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**FINANCIAL OR BUSINESS INTERESTS OF OFFICERS  
OR EMPLOYEES OF THE SENATE**

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F 49/PT. 12

**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**

**MARCH 10, 1964**

**PART 12**

**Testimony of Scott I. Peek**



Printed for the use of the Committee on Rules and Administration



FINANCIAL OR BUSINESS INTERESTS OF OFFICERS  
OR EMPLOYEES OF THE SENATE

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R. R. 80/2  
7-49/97-15

HEARINGS  
BEFORE THE  
COMMITTEE ON

COMMITTEE ON RULES AND ADMINISTRATION

B. EVERETT JORDAN, North Carolina, *Chairman*  
CARL HAYDEN, Arizona  
HOWARD W. CANNON, Nevada  
CLAIBORNE PELL, Rhode Island  
JOSEPH S. CLARK, Pennsylvania  
ROBERT C. BYRD, West Virginia

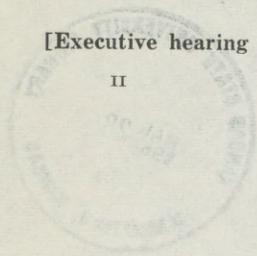
GORDON F. HARRISON, *Staff Director*  
HUGH Q. ALEXANDER, *Chief Counsel*

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*

[Executive hearing of March 10, 1964, released to the public March 11, 1964]

II



MARCH 10, 1964

PART 12

Testimony of Scott E. Peck



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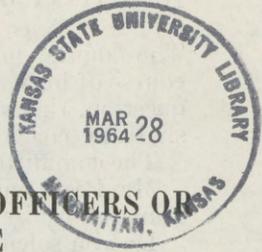
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## FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

TUESDAY, MARCH 10, 1964

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

The committee met, pursuant to notice, at 9:30 a.m., in room 301, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Hayden, Cannon, Pell, Clark, Byrd, Curtis, Cooper, and Scott.

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; and William Ellis Meehan, investigator.

The CHAIRMAN. The committee will please come to order.

Mr. Peek, it is necessary that I read to you an opening statement in order that you may know by what authority this committee has asked you to be here this morning, and your rights.

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

Mr. Peek, will you stand, please, sir, and put 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. PEEK. I do.

Mr. McLENDON. Will you state your full name and residence address for the record?

**TESTIMONY OF SCOTT I. PEEK, ACCOMPANIED BY EDWARD P. MORGAN, COUNSEL**

Mr. PEEK. Scott I. Peek. My home address is 5545 Southwest 100th Street, Miami, Fla.

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

Mr. PEEK. Yes, sir; he is.

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

Mr. MORGAN. Edward P. Morgan, Farragut Building, Washington, D.C.

Mr. McLENDON. Mr. Peek, will you give the committee a brief recital of your experience in Government service in Washington?

Mr. PEEK. Yes, sir, Major. I joined the staff of Senator Smathers as a clerk in January of 1952, and I remained on Senator Smathers' staff until September of 1963.

Mr. McLENDON. What positions, if any, did you hold, other than clerk?

Mr. PEEK. At one time I was his executive secretary, for approximately 2 years, and in 1956, I believe, sir, I became his administrative assistant. And I remained his administrative assistant until I left his office.

Mr. McLENDON. Did you resign voluntarily your position with the Senator?

Mr. PEEK. Yes, sir; I did.

Mr. McLENDON. And since that time, have you been in business privately, or engaged in private business of your own?

Mr. PEEK. Yes, sir; I have.

Mr. McLENDON. In Florida?

Mr. PEEK. In Miami, Fla., sir.

Mr. McLENDON. Mr. Peek, some publicity has been given in the press to the fact that you—when you left Washington, you carried with you a lot of records and books and what have you, and that there were three automobile loads, as described in the press. And the story was written as if it were a hurried occasion, indicating great speed to get away, and so forth, and so on.

Will you tell the committee about that?

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

Mr. PEEK. I will be happy to, Major. I—if I might go back, I notified Senator Smathers as far back as 1961 that it was my intention

to return to Florida. I did stay on with him, however, through 1962, at his request, to go to Florida, to work in his campaign. I was not going to return to Washington in 1963. But due to the fact that at that time he had not found a replacement for me, I returned here.

