. Levinson was an owner of record along with others. Now, the original contact was made with Mr. Pryor; is that right?

Mr. GATES. Yes, sir.

Senator CURTIS. And his duties and connections are primarily with the parent corporation, Pan American?

Mr. GATES. Yes, sir; that is right.

Senator CURTIS. That is the airline?

Mr. GATES. Yes.

Senator CURTIS. And Pan Am owns the hotel operation?

Mr. GATES. Yes.

Senator CURTIS. Did Mr. Baker say anything as to why he made his original request for help to the airline instead of coming direct to the hotel?

Mr. GATES. No, sir.

Senator CURTIS. Well, the reason I ask that question is that we have testimony and some additional information that on other occasions Mr. Baker asked favors of transportation companies who had to have a Government license to operate. In one case it was a nonscheduled airline, and in one case it was D.C. Transit Co. here in Washington.

I think that is all I have, Mr. Gates. I thank you very much.

Mr. GATES. Yes, sir. Thank you.

The CHAIRMAN. Senator Cannon, do you have any questions?

Senator CANNON. Mr. Gates, do I understand that you have not concluded a contract in connection with the gambling concessions?

Mr. GATES. That is right.

Senator CANNON. And you are presently negotiating or continuing to negotiate with Mr. Jones and Mr. Kozloff and their group?

Mr. GATES. They have put in one of the two bids on the Curaçao casino. The question is now being decided, not by Intercontinental, but it is up before the owners of the Curaçao, as to whether they are going to accept the bid of Jones. In the case of the casino in Santo Domingo, Jones has sent us a proposition, but the contract of the man who has been operating the casino ever since 1957 is still in effect, and we simply have tabled the inquiry of Jones.

Senator CANNON. And both of these groups represent that they are composed of experienced people in this field; is that correct?

Mr. GATES. Yes, sir.

Senator CANNON. I notice in the letter to Mr. Chumaceiro, dated November 15, 1963, that one of the members, or a representative of one of the groups, is a Mr. West, from Boyertown, Pa. Did he mention where he had gotten his experience in the operation of this type of thing?

Mr. GATES. No, sir. That was the first time I had ever heard the name.

Senator CANNON. And Mr. Lavino was also a member of the group from Pennsylvania—from Philadelphia. Did he indicate where he had gotten his experience in this type of an operation?

Mr. GATES. No. It was the first time that I had ever heard of either of them.

Senator CANNON. And likewise for Mr. Piatecki, from Philadelphia, Pa. Did he indicate where he got his experience?

Mr. GATES. No.

Senator CANNON. But the representation was that these were all experienced groups in the field; is that correct?

Mr. GATES. Well, I was simply under the impression that Jones and Kozloff were the experts, and that these other three were simply shareholders.

Senator CANNON. Jones and Kozloff were actually the operators?

Mr. GATES. Yes, sir. That is the understanding I had.

Senator CANNON. And they had both had, according to your investigation, experience in such an operation in the State of Nevada, where gambling is legal; is that correct?

Mr. GATES. Well, no. They had considerable experience in the Caribbean.

Senator CANNON. And they had had experience, also, in the State of Nevada?

Mr. GATES. Yes, sir; I believe so.

Senator CANNON. So you have no knowledge as to what the ultimate outcome of this may be, but, so far as you are informed at the present time, Mr. Levinson has no interest in the present groups negotiating?

Mr. GATES. That is right.

Senator CANNON. And you don't know of any interest that Mr. Baker may have in the present groups?

Mr. GATES. No, sir.

Senator CANNON. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Gates, we appreciate very much your testimony. We appreciate your coming without subpoena and your cooperation. I hope we have not inconvenienced you too much.

Mr. GATES. No, sir; not at all.

The CHAIRMAN. You have been a fine witness. We appreciate it very much.

Mr. Counsel, we are glad to have you with us, also.

Mr. SCHNEIDER. Thank you, Mr. Chairman.

Mr. McLENDON. Mr. Torres? Will you and your counsel come around, please?

The CHAIRMAN. Mr. Torres, did you hear the statement I read earlier before Mr. Gates—were you in the room?

Mr. TORRES. No, sir.

The CHAIRMAN. Well, before we proceed, it is necessary that I read this in order that you may know under what authority you are here this morning, and under what authority the committee is operating. Then you can make any request or anything you want to do at that time.

A quorum being present, the committee is now in order.

This committee is acting by direction and under the authority of Senate Resolution 212, agreed to October 10, 1963, and Senate Resolution 291, agreed to February 10, 1964.

Senate Resolution 212 authorizes and directs the Senate Committee on Rules and Administration—

to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purposes of ascertaining—

(1) Whether any such interests or activities have involved conflicts of interest or other improprieties; and

(2) Whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities.

Witnesses have been interviewed by the staff and heard both in executive and in public sessions. Considerable evidence has been obtained and testimony received to date. Witnesses who have appeared previously, or who will be called in the future, possess information which the committee believes is material and pertinent to the provisions of the resolutions of direction and authorization, and which will aid the committee in fulfilling its legislative purpose.

The Chair advises each witness that he is entitled under the rules of procedure of the committee to retain and be accompanied by counsel. The counsel may advise the witness of his legal rights during the course of his testimony. Should the witness not fully understand any question, the witness might ask for clarification. Counsel, however, shall not coach the witness or answer for the witness.

The committee will now proceed to hear the testimony of Mr. Torres.

Mr. Torres, before we proceed further, I wish you would stand and take the oath, please, sir.

(At this point, Senator Clark entered the hearing room.)

The CHAIRMAN. Raise your right hand. Do you solemnly swear that the evidence you are about to give before this committee in the matter under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TORRES. I do.

The CHAIRMAN. Have a seat, sir.

Mr. MARSHALL. Senator Jordan, and—

Mr. McLENDON. Mr. Counsel, let's get the appearances first.

The CHAIRMAN. Counsel will take charge of the hearing from this point on for a few minutes.

Mr. McLENDON. Mr. Torres, will you state your full name and your residence address to the reporter?

TESTIMONY OF EDWARD TORRES, ACCOMPANIED BY ADRIAN MARSHALL, COUNSEL

Mr. TORRES. Edward Torres, Fremont Hotel, Las Vegas, Nev.

Mr. McLENDON. Do you have your personal counsel with you?

Mr. TORRES. Yes; I do.

Mr. McLENDON. Will he state his name and address?

Mr. MARSHALL. Adrian Marshall, 9601 Wilshire Boulevard, Beverly Hills, Calif.

Mr. McLENDON. You started to say you had some statement you wanted to make.

Mr. MARSHALL. Yes, sir.

Mr. Chairman, Mr. Torres is here in response to a subpoena and he is ready to testify in response to any pertinent inquiry which doesn't invade any of his constitutional rights. However, Mr. Torres respectfully requests that all television cameras, radios, radio broadcasting equipment, motion picture or still cameras, be removed from the hearing room, or, in the alternative, that the committee take the testimony of Mr. Torres in executive session. Mr. Torres' reason for this request is that he feels that he will be unduly and unfairly prejudiced by the concentration of television and radio broadcasting devices; that they may disturb and distract him to such an extent that he cannot calmly, thoughtfully, and deliberately respond to any questions.

We feel that since the object of any investigative body is to obtain considered, thoughtful responses which disclose the truth, and which even under the best of circumstances are often goals difficult to attain, that at least the atmosphere of this forum should lend itself to that end. We didn't realize before we came here this morning that the session would be public, and that all the cameras would be present. I have conveyed my thoughts on this matter to Mr. McLendon prior to the session commencing this morning.

Senator CLARK. Mr. Chairman—

Mr. McLendon. May I ask the witness a question?

Senator CLARK. Yes, indeed.

Mr. McLendon. Let us be clear about this point. Is your client taking the position that he cannot physically testify fairly because of the presence of television and still cameras and also radio?

Mr. Marshall. I would not restrict it to physically. We just feel that it would be unfairly prejudicial to him; that he cannot calmly and reflectively answer. That he might be obliged to weigh and carefully consider each answer, and it would not lend itself to any assistance to this committee or to himself.

Senator CLARK. Mr. Chairman, I respectfully suggest that the committee recess the hearing for a few minutes in order to consider this matter in executive session.

The CHAIRMAN. Do I hear an objection to that?

The committee will stand in recess for 5 minutes.

Mr. Marshall. Thank you.

The CHAIRMAN. You may retain your seat, or you may go anywhere you like during that period.

(Whereupon, at 11:25 a.m., the committee recessed, to reconvene in executive session.)

(The committee reconvened subsequent to an executive session.)

(Members present at this point: Senators Jordan, Cannon, Pell, Clark, and Curtis.)

The CHAIRMAN. The committee will come to order. Counsel may proceed.

Mr. McLendon. Mr. Torres, the committee wants to be absolutely sure and clear about the grounds upon which you base your request to be permitted to testify in the absence of television, still cameras, and radio and newsreel. Is the committee to understand that you sincerely feel that if you were required to testify in the presence of those news media, picture machines, and so forth, that you cannot do so fairly to yourself or even fairly to the committee? You or your counsel may answer.

Mr. MARSHALL. That is true.

Senator CLARK. Let's get the witness' answer.

Mr. McLENDON. Is the answer just made by your counsel your answer, Mr. Torres?

Mr. TORRES. Yes; it is.

Senator PELL. Mr. Chairman, I would like the record to show that yesterday I did an unwitting injustice to the television people in that, as I understand it, they do not require these glaring lights or the whirring noise of the cameras. They come from the newsreel cameras.

The CHAIRMAN. Thank you, Senator. Counsel may proceed.

Mr. McLENDON. Mr. Chairman, as counsel for the committee, it is my legal opinion that the witness' request should be granted. I base that on decisions of the court and precedents that are well known.

The CHAIRMAN. As you well know, the committee went into executive session just a few minutes ago. All the Senators that are here were in attendance. I have the proxies of two that are not here in my possession. It was the unanimous opinion of the entire committee that the law is clearly on your side; that you have a right to ask this question, and the committee has yielded to your request. And so the lights and cameras and so on have to be removed—and radio, and the still cameras, as requested by the witness.

Mr. TORRES. Thank you, Mr. Chairman.

The CHAIRMAN. And, of course, I might say for myself we hate to inconvenience any agency of news, or whatever it might be. But this is a legal problem, and we have to deal with it as it is. The hearing will proceed in public session.

Mr. MARSHALL. Thank you, Mr. Chairman.

The CHAIRMAN. We will wait 2 or 3 minutes to let the cameramen take their equipment down.

Counsel may proceed.

Mr. McLENDON. Mr. Torres, when did you first become acquainted with Robert G. Baker?

Mr. TORRES. I have never become acquainted with Robert Baker.

Mr. McLENDON. What?

Mr. TORRES. I say I don't know Robert Baker.

Mr. McLENDON. You do not? When did you first discuss the possibility that you might become an investor in the Serv-U Corp., which was first known as Potomac Vending Co.?

Mr. TORRES. I would say that happened around the first—about January 1962, was the first I heard of Serv-U. I never heard of the other company.

Mr. McLENDON. You never heard of the predecessor company?

Mr. TORRES. Never heard of it.

Mr. McLENDON. What person first mentioned this subject of the Serv-U to you?

Mr. TORRES. My associate, Ed Levinson.

Mr. McLENDON. Were you associated in business with Levinson—you call him your associate. Is that what you mean?

Mr. TORRES. Yes, in Las Vegas, at the Fremont Hotel, we are associated together.

Mr. McLENDON. Are you the manager of that hotel—is that what you mean?

Mr. TORRES. Well, I am an officer there, vice president, and I am more or less in charge of the business operation.

Mr. McLENDON. When Mr. Levinson first mentioned the subject to you, had the corporation been organized?

Mr. TORRES. I don't think so. I am not quite sure about that. But I would have to say I don't think so.

Mr. McLENDON. Did he tell you who the other stockholders would be in the event you became a stockholder?

Mr. TORRES. No; not at the time.

Mr. McLENDON. Would you mind telling the committee what he did say?

Mr. TORRES. He told me that there was an opportunity to invest into a vending deal, and I asked him what kind of a deal was it, and he said something with these vending machines, in these different plants. And he asked me if I would be interested. I said, "I think I would."

Mr. McLENDON. He did not tell you who the other individuals would be who would own stock and be active in the company?

Mr. TORRES. No; he never mentioned that to me.

Mr. McLENDON. Did he indicate to you what companies it was contemplated they would have vending machine contracts with?

Mr. TORRES. Well, I did hear the name North American Aviation, and subsequent companies, like Northrop, and one or two others that I don't remember offhand.

Mr. McLENDON. Did he make any explanation to you as to why he thought this new company could get contracts with North American and Northrop?

Mr. TORRES. No; he never mentioned that to me.

Mr. McLENDON. Now, how long after this first conversation with Levinson did you commit yourself to become a stockholder and to help finance the company?

Mr. TORRES. I made my first investment in January 1962, thereabouts.

Mr. McLENDON. Before you gave an affirmative answer, had you talked with Levinson or Baker or anyone else with respect to who the individual stockholders would be?

Mr. TORRES. I have never talked to Baker at all. I don't know Baker.

Mr. McLENDON. You have never seen him to know him?

Mr. TORRES. I have only seen him just once, but I have never talked to him, and I am almost quite certain that we have never even been introduced.

Mr. McLENDON. Well, how did you learn, if you did, who the other stockholders were, or would be?

Mr. TORRES. Well, as time went on, it didn't make that much difference to me—to me it was just a question of purchasing some stock, like I would do in any stock transaction on the New York Stock Exchange. I just invested my money for stock in this vending company.

Mr. McLENDON. Well, you don't make it a practice to invest money in a new corporation without inquiring something about who its officers are, and what its management would be, do you?

Mr. TORRES. No; I don't make a practice of it.

Mr. McLENDON. What I am trying to ask you, Mr. Torres—tell us the truth about why you decided to get in, and with whom you were going to be associated. That is all I am asking you.

Mr. TORRES. Well, I am trying to explain that to you. The only reason that I went in was on the strength of my associate recommend-

ing it to me, and telling me that it would be a good deal. And he did mention the aircraft plant of North American; that they had various plants. I never was inquisitive to ask him how, why, or where. That is about the extent of it.

Senator CLARK. Major, could I ask a question?

Mr. TORRES, when your associate communicated to you the recommendation to buy this stock, did he not tell you that Mr. Baker, an influential individual in Washington, was connected with and interested in this investment himself, and would be useful in promoting its profitable operation?

Mr. TORRES. No; he never mentioned that to me at all.

Senator CLARK. Did your associate ever mention Baker's name to you?

Mr. TORRES. Yes; he had.

Senator CLARK. What did he say?

Mr. TORRES. Well, that he had a friend in Washington by the name of Bobby Baker, and that is the first time I ever heard of his name. And I asked him what he did in Washington. He told me that he was secretary to the Senate majority. And that is about all I know about him.

Senator CLARK. Didn't he tell you that Baker was interested in this vending company?

Mr. TORRES. I really don't think he has ever mentioned that to me.

Senator CLARK. Why would he discuss Baker with you at all in connection with the purchase of this stock?

Mr. TORRES. He didn't mention it in connection with the purchase of the stock.

Senator CLARK. Was your conversation with your associate about Baker entirely divorced from the investment in the stock?

Mr. TORRES. My conversation about Baker didn't come up until maybe months after I invested in the stock.

Senator CLARK. Well, now, what was the connection in which Baker's name was mentioned to you by your associate?

Mr. TORRES. All he ever mentioned was that he had a friend in Washington by the name of Bobby Baker.

Senator CLARK. Well, did he just volunteer this statement, without any relevancy to any matter you were then discussing? I mean, I would not come up to you and say I have got a friend named Claiborne Pell. It happens to be that he is my friend. There must be some reason why your associate would mention Baker's name to you.

Mr. TORRES. I don't remember him mentioning anything relevant to the vending company.

Senator CLARK. Well, can you recall in what connection Mr. Baker's name came up in your conversation with your associate?

Mr. TORRES. The only thing I can recall is that he had a friend in Washington; his name was Bobby Baker. I heard the same thing about a friend of his named Fred Black.

Senator CLARK. He said this just before he sank a putt on the 16th green or something?

Mr. TORRES. No. We may have been having a discussion over a cup of coffee or something. I don't quite remember. This must have happened about—

Senator CLARK. Well, wasn't the discussion about influential friends in Washington who could be useful to you and your associate?

Mr. TORRES. No; he has never mentioned anything about influential. I took it for granted, if he was the secretary to the Senate majority, that he must have been influential. I asked him his position, and he related his position to me.

Senator CLARK. That appears to be substantially confirmed by the record in this case. Thank you, Major.

Mr. McLENDON. Mr. Torres, did you find out that Baker was a stockholder in the company?

Mr. TORRES. Well, it wasn't some time until I found out who was interested in the company. I wasn't that large a stockholder in it. And whatever information I got, I got more or less from my associate Ed Levinson. I found out there was a gentleman named Tucker in there, and later I found out that he was associated with him in a law firm. And that is about all I know about Bobby Baker.