Now, with reference to the publicity of three packed cars, this is not the case. I did have one automobile that I shipped down some personal effects in, some of my wife's clothes was in there, some of the silverware was in there. As I recall, Miss Martin, who was my secretary at that time, and who was going to Florida, had some boxes of books in there. And I did have a file cabinet in there of some personal papers, and only personal papers, that were mine, that I took with me, sir.

Mr. McLENDON. Did you take away any official documents on that occasion?

Mr. PEEK. No, sir; I did not, sir.

Mr. McLENDON. Was any effort made by you to conceal the movement of the car and whatever you had in it?

Mr. PEEK. Oh, no, sir; not in any case. I packed the car with my personal effects that I had in my home that morning. I then brought the car to the Senate Office Building, and I packed what personal effects I had in my office there, which contained, as I said before, a filing cabinet with personal papers in it, I had numerous pictures of Members of Congress that had been given to me, several plaques that I had been awarded, and that was it, sir.

Mr. McLENDON. When did you first become acquainted with Robert G. Baker?

Mr. PEEK. Approximately 1954, major.

Mr. McLENDON. Were you and he good friends continuously from that date until the time you resigned your position with the Seantor?

Mr. PEEK. Yes, sir; we were.

Mr. McLENDON. Did you see him often during that time?

Mr. PEEK. I saw him often; yes, sir.

Mr. McLENDON. The committee has information indicating that you engaged with him in a number of business transactions. Is that correct—is that general statement correct?

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

Mr. McLENDON. I would like to ask you first about your acquisition of an interest in some land at Maitland, Orange County, Fla. Do you know what I am referring to?

Mr. PEEK. Yes, sir.

Mr. McLENDON. Will you tell the committee all that you know about it?

Mr. PEEK. All right, sir. As I recall, in the summer of 1957, Senator Smathers came to me and asked me if I would be interested in purchasing a one-eighth interest in some shares of property that he had in Orange County, Fla., which is Maitland, Fla. I told him that I would be interested. I bought my one-eighth share, sir.

Mr. McLENDON. Do you remember what you paid for it?

Mr. PEEK. Yes, sir; \$1,500.

Mr. McLENDON. Did you know at the time that the Senator spoke to you that he had made a similar offer to Baker?

Mr. PEEK. Major, I cannot recall whether I knew at a similar time, whether we were together or apart, but I do know, yes, that Mr. Baker was invited to participate.

Mr. McLendon. Did you and he jointly, or did you, for the two of you, borrow some money for the purpose of paying for your interest in this land?

Mr. Peek. I borrowed the money, Major.

Mr. McLendon. Where?

Mr. Peek. At a bank in Crestview, Fla.

Mr. McLendon. Why did you borrow the money for this purpose?

Mr. Peek. I cannot recall why I borrowed the money, Major. I think I voluntarily told Mr. Baker that I would endeavor to try to arrange a loan for our part of the investment.

Mr. McLendon. And did you borrow enough money to pay for yours and Baker's?

Mr. Peek. Yes, sir; I did.

Mr. McLendon. Did he ever repay you?

Mr. Peek. Indirectly, sir; he repaid the bank.

Mr. McLendon. He repaid the bank?

Mr. Peek. Yes, sir.

Mr. McLendon. It is immaterial, I suppose, but have you paid the bank for your interest?

Mr. Peek. Yes, sir; the bank has been paid. We were jointly responsible for the note at the bank, even though I was the one who arranged the loan, sir. And we paid off the bank in full, with interest.

Mr. McLendon. Is that business still in operation?

Mr. Peek. Yes, sir; I believe it is.

Mr. McLendon. Is it to be liquidated?

Mr. Peek. I have been advised there are just a few lots left to be sold, and it should be completed some time this year, sir.

Mr. McLendon. It was a land development?

Mr. Peek. Yes, sir.

Mr. McLendon. You mean most of the property has now been sold, and when the last property is sold the business will then go out of existence; is that correct?

Mr. Peek. That will conclude the business; yes, sir.

Mr. McLendon. Mr. Peek, do you remember an organization in Florida in 1958 or early 1959 which became known as Wertco?

Mr. Peek. Yes, sir; I do.

Mr. McLendon. Were you connected with that?

Mr. Peek. Yes, sir; I was.

Mr. McLendon. Who organized it?

Mr. Peek. As I recall, Major McLendon, Mr. Webb and a group of businessmen from Jacksonville Beach organized it.

Mr. McLendon. Were you in it?