Mr. McLENDON. Did you find out that Tucker had the title to 57 percent of the stock of the company?

Mr. TORRES. No; I didn't actually have a breakdown on the stock in the company.

Mr. McLENDON. Did you find out that Tucker was holding the stock in his name that belonged to Baker and to Black?

Mr. TORRES. Yes; I found that out when I read about it in the newspapers.

Mr. McLENDON. You didn't know it before then?

Mr. TORRES. I didn't know it before then.

Mr. McLENDON. Are you saying, then, that you left your investment entirely in the hands of Mr. Levinson to advise you about?

Mr. TORRES. Well, he did keep me more or less posted on how the vending company was progressing.

Mr. McLENDON. What did he tell you about how it progressed? Who helped progress it?

Mr. TORRES. He said it was doing very well.

Mr. McLENDON. Well, how did it do well? What had been done to make it do well?

Mr. TORRES. Well, it was situated in various plants in North American. And from all I remember, he told me that we had some operating expenses at the beginning, and we had some deficit, which we will overcome as we plant more machines in more of the plants, and which subsequently happened.

Mr. McLENDON. Did he tell you how they managed to get contracts in North American?

Mr. TORRES. I never discussed that with him.

Mr. McLENDON. Or Northrop?

Mr. TORRES. I have never discussed that with him.

Mr. McLENDON. Mr. Torres, the records of this company show, or tend to show, that you sold out rather early.

Mr. TORRES. Well, I can explain that.

Mr. McLENDON. Did Mr. Levinson advise you to do that?

Mr. TORRES. No; my accountant advised me to do that.

Mr. McLENDON. What?

Mr. TORRES. My accountant.

Mr. McLENDON. Your accountant?

Mr. TORRES. It happened that I had two stocks that I was in the process of getting rid of, and taking a capital loss on it, so my accountant advised me to sell the Serv-U stock so I can write one off against the other. And on his advice, I sold out of Serv-U.

Mr. McLENDON. And at that time, according to the records, the company owed you for money they borrowed from you—\$19,035.50; is that correct?

Mr. TORRES. Well, I don't know the exact amount, but I would have to say that I invested a little over \$25,000 into the company, part of which were loans, and the balance was for stock.

Mr. McLENDON. Well, do you disagree with the records of the company which show that you bought 400 shares of stock for \$6,608?

Mr. TORRES. No. I owned about 600 shares of stock. It was approximately 6 percent.

Mr. McLENDON. And that you loaned the company \$19,035.50, or approximately that amount?

Mr. TORRES. I would say that is very close.

Mr. McLENDON. How did you happen to make the loan to the company?

Mr. TORRES. In what way?

Mr. McLENDON. I say, how did it happen that you made the loan to the company? Was that a part of the agreement when you bought the stock?

Mr. TORRES. Well, when I asked Ed Levinson what it would take to buy in, he said you would have to make a check out for x amount of dollars for stock, and x amount for loans. I didn't ask him any questions as to who the loans were going to, or what they were for. That was the agreement that we went in.

Mr. McLENDON. And the stock then—your debt was paid back, about \$19,000 and some accumulated interest, and you were paid a total price of \$75,000, were you not?

Mr. TORRES. I was paid \$75,000, a total of \$75,000 for my 6-percent interest in the company.

Mr. McLENDON. And of the \$75,000, according to the company's records, \$19,035.50, with some interest, was the amount of the debt. Is that your recollection?

Mr. TORRES. I would say that is very close to correct.

Mr. McLENDON. To whom did you sell the stock?

Mr. TORRES. Well, I handled the whole transaction through Ed Levinson. I have never been in Serv-U, in the company of Serv-U—by that I mean in the building. I have never seen the operation at all. When my accountant advised me to sell, for tax reasons, I contacted Ed Levinson, and I told him I would like to sell; what can I get for my stock? He said, "Well, why do you want to sell?" I said, "Well, I think the company is fine, but my accountant advised me that I have a chance to write off two stock losses that I have, and this would be a good way to do it." So he said, "Well, let me see what I can do for you." And then he came back with an offer of \$75,000 total for my stock and loans, which I accepted.

Mr. McLENDON. Mr. Levinson fixed the price, then, did he?

Mr. TORRES. No; I don't think—I think that he consulted whoever had anything to say in the company, and came back with that price. I was never there when this thing was discussed.

Mr. McLENDON. Were you ever told whether your stock was sold to the company, or to some other stockholder?

Mr. TORRES. No—it was sold to the company. The check was made out from Serv-U. I don't know what they did with it. But I did get the check from Serv-U.

Mr. McLENDON. All right. Now, at the time you sold out, did you know then that Baker was a stockholder in Serv-U?

Mr. TORRES. I kept hearing his name. I never really knew he was a stockholder. Like I said before, I knew about—I found out about Tucker. You know—they are law partners. He may have been interested with him. I didn't really know.

Mr. McLENDON. What about Black? Did you know he was a stockholder at the time you sold?

Mr. TORRES. I wasn't really sure, but I do know Fred Black.

Mr. McLENDON. What information do you have as to Mr. Levinson's activities in the management of Serv-U?

Mr. TORRES. Well—

Mr. McLENDON. To be more specific, do you have knowledge that he was active in helping to procure the vending contracts with North American?

Mr. TORRES. I don't think that he was active in procuring them.

Mr. McLENDON. Do you not have knowledge that he went out there personally?

Mr. TORRES. Well, I know that he has made a couple of trips to the Serv-U office.

Mr. McLENDON. In California?

Mr. TORRES. In California. But, like I said before, I have never been there.

Mr. McLENDON. Did you know anything about the relations between Levinson and Baker?

Mr. TORRES. Well, I knew they were quite friendly. That is about all the information I had as to their relations.

Mr. McLENDON. How long have they been friendly, if you know?

Mr. TORRES. I would say maybe about 3 years.

Mr. McLENDON. Do you have any reason for saying they have been friendly for 3 years? Do you have any knowledge of anything that makes you say that?

Mr. TORRES. Well, I may have heard some conversation to that effect. I didn't hear Baker's name until after we went into Serv-U, sometime after that—but Ed Levinson seemed to have known him maybe a year prior to that. So I would say approximately two and a half to 3 years that they knew each other.

Mr. McLENDON. Are you sure that Mr. Levinson did not tell you that Baker himself and his interest were a big asset to this new company?

Mr. TORRES. I am sure that he hasn't.

Mr. McLENDON. He did not?

Mr. TORRES. He did not.

Mr. McLENDON. He did not. Did you gather from what Levinson did tell you, and what you heard from other sources, that Levinson and Baker were the control—had controlling interest in the company?

Mr. TORRES. Would you repeat that question, sir?

Mr. McLendon. I said did you gather from what Mr. Levinson did tell you about the company that he, Levinson, and Baker were the controlling spirits in the company?

Mr. Torres. That he, Levinson, and Baker?

Mr. McLendon. That Levinson and Baker—

Mr. Torres. Levinson and Baker?

Mr. McLendon. Controlled the company in some way.

Mr. Torres. Well, I knew—I didn't know about Baker at the start. I told you I heard his name later. And I did hear Tucker's name. But I don't think that Levinson was a controlling figure in the company. He was interested in the company, but not a controlling figure.

Mr. McLendon. What about the combination of Levinson and Baker? Did you understand they exercised control over the company?

Mr. Torres. No; I didn't—

Mr. McLendon. You didn't understand that?

Mr. Torres. I didn't know that they exercised control over the company. I know that Ed went in on a meeting now and then. But I don't know who he met with.

Mr. McLendon. How did you know that he went into a meeting?

Mr. Torres. Because he told me.

Mr. McLendon. Meetings with whom?

Mr. Torres. Just going into a meeting at Serv-U.

Mr. McLendon. Well, did he tell you the names of persons he met with?

Mr. Torres. No; he never was that specific.

Mr. McLendon. You didn't seem to have much curiosity about your investment.

Mr. Torres. No; I didn't. He kept me—I would ask him every so often. I said, "How is Serv-U doing?" He says, "Fine, we have this plant, that plant." And that is about all the information I had of Serv-U.

Mr. McLendon. Had you ever had any investment in any business enterprise in which Mr. Baker owned an interest before you became interested in Serv-U?

Mr. Torres. I don't think so.

Mr. McLendon. Since the time that you sold out your interest in Serv-U, have you had any interest, financial or otherwise, in any business in which Baker was interested?

Mr. Torres. Not to my knowledge.

Mr. McLendon. Have you ever loaned him any money?

Mr. Torres. Well, I loaned the company money. I don't know who it was for. I never asked that question.

Mr. McLendon. Well, aside from the loan that you made to the Serv-U Corp., have you ever loaned Baker any money?

Mr. Torres. No.

Mr. McLendon. Has he ever loaned you any money?

Mr. Torres. No.

Mr. McLendon. Has—have you ever asked him to do anything for you?

Mr. Torres. I don't know Mr. Baker.

Mr. McLendon. Well, you might ask a man that you didn't know. Did you ever ask him, directly or indirectly, to help you about anything?

Mr. TORRES. No.

Mr. McLENDON. Did you know anything about Mr. Baker and Mr. Levinson's activities looking toward the acquiring of gambling interests in the Caribbean area?

Mr. TORRES. I know it is going to sound strange to you when I tell you this, but I didn't know about it until I read about it in the papers.

Mr. McLENDON. Is that right?

Mr. TORRES. That is the truth.

Mr. McLENDON. Although you are associated with Mr. Levinson, he didn't disclose that to you?

Mr. TORRES. Well, Mr. Levinson was involved in other deals that I wasn't involved in, so it didn't make any difference to me—I mean, that he didn't tell me.

Mr. McLENDON. You are sure, Mr. Torres, that you never had any business or financial transactions with Mr. Baker, other than your investment in Serv-U?

Mr. TORRES. I would say not to my knowledge.

Mr. McLENDON. Not to your knowledge. That is all.

That is all, Mr. Chairman.

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Torres, have you ever talked to Mr. Baker in your life?

Mr. TORRES. I would say that I never have.

Senator CANNON. Now, when was it you invested in Serv-U Co.—what date was that?

Mr. TORRES. I think it was January 1962.

Senator CANNON. And when—

Mr. McLENDON. The record shows the stock was issued on January 2, 1962.

Senator CANNON. When did you sell out?

Mr. TORRES. July 1963.

(At this point, Senator Clark withdrew from the hearing room.)

Senator CANNON. Did you get completely out at that time? Did you retain any interest in the company?

Mr. TORRES. No; I sold out completely.

Senator CANNON. And have you since reacquired any interest in Serv-U?

Mr. TORRES. No; I haven't.

Senator CANNON. Did you ever go into the Los Angeles office at all?

Mr. TORRES. I have never been there.

Senator CANNON. Did you ever visit any of the plants in which Serv-U was conducting operations?

Mr. TORRES. No, sir; I have not.

Senator CANNON. You say you received \$75,000 for your 6-percent interest, plus your loan; is that right?

Mr. TORRES. A total of \$75,000.

Senator CANNON. Had you received anything from the time of your initial investment up to that point?

Mr. TORRES. No; never have received anything.

Senator CANNON. And did you invest anything other than your initial investment of loan and purchase?

Mr. TORRES. No. My total investment was approximately \$25,000, as I remember.

Senator CANNON. That is all I have at the moment, Mr. Chairman.

The CHAIRMAN. Senator Pell?

Senator PELL. Do you have an acquaintance with any other Senate employees, present or former, besides Mr. Baker?

Mr. TORRES. Not to my knowledge; I don't.

Senator PELL. Thank you.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. You made about \$50,000 on Serv-U?

Mr. TORRES. Yes, sir; I did.

Senator CURTIS. You did pretty well.

Mr. TORRES. Well, I would say it was a pretty fair profit.

Senator CURTIS. Did you ever attend any of the Serv-U stockholders' meetings?

Mr. TORRES. No; I have not.

Senator CURTIS. To your knowledge, were you ever named an officer?

Mr. TORRES. Was I ever named an officer?

Senator CURTIS. Yes.

Mr. TORRES. Not to my knowledge.

Senator CURTIS. The reason I put the question that way—the president didn't know he was president. Was anything said in connection with these vending contracts that Serv-U had with North American and other plants that those plants were doing Government business?

Mr. TORRES. No; I really don't know what they were doing. I don't have any knowledge of North American Aviation or any of the other plants.

Senator CURTIS. I believe you testified you did know that Mr. Black was associated with Serv-U.

Mr. TORRES. Yes. I met Mr. Black, I would say, approximately half a dozen times.

Senator CURTIS. At the hotel?

Mr. TORRES. At the hotel, and I think maybe I saw him once in Los Angeles.

Senator CURTIS. Did you ever see Baker at the hotel?

Mr. TORRES. Yes; I think I saw him once. I am almost sure that he was pointed out to me, and I think it was approximately the time that they had a dinner or some kind of a fundraising thing for Senator Cannon—just about that time.

Senator CURTIS. How were you paid the \$75,000?

Mr. TORRES. I got a check for the total sum of \$75,000.

Senator CURTIS. Who delivered it to you?

Mr. TORRES. Ed Levinson. I have to interject something. I am not quite sure if he did, or if it came in the mail. I would have to say it could be either way.

Senator CURTIS. We have an exhibit here labeled "Hancock Exhibit 6." I will ask you if that is your signature. [The document was shown to the witness.] (See hearings, part 8, page 727.)

Or a reproduction of your signature.

Mr. TORRES. That is my signature.

Senator CURTIS. Was that drawn up in your presence?

Mr. TORRES. No. I don't remember if Ed Levinson brought it to me, or I got it in the mail. I am really not sure.

Senator CURTIS. I think this is somewhat immaterial, but I notice it was dated July 4, a holiday.

Mr. TORRES. Yes; it is.

Senator CURTIS. So far as you know, it wasn't typed up in your presence?

Mr. TORRES. Oh, no; no.

Senator CURTIS. All right. That is all.

Mr. McLENDON. That is all.

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Torres, did you ever have at any time any interest with Mr. Levinson in Curacao or the Dominican Republic, any foreign country, as far as you know?

Mr. TORRES. Mr. Chairman, do you feel that that question is relevant to this particular issue?

The CHAIRMAN. I will refer that to our counsel.

Mr. McLENDON. Senator, did you ask him if he had any interest with Levinson?

Senator CANNON. Yes—with Levinson.

Mr. McLENDON. Can you demonstrate how that is pertinent?

Senator CANNON. Particularly, what I was referring to was Mr. Levinson's negotiations with Mr. Gates. I can rephrase the question. Did you ever have any negotiation with Mr. Gates concerning any activities in Curacao or the Intercontinental—

Mr. TORRES. Let me say I don't know Mr. Gates. Does that answer your question?

Senator CANNON. Intercontinental Hotels—Mr. Gates.

Mr. TORRES. I don't know Mr. Gates.

Senator CANNON. Nothing further.

The CHAIRMAN. If there are no further questions—

Senator CURTIS. One other question. Have you had any other business transactions with Mr. Fred Black, who has been identified as being a part of both Serv-U and North American?

Mr. TORRES. I would say not to my knowledge. I never had—outside of—I understand that he is interested in Serv-U. I don't know of anything else to my knowledge that I would be involved with him.

Senator CURTIS. And when you state that you have not talked to Mr. Baker, that included telephone conversations, too?

Mr. TORRES. That did include telephone conversations, too.

Mr. McLENDON. Mr. Torres, do you know anything about Mr. Baker making an engagement with Mr. Gates, of Intercontinental Hotels, with reference to trying to get gambling concessions in the Caribbean?

Mr. TORRES. I didn't know anything about it, until I read about it in the newspapers.

Mr. McLENDON. Did you have any financial interest in that project, if it had turned out—

Mr. TORRES. Would I have had?

Mr. McLENDON. Would you have?

Mr. TORRES. No, sir.

Mr. McLendon. Did you have anything to do with getting Baker to make that engagement?

Mr. Torres. No, sir. I don't know Mr. Baker.

Mr. McLendon. All right. That is all.

The Chairman. The committee stands adjourned.

Thank you, sir.

Mr. McLendon. Mr. Chairman, subpenas which the committee had out for persons that we expected to examine tomorrow—I am advised this morning that the officers have not been able to serve either one of them. Unless something changes, we will not be able to have a hearing tomorrow.

The Chairman. The committee is recessed, subject to the call of the Chair.

(Whereupon, at 12:10 p.m., the committee recessed, subject to the call of the Chair.)

FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

MONDAY, MARCH 2, 1964

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
Washington, D.C.

The committee met, pursuant to recess, at 10:15 a.m., in room 318, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Cannon, Pell, Curtis, and Cooper.

Also present: Gordon F. Harrison, staff director; Hugh Alexander, chief counsel; L. P. McLendon, general counsel; Burkett Van Kirk, associate counsel; James H. Duffy, associate counsel; William B. Whitley, staff assistant to Senator Jordan; William Ellis Meehan, investigator; and Alice Clark, staff.