Mr. Peek. I was invited to participate in it; yes, sir.

Mr. McLendon. And was Baker a part of it?

Mr. Peek. Yes, sir; he was.

Mr. McLendon. Was Don Reynolds in it?

Mr. Peek. Yes, sir; he was.

Mr. McLendon. And a man named Martin Williams?

Mr. Peek. Yes, sir.

Mr. McLendon. And a man named Tupman?

Mr. Peek. Yes, sir.

Mr. McLendon. And a man named Ellis?

Mr. Peek. Yes, sir.

Mr. McLENDON. The evidence before the committee indicates, Mr. Peek, that Mr. Webb held all of the interest owned by you and by Reynolds and by Baker. Can you explain to the committee how that happened?

Mr. PEEK. Yes, sir. I was invited to participate in this business venture in Jacksonville Beach, Fla., by Mr. Baker.

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

Mr. PEEK. I told him I would be interested in going into it. However, at the time I did not have any funds available, finances. Mr. Baker said that he would arrange for the purchase of my share of stock.

Mr. McLENDON. And why was it put in the name of Webb?

Mr. PEEK. I really don't know, sir.

Mr. McLENDON. You don't recall the circumstances?

Mr. PEEK. No, sir; I don't recall the circumstances.

Mr. McLENDON. Did you ever put any money in it?

Mr. PEEK. I never put any money in it at all, sir.

Mr. McLENDON. Did Baker, to your knowledge?

Mr. PEEK. To my knowledge, Mr. Baker did, because he advised me that he was going to put up our money for it; yes, sir.

Mr. McLENDON. That he was going to put up his and your money?

Mr. PEEK. Yes, sir.

Mr. McLENDON. Did you have knowledge of the fact that the company negotiated with the Teamsters Union for a loan?

Mr. PEEK. Yes, sir; I did. And if I may explain that, I would like to, Major.

Mr. McLENDON. I wish you would; yes.

Mr. PEEK. Shortly after Mr. Baker and I made a trip to Jacksonville to look over this piece of property that it was contemplated being purchased, and after I returned to Washington, Mr. Baker some time thereafter came to me and voluntarily told me that the organization of Wertco was contemplating negotiating a loan from the Teamsters Union, and he suggested we immediately withdraw from this venture. And I told him this was perfectly all right with me.

Mr. McLENDON. Where did this conversation take place?

Mr. PEEK. Here in Washington, sir.

Mr. McLENDON. Did he give you any reasons why he thought that you and he, or that he ought to withdraw?

Mr. PEEK. No. It was obvious enough to me, though, that if this particular group was going to negotiate a loan with the Teamsters Union that I did not want any part of it.

Mr. McLENDON. Did you have anything to do with any negotiations that were carried on by Mr. Webb or Mr. Law in connection with obtaining a commitment for a loan from the Teamsters?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Did you ever talk to anyone of them about it?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Did you at that time know James Hoffa?

Mr. PEEK. No, sir; and I don't today.

Mr. McLENDON. Did you ever attend any conversations with him, present when any conversation was had with him?

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

Mr. McLENDON. The committee has evidence, Mr. Peek, that the Teamsters Union did make a commitment for a loan of a very substantial amount—originally intended to be about \$400,000. One of the requirements was that all of you should endorse the note or mortgage; is that correct?

Mr. PEEK. That is what I have read in testimony by Mr. Webb; yes, sir.

Mr. McLENDON. Did you know at the time?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Did that have anything to do with your decision to withdraw from the company?

Mr. PEEK. No; it did not. But if I had known about the loan, and I was required to sign it, that would have been enough for me to get out.

Mr. McLENDON. You wouldn't have been interested in committing yourself for that large a debt; is that your point?

Mr. PEEK. That is correct, sir.

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

Mr. McLENDON. Mr. Reynolds has testified that he withdrew because of that requirement, that all of you should individually endorse the mortgage. Do you have any knowledge of that?

Mr. PEEK. I don't know why Mr. Reynolds withdrew, sir.

Mr. McLENDON. Well, are we to understand that your decision to withdraw was arrived at before you got to the point of being asked to sign the mortgage?

Mr. PEEK. That is correct, sir.

Mr. McLENDON. Did you ever have anything else to do with the organization?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Mr. Peek, the committee has information that in November 1959, or approximately November—it might have been a few days earlier or later—that you advanced the sum of \$9,333.34 paid to Mecklenberg Industries for some interest in that company's business at or near Charlotte, N.C. Did you advance that amount of money? Or provide that amount of money?

Mr. PEEK. Will you please tell me who that check was made payable to, Major?

Mr. McLENDON. I don't know that I can answer your question and be exactly right. It was either payable to Mecklenberg Industries, or payable to Baker.

Mr. PEEK. Major, there was—

Mr. McLENDON. Maybe I can refresh your recollection.

Mr. PEEK. I think I know what it is, sir. As I recall, a check was written in that amount to S. D. Jones & Associates, I believe.

Mr. McLENDON. You are correct. That is exactly right. Now, go ahead and explain it.

Mr. PEEK. This was an investment that I made with Mr. Baker into a venture of—a motel venture in North Carolina, sir.

Mr. McLENDON. Were you to have an interest in the business?

Mr. PEEK. Yes; I was to have an interest in the business.

Mr. McLENDON. Who first informed you about this particular investment?

Mr. PEEK. Mr. Baker brought this to my attention, sir.

Mr. McLENDON. Well, what became of that venture? Did you acquire an interest in the property, or did it all go to Baker finally?

Mr. PEEK. Major, in 1960, the early part of 1960—I am not exactly up on my dates—the organization came to me for some additional money. I told them that I could not put up any more, and that I would like to get out of it. And, at that point, Mr. Baker purchased my interest.

Mr. McLENDON. Did he pay you back for the advancement of the \$9,000-odd that you had previously paid?

Mr. PEEK. Yes, sir; he did.

Mr. McLENDON. So from then on, you had no further interest in the business?

Mr. PEEK. No, sir.

Mr. McLENDON. Did you know Mr. Jones at that time?

Mr. PEEK. I believe on occasion, Major, I had met Mr. Jones here in Washington.

Mr. McLENDON. Did you go to Charlotte, to see the property before you made this financial contribution?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Did you rely entirely on Baker's recommendation?

Mr. PEEK. Completely on his judgment and recommendation, yes, sir.

Mr. McLENDON. Mr. Peek, did you and Robert G. Baker have a business transaction involving the purchase of stock in the Spiegel Co.? I am not sure I have the exact name, but you know what I am talking about?

Mr. PEEK. Yes, sir; Spiegel, Inc.

Mr. McLENDON. You did?

Mr. PEEK. Yes, sir.

Mr. McLENDON. Tell the committee about that.

Mr. PEEK. Mr. Baker came to me and suggested that we jointly buy some Spiegel stock. And I said that was fine. And we did buy some Spiegel stock. And it has now been sold.

Mr. McLENDON. Do you remember how much money was invested in it?

Mr. PEEK. My part of the investment, Major McLendon, as I recall—I am not exact on the exact amount, because I didn't know you were going to ask me that—but it was a little over \$3,000.

Mr. McLENDON. When it was sold, did Baker give you a check for \$6,500, representing a profit?

Mr. PEEK. Representing my share of the proceeds; yes, sir.

Mr. McLENDON. Will you look at the folder I have given you there, and see if you find a check for that amount on the bottom of the first page?

Mr. PEEK. Yes, sir; it is dated November 20, 1959.

Mr. McLENDON. For exactly \$6,500?

Mr. PEEK. Yes, sir.

Mr. McLENDON. And you say that that represents your share of the proceeds from the sale of the stock?

Mr. PEEK. That is correct, sir.

Mr. McLENDON. Does that mean that you got back your investment, plus some profit?

Mr. PEEK. I got back my investment, plus profit; yes, sir.

Mr. McLENDON. Are you able to tell the committee how much of that was profit? Let me put it this way. The loan of \$4,800 that you obtained was repaid and then Baker gave you a check for \$6,500, which would indicate the profit may have been \$6,500. Would that be correct?

Mr. PEEK. That is approximately correct; yes, sir.

Mr. McLENDON. On another occasion, did you and Baker have a business arrangement by which you bought stock of the Seaboard Air-line Railway Co. for the total purchase of approximately \$13,379?

Mr. PEEK. Yes; we did purchase Seaboard Railway stock; yes, sir.

Mr. McLENDON. Is it true that Baker bought 1,400 shares?

Mr. PEEK. Approximately 1,400 shares; yes, sir.

Mr. McLENDON. And how much of that were you involved in?