The CHAIRMAN. The committee will please come to order.

Mr. Kentor, please come up and take the stand, sir. Have a seat. Is Mr. Levinson in the room?

Mr. McLendon. Mr. Levinson, just stand up where you are. The chairman wants to know whether you are here.

The CHAIRMAN. Mr. Levinson, I have a statement to read. If you will listen to the statement please, sir, I won't have to repeat it again.

Mr. Kentor, this statement is being read in order that you may know under what authority you are asked to be here this morning, and what your rights are before this committee.

A quorum being present, the committee will please come to order.

The committee is acting by direction and under authority of Senate Resolution 212, agreed to on October 10, 1963, and Senate Resolution 291, agreed to on February 10, 1964.

Senate Resolution 212 authorizes and directs the Senate Committee on Rules and Administration—

to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purpose of ascertaining—

- (1) Whether any such interests or activities have involved conflicts of interest or other improprieties; and
- (2) Whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities.

Witnesses have been interviewed by the staff and heard both in executive and in public sessions. Considerable evidence has been obtained and testimony received to date. Witnesses who have appeared previously, or who will be called in the future, possess information which the committee believes is material and pertinent to

the provisions of the resolutions of direction and authorization, and which will aid the committee in fulfilling its legislative purpose.

The Chair advises each witness that he is entitled under the rules of procedure of the committee to retain and be accompanied by counsel. The counsel may advise the witness of his legal rights during the course of his testimony. Should the witness not fully understand any question, the witness might ask for clarification. Counsel, however, shall not coach the witness or answer for the witness.

The committee will now proceed to hear the testimony of Mr. Kentor.

Mr. Kentor, will you please rise and be sworn in? Place your left hand on the Bible and raise your right hand, sir.

Do you solemnly swear that the evidence you are about to give before the committee in the matter now under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KENTOR. I do.

The CHAIRMAN. Thank you, sir, and have a seat.

Counsel, you may proceed.

Mr. McLENDON. Mr. Kentor, will you give your full name and residence address?

TESTIMONY OF WILLIAM E. KENTOR, ACCOMPANIED BY IRWIN J. ASKOW, ATTORNEY

Mr. KENTOR. William E. Kentor, 228 Maple Avenue, Highland Park, Ill.

Mr. McLENDON. Are you accompanied by your personal counsel this morning?

Mr. KENTOR. Yes, sir; I am.

Mr. McLENDON. Will he state his name and business address?

Mr. ASKOW. My name is Irwin J. Askow. I am an attorney, partner in the firm of Askow, Stevens & Hardy. My office is at 7 South Dearborn Street, Chicago, Ill.

Mr. McLENDON. Mr. Kentor, what is your business?

Mr. KENTOR. I am in the wholesale meat business.

Mr. McLENDON. What is the name of your company?

Mr. KENTOR. Packers Provision Co., Inc.

Mr. McLENDON. How long have you been the president of that company?

Mr. KENTOR. Since 1958.

Mr. McLENDON. Does your company engage in the purchase of imported meats?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Do you process the meats that you purchase?

Mr. KENTOR. No, sir; we do not.

Mr. McLENDON. How do you handle it?

Mr. KENTOR. That portion of our business is operated as a—in the capacity of a wholesaler. We buy the meat and resell it to subsequent processors.

Mr. McLENDON. When did you first become acquainted with the corporation in Haiti known as the Hampco Co.?

Mr. KENTOR. That would be in the fall of 1962, sir.

Mr. McLENDON. Can you identify any officer of that company that you became acquainted with in the fall of 1962?

Mr. KENTOR. Yes, sir. I was—I called on that company in Haiti, and met Mr. Bill Steed, who was the—and is the—manager of Hampco.

Mr. McLENDON. Can you tell us approximately the date of this visit you made to this company in Haiti?

Mr. KENTOR. Probably in September of 1962, sir.

Mr. McLENDON. On that occasion did you also become acquainted with a man named Dancy, who had something to do with the management of Hampco?

Mr. KENTOR. Subsequent to that date, sir, probably November of 1962, I met Mr. Dancy in Haiti.

Mr. McLENDON. Did you, on this trip to the company about which you have just testified, undertake to enter into a contract with it for the purchase of meat?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Did you succeed?

Mr. KENTOR. No, sir.

Mr. McLENDON. Did you at that time know a man named Lopez?

Mr. KENTOR. I knew of Mr. Lopez. I had not met him.

Mr. McLENDON. Did you know that he was buying meat from Hampco at that time?

Mr. KENTOR. Yes, sir; I did.

Mr. McLENDON. Did you know whether he was importing any of it into the United States?

Mr. KENTOR. He was—he was taking the meat into Puerto Rico, sir.

Mr. McLENDON. You do not know whether he imported any into the mainland of the United States?

Mr. KENTOR. No, sir—well, I do know that he was not importing it. He was selling it to importers in the United States, of which I was one.

Mr. McLENDON. On this visit to the company, were you informed that it had a contract with this man Lopez?

Mr. KENTOR. Yes, sir; I was advised that.

Mr. McLENDON. You were told by the officers of Hampco?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Was that later confirmed by Mr. Dancy to whom you referred?

Mr. KENTOR. Yes, sir; it was.

Mr. McLENDON. Without going into the detail, what was the substance of the agreement between Hampco and Lopez as it was related to you?

Mr. KENTOR. The only portion that they told me at that time was that they had a 2-year contract with Mr. Lopez, and that, failing any default on his part, they could not consider and would not consider any change until that contract should expire.

Mr. McLENDON. Did you have any understanding with them that in the event Lopez' contract expired or was canceled earlier you would be given an opportunity to bid for their meat?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. What was the substance of that understanding?

Mr. KENTOR. To the effect that I was No. 2 man on the totem pole. That as long as everything was fine with Mr. Lopez I wasn't going to get it. But sort of stay in the wings.

Mr. McLendon. Did you learn later that Mr. Lopez had defaulted in the performance of his contract or that his contract with Hampeco had been terminated for some reason?

Mr. Kentor. Yes, sir.

Mr. McLendon. From whom did you get that information?

Mr. Kentor. I was told that by Mr. Dancy, sir.

Mr. McLendon. Will you tell the committee the circumstances of how he brought it to your attention?

Mr. Kentor. Yes, sir; this would have been in, I believe, February of 1963 that I was in Haiti with Mr. Dancy, and he told me that they were not satisfied with the performance by Mr. Lopez, and that Mr. Dancy felt that the contract would soon terminate.

Mr. McLendon. Did he renew his earlier proposal to negotiate with you in the event that the Lopez contract was terminated?

Mr. Kentor. Yes, sir; he had asked me if I were still interested. As a matter of fact, that precipitated my trip to Haiti.

Mr. McLendon. I see.

Mr. Kentor. He was in New York, had called me from New York and asked me if I was still interested. I told him yes and he said, "Well, if so, would you be prepared to take delivery of the meat in a very short notice, a matter of several days?" and I told him that I would prepare myself for that.

Mr. McLendon. State whether or not a short time after this conversation he did notify you that the Lopez contract was terminated?

Mr. Kentor. Yes, sir; he notified me of that and he did so in Port-au-Prince, Haiti. We were both there at that time.

Mr. McLendon. You were present in person at Port-au-Prince at that time?

Mr. Kentor. Yes, sir. He stated that he had just received a wire and that this wire terminated the contract with Lopez.

Mr. McLendon. Did you then and there negotiate a contract with Hampeco yourself?

Mr. Kentor. Yes, sir.

Mr. McLendon. Did you complete it on this visit or was it prolonged over a period of time?

Mr. Kentor. No, sir; it was prolonged over several months.

Mr. McLendon. Did you finally enter into a contract with Hampeco to purchase the meat?

Mr. Kentor. Yes, sir.

Mr. McLendon. About when did you reach that agreement?

Mr. Kentor. Well, the last portion of it, sir, was closed, I think, about 30 days subsequent to that date, by mid-March, I believe.

(At this point, Senator Curtis entered the hearing room.)

Mr. McLendon. Do you recall now the approximate date of the first delivery of meat to you under this contract that you entered into?

Mr. Kentor. If you would like me to look at my record, sir, I could tell you precisely.

Mr. McLendon. Yes, sir; I would be glad for you to do that.

Mr. Kentor. The first shipment from them was February 12, 1963.

Mr. McLendon. Mr. Kentor, the committee has before it evidence tending to show that you agreed to pay one-half cent a pound for all meat delivered to you by Hampeco under this agreement about which you testified, the half cent a pound to be paid to a firm known as

Baker & Tucker. Will you tell the committee, first, whether that is true; you did pay the half cent?

Mr. KENTOR. Yes, sir; that is true.

Mr. McLENDON. With whom did you make that agreement?

Mr. KENTOR. With Mr. Marshall Dancy.

Mr. McLENDON. Will you tell the committee in detail just exactly how it came about that you made that agreement?

Mr. KENTOR. Yes, sir. When we were in Haiti in February of 1963, we had concrete discussions about pricing and terms of payment and deliveries and the other business aspects of the transaction, and Mr. Dancy at that time stated—asked me—if those prices and terms were acceptable; some were and some were not. There was a reasonable amount of negotiation.

After we concluded the matters, those normal matters, he asked me if I would be willing to pay a commission of 1 cent a pound as part of the package, and I said that I was not willing to pay a cent a pound. There still was some room in it, but there wasn't that much. And he asked me what I would pay. I told him that I would pay a half cent a pound. He told me that this might prevent the package from being put together because the prior buyer, Lopez, had been paying 1 cent a pound in consideration of getting this meat.

So, we had a standoff there. He was asking for a cent and I said I would pay something but it would be less than a cent, and it was possibly at that same time that I said that I would pay—if I had to pay anything, I would pay a half. I wouldn't pay any more. He said that there was some urgency to the matter then because the contract had just terminated with Lopez and we must immediately start making shipments. He asked if it would be satisfactory that we start—that they start making shipments for our account and we would negotiate this other matter later in Chicago. So, that was the extent of the discussions there, and we started to buy the meat and paid no commissions in the course of the purchase.

Mr. McLENDON. Did Mr. Dancy identify the people to whom the cent a pound would be paid that he was asking you to pay?

Mr. KENTOR. Not at that time, sir.

Mr. McLENDON. When did you next see him?

Mr. KENTOR. Probably mid-March. It would have been mid-March of 1963, in my office in Chicago.

Mr. McLENDON. In this meeting with him, did you continue these negotiations?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. What took place then with respect to your agreement to pay a commission and how much?

Mr. KENTOR. At that time we—he accepted my counterbid of a half cent, said that a half cent would be acceptable.

Mr. McLENDON. Did he then identify the persons to whom a half cent was to be paid?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Tell the committee what he said about that?

Mr. KENTOR. He said that the commission that was to be paid was to be paid to a firm, Tucker & Baker, in Suite 605, 2000 P Street NW., Washington, D.C.

Mr. McLENDON. State whether or not he told you that they were the same people who had been receiving 1 cent a pound from Lopez.

Mr. KENTOR. Yes, sir; he did. He said that this was the same firm.

Mr. McLENDON. Now, when you reached that agreement with respect to the commission, I take it from what you have said that your contract with him was completed; there was nothing else left to negotiate.

Mr. KENTOR. That is correct, sir.

Mr. McLENDON. Mr. Kentor, did you know the firm of Webb & Law prior to the time you first visited Hampco?

Mr. KENTOR. Yes, sir; I did.

Mr. McLENDON. How did you happen to know them?

Mr. KENTOR. This is a vague area as far as strict recollection is concerned. I was introduced to the firm 5, 6, or 7 years ago. I know that at that time it was that Mr. Shea was in that.

Mr. McLENDON. S-h-e-a?

Mr. KENTOR. Yes, sir; S-h-e-a.

Mr. McLENDON. Go ahead.

Mr. KENTOR. Was a member of the firm, and I don't remember the reason for it. There must have been something legal that I was interested in here, but nothing concluded so that I don't remember the specific details. I was in their office one time. I met Mr. Shea, I recall specifically, and I possibly met the other two partners.

Mr. McLENDON. Do you recall whether you engaged the services of Mr. Shea or of the firm?

Mr. KENTOR. I did not, sir. I would remember that.

Mr. McLENDON. Now, when you were negotiating for the purchase of the meat from Hampco with Mr. Dancy, did anyone in this firm of Webb & Law contact you about it?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Which one?

Mr. KENTOR. Mr. Law.

Mr. McLENDON. How did he get in touch with you; by phone or in person?

Mr. KENTOR. He telephoned me; he telephoned me to Chicago.

Mr. McLENDON. What did he say?

Mr. ASKOW. Could we fix the time of this?

Mr. McLENDON. Yes, sir; please fix the time if you can, Mr. Kentor, with reference to the time you reached a firm agreement with him.

Mr. KENTOR. This would have been prior to my first visit to Mr. Steed. So, it was possibly in the summer of 1962, Major, that he called me, and asked me if I were interested in buying meat from Haiti. And I told him that I was interested in buying meat from Haiti.

Mr. McLENDON. Did he make any explanation of why he should call you?

Mr. KENTOR. Yes, sir. His was a second call. I had first been called by a party whom I know here in Washington; Irwin Davidson had called me, and asked me if I was interested to buy meat from Haiti, and when I told him that I was, he said that I would receive a call. I don't remember if he told me the name or not, but he told me that I would be contacted.

Mr. McLENDON. Did you know Mr. Irwin Davidson personally?

Mr. KENTOR. Yes, sir; I have known Mr. Davidson for 35 years.

Mr. McLENDON. What connection, if any, did he have with Hampco?

Mr. KENTOR. He has none, to my knowledge.

Mr. McLENDON. Did you have any knowledge of any association he had with the Murchison interests, so called?

Mr. KENTOR. Yes, sir. I have an understanding but no facts to the effect that he was or is doing work for the Tecon Corp., which is a Murchison—

Mr. McLENDON. It is a large construction company?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. With headquarters at Dallas?

Mr. KENTOR. Yes, sir; that is correct.

Mr. McLENDON. Did he make any explanation of why he should call you?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. What did he say?

Mr. KENTOR. He gave me two reasons, sir. One was that any time he finds anything which may be a source of meat for me in the areas in which we operate he advises me of it. This was not unusual. He has advised me of opportunities in many areas of Central America and the Caribbean area. I probably speak to Mr. Davidson several times a month. That was part of it. And secondly he said—I recall now—he told me they were having a specific problem in Haiti and asked me to contact Mr. Haas.

Mr. McLENDON. H-a-a-s?

Mr. KENTOR. Yes, sir; about a problem. This had nothing to do with the fact they were interested to sell any meat. They had a specific problem on disposal of carcasses in Haiti and asked me to call, and I gathered from—I understood from his call that this was a favor that he wanted me to do for someone—for Mr. Haas.

Mr. McLENDON. Did you know Mr. Haas was also connected with Hampeco?

Mr. KENTOR. I understood that he was, based on the way that Mr. Davidson told me to call and to talk about this operating problem.

Mr. McLENDON. I see. Did you pay Mr. Davidson for services such as you were recounting?

Mr. KENTOR. No, sir; no, sir. I have never paid Mr. Davidson in any form.

Mr. McLENDON. So his habit of informing you of things connected with the meat industry was done through friendship only; is that what you say?

Mr. KENTOR. I would say mainly through friendship but in addition on a reciprocal basis, Major. When I am traveling and my people are traveling through those areas, if we see anything that may be of interest to Mr. Davidson, I similarly advise him.

Mr. McLENDON. I see.

Mr. KENTOR. And he doesn't compensate me, nor I him.

Mr. McLENDON. I see. Did he tell you in this conversation what individual would contact you? I believe you said—

Mr. KENTOR. I don't remember that, sir, whether he did or not.

Mr. McLENDON. But it was shortly after that that Mr. Law did get in touch with you?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Now, you testified that Mr. Dancy told you to whom this commission of a half-cent was to be paid, and you said he told you the firm of Tucker & Baker or Baker & Tucker?

Mr. KENTOR. Tucker & Baker; yes, sir.

Mr. McLENDON. Did you know either one of those men?

Mr. KENTOR. No, sir.

Mr. McLENDON. At that time?

Mr. KENTOR. No, sir.

Mr. McLENDON. Did you get acquainted with either one of them later?

Mr. KENTOR. No, sir; no, sir.

Mr. McLENDON. Did he disclose to you the identity of Robert G. Baker?

Mr. KENTOR. No, sir.

Mr. McLENDON. You mean he didn't even tell you who he was or what position he held?

Mr. KENTOR. No, sir; he did not.

Mr. McLENDON. Did you inquire why the commission should be paid to those two men?

Mr. KENTOR. Yes, sir; I did.

Mr. McLENDON. What answer did he give?

Mr. KENTOR. He told me that they had—were due a finder's fee for originally locating the buyer in Puerto Rico for the meat from Hamco, and that the breaking of the contract with the buyer, Lopez, was not due to any fault of the original finder, and therefore, it was his conclusion that the finders were still entitled to a continuation of the fee.

Mr. McLENDON. Did he identify anyone else as being a finder other than Tucker & Baker?

Mr. KENTOR. No, sir.

Mr. McLENDON. Was the name of Benitez mentioned at all?

Mr. KENTOR. No, sir.

Mr. McLENDON. Did you know he had any interest in it?

Mr. KENTOR. No, sir.

Mr. McLENDON. Did he give you any explanation of what he meant by Tucker & Baker being finders? Did he give you any details?

Mr. KENTOR. Yes, sir. He said that when the plant was originally built in Haiti, it was built to supply meat locally and to make sales locally in Haiti, and that shortly after they started operating they determined that was not economical and they looked elsewhere for a buyer, and that they had come up with Lopez from Puerto Rico, and that Mr. Dancy had made a contract with Mr. Lopez.

Mr. McLENDON. To summarize that, is this correct: That the information he gave you was to the effect that Tucker & Baker had found Lopez?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. As a purchaser of the meat?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. And that you were taking the place of Lopez after Lopez defaulted?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. His argument was that the finder's fee should be continued?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Did he disclose to you—I am talking about Dancy—did he disclose to you that, concurrently with the agreement

entered into with you about paying a half-cent, Hampco itself entered into a contract to pay also a commission or part of a commission?

Mr. KENTOR. No, sir; he did not discuss, make any such statement.

Mr. McLENDON. He didn't disclose to you that there was a written agreement to that effect?

Mr. KENTOR. No, sir.

Mr. McLENDON. He made no reference to the fact that Hampco had agreed to pay a certain percentage of its profits to these same so-called finders?

Mr. KENTOR. No, sir; he did not.

Mr. McLENDON. When did you first hear of that arrangement?

Mr. KENTOR. As I have just been reading the papers, sir, I have been learning about this business.

Mr. McLENDON. I see.

Mr. Kentor, when you were negotiating with Mr. Dancy for the purchase of the meat from Hampco, state whether or not he quoted the same price to you that Lopez was paying or a different price?

Mr. KENTOR. He stated that they were the same prices as Mr. Lopez was paying. I have no reason to know whether that was so or was not.

Mr. McLENDON. In other words, as far as you know the price that you have been paying is the same as Lopez paid?

Mr. KENTOR. No, sir. The price that I was paying then, at the date of that initial agreement, was stated to me as being the same. But the price doesn't stay the same, sir.

Mr. McLENDON. I see.

Mr. KENTOR. We continued to negotiate downward.

Mr. McLENDON. You mean downward for you or downward for the other fellow?

Mr. KENTOR. Well, I pay less and they get less. [Laughter.]

Mr. McLENDON. So you outraded him on that point, did you? Well, you needn't answer that.

Mr. KENTOR. All right, sir.

Mr. McLENDON. Mr. Kentor, have you brought with you information that you can give the committee as to the amount of money that you paid to Tucker & Baker in consequence of this agreement that you entered into with Dancy?

Mr. KENTOR. Yes, sir; I have the records, and the complete documents.

Mr. McLENDON. Will you read off the figures, please?

Mr. KENTOR. Yes, sir.

Mr. ASKOW. You just want the total?

Mr. McLENDON. If you don't mind. Have you got it by months?

Mr. KENTOR. Yes, sir.

Mr. ASKOW. By payments.

Mr. McLENDON. Beg pardon?

Mr. ASKOW. By payments.

Mr. McLENDON. If you don't mind, read it off by detail in payments and give the summary.

Mr. KENTOR. We paid—on March 28, 1963, we paid \$459, which covered the receipts in February of 91,800 pounds of meat.

Mr. ASKOW. That is February 1963.

Mr. McLENDON. February 1963. All right.

Mr. KENTOR. Yes, sir. And on May 13, 1963, we paid \$2,134.37, and my record doesn't show for how many pounds, but that would have been computed on the basis of a half cent a pound.

Mr. McLENDON. That is sufficient.

Mr. KENTOR. And it covers March and April receipts.

Mr. McLENDON. All these payments were computed on the basis of a half cent a pound, were they not?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. OK; go ahead.

Mr. KENTOR. March and April of 1963. I have one of August 16, 1963, in an amount of \$3,522.91, and that covered May, June, and July of 1963. A check of October 23, 1963, in the amount of \$2,185.92 which covered August and September 1963. I have a record of a check of December 13, 1963, in the amount of \$1,530.13, which covered October of 1963.

Mr. McLENDON. Was that the last payment you made?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. What is the total of those payments, please, sir?

Mr. KENTOR. The total is \$9,842.33.

Mr. McLENDON. Do you still owe some money that you haven't paid up to this time?

Mr. KENTOR. Yes, sir; yes, sir.

Mr. McLENDON. Will you give the committee an estimate of how much that would be, or the exact figure if you have it?

Mr. KENTOR. I have the exact figure for November, which is \$1,035.09. For December, January, and February, I would estimate there is \$3,000 to \$4,000 payable.

Mr. McLENDON. Three to four?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Were all of these payments made by your company's check payable to Tucker and Baker?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. And you have some of the checks with you, do you not?

Mr. KENTOR. I have every check that has cleared and been returned by the bank, sir.

Mr. ASKOW. With the major's permission, photocopies of those checks have been furnished to Mr. Ryan, the investigator, for your committee, I believe; is that correct?

Mr. McLENDON. The investigator advises me that he hasn't had the time to have these copied but they are in the process of being copied.

Mr. ASKOW. We will give you copies if you want them.

Mr. McLENDON. Do you have copies you—

Mr. ASKOW. We didn't make them but we will be happy to furnish them.

Mr. McLENDON. We didn't make them. But it is for the purpose of having them identified. They are being sent for, to be identified. If not, we will ask you to loan us your originals and we will return them to you.

Mr. KENTOR. Yes, sir.

Mr. McLENDON. This contract about which you have testified is still in effect, I take it?

Mr. KENTOR. Yes, sir; it is.

Mr. McLendon. And so far as you know there is no indication from Hamco that it intends to cancel your contract?

Mr. Kentor. No, sir; none.

Mr. McLendon. After you made this contract, and particularly that part of it concerning the payment of the finder's fee, did you ever talk to Mr. Baker about it?

Mr. Kentor. No, sir; I have never spoken to Mr. Baker about anything.

Mr. McLendon. Or Mr. Tucker?

Mr. Kentor. No, sir.

Mr. McLendon. How about Law? Did you ever talk to him about it?

Mr. Kentor. Yes, sir; I spoke to Mr. Law.

Mr. McLendon. I believe you have testified—strike that out. Will you tell us what Mr. Law told you with respect to why this money was being paid to Tucker and Baker?

Mr. Kentor. I don't think he ever told me why, sir. Was the question, sir, about the—

Mr. McLendon. Why it was being paid to Tucker and Baker. Did Law ever explain to you why?

Mr. Kentor. No, sir.

Mr. McLendon. Did he testify—did he tell you that his firm of Webb & Law were also receiving a commission as a finder's fee?

Mr. Kentor. No, sir.

Mr. McLendon. Do you mean Mr. Law never disclosed that to you?

Mr. Kentor. No, sir; he did not.

Mr. McLendon. You already testified Mr. Dancy didn't disclose it to you.

Mr. Kentor. No, sir; that is correct. Mr. Dancy did not.

Mr. McLendon. I believe that is all, Mr. Chairman. When we get those copies here we will have them identified.

The Chairman. Senator Cannon?

Senator Cannon. Mr. Kentor, would you say this was a usual manner of doing business in your operation—to pay a commission or a finder's fee?

Mr. Kentor. It is not usual, sir. It is not usual, but neither would I say that it never happens.

Senator Cannon. Well, let me put it this way: Have you paid a finder's fee in connection with other contracts, meat contracts which you obtained?

Mr. Kentor. Yes, sir; I have.

Senator Cannon. Have you paid commissions in connection with other contracts which you obtained?

Mr. Kentor. Yes, sir.

Senator Cannon. Was it represented to you in this instance that you could not get the contract unless you were prepared to pay a commission?

Mr. Kentor. Yes, sir.

Senator Cannon. So that was a part of the package deal that you had to make to get your meat contract?

Mr. Kentor. Yes, sir; that is correct.

Senator Cannon. You indicated that initially the subject was left open for a later discussion as to how much of a commission you would

pay. At the time the half cent per pound was agreed upon, were the payments made retroactively from the time of your first shipment?

Mr. KENTOR. Yes, sir. The agreement was made—the agreement was reached probably about the 20th of March, and so the first check, which was made March 28, covered shipments in February.

Senator CANNON. So that you paid the half cent a pound on all of the shipments that you received from the very beginning of your contract?

Mr. KENTOR. Yes, sir.

Senator CANNON. I believe you said that this was explained to you as a holdover in connection with the original finder for the Hampco contract.

Mr. KENTOR. Yes, sir; that is correct.

Senator CANNON. I note counsel asked you whether or not it was disclosed to you that Mr. Webb and Mr. Law were sharing in this finder's fee. Would it have made any difference in connection with your contract who was sharing in this?

Mr. KENTOR. No, sir; none at all.

Senator CANNON. This was a built-in cost as far as you were concerned?

Mr. KENTOR. Yes.

Senator CANNON. That you were forced to pay to get the meat contract?

Mr. KENTOR. Yes, sir.

Senator CANNON. Was there ever any explanation given you at any time by any person in connection with the reason for paying this finder's fee to indicate that it was anything other than a fee for the initial finding of the Hampco contract?

Mr. KENTOR. No, sir.

Senator CANNON. That is all I have at the moment, Mr. Chairman. The CHAIRMAN. Senator Curtis?

Senator CURTIS. I believe it was \$9,800 that was paid by your firm in 1963.

Mr. KENTOR. Yes, sir.

Senator CURTIS. That would be about a billion and three quarters pounds of meat; wouldn't it?

Mr. KENTOR. Yes, sir.

Senator CURTIS. What kind of meat did you import?

Mr. KENTOR. Primarily boneless beef, Senator.

Senator CURTIS. What was it used for?

Mr. KENTOR. It would be primarily used for processing.

Senator CURTIS. Into what?

Mr. KENTOR. Into sausage, into frankfurters, bologna.

Senator CURTIS. Some hamburger?

Mr. KENTOR. Some hamburger; yes, sir.

Senator CURTIS. Dancy was a part of Hampco?

Mr. KENTOR. Sir?

Senator CURTIS. This man Dancy was——

Mr. KENTOR. Dancy?

Senator CURTIS. Yes; he was associated with Hampco?

Mr. KENTOR. Yes, sir; he is associated with them.

Senator CURTIS. Where is his residence?

Mr. KENTOR. New York City, sir.

Senator CURTIS. Did you learn who the owners of Hampco were?

Mr. KENTOR. I was advised that the owners were the Murchison Bros. and Allen & Co. of New York.

Senator CURTIS. Now, I believe the distinguished Senator from Nevada, Mr. Cannon, used the expression you were forced to pay the commission; is that the way you regarded it?

Mr. KENTOR. I don't know about the words, sir. It would be just—well, I either accept the package or I don't. If I wanted the meat it was one of the factors that I must accept. But I could always walk away and just not take the meat.

Senator CURTIS. Now, did the so-called finders render any service to you?

Mr. KENTOR. No, sir. I have never had any communication with them other than just mailing a check.

Senator CURTIS. Did the so-called finders render any service to Hampco, so far as inducing you to buy?

Mr. KENTOR. Not as far as inducing me to buy, sir.

Senator CURTIS. You would have been glad to follow the information you obtained with regard to Hampco and explore the matter without the intervention of those so-called finders; am I correct?

Mr. KENTOR. Yes, sir.

Senator CURTIS. Well, did the finders actually take you to Puerto Rico?

Mr. KENTOR. No, sir; we had been in Puerto Rico for a long time.

Senator CURTIS. Who was it that told you that you might be able to buy meat from Hampco?

Mr. KENTOR. Originally Mr. Davidson.

Senator CURTIS. Now, was Mr. Davidson in any way connected with these so-called finders?

Mr. KENTOR. I have no knowledge, Senator, as to—

Senator CURTIS. Would it be fair to say you believed at the time it was a mutual exchange of business information that had worked both ways between the two of you?

Mr. KENTOR. Yes, sir; I have every reason to believe that still to this date.

Senator CURTIS. So actually you paid this commission because that was one of the conditions laid down by the owners of Hampco? Is that right?

Mr. KENTOR. Yes, sir; that is correct.

Senator CURTIS. And not because the finders located Hampco for you or because they rendered any service to you, nor did they induce you to buy?

Mr. KENTOR. That is correct, sir.

Senator CURTIS. \$9,800 in less than a calendar year is a sizable amount of commission; is it not?

Mr. KENTOR. Yes, sir; it is. It is a sizable amount of anything, sir.

Senator CURTIS. Well, I would think so. Coming from the beef State, I am very much interested in this proposition. I asked Mr. Tucker, and this is found on page 158:

Senator CURTIS. And how about the importation of the Haitian meat?

Mr. TUCKER. Well the Haitian Meat was a client of Mr. Baker's and Mr. Webb's and Mr. Law's, and the checks—

Senator CURTIS. Go ahead.

Mr. TUCKER. As I said it was a client of Mr. Baker's, Mr. Webb's, and Mr. Law's. And the checks for that client used to come into our office. That I knew about.

Senator CURTIS. Who was the client?

Mr. TUCKER. Haitian Meat, I believe.

Senator CURTIS. What was the name of the company?

Mr. TUCKER. That is all I know—Haitian Meat Co., or something to that effect.

Senator CURTIS. How much came in in fees?

Mr. TUCKER. I kept no record of it, Senator. Mr. Baker kept those records.

Senator CURTIS. It came into Tucker & Baker?

Mr. TUCKER. That is right. The check was made out to Tucker & Baker, but it was not a client of mine—it was Mr. Baker's client, and Mr. Webb's, and Mr. Law's client.

I believe you testified that you have never met Baker or Tucker?

Mr. KENTOR. That is correct, sir.

Senator CURTIS. And while you had met Law and Webb, that was some years back.

Mr. KENTOR. Yes, sir.

Senator CURTIS. Did you see or converse with Webb and Law at all in reference to this meat import?

Mr. KENTOR. Yes, sir.

Senator CURTIS. Tell us about that.

Mr. KENTOR. I received several telephone calls from Mr. Law before the transaction was put together, and then subsequent to that he called me several times and possibly twice or two or three times and asked if I had made my payments and if I was continuing to make the payments.

Senator CURTIS. That was Mr. Law?

Mr. KENTOR. Yes, sir; Mr. Law.

Senator CURTIS. Did Mr. Law contact you before you contacted Hampeo and had your initial discussions with them?

Mr. KENTOR. I don't remember—yes; the timing would have been—his first telephone call would have been before I first called on the Hampeo plant in Port-au-Prince.

Senator CURTIS. Well then, you knew about the commission then before you talked to Hampeo?

Mr. KENTOR. No, sir; no, sir. He did not discuss—the first time—he had a phone call from Mr. Davidson, and then shortly thereafter, which would have been the same day, probably, I had a call from Mr. Law, at which time he asked me if I were interested to buy, and I think told me to call Mr. Haas.

Senator CURTIS. He said nothing about commissions?

Mr. KENTOR. Not at that time, sir, to the best of my recollection. He later spoke about commission and asked if I were agreeable to pay a commission. I don't remember if a price was stated at that time or not.

Senator CURTIS. Was that before or after you agreed to pay a commission?

Mr. KENTOR. Before.

Senator CURTIS. What did you tell him?

Mr. KENTOR. I told him that I would be agreeable to pay a commission.

Senator CURTIS. Have you figured out any logical reason why these men who were prominent in business affairs, well acquainted throughout the United States—and I refer to the Murchisons, and the Allen Co. and Mr. Dancy—why they insisted on a commission being paid when you were not only a willing buyer but apparently a rather anxious buyer?

Mr. KENTOR. I have, sir; I have seen that type of thing happen before. In my opinion, it is probably—I wouldn't say it is a qualified

opinion even, sir—that people who are not in the meat business get the feeling that is something difficult about putting a trade together, and someone sits in the middle of the trade. There are national concerns—national brokerage concerns—in the United States who handle nothing but meat who put a buyer and seller together, and once they do, continue to demand a commission for that one-time service.

Senator CURTIS. But these finders didn't put you together with Hampco.

Mr. KENTOR. No, sir; they did not.

Senator CURTIS. The owners of Hampco wanted it paid.

Mr. KENTOR. Yes, sir; they did.

Senator CURTIS. Did they say anything to indicate that it also involved reimbursement for other services or considerations that the owners of Hampco might be getting?

Mr. KENTOR. No, sir; they said nothing beyond a continuing liability for a finder's service.

Senator CURTIS. Now, in reference to meat transactions that are entirely domestic in the continental United States, have you ever agreed to a commission to somebody that rendered you no service?

Mr. KENTOR. Not to my recollection, sir.

Senator CURTIS. What was this problem that Mr. Haas said they had down there with reference to disposal of carcasses?