Mr. PEEK. I verbally agreed with Mr. Baker to purchase 575 shares, sir.

Mr. McLENDON. And how much money did you put up?

Mr. PEEK. \$5,000, sir.

Mr. McLENDON. And where did you get the money?

Mr. PEEK. I borrowed \$3,500 from a personal friend of mine, and I borrowed an additional \$1,500 from a bank in Florida.

Mr. McLENDON. And was that stock finally sold?

Mr. PEEK. Yes, sir; it was sold.

Mr. McLENDON. What was the result of that transaction?

Mr. PEEK. Five thousand dollars that I put up I got back, and I made a long-term profit gain of approximately \$151.

Mr. McLENDON. The information in possession of the committee indicates that, while that transaction was being carried on, Baker transferred 500 shares to you about the 9th of January 1959. Do you recall that?

Mr. PEEK. Yes, sir; I do.

Mr. McLENDON. And was that the stock that was finally sold and the debt paid?

Mr. PEEK. Yes, sir; it was.

Mr. McLENDON. Did you, with Baker, jointly, or individually, upon his suggestion and advice, buy any stock in the MGIC Co.?

Mr. PEEK. Yes, sir; I did.

Mr. McLENDON. How much did you buy?

Mr. PEEK. I bought, on August 21, 1959—I gave a personal check to Mr. Robert G. Baker in the amount of \$2,285, sir.

Mr. McLENDON. And how much stock did you understand you were buying for that amount of money?

Mr. PEEK. I understood at that time it would be in either units or blocks, Major McLendon.

Mr. McLENDON. And you are not sure about the number of shares?

Mr. PEEK. Five, sir.

Mr. McLENDON. Is that five units?

Mr. PEEK. Five units, sir, or blocks. I am not quite certain whether it was units or blocks. I don't recall, sir.

Mr. McLENDON. Was that stock ever put in your name?

Mr. PEEK. No, sir; it was not.

Mr. McLENDON. Do you know whose name it was put in?

Mr. PEEK. Mr. Baker advised me that it was purchased in his name, sir.

Mr. McLENDON. Do you know what he did with it?

Mr. PEEK. Major, if I might—can I just give you the whole transaction on this?

Mr. McLENDON. Yes; go ahead.

Mr. PEEK. After the stock was purchased, some time thereafter Mr. Baker came to me and told me that my investment of \$2,285 represented approximately 1,800 shares of what is known as MGIC stock. Mr. Baker told me that he had this stock in his name and that any time that I cared for the stock I could get the stock.

Shortly thereafter, Mr. Baker came to me and asked me if I would be willing for him to use the stock as a collateral on a loan.

I told Mr. Baker that it would be perfectly all right with me, and that he could use the stock as if it were his own to use as collateral on a loan that he was interested in.

To the best of my knowledge, that stock is still pledged on a loan.

Mr. McLENDON. By Mr. Baker?

Mr. PEEK. By Mr. Baker, sir.

Mr. McLENDON. Has he ever paid you for your interest in it?

Mr. PEEK. No, sir; Mr. Baker has never paid me for my interest in it.

Mr. McLENDON. And you do not have access to the stock?

Mr. PEEK. No, sir; I do not.

Mr. McLENDON. But you tell the committee that his use of it was with your consent?

Mr. PEEK. With my complete consent; yes, sir.

Mr. McLENDON. Well, how did you expect to be secured for your money, for letting him taking it and using it as his own?

Mr. PEEK. Major, the relationship that Mr. Baker and I had was a longtime close personal friendship.

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

Mr. PEEK. I had complete confidence and trust in Mr. Baker, and I didn't require any collateral from him on his part.

Mr. McLENDON. And you didn't have any agreement with him in writing about this transaction?

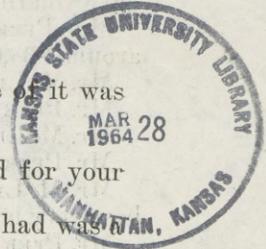
Mr. PEEK. Ours was a verbal agreement, and it was perfectly all right with me for him to use this stock, sir.

Mr. McLENDON. Among the checks that you produced and exhibited to the committee's investigators are two checks of \$5,000 on the top sheet there before you, one dated November 29, 1962, from Robert Baker to you for \$5,000, drawn on the American Security & Trust Co. in Washington.

On the same sheet, the next one, December 2, 1963, for a like amount—it is hard to read the name of the bank.