Mr. KENTOR. Well, that was an inplant problem. This was a physical problem within the plant. Timewise I may be going back to a year and a half ago, Senator, that they didn't have a cooker—what is known as a cooker—for the disposal of animals that do not meet the specifications for export, and they were apparently—management-wise, they were apparently—inexpert in that direction and wanted to know how they could go about disposing of them; not to sell them, but just to physically dispose of them.

Senator CURTIS. Did you learn that these so-called finders took care of any problem involving meeting import conditions or anything else?

Mr. KENTOR. No, sir.

Senator CURTIS. Do you know whether they rendered any service to Lopez?

Mr. KENTOR. I was advised that the service that they rendered to Lopez was—and to Hampco was—putting the two of them together and working out a contract.

Senator CURTIS. Well now, this commission—you are paying a half cent now.

Mr. KENTOR. Yes, sir.

Senator CURTIS. And that goes on in the future?

Mr. KENTOR. Yes, sir.

Senator CURTIS. What is the termination date?

Mr. KENTOR. I expect that the termination date is soon. Maybe I should say hope.

Senator CURTIS. What makes you say that?

Mr. KENTOR. Because of the original under—because of the original understanding, I should say, I expect for financial reasons, I hope, the expectation, sir, is that Mr. Dancy, having told me that there was a contract for 2 years, and a continuing obligation under that contract, I expect that when that contract terminates—and in my computations

that would be May of 1964—the original contract will have expired, and I expect that I will be under no continuing responsibility to pay anyone a commission.

(At this point, Senator Jordan left the hearing room.)

Senator CURTIS. Do you know why Lopez discontinued the buying of meat?

Mr. KENTOR. No, sir; I can't say that I know why. There appeared to be many commercial reasons at that time that made the importation financially unattractive. It was for me when we started in; this was a difficult marketing time; a strike had just been concluded; the shipping strike was just over. There was a wealth of products available for distribution, and buyers were getting pretty tough.

Senator CURTIS. In other words, you found you could pay this commission because of the lower price that you could lay down this Hampco meat in the United States as compared to the domestic production?

Mr. KENTOR. No, sir; the actual interest, my interest, in Hampco meat had nothing to do with the United States. As a matter of fact, the importation into the United States was a drawback.

Senator CURTIS. Where did you have this meat shipped to?

Mr. KENTOR. To Puerto Rico, sir.

Senator CURTIS. You did not ship any of it to Chicago?

Mr. KENTOR. I shipped—no, sir; nothing to Chicago. I shipped some of it to the United States, only what I could not sell in Puerto Rico.

Senator CURTIS. Well, now, after it was processed into sausages and other things it remained in Puerto Rico?

Mr. KENTOR. Yes, sir; it remained in Puerto Rico.

Senator CURTIS. About how much have you shipped into the United States, continental United States?

Mr. KENTOR. I don't have a total on that, sir. It would vary from month to month. Our interest and our goal is to supply the Puerto Rican market, and whatever would be in excess on the Puerto Rican market we would bring to the States.

Senator CURTIS. Who are the other suppliers to the Puerto Rican market?

Mr. KENTOR. Practically every meat exporting country of the world, including the United States.

Senator CURTIS. Where were they getting most of it?

Mr. KENTOR. Puerto Rico, sir?

Senator CURTIS. Yes.

Mr. ASKOW. What was that question?

Senator CURTIS. Where were they getting most of it?

Mr. KENTOR. I would have no idea of the percentages, Senator, or who would be the major one. Puerto Rico produces practically nothing of its own requirements in meat.

Senator CURTIS. Considerably all of it did come from the States before this arrangement with Hampco?

Mr. KENTOR. Yes, sir.

Senator CURTIS. And Puerto Rico is U.S. territory, isn't it?

Mr. ASKOW. Well, we will concede that.

Mr. KENTOR. I never have really found out, Senator.

Senator CURTIS. That is all right.

Mr. KENTOR. It depends on the person with whom I am talking. Internal Revenue has one idea and—I don't know.

Senator CURTIS. All right; that is all.

Senator CANNON (presiding). Mr. Kentor, have you previously bought out any contracts of a similar nature to this where you had to continue to pay a commission?

Mr. KENTOR. No, sir; not to my recollection.

Senator CANNON. Now, you said that you have paid commissions on securing contracts and also paid finder's fee. May I ask you whether or not these are one-time fees, or are they continuing fees for the initial finding?

Mr. KENTOR. That is purely a matter of negotiation, Senator. Naturally, we try to make it as short as possible, and the finder tries to make it as long as possible.

Senator CANNON. Well, have you paid any finder's fees or commissions that have continued over a period of time for the initial finding?

Mr. KENTOR. Yes, sir. I have paid fees that have continued through the course of a contract, but the contracts would be relatively short contracts.

Senator CANNON. Are you paying any such fees at the present time?

Mr. ASKOW. Other than this?

Senator CANNON. Other than this.

Mr. KENTOR. Probably, Senator.

Senator CANNON. Probably?

Mr. KENTOR. Yes, sir.

Senator CANNON. In other words; it is customary?

Mr. KENTOR. Yes, sir.

Senator CANNON. Were you importing to Puerto Rico prior to your entering into this contract?

Mr. KENTOR. Yes, sir.

Senator CANNON. Where were most of your imports received from at this time?

Mr. KENTOR. At that time they were from our principal source, the United States. Beyond that Nicaragua, Australia, New Zealand, and Ireland.

Senator CANNON. As a result of this contract have you decreased your imports from all of these other areas?

Mr. KENTOR. No, sir. That has no effect on it.

Senator CANNON. Have you decreased your imports from the United States particularly?

Mr. KENTOR. No, sir. On the contrary, our imports from the United States have increased.

Senator CANNON. I, too, am concerned about this cattle import problem as Senator Curtis indicated, and incidentally, Senator Curtis indicated that you had imported approximately a million pounds of beef based on this fee in 1963. Isn't it correct to say that you imported almost 2 million pounds of beef into Puerto Rico?

Mr. ASKOW. I intended to correct that.

Senator CURTIS. I said a million and three-quarters.

Mr. KENTOR. Yes, sir; that is my recollection.

Senator CANNON. You actually imported almost 2 million pounds under this contract last year into Puerto Rico.

Mr. KENTOR. I think my records are for a total of 9 months; during those 9 months; yes, sir.

Senator CANNON. Was there an increase or a decrease for you prior to your contractual arrangements—prior to entering into this contract for imports into Puerto Rico?

Mr. KENTOR. There was an increase for me, sir.

Senator CANNON. And you say you have not decreased your imports from other areas, particularly the United States, as a result of this contract?

Mr. KENTOR. No, sir; we have increased.

Senator CANNON. Senator Pell?

Senator PELL. Mr. Kentor, my recollection is that there was some problem concerning the licensing of the Haitian plant to meet Department of Agriculture standards; is that correct?

Mr. KENTOR. My knowledge of that, sir, is purely from the newspapers. I was not advised of any problem.

Senator PELL. Then you would not know whether or not Mr. Baker had been instrumental in helping resolve that problem?

Mr. KENTOR. No, sir; I would have no knowledge at all on that.

Senator PELL. Thank you. That is all.

Senator CANNON. Senator Cooper?

Senator COOPER. I believe you stated that prior to the time you entered into the contract with Hampco, you had been in business in that area for several years.

Mr. KENTOR. Yes, sir.

Senator COOPER. How many years?

Mr. KENTOR. About 4 years, sir, in Puerto Rico.

Senator COOPER. Does your company have an office in Haiti or in Puerto Rico?

Mr. KENTOR. We have an office in Puerto Rico; sir.

Senator COOPER. How long has the office been open?

Mr. KENTOR. Since 1959, probably; possibly 1960.

Senator COOPER. During all that time did your company, and your office there, hold itself out as being willing to purchase beef?

Mr. KENTOR. Yes, sir; very actively, I believe.

Senator COOPER. Do you know how long Hampco had been in business in Haiti, and in Puerto Rico?

Mr. KENTOR. My recollection is that they entered the exporting field from Haiti in the spring or summer of 1962, sir.

Senator COOPER. You knew they were in business and they knew you were in business buying meat?

Mr. KENTOR. I knew they were in business, sir. I don't know that they—I don't know any reason why they would know.

Senator COOPER. You have an office there?

Mr. KENTOR. Yes, sir.

Senator COOPER. You had been talking to Mr. Dancy about a contract.

Mr. KENTOR. I talked—yes, sir; I talked with Mr. Dancy.

Senator COOPER. My point is there wasn't any great difficulty in finding your company.

Mr. KENTOR. No, sir; I hope not.

Senator COOPER. Did you know Lopez?

Mr. KENTOR. No, sir—I knew of Mr. Lopez; yes, sir.

Senator COOPER. Did you know Mr. Lopez was in the same business of purchasing and distributing meat?

Mr. KENTOR. Yes, sir.

Senator COOPER. Where was the Lopez office?

Mr. KENTOR. In Puerto Rico, sir.

Senator COOPER. Do you know whether it is an established firm and how long it had been in business?

Mr. KENTOR. I don't believe that it has a very long history, Senator.

Senator COOPER. Not as long as your office has been there?

Mr. KENTOR. No, sir; we have been there longer.

Senator COOPER. Are there other firms in Puerto Rico engaged in the purchase of beef?

Mr. KENTOR. Yes, sir; there are many.

Senator COOPER. Is it rather well known that there are firms in that area, in Haiti and Puerto Rico, which want to buy beef?

Mr. KENTOR. Yes, sir.

Senator COOPER. You don't think it would be very hard to find them?

Mr. KENTOR. No, sir; it would not be.

Senator COOPER. Did you ever hear of a Benitez firm being in the business of purchasing beef?

Mr. KENTOR. Did you say the Benitez firm?

Senator COOPER. Did you ever hear of a man named Benitez?

Mr. KENTOR. I had—until this investigation started, sir, I had not heard the name "Benitez."

Senator COOPER. You had never heard of him being active in the arrangement of contracts for the sale of beef?

Mr. KENTOR. No, sir.

Senator COOPER. Did you know that Webb & Law were in the business of procuring contracts for the sale of beef? Had you ever heard of them?

Mr. KENTOR. Yes, sir; I had heard of them, and I probably should have stated earlier that I had been told—and I would say by Mr. Davidson—that the firm of Webb & Law represents the Murchisons and, therefore, when he called, when Mr. Law called, on those occasions, I didn't see anything unusual in his inquiring about what we were doing.

Senator COOPER. You think of that firm as being more interested in promoting the sale of the beef than finding a firm to purchase it?

Mr. KENTOR. I consider them as having the mission of doing what the Murchison interests have an interest in, sir.

Senator COOPER. From your experience in that are and in meat wholesaling generally, you believe it wouldn't be difficult for a firm such as Hampco, which has offices in Haiti or Puerto Rico, to find purchasers there?

Mr. KENTOR. I didn't understand that completely, sir.

Senator COOPER. My point is that with your company having an office there, and other companies having offices there, it wouldn't be hard to find purchasers for meat.

Mr. KENTOR. No, sir; we would not be hard to find. We would probably rap on their door first.

Senator COOPER. I believe you also mentioned that many brokerage firms are in the business of buying, making contracts, or finding people to buy beef produced there. Where are the Hampco ranches, do you know?

Mr. KENTOR. They have no ranches, to my knowledge, sir. Hampco; is that what your question is?

Senator COOPER. Yes; do they have any cattle ranches in that area?

Mr. KENTOR. Hampco?

Senator COOPER. Yes.

Mr. KENTOR. None to my knowledge; I am confident they don't have any.

Senator COOPER. Where do they get the beef then?

Mr. KENTOR. They buy it—they have cattle buyers out and buying stations, buying cattle live from the Haitian raisers and sellers.

Senator COOPER. And Hampco has a slaughterhouse in Port-au-Prince?

Mr. KENTOR. Yes, sir.

Senator COOPER. A question was asked as to whether or not you might have assumed the payment of a finder's fee, or if you assumed the contract. Isn't it correct that you were informed that the original contract with Lopez was canceled?

Mr. KENTOR. Yes, sir; that is correct.

Senator COOPER. So you did not enter into any agreement with Lopez to assume his contract for purchasing from Hampco?

Mr. KENTOR. No, sir; we would be competitors through that entire matter.

Senator COOPER. In fact, was your contract in any way identical, except for the finder's fee, with the Lopez contract?

Mr. KENTOR. I have—I wouldn't know if it would be identical, Senator, or not.

Senator COOPER. You did not enter into any arrangement with Lopez to take over his contract; you entered into your contract with Hampco?

Mr. KENTOR. Yes, sir.

Mr. ASKOW. If I may, I think the Senator's question was raised by the manner in which an earlier question was asked.

Senator COOPER. Yes.

Mr. ASKOW. And I think this clarifies the record.

Senator COOPER. When you entered into the contract, as you have testified to us, Tucker and Baker in fact performed no services for you or your company for which you were obligated to pay them any fee, and you are paying this fee then because of the insistence of Hampco.

Mr. KENTOR. Correct, sir.

Senator COOPER. I believe you said Hampco told you they felt this fee ought to be continued throughout the rest of the time of the contract with Lopez?

Mr. KENTOR. Yes, sir; they said it must be continued.

Senator COOPER. But it was continued as a condition of their contract, not because of any condition of any Lopez contract?

Mr. KENTOR. Yes, sir.

Senator COOPER. Did you inquire of them why you were being asked to pay a so-called finder's fee to a firm that never rendered any services to you?

Mr. KENTOR. Yes, sir; I did.

Senator COOPER. Did they give you any explanation other than the one you have already given?

Mr. KENTOR. No, sir; other than the statement from Mr. Dancy, the background to it.

Senator COOPER. So if there is any obligation being paid by your remittance of one-half cent, it is not your obligation; it is an obligation of Hamco?

Mr. KENTOR. Yes, sir.

Senator COOPER. And you don't know what the consideration for that payment is?

Mr. KENTOR. No, sir; I do not.

Senator COOPER. That is all.

Senator CANNON. Senator Pell?

Senator PELL. Yes. One further question. As a matter of custom in your business, if there is not a direct contact between you and the producers of the meat, do you usually pay a finder's fee or not?

Mr. KENTOR. Sir, if I understand—

Senator PELL. In other words, is it the custom in your business to pay a finder's fee if there is not a direct relationship?

Mr. KENTOR. Yes, sir; it is not known—the term "finder's fee" is not normal. It would be called brokerage.

Senator PELL. It would be the same thing basically?

Mr. KENTOR. Yes, sir. The effect would be the same.

Senator PELL. Except the brokerage fee would probably be a one-time fee and a finder's fee would be a drag-on fee?

Mr. KENTOR. It—the brokerage fee, sir—would be just depending on the terms of the contract; generally, a contract is for a tonnage. The terms would be for a set number of tons to be delivered over a specified period of time, and a set brokerage to be paid during the course of it.

Senator PELL. Did it strike you as odd, as being perhaps not within the bounds of propriety, that a Senate employee would be getting a finder's fee for a job of this sort?

Mr. KENTOR. Sir, I had no idea that the name "Bobby" came before "Baker" or that the combination of the two was a relevant matter.

Senator PELL. I see. Did you have any other contact, discussion, or dealings with any other employee, former or present, of the Senate?

Mr. ASKOW. The way in which your question is asked, Senator, indicates there have been some, and "Have you had any other—"

Senator PELL. Forgive me; you are quite right.

Mr. ASKOW. Thank you.

Senator PELL. Let me rephrase it, not being a lawyer; did you have any contact with any employee of the Senate, presently employed or formerly employed, in the course of your business dealings?

Mr. KENTOR. No, sir; I have never had any.

Senator PELL. Thank you.

Mr. ASKOW. Forgive me for my interruption.

Senator CANNON. Counsel, do you have any questions?

Mr. McLENDON. Mr. Kentor, I forgot to ask you did Law visit you in Chicago while these negotiations were going on between you and Hamco? Do you recall a meeting at the airport on one occasion?

Mr. KENTOR. Yes, sir; I was hesitating because of the time. I don't know whether this was during the negotiations or after the contract had been concluded, but Mr. Law called me one time and told me that he would be at the airport and asked me to meet him there.

Mr. McLENDON. Did you discuss this contract with Mr. Law on that occasion?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Did he disclose that his firm was a participant in this fee or commission or finder's fee, whatever you call it?

Mr. KENTOR. No, sir; he did not.

Mr. McLENDON. Did he identify Baker as being a participant?

Mr. KENTOR. No, sir; he did not.

Mr. McLENDON. He made no explanation to you about the commissions of a half cent, as far as you can recall?

Mr. KENTOR. No, sir. It was a very short talk between planes and that did not come into it.

Mr. McLENDON. Did he make any explanations of his personal interest in the contract between you and Hampco?

Mr. KENTOR. No, sir.

Mr. McLENDON. Mr. Kentor, is any significance to be attached by the committee to the fact that you have not paid \$1,035.09 which you said was due for the month of November?

Mr. KENTOR. I know—there is no—this is a procedural matter, sir. It has no significance.

Mr. McLENDON. You just haven't gotten around to delivering the check as a result of your bookkeeping and accounting; is that what it is?

Mr. KENTOR. That is not completely it, sir. Actually, I learned just yesterday that further checks have not been mailed, and the reason that I state that it is procedural is that we have three disbursing offices, and the comptroller in each would hold—would withhold payments for a transaction until the prior one was completed, and the prior payment has not been closed out for audit purposes.

Mr. McLENDON. What I really want to ask you is this: Is it—are you indicating to the committee in any of your testimony that you intend to attack the enforceability of this agreement requiring you to pay this commission?

Mr. KENTOR. No, sir. I have no grounds to attack it.

Mr. McLENDON. And did you mean to indicate a while ago in answer to some question about your anticipation of what may happen when your contract term expires that you mean to anticipate that the Hampco Co. would at that time release you from further payment of these commissions?

Mr. KENTOR. Yes, sir; I fully expect them to.

Mr. McLENDON. You think they will. Have they indicated that to you?

Mr. KENTOR. There has been no discussion, sir. When we entered into it, I understood that it was for the duration of the Lopez contract, and in the absence of them telling me anything beyond that, making any further statement, the next story had better be a good one, sir.

Mr. McLENDON. I take it, then, what you mean is that you were just assuming that when this contract expires Hampco will probably not insist upon your paying the commission, if you negotiate a new contract?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. But that is an assumption on your part?

Mr. KENTOR. Yes, sir; it is.

Senator CURTIS. I have one question. Was there ever anything to indicate that this commission being paid to Tucker & Baker might

have been intended for some other service or some other reason that the Murchisons, the owners of Hampco, wanted to transfer money into the hands of Tucker & Baker?

Mr. KENTOR. No, sir; there was not any indication.

Senator CURTIS. Thank you.

Senator CANNON. What is the term of your contract now, Mr. Kentor. When does your present contract expire?

Mr. KENTOR. We have no termination date, Senator. This is— can be canceled by either party at any time.

Senator CANNON. So it doesn't have a fixed termination date canceling the previous contract?

Mr. KENTOR. No, sir; it does not.

Senator CANNON. Do you want to have the checks identified?

Mr. McLENDON. Will you examine the photostat documents just being given you there? They purport to be at least a copy of your file as you gave them to the investigator. Will you check them to see whether or not they are copies and, if so, I want to offer them in evidence.

Mr. KENTOR. Yes, sir; I will.

Mr. McLENDON. Include the checks that you testified to and also include some supporting documents for the checks.

Mr. ASKOW. They all appear to be in the direct form and are taken from our records and are copies that Mr. Kentor brought in response to the request of the invitation to appear here today.

Mr. McLENDON. So the witness' answer is these are copies of your original records that you furnished the committee?

Mr. KENTOR. Yes, sir.

Mr. McLENDON. Will you mark them, Mr. Reporter, beginning with the first one, which is a check for \$459, and mark them in order from then on?

(The checks referred to were marked "Kentor Exhibits 1, 2, 3, 4, 5, and 6," and are as follows:)

KENTOR EXHIBIT 1

PACKERS PROVISION CO., INC.
7518 NORTH SHERIDAN ROAD
CHICAGO 28, ILLINOIS

No. XXXX

LAKE SHORE NATIONAL BANK
CHICAGO 11, ILLINOIS

DATE 3/28/53 XXXX

PAY THE SUPPLY CENTER DOLLARS \$ 459.00

PACKERS PROVISION CO., INC.

TO THE ORDER OF
Tucker & Baker
Suite 605
2000 P Street N.W.
Washington 6, D.C.

PAID

Wm. S. Kentor

XXXX

KENTOR EXHIBIT 1—Continued



Vertical text on the right side of the page, possibly a date or reference number, which is mostly illegible.

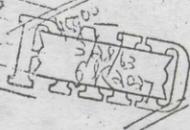
3/27/63

Memo Legal Expense

Tucker + Baker
Suite 605
2000 P Street N.W.
Washington 6, D.C.
Attn: Robert H. Baker

Fee due for shipments
(list attached) from Hangeo
to Paepro.
91,800# @ 1/2¢ = \$45900

WEIGHT VERIFIED
PRICE OK
EXTENSION OK
POSTED 338
AUTHORIZED: [Signature]



KENTOR EXHIBIT 1—Continued

Hampco1963To New York

2-12	43,200 #
2-18	27,000
2-25	21,600
	<hr/>
	91,800 #
	$\cdot \frac{1}{2} f = \underline{\underline{\$45900}}$

Miss T.

Pls pay attached
this week.

Upon receipt our
check, they will send
us voucher to attach
to our memo.

Mac
3-27-63

KENTOR EXHIBIT 1—Continued

TELEPHONE
COLUMBIA 5-7033

LAW OFFICES
TUCKER AND BAKER
SUITE 605 HEADQUARTERS BUILDING
2000 F STREET, N.W. AT DUPONT CIRCLE
WASHINGTON 6, D. C.

SOUTH CAROLINA OFFICE
101 SO FENDLETON ST
EARLEY, SOUTH CAROLINA
TELEPHONE 5090

ERNEST C. TUCKER
ROBERT G. BAKER

February 1, 1963

Packers Provision Co., Inc.
7518 North Sheridan Road
Chicago 26, Illinois



For Legal Services Rendered, February, 1963.

\$459.00

459 3/18/63
FR 2027

KENTOR EXHIBIT 2

PACKERS PROVISION CO., INC.
7518 NORTH SHERIDAN ROAD
CHICAGO 26, ILLINOIS

N^o XXXX

LAKE SHORE NATIONAL BANK
CHICAGO 11, ILLINOIS

DATE 5/13/63

XXXX

PAY

THE SUM OF 459 AND 00/100 DOLLARS

DOLLARS \$2,134.37

PAID

PACKERS PROVISION CO., INC.

TO THE ORDER OF

Tucker and Baker
Suite 605
2000 P Street N.W.
Washington 6, D.C.

P. McKee
William S. Carter

XXXX

XXXX

Vertical text on right edge of check area

KENTOR EXHIBIT 2—Continued

Mrs L

Re: attached

Please pay \$2,134.37 to Tucker and Baker
this week.

These costs are for legal services performed
in connection with boneless beef shipments from
Haitian American Meat & Provision Co., Inc. during
months of March and April, 1963.

WEIGHT VERIFIED
PRICE OK
EXTENSION OK
POSTED *april 24*

Mac
5-13-63

2134³⁷ [Stamp: 5/13/63, 2134.37]

Mrs J.

Re: Most recent
payment we made
to Tucker & Baker —
attached pl. find
this invoice to
cover same.

*Which
duplicate check
ms*

Mac
5/28

KENTOR EXHIBIT 2—Continued

TELEPHONE
202-331-2000

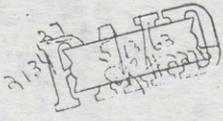
KENTOR C. TENNEY
KENTOR C. BAKER

LAW OFFICES
TUCKER AND BAKER
SUITE 400 FLEAINT APPEALS BUILDING
2000 P STREET, N.W. WASHINGTON CIRCLE
WASHINGTON, D.C.

May 1, 1963

SOUTH CAROLINA OFFICE
101 SO FENDLTON ST
EASLEY, SOUTH CAROLINA
TELEPHONE 8600

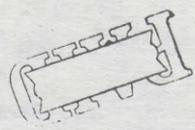
Packers Provision Company, Inc.
7518 North Sheridan Road
Chicago 26, Illinois



For Contractual Services.

\$2,034.37

WEIGHT VERIFIED
PACKERS
MAY 16 1963
AUTHORIZED



KENTOR EXHIBIT 3

PACKERS PROVISION CO., INC.
7518 NORTH SHERIDAN ROAD
CHICAGO 26, ILLINOIS

No XXXX

LAKE SHORE NATIONAL BANK
CHICAGO 11, ILLINOIS

DATE 8/16/63

XXXX

PAY

TO THE ORDER OF
Tucker & Baker
2000 P St. N.W.
Washington, D.C.

PAID DOLLARS 3,522.92
PACKERS PROVISION CO., INC.
P. Nicholas
LAKE SHORE NATIONAL BANK

XXXX

KENTOR EXHIBIT 3—Continued

DEPOSIT
Trucker and Baker



Handwritten note:
 American check to
 Truckers & Bakers
 2000 P St. N.W.
 Washington, D.C.
 for \$3,522.91

Handwritten note:
 Also, on the fiction
 American Bank for
 \$12,000.00

Handwritten note:
 I will give you
 more info to come
 check

Mon
 8-16

KENTOR EXHIBIT 3—Continued

8/1/63

Memo Legal Expense

Trucker + Baker

Fee due (for shipment (list attached) from Hampton to Puerto during May - June + July, 1963.

= \$3522.91

WEIGHT VERIFIED _____
 PRICE _____
 EXT. _____
 POSTED _____
 AUTHORIZED: _____

Truck to NY
 May - June
 4-29 25,200
 5-21 28,500
 June 6-18 46,780
 July 7-5 55,680
 7-22 60,000
 7-31 30,000
 248,160 $\times \frac{1}{2} = 124,080$

Truck to SJ

May - June 23 (4-27 thru 5-1)
 146,146 $\times \frac{1}{2} = 73,073$
 June - July 33 (6-4 thru 6-22)
 124,154 $\times \frac{1}{2} = 62,077$
 July - 7 (7-1 thru 7-31)
 180,012 $\times \frac{1}{2} = 90,006$
 \$ 3522.91

KENTOR EXHIBIT 3—Continued

August 16, 1963

Taylor and Baker
Suite 600
2700 P Street N.W.
Washington 6, D.C.

Gentlemen:

Enclosed please find our check in the amount of \$3,522.91, rendered in payment for your services in connection with fresh and frozen meat shipped from Haiti to San Juan and/or New York during the months of May, June, and July, 1963.

We must apologize for the delay in making this remittance. However, we found our problem to be inability to procure figures from our San Juan office so that we might more speedily handle these computations. This difficulty resulted in the replacement of our top man at that office, and all indications thus far are that the new man will prove to be a vast improvement over his predecessor.

Thank you for your patience, and please be sure to mail this office an invoice to be used as a voucher.

Very truly yours,

James P. McNally
Secy - Treas

JMN/jm

KENTOR EXHIBIT 3—Continued

TELEPHONE
COLUMBIA 5-7003

LAW OFFICES
TUCKER AND BAKER
SUITE 605 HEADQUARTERS BUILDING
2000 P STREET, N.W. AT DUPONT CIRCLE
WASHINGTON 6, D. C.

SOUTH CAROLINA OFFICE
101 SO. PARKWAY ST.
EASLEY, SOUTH CAROLINA
TELEPHONE 2566

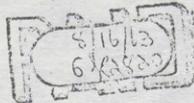
ERNEST C. TUCKER
ROBERT C. BAKER

August 19, 1963

Packers Provision Company, Inc.
7518 North Sheridan Road
Chicago 26, Illinois

INVOICE

Legal Services for May, June, July \$3,522.91

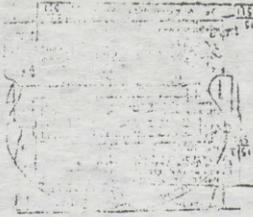


WEIGHT VERIFIED 8
PRICE OK 3
EXTENSION OK 2
POSTED see 201
June July

KENTOR EXHIBIT 4

PACKERS PROVISION CO., INC. 7518 NORTH SHERIDAN ROAD CHICAGO, ILLINOIS 60626		No. XXXX XXXX
PAY <i>THE STATE OF ILLINOIS</i>		CHECK NO. 6A10/23/63 AMOUNT \$2,185.92
TO THE ORDER OF Tucker & Baker Suite 605 2000 P. Street N.W. Washington 6, D.C.	PACKERS PROVISION CO., INC. <i>Ernest C. Tucker</i> <i>Robert C. Baker</i> 7/23/63	
LAKE SHORE NATIONAL BANK CHICAGO, ILLINOIS	XXXX	

KENTOR EXHIBIT 4—Continued



10/23/63

Memo Legal Expense

Truher + Baker
Washington, D.C.

Fees due for (attached list
attached) from Haysco to Peoples
during Aug + Sept, 1963

= \$2,185⁹²

WEIGHT VERIFIED _____
PRICE OK _____
EXTENSION OK _____
POSTED CD 391 _____
AUTHORIZED _____

PAID
10/23/63
215592

KENTOR EXHIBIT 4—Continued

from San Juan
 Aug. 7 thru 100 thru 75
 $137,996 \times \frac{1}{2} = 68,998$
 27. 100 thru 75
 $137,788 \times \frac{1}{2} = 68,894$
1,155.92

from N.Y.

8-13	1250 B.	75,000	
9-12	600 "	30,000	
9-11	300 "	15,000	
		<u>120,000</u>	$\times \frac{1}{2} = 60,000$
			<u>2,155.92</u>

(Handwritten mark)

October 23, 1963

Tucker and Baker
 Suite 605
 2000 P Street N.W.
 Washington 6, D.C.

Gentlemen:

Enclosed please find our check in the amount of \$2,155.92, rendered in payment for your services in connection with fresh and frozen meat shipped from Haiti to San Juan and/or New York during the months of August and September, 1963.

Please mail this office an invoice to be used as a voucher.

Very truly yours,

James P. McElally
 Secy - Treas

JPM/jm

KENTON EXHIBIT 4—Continued

Time J.

Pls issue check to
Tucker + Baker for
\$ 2,185⁹². ✓

Attached memo w/cover
til their invoice received.
Pls send check in
attached envelope

Wca
10/23/63

KENTOR EXHIBIT 4—Continued

TELEPHONE
COLUMBIA 9-2000

FRANK C. TOLSON
ROBERT G. BAKER

LAW OFFICES
TUCKER AND BAKER
SUITE 900 HEADQUARTERS BUILDING
2000 P STREET, N.W. AT INDEPENDENT CIRCLE
WASHINGTON 6, D. C.

SOUTH CAROLINA OFFICE
101 50 PENDERLTON ST.
EASLEE SOUTH CAROLINA
TELEPHONE 5868

October 25, 1963

Packers Provision Company, Inc.
7518 North Sheridan Road
Chicago 26, Illinois

ATTENTION: James P. McNally

INVOICE

Services for August and September, 1963 \$2,185.92

WEIGHT VERIFIED
PRICE OK
EXTENSION OK
TOTAL OK
ALL OK

145
10/25/63
2-2857

KENTOR EXHIBIT 5

~~file~~ ---

Re: attached

Pay this memo bill -
1/5 30.13
amt. ~~495.22~~ - tomorrow.

Make payable + mail to:

Tucker + Baker
Suite 605
2000 P Street N.W.
Washington 6, D.C.

They will mail invoice
to us for use as voucher.

~~Handwritten scribble~~
275.03
275.03

AC670

Mac
12-12-63

KENTOR EXHIBIT 5—Continued

12-12-63

Memo Legal Expense

Tucker + Baker
Washington, D. C.

French West - Oct - 7 bills
82 thru 93 150,026 ⁵¹ = 750.13

French West - Oct.

10-18	67,800 ⁷¹	
10-7	48,000	
11-2	40,200	
	<u>156,000⁷¹</u>	⁵¹ = 780.00
		<u>1,530.13</u>

[Handwritten signature]
 12/11/63
 ch 474
 JAL 670

KENTOR EXHIBIT 6

12-12-63

Memo Legal Expense

Tucker & Baker \$1000 P. Sh
Washington, D.C., N.W.

7-19-63 Mart-Nov-7-1963 ✓
44 three 106 159,018^N * $\frac{1}{2}$ = 795.09

7-19-63 Mart-Nov.
11-19 48,000 * $\frac{1}{2}$ = 240.00

\$1035.09 (not sent
amount
voucher
from
Jan.
check)

3
2 A/c 670

ck. 558
DEC 27 1963
U.S. int'l drug
clg Joh

Mr. McLendon. I believe that is all, Mr. Chairman.

Senator Cannon. You may be excused, Mr. Kentor. We appreciate your coming before the committee to assist us in this matter.

Mr. Kentor. Thank you, sir.

Mr. Askow. Thank you very much for the courtesy you have shown us.

Senator Cannon. Mr. Kentor, I want to point out at this time that you did appear voluntarily without subpoena and we appreciate it.

Mr. Kentor. Thank you, Senator.

Senator Cannon. Mr. Levinson.

Mr. Levinson, you heard the statement that was read by Chairman Jordan to Mr. Kentor?

Mr. Levinson. Yes, sir.

Senator Cannon. Very well; if you will stand and place your left hand on the Bible and be sworn, please.

Do you solemnly swear the testimony you are about to give in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Levinson. I do.

Senator Cannon. Will you proceed?

Mr. McLendon. Just a moment. May we get the appearances in the record?

Mr. Levinson, will you state your full name and residence address?

TESTIMONY OF EDWARD LEVINSON, ACCOMPANIED BY EDWARD L. CAREY AND WALTER E. GILLCRIST, ATTORNEYS

Mr. Levinson. My name is Edward Levinson. I live at 3125 Ashby, Las Vegas, Nev.

Mr. McLendon. Do you have your personal counsel with you this morning?

Mr. Levinson. I do.

Mr. McLendon. Will you gentlemen state your names and addresses?

Mr. Carey. My name is Edward L. Carey, 821 15th Street Northwest.

Mr. Gillcrist. My name is Walter E. Gillcrist, of the same address.

Mr. McLendon. Now, Mr. Counsel, you may proceed.

Mr. Carey. Mr. Chairman, I should like at this time to invoke the Senate rules and ask that all television and all radio and all cameras be terminated at this point. The reason for such suggestion is that I suggest that it will be quite discomforting and quite discommoding and harassing to the witness who is appearing here voluntarily as a witness.

Senator Cannon. Does the committee desire to consider this matter in executive session or does the committee desire to act on the precedent which has been established by the committee?

Mr. McLendon. Mr. Chairman, will you permit me to ask him one question before you pass on it?

Senator Cannon. Yes.

Mr. McLendon. Mr. Levinson, this question is directed to you; not the counsel. Do you feel you will be embarrassed and handicapped in testifying here in the presence of the radio and television cameras?

Mr. Levinson. Yes, sir.

Senator CANNON. Is there objection?

Senator PELL. No objection.

Senator CANNON. Without objection, the request of the witness will be granted. Television, newsreel, still cameras, and radio will be excluded from the hearing room and the lights will be extinguished.

Mr. CAREY. Mr. Chairman, may I state—

Senator CANNON. We will have a very brief pause to give the people the opportunity to get their equipment down.

The committee will come to order.

The chairman wishes to announce that the committee does have permission to sit while the Senate is in session today.

Questions have been asked by the press relative to the statement concerning Mr. Levinson a few moments ago as to whether he appeared voluntarily. The Chair wishes to state that Mr. Levinson appeared here voluntarily and contacted the Rules Committee and accepted a service of subpoena at the Rules Committee room as a technical matter for the record.

Mr. Counsel, you may proceed.

Mr. CAREY. I am glad you straightened that out, Senator, because there were stories to the press that Mr. Levinson was avoiding process. That is not correct. He appeared here this morning and accepted service in Major McLendon's office.

Senator CANNON. You may proceed, Counsel.

Mr. McLENDON. I can say that he personally called me on Saturday morning and he told me he would be here this morning and be prepared to testify.

Mr. CAREY. Major, before you proceed, may I have Mr. Levinson read a statement which he has prepared and he would like to read into the record?

Mr. McLENDON. Yes, sir.

Mr. LEVINSON. I respectfully refuse to answer the questions for the following reasons. No. 1, the constitutional rights guaranteed to me by the first and fourth amendments have been invaded by agents of the executive branch of the Government. Specifically I charge that agents of the executive branch of the Government, acting in concert with the Central Telephone Co. of Nevada, during 1963 placed an electronic eavesdropping device in the telephone in my office at the Fremont Hotel in Las Vegas, Nev.

By means of this device Government agents monitored all the conversations in my office whether held over the telephone or not. The device used was a small radio transmitter hidden in the base of my telephone. It was discovered only by chance after it had been there for an undetermined length of time.

I charge that this conduct was not only an unconstitutional invasion of my privacy, but also that it violated the criminal laws of the United States and the State of Nevada.

I have already instituted suit on this matter in Nevada District Court. I propose to offer proof to support these charges in the proceedings. I do not yet know how extensively this invasion of my rights to privacy was carried on with respect to other telephones I used in other places where I held conversations. But I am now having an investigation conducted to determine this. In the meantime, I shall refuse to provide any additional information to any agents of government.

(2) Against this background, I fear that any answer I may give to the questions will be used to incriminate me. Therefore, on the advice of counsel, I invoke the protection of the first, fourth, and fifth amendments to the Constitution, and I specifically refuse to answer because of the privilege against self-incrimination.

Mr. CAREY. Gentlemen, I may also suggest that Mr. Levinson and my associate had a rather strange experience in this room here this morning. About half an hour ago we were sitting there and a gentleman came up and said, "Who is Mr. Levinson?" And I said, "The man to my right."

So, he pulled out an identification "Internal Revenue Agent." So he served Mr. Levinson with a summons returnable at Las Vegas, Nev., on the 16th of March.

I said to Mr. Levinson at that time, "I seriously challenge the validity of a summons being served upon you when you were here pursuant to a legitimate Senate inquiry." The agent then said to me, "I wasn't aware of that," and attempted to take the summons and put it back in his briefcase. Mr. Levinson says, "No, Mr. Carey." He overruled me. He said, "I will accept that summons, and I will be in Las Vegas, Nev., on March 16, 1964."

There is the summons; I have it here in my possession. I merely submit this to the committee to indicate the type of harassment to which this man is being subjected. Apart from eavesdropping on his telephone in Nevada, by agents of the executive branch of the Government, serving a summons in the Senate caucus room and, as I suggest, it is invalid and wrong.

Mr. McLENDON. Counsel, what is the title of the case in which the summons was issued?

Mr. CAREY. What is that?

Mr. McLENDON. What is the title of the case in which the summons was issued.

Mr. CAREY. The title?

Mr. McLENDON. Yes.

Mr. CAREY. There is no title, "In the Matter of Tax Liability of Robert G. (Bobby) Baker, Washington, D.C."

Mr. McLENDON. In the matter of the tax liability of what?

Mr. CAREY. Robert G. (Bobby) Baker, Washington, D.C., for the period 1958, 1959, 1960, 1961, and 1962.

Senator CANNON. Counsel, would you permit us to take that document, to have a copy, photostat copy made?

Mr. CAREY. Yes, sir.

Senator CANNON. And become a part of the record. And, speaking as acting chairman of this committee, I will say that I deplore the action of the Federal Government or any agency thereof taking advantage of a congressional hearing in an attempt to serve a summons or a subpoena on any witness who had been called before the committee and appeared either voluntarily or by subpoena as has been done in this case of Mr. Levinson before us today.

Mr. CAREY. I might further suggest this agent had the further brashness to say to me, "What position is Mr. Levinson going to take before this committee today?" I said, "That is outside your function," and he left at that point.

Senator CANNON. Counsel, you may proceed.

Mr. McLENDON. Before proceeding further, I would like to have the record clear on one point. When the hearing this morning opened, the chairman, Mr. Jordan, asked you to stand back of the hearing room, and you did with your counsel, and asked you to listen to the statement that he read with respect to the purpose of this investigation, and the rights of witnesses who were to be examined. I would like for the record to show that you did hear Senator Jordan's statement read, and I want to ask you in that connection: Do you have any other question that you would like to ask, addressed to the chairman or the committee, with respect to the reason for your being here or the authority of the committee?

Mr. CAREY. We don't question that.

Senator CURTIS. You waive the reading of the resolution that was read?

Mr. CAREY. Yes; we were present and the major was kind enough to suggest we listen to it when it was read, and to save time we recognize and stipulate it was heard.

Senator PELL. Mr. Chairman.

Senator CANNON. Senator Pell.

Senator PELL. There is one question here as to fact. Personally, I deplore the use of eavesdropping devices, but are we accepting it as a fact that there was an eavesdropping device installed by the Federal Government in the telephone, or is this an allegation?

Mr. McLENDON. Senator, I was going to make a statement about that if you will permit me.

Senator PELL. Forgive me.

Mr. McLENDON. Mr. Levinson, I would like to make it perfectly clear to you and your counsel that neither this committee nor anyone connected with its staff, which includes its investigators and counsel, have any knowledge of any wiretapping that may have been done by anyone in connection with your telephone anywhere.

I can say to you very truthfully the committee has no information obtained from any such source, and no question that would be addressed to you here this morning by me as counsel or by any member of the committee would be based on any information obtained in any such manner. I go further and say if we had such information we wouldn't think of using it for this purpose.

I would also like for the record to be perfectly clear that you are here as a witness only. You are not here as an accused person. This committee has no authority to accuse you of crime or try you for any crime or to punish you in any manner. You are here only as a witness for the purpose of aiding this committee, if you can, with information and facts which will enable the committee to serve its legislative purpose and function; namely, to recommend to the Senate of the United States whether additional laws and regulations are needed to prohibit conflicts of interest and improprieties growing out of business and financial transactions of employees and officers of the Senate.

You are not even an officer or employee of the Senate. So far as I know, you never have been and, therefore, you are not a principal. You are only a witness, and it was the hope of the committee that you would appear this morning and answer all questions that you could with propriety, to aid the committee in the performance of its functions.

I would like to repeat. It is not the purpose of the committee or its counsel to ask you any questions about purely your personal affairs, whatever they may be, but it is the business and the duty of the committee to ask you questions any answers to which would disclose your knowledge of business and financial transactions of officers and employees of the Senate, and to that extent only.

Having made that statement to you, which I am sure the chairman and the members of the committee approve, I ask you now: Do you continue to refuse to answer any question and all questions addressed to you?

Mr. CAREY. Mr. Chairman, I have advised the witness to stand on his constitutional rights—the first, fourth, and with specific allusion to the fifth amendment. In order to save time I might suggest we are going to resort to his constitutional rights as a defense here, and do you wish him to spell out each time a question is asked or can we now stipulate that the reasons cited in his statement will be sufficient to develop his constitutional guarantees without the necessity of invoking them at every time?

Mr. McLENDON. I would suggest as counsel for the committee that the witness be informed if he is asked a question he doesn't want to answer for the constitutional reason asserted by him he can say simply, "I rely upon the statement I have earlier read," or words to that effect.

Mr. CAREY. I so stipulate, if it is all right.

Senator CURTIS. Mr. Chairman, may I ask a preliminary question?

Senator CANNON. Certainly.

Senator CURTIS. This summons you passed up here; this was the summons served on Mr. Levinson this morning?

Mr. CAREY. Yes, sir; this morning.

Senator CURTIS. And you offered a copy?

Mr. CAREY. Yes, sir; Senator Cannon asked for it.

Senator CURTIS. And you offer it for our records?

Mr. CAREY. I didn't offer it; you asked for it, Senator Cannon.

Senator CURTIS. You delivered it?

Mr. CAREY. That is right.

Senator CURTIS. You gave it to us for our records as part of our evidence in this hearing?

Senator CANNON. Senator Curtis, I think the record should be perfectly clear. He did not give it to us for our records. I requested that we have custody of it in order that we could make photocopies to submit one for our record. I don't think it would be proper to request the original summons from him.

Senator CURTIS. I am not talking about the original summons. But you presented this idea of the summons, did you not?

Mr. CAREY. I apprised this committee of the fact this man was summoned here this morning; yes sir.

Senator CURTIS. And delivered the original to us?

Mr. CAREY. At the request of Senator Cannon.

Senator CURTIS. Yes. And also agreed that we might take copies.

Mr. CAREY. What is that?

Senator CURTIS. Also agreed to take copies.

Mr. CAREY. No; look at; not for the record.

Senator CURTIS. Everything here goes in the record.

Mr. CAREY. I thought it was a courtesy to the Senator; I didn't intend to make it a part of the record, if that is what you contemplate doing.

Senator CURTIS. The reporter has it all there. It is in the record and it was your offer and you made no objection to it.

Mr. CAREY. It was not my offer.

Senator CURTIS. Oh, yes.

Senator CANNON. Senator Curtis, it was not the offer—

Senator CURTIS. Oh, yes; the committee did receive the summons. Nobody on the committee knew it existed.

Mr. CAREY. A request was made by Senator Cannon, as I recall, Senator.

Senator PELL. Forgive me; he waved it and we asked to see it.

Senator CURTIS. He produced it and showed it and produced it to this committee and I propose to ask him some questions about some of the material in the summons and I think that is proper cross-examination and not subject to claiming the privilege.

Senator CANNON. You may proceed, Counsel.

Mr. McLENDON. Mr. Levinson, are you personally acquainted with Robert G. Baker?

Mr. LEVINSON. I stand on the statement that I just made previously, Major.

Mr. McLENDON. Have you engaged in or participated in any business transactions with Robert G. Baker?

Mr. LEVINSON. I stand on the statement that I previously mentioned.

Mr. McLENDON. The committee has evidence, Mr. Levinson, that you were one of the original stockholders and perhaps an organizer of the corporation which was first known as the Potomac Vending Co. and later became known as the Serv-U Corp. Were you one of the original organizers?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Were you a stockholder in that company; Serv-U?

Mr. LEVINSON. I stand on my statement.

Mr. McLENDON. Did you ever serve on its board of directors?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Were you ever an officer of the corporation?

Mr. LEVINSON. I didn't hear.

Mr. McLENDON. Were you ever an officer of the corporation as distinguished from a director?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you ever visit the North American Aviation Corp. in connection with negotiating a contract between that corporation and the Serv-U for Serv-U to render vending machine services in North American plants?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you lend money to the Serv-U Corp., personally?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Are you now a stockholder in it?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you purchase any stock in the—did you purchase any stock in the Farmers & Merchants Bank of Tulsa, Okla., in connection with a transaction between that bank, Fred Black, and Robert Baker?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you have knowledge of a loan obtained from the Fidelity National Bank for the purpose of purchasing stock in the Tulsa bank?

Mr. LEVINSON. I stand—

Mr. McLENDON. Did you have knowledge of that?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you buy or contract to buy any stock in the District of Columbia National Bank which had been subscribed for in the first instance by Robert G. Baker?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Do you know Mr. John Gates of the Pan American Airways?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did Robert Baker at any time make an engagement with him for you to meet him and talk to him about obtaining gambling concessions in the Caribbean or Central America?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you, upon the advice or with the knowledge of Robert G. Baker, buy stock in the Waikiki Building & Loan Association sometimes known as Bank of Hawaii?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Who was the first person with whom you ever talked about the organization of the Serv-U Corp.?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you talk to Robert G. Baker about the organization of the Serv-U Corp.?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. Did you talk to Fred Black about it?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. What, if anything, did you have to do with obtaining vending machine contracts with North American Aviation Co. or the Northrop Aviation Co.?

Mr. LEVINSON. I stand on my statement, Major.

Mr. McLENDON. That is all.

Senator CURTIS. Mr. Levinson, I hand you this paper which you have submitted to the committee, and ask you to examine it.

Mr. CAREY. May I have the original?

Senator CURTIS. That is the original.

Mr. CAREY. May I have that question again, Senator; I am sorry; I missed it.

Senator CURTIS. I haven't asked him a question yet; I asked him to look at it. Now, I ask you: Isn't that the summons handed you today?

Mr. CAREY. Let me suggest that Senator Curtis suggested we offer this in evidence for the record; is that not correct?

Senator CURTIS. It got into the record somehow.

Mr. CAREY. We offered this merely upon the solicitation of Senator Cannon, who says he would like to see it, and the other Senators would see it, also. We didn't give it to Senator Cannon or this committee for the purposes of evidentiary proposition, and I say if these questions are directed to the proposition that this summons was offered in evidence by us the witness will be compelled to resort to his constitutional

defense under the fifth amendment, and further, I doubt the pertinency of it to these particular inquiries.

Senator CURTIS. Will you identify it as the document served on you?

Mr. CAREY. That is correct.

Senator CURTIS. I want the witness to answer.

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. I ask the chairman to order and direct him to answer.

Senator CANNON. May I ask counsel?

Mr. McLENDON. He has asked if this was the document served on him. I think he should be directed to answer.

Senator CANNON. The witness is ordered and directed to answer.

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Are you the Edward Levinson to whom the summons was directed?

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Mr. Chairman, I ask that he be ordered and directed to answer. These are relating to questions based on information placed before the committee by the witness.

Mr. CAREY. Let the record reflect—

Senator CURTIS. The statement of the counsel is that this committee didn't even know that there was a summons served. Now, you lawyers know that you can't come in here and produce evidence and then claim incrimination when we query about it.

Mr. CAREY. I think that is where you and I develop a cleavage, Senator. It wasn't offered for evidence. We didn't offer it for that purpose at all. It was merely offered for the purpose of Senator Cannon asking to see it.

Senator CURTIS. Oh, no; before Senator Cannon spoke up you presented this summons and told us about it.

Mr. CAREY. I merely showed it as part of an original protestation about the use of television and radio. I further suggest, if you will recall my remarks, I said this is evidence of the further harassment of this witness. He comes into the Senate caucus room and two of the Senators here in this committee deplore the use by the executive branch of the Government to offer a summons to a man who is presently here to be a witness before an inquiry, and I think it is unfair, I think it is harassing, and I think it is awfully wrong, and I further suggest that any further inquiries about this summons lack pertinency and I register a continuing objection on the basis of pertinency, apart from the other issues that I raise.

Senator CURTIS. Well, now, just a minute; you cannot raise pertinency against your own document.

Mr. CAREY. I can raise pertinency about questions about it when it wasn't offered in evidence. If I can't raise pertinency I have lost my right to be an attorney.

Senator CURTIS. It doesn't make any difference whether you use the language to offer it in evidence or not. The record will show that you got up and testified to all these things in the record of the committee, and now I have had a chance to look at it, and I ask you if this is the summons that was served upon you, and the chairman has ordered you to answer.

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Do you want to answer the question as to whether or not you are the Edward Levinson to whom the summons was directed?

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. This summons requires you to produce all financial records you have pertaining to your dealings with Robert G. (Bobby) Baker. You have presented this to the committee and I ask you, have you had dealings with Robert Baker?

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Mr. Chairman, I ask that he be ordered and directed to answer.

Senator CANNON. The witness is ordered and directed to answer the question.

Mr. LEVINSON. Mr. Chairman, I stand on my statement.

Senator CURTIS. This summons produced by you also directs you to produce canceled checks in connection with financial dealings with Robert Baker. Do you have canceled checks where you have paid Robert Baker money?

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Mr. Chairman, I ask that he be directed—ordered and directed—to answer.

Senator CANNON. The witness is ordered and directed to answer the question.

Mr. LEVINSON. Mr. Chairman, I stand on my statement.

Senator CURTIS. This summons produced by you directs you to produce canceled checks and correspondence in connection with your financial transactions with Serv-U Corp., District of Columbia National Bank, Farmers & Merchants Bank, Tulsa, Okla., to include investments and loans. Do you have canceled checks involving transactions with those concerns named in the summons produced by you?

Mr. LEVINSON. I stand on my statement, Senator.

Mr. CAREY. I want the record to further reflect we have a continuing objection to this line of inquiry.

Senator CURTIS. Well, your objection is totally invalid. You have presented this before the committee, and then after presenting it to us you declined to answer.

Mr. Chairman, I ask that the witness be ordered and directed to answer the last question.

Senator CANNON. The witness is ordered and directed to answer the last question.

Mr. CAREY. May I make a statement?

Senator CANNON. Have the witness complete his answer first.

Mr. LEVINSON. Mr. Chairman, I stand on my statement.

Senator CANNON. Now, you may say it.

Mr. CAREY. Let the record show I don't agree with the statement of Senator Curtis; I respectfully disagree with your legal interpretation, and further suggest we are continuing our objection to any further inquiry along this line.

Senator CURTIS. When did you first meet Robert Baker?

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Mr. Chairman, I ask that he be ordered and directed to answer.

Senator CANNON. The witness is ordered and directed to answer the question.

Mr. LEVINSON. Mr. Chairman, I stand on my statement.

Senator CURTIS. Did Robert Baker introduce you to one John Gates?

Mr. LEVINSON. Senator, I stand by my statement.

Senator CURTIS. Relating to the last question that he introduced you, if so, was anyone else present?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you ever made any trips to the Dominican Republic with Robert Baker?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you made any trips to the Dominican Republic with anyone else when Robert Baker was also along?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you had any business arrangement or any plans for any business arrangement in the Dominican Republic with Robert Baker?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you had any business dealings with one Diego Bordas, whose name has appeared in these hearings?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Is Louis Levinson your brother?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did Mr. Baker, either with or without Mr. Bordas, discuss with you an arrangement to be worked out through your brother, Mr. Louis Levinson, to take over the casino operations in the Dominican Republic?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you ever have any discussions with or dealings to take over the Curaçao casino operations?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you discuss with Baker a submission of a bid for casino concessions at the Curaçao Hotel and subsequently withdraw negotiations or withdraw your bid?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you have any arrangement with Mr. Kozloff, Mr. Cliff Jones, in the Curaçao bid for the casino concessions that in any way involved Robert Baker?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you know that Robert Baker was secretary of the majority?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Has Mr. Baker visited you in Las Vegas?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did Mr. Baker visit Las Vegas in June 1963 and attend a prize fight with you and one Jack Cooper and Nick Popich?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you have any business discussions at that time?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you discuss the Pasantic Corp. at that time?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Mr. Chairman, I ask that the witness be ordered and directed to answer the questions I have just propounded.

Senator CANNON. The witness is ordered and directed to answer the questions just propounded by Senator Curtis.

Mr. LEVINSON. Mr. Chairman, I stand by my statement.

Senator CURTIS. Do you know Mr. Diego Bordas, who served as Minister of Industry and Finance in the Dominican Republic?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you ever have any meetings with Bordas when Baker, Jack Cooper, and Grant Stockdale were present?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Do you know Mr. Fred Black?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you ever given Mr. Robert Baker any money?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you ever had any business dealings with Robert Baker and Fred Black?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Do you know Mr. Ben Sigelbaum?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Was Mr. Ben Sigelbaum interested with others in any gambling operations in the Caribbean area in which Robert Baker participated in any way?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Do you honestly believe that a truthful answer to all these questions would subject you to possible incrimination?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you go to the Dominican Republic in February 1963 with Baker, on any business in connection with any cigarette vending rights?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Are you engaged in any motel, airport motel, buildings at various cities in the country that you have discussed with Robert Baker?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Have you ever attended a party here in Washington at the home of Dr. James Walsh at which time Robert Baker was present?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you ever describe Robert Baker as one of your closest associates?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Do you know whether Lester Sigelbaum, who works at your hotel in Las Vegas, is related to Mr. Benjamin Sigelbaum?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Did you make a trip to Spain this last year?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Was your trip to Spain in any way connected with any of the business transactions or gambling or vending that Mr. Robert Baker might have had an interest in?

Mr. LEVINSON. I stand on my statement, Senator.

Senator CURTIS. Do you live at the Fremont Hotel?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Do you have an office there?

Mr. LEVINSON. I stand by my statement, Senator.

Senator CURTIS. Where is your office?

Mr. LEVINSON. I stand by my statement, Senator.

Mr. CAREY. We would object to this question because it is repetitious. The second question asked of this witness was his address, and he gave it.

Senator CURTIS. What did he give it as?

Mr. CAREY. I don't remember.

Senator CANNON. Would you like the record read back?

Senator CURTIS. Yes.

Senator CANNON. Would you check the record, Mr. Reporter?

(The reporter read the record.)

Senator CURTIS. Mr. Chairman, I ask that the witness be ordered and directed to answer the questions that I propounded since my last request for an order.

Senator CANNON. The witness is ordered and directed to answer the questions.

Mr. CAREY. Mr. Chairman, before the witness is directed to answer, I think we should have a ruling on his last question as to his address. I suggest it was repetitious; that the question was answered prior thereto. Can I assume now that is not part of this directive?

Senator CANNON. Well—

Senator CURTIS. I will withdraw that question. I didn't know it was answered.

Senator CANNON. The question is withdrawn and the witness is ordered and directed to answer the previous questions.

Mr. LEVINSON. Mr. Chairman, I stand by my statement.

Senator CURTIS. That is all.

Senator PELL. Mr. Levinson, I think the statement earlier made by your counsel to the effect that this listening device had been installed by the Federal Government is open to question. Are you stating it is a fact that it is a device installed by the Federal Government, or is that your presumption?

Mr. CAREY. Allow me to answer that, Senator, if I may. The reason we would prefer not to be asked any questions about that particular matter; the reason I suggest that—

Senator PELL. Then why raise it?

Mr. CAREY. Because to show part of the entire harassment. Major McLendon was quoted in the paper on February 19, and I think he indicated here today, that the Senate was not interested in that aspect of the case, and were asking no questions about it; isn't that true, Major?

Mr. McLendon. Correct.

Mr. CAREY. Under those circumstances I would prefer not to be compelled to advise the witness on any particular aspect of this matter. It is in litigation; we don't want to disclose what our position is going to be at the trial. I think it is unfair.

Senator PELL. Would you agree with that?

Mr. McLENDON. I think since he brought it up and voluntarily stated it as a fact he ought to answer your question whether it is a fact or a contention; is that the substance of your question?

Senator PELL. That is exactly the question.

Mr. McLENDON. I think it should be answered.

Senator PELL. In other words, it might be installed by a business rival; I am just curious.

Mr. LEVINSON. I stand by my statement, Senator.

Senator PELL. I would like the chairman to order you to answer.

Senator CANNON. The witness is ordered and directed to answer the question.

Mr. LEVINSON. Mr. Chairman, I stand by my statement.

Senator PELL. I think the record should also show that this is the first witness who is in no way under investigation by this committee who has resorted to his proper constitutional protection. The purview of the investigation by this committee is present and former employees of the Senate, and the people who have previously adopted this line have been Mr. Baker and Miss Tyler, who were particularly within the investigative scope of the committee. But when witnesses themselves come in, who are not under investigation by the committee, and adopt this line of questioning, I think it is most regrettable.

Thank you.

Senator CANNON. Senator Cooper?

Senator COOPER. I have no questions.

Senator CANNON. Counsel, do you have any further questions?

Mr. McLENDON. Yes; I want to ask one or two questions.

Mr. LEVINSON, the committee has before it the sworn testimony of Mr. Torres to the effect that you personally advised him to buy stock in the Serv-U Corp. and to lend that company money; is that true?

Mr. LEVINSON. I stand by my statement, Major.

Mr. McLENDON. I point out to you the answer to that question could not possibly involve you in any tax liability or criminal liability, either. In view of that statement, do you still refuse to answer?

Mr. LEVINSON. I stand by my statement, Senator—Major.

Mr. McLENDON. Did you have a conversation with Mr. George Simon of Florida in which he suggested to you or inquired of you whether you would be interested in becoming a stockholder in the Serv-U Corp.?

Mr. LEVINSON. I stand by my statement, Senator—Major.

Mr. McLENDON. Again, I point out to you that your answer to that question could involve you in no crime. In view of that statement you still refuse to answer?

Mr. LEVINSON. I stand by my statement, Senator.

Mr. McLENDON. Mr. Chairman, I ask that he be ordered to answer the last two questions.

Senator CANNON. The witness is ordered and directed to answer the last two questions.

Mr. LEVINSON. I stand by my statement.

Mr. CAREY. I might say for the record that an innocent man may wish to assert the privilege of the fifth amendment. Justice Harlan said in the *Grunevald* case that in a conspiracy to violate the laws of the United States, an innocent man might be unwittingly drawn into that conspiracy. That being true, he can invoke his constitutional guarantees. I suggest that no person should be criticized for invoking his privileges under the Constitution of the United States.

Senator PELL. Forgive me, but this question is not to be decided; whether he is innocent or guilty is completely outside—

Mr. CAREY. But, Senator, this inquiry won't be restricted to the Senate of the United States. I am sure the executive branch of this Government is looking into many facets of this matter at this particular time, so any testimony or exposé we might develop here today certainly might harm us at a later period. I don't know, but as a matter of apprehension I think his solid constitutional defense—he has the right to invoke it.

Mr. McLENDON. Mr. Counsel, it is my view that asserting that as an objection to a question means just exactly that; that it would incriminate you and, after all—just a moment; after all—the witness is not the judge of that. The tribunal is the judge of whether it will incriminate him.

Mr. CAREY. That is true.

Mr. McLENDON. My questions—the last two questions I have asked—can by no conceivable stretch of the imagination have anything to do with his tax liability or his violation of any criminal law, and I am just reminding you that in view of that still your client refuses to answer even after the chairman has ordered and directed him to answer.

I will ask you one other question: Can you help this committee determine the facts by any evidence or knowledge that you have why Robert G. Baker, together with Fred Black, owned 57 percent of the stock in Serv-U Corp., but it was never recorded in the name of either one of them? My question is: Can you help the committee determine the facts?

Mr. LEVINSON. I stand by my statement, Major.

Mr. McLENDON. Mr. Chairman, I ask you to order and direct him to answer the question.

Senator CANNON. The witness is ordered and directed to answer the question.

Mr. LEVINSON. I stand by my previous statement.

Mr. McLENDON. That is all.

Senator CANNON. Any further questions?

Thank you very much.

The committee is now in recess until 10 o'clock tomorrow morning.

Mr. McLendon. This document entitled "Summons" produced by counsel for the witness and presented to the committee is offered as part of the record.

(The summons referred to was marked "Levinson Exhibit 1" and is as follows:)

LEVINSON EXHIBIT 1

Form 2039-A (REV. SEPT. 1961)	U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE SUMMONS
In the matter of the tax liability of Robert G. (Bobby) Baker Washington, D.C.	
Internal Revenue District of <u>Baltimore</u> PERIOD(S): <u>1958, 1959, 1960, 1961, 1962</u>	
THE COMMISSIONER OF INTERNAL REVENUE	
TO: <u>Edward Levinson</u> <u>3125 Ashby Street</u> <u>Las Vegas, Nevada</u>	
AT: GREETING:	
You are hereby summoned and required to appear before <u>Donald B. Iverson</u> , an officer of the Internal Revenue Service, to give testimony relating to the tax liability and/or the collection of the tax liability of the above named person for the period(s) designated and to bring with you and produce for examination the following books, records, and papers at the time and place hereinafter set forth:	
All financial records you have pertaining to your dealings with Robert G. (Bobby) Baker and/or Serv-U Corp., during the years 1958 through 1962, inclusive, to include but not limited to the following:	
1. Canceled checks, correspondence in connection with your personal financial dealings with Bobby Baker. 2. Canceled checks, correspondence in connection with your financial transactions in SERV-U CORP.; DISTRICT OF COLUMBIA NATIONAL BANK; FARMERS AND MERCHANTS STATE BANK OF TULSA to include investments, and loans	
Place and time for appearance: At <u>109 N. Third Street, Suite 2, Las Vegas, Nevada</u>	
on the <u>26th</u> day of <u>March</u>	
19 <u>64</u> , at <u>10:00</u> o'clock <u>A.</u> M.	
Failure to comply with this summons will render you liable to proceedings in the district court of the United States or before a United States Commissioner to enforce obedience to the requirements of this summons, and to punish default or disobedience.	
Issued under authority of Section 7602, Internal Revenue Code of 1954	
this <u>2nd</u> day of <u>March</u> , 19 <u>64</u>	
ATTESTED COPY	
SIGNATURE: <u>Donald B. Iverson</u> Special Agent	
TITLE:	

LEVINSON EXHIBIT 1—Continued

EXCERPTS FROM THE INTERNAL REVENUE CODE

Sec. 7602. For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary or his delegate is authorized —

- (1) To examine any books, papers, records, or other data which may be relevant or material to such inquiry;
- (2) To summon the person liable for tax or required to perform the act, or any officer or employee of such person, or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax or required to perform the act, or any other person the Secretary or his delegate may deem proper, to appear before the Secretary or his delegate at a time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and
- (3) To take such testimony of the person concerned, under oath, as may be relevant to such inquiry.

Sec. 7603. Service of Summons. — A summons issued under section 7602 shall be served by the Secretary or his delegate, by an attested copy delivered in hand to the person to whom it is directed, or left at his last and usual place of abode; and the certificate of service signed by the person serving the summons shall be evidence of the facts it states on the hearing of an application for the enforcement of the summons. When the summons requires the production of books, papers, records, or other data, it shall be sufficient if such books, papers, records, or other data are described with reasonable certainty.

Sec. 7604. (a) Jurisdiction of District Court. — If any person is summoned under the internal revenue laws to appear, to testify, or to produce books, papers, records, or other data, the United States district court for the district in which such person resides or is found shall have jurisdiction by appropriate process to compel such attendance, testimony, or production of books, papers, records, or other data.

(b) Enforcement. — Whenever any person summoned under section 7602 neglects or refuses to obey such summons, or to produce books, papers, records, or other data, or to give testimony, as required, the Secretary or his delegate may apply to the judge of the district court or to a United States commissioner for the district within which the person so summoned resides or is found for an attachment against him as for a contempt. It shall be the duty of the judge or commissioner to hear the application, and, if satisfactory proof is made, to issue an attachment, directed to some proper officer, for the arrest of such person, and upon his being brought before him to proceed to a hearing of the case; and upon such hearing the judge or the United States commissioner shall have power to make such order as he shall deem proper, not inconsistent with the law for the punishment of contempts, to enforce obedience to the requirements of the summons and to punish such person for his default or disobedience.

Sec. 7605. (a) Time and Place. — The time and place of examination pursuant to the provisions of section 7602 shall be such time and place as may be fixed by the Secretary or his delegate and as are reasonable under the circumstances. In the case of a summons under authority of paragraph (2) of section 7602 the date fixed for appearance before the Secretary or his delegate shall not be less than 10 days from the date of the summons.

Sec. 7210. Any person who, being duly summoned to appear to testify, or to appear and produce books, accounts, records, memoranda, or other papers, as required under sections 7602, 7603, and 7604(b), neglects to appear or to produce such books, accounts, records, memoranda, or other papers, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than 1 year, or both, together with costs of prosecution.

FORM 2039-A (REV. 9-61)

U. S. GOVERNMENT PRINTING OFFICE 1961 O-815338

Senator CANNON. The committee is recessed.
(Whereupon, at 12:30 p.m., the committee recessed, to reconvene
at 10 a.m., Tuesday, March 3, 1964.)



Faint section header or title in the upper middle.

Faint line of text below the header.



Vertical text or markings along the right edge of the page, possibly from a binding or adjacent page.





A11600 763310