Will you look at those two checks and explain to the committee how it happened that he gave you these two checks and marked each of them "loan"?

Mr. PEEK. Yes; I will be happy to. A few weeks prior to the November 29, 1962, check, I went to Mr. Baker and asked him what



would be the possibilities of his returning the stock that he was holding for me to me. He indicated to me at that particular time that he was unable to do so. I told him that I needed some money, and he said that he would be willing and more than happy to loan me some. And I asked him for \$5,000 loan, and he lent me on November 29, 1962, \$5,000.

Mr. McLENDON. And what about the second check, on December 2, for a similar amount? That is the next year.

Mr. PEEK. Yes, sir; the next year. In August, Major, just prior to my returning to Florida, I went to Mr. Baker and asked him if he could now transfer the stock that I had in MGIC to me. He told me that he thought he could do it very shortly. Unfortunately, this particular investigation started on Mr. Baker, and he was unable to return the stock to me as he thought he could.

I talked with Mr. Baker by telephone some time in November, told him of my need for additional funds, that I was going into business, I was purchasing a home. And he told me at that time he could loan me an additional \$5,000.

On December 2, 1963, I received a check from Mr. Baker for \$5,000.

Mr. McLENDON. Did you ask Mr. Baker to sell the stock so he could pay you what was owing you?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Did you know what it was worth at the time he gave you this first check for \$5,000 and called it a loan?

Mr. PEEK. Yes, sir. It was approximately, as I vaguely recall, around \$38,000 or \$50,000.

Mr. McLENDON. The total market value of the stock?

Mr. PEEK. Yes, sir.

Mr. McLENDON. So at that time you had a very large profit in it?

Mr. PEEK. Yes, sir; I had a very large paper profit in it.

Mr. McLENDON. The profit based on market at that time would have been very large?

Mr. PEEK. Yes, sir.

Mr. McLENDON. And does he still have that stock in his possession?

Mr. PEEK. To the best of my knowledge, the stock is still pledged as collateral on a loan. He told me in December that this stock was pledged as collateral on a loan in Oklahoma City, sir.

Mr. McLENDON. Can you explain why Mr. Baker would loan you \$10,000 under those circumstances, when he was in debt to you for about half of \$46,000? I say \$46,000—around that figure—\$46,000, \$48,000—based on the market price of the stock.

Mr. PEEK. The primary reason, Major, he lent me the money is because he could not at that particular time return the stock to me.

Mr. McLENDON. Well, my question is why didn't he pay it to you as part payment for your stock? He had the stock; you didn't have it. He owed you the money.

Mr. PEEK. I am sorry; I don't understand the question.

Mr. McLENDON. I said why didn't he just pay you the \$10,000 as part payment for your share of the stock?

Mr. PEEK. Well, it was never discussed. I didn't ask him to pay me for my part of the stock. I had already paid for the stock, and I wanted my stock back. And since he could not return the stock to me, he was willing to make a loan to me on two different occasions for \$5,000 each.

Mr. McLENDON. Didn't it occur to you, Mr. Peek, that that kind of transaction would be very suspicious to tax investigators for the Bureau of Internal Revenue?

Mr. PEEK. No, sir; it did not. I didn't think there was anything wrong with it. I deposited the checks in my bank account. That is public knowledge. And I didn't think there was anything wrong with it. I have every reason to believe that Mr. Baker will return my stock to me. When he does, we will make a settlement on this loan, sir.

Mr. McLENDON. I see. On the same sheet of checks about which I have already asked you, on the top of the sheet is a reproduction of another check for \$2,215 dated August 21, 1959, from you to Baker. Will you tell the committee what that check was for?

Mr. PEEK. Major, that was the check that we just discussed. That was for \$2,285, sir.

Mr. McLENDON. \$2,815, isn't it? It is hard to read the figure, but isn't it \$2,815? The top check?

Mr. PEEK. I see the check, sir.

Mr. McLENDON. Let me call your attention to the fact that it is not in exactly the same amount as the original investment for the MGIC stock, which you testified was \$2,875.

Mr. PEEK. Major, since this is not clear—could I see a copy of the check, sir?

Mr. McLENDON. I am told by a member of the staff that the other investigation did indicate that this check was \$2,875. So, if so, it would be the check about which you have already testified.

Mr. PEEK. Yes, sir.

Mr. McLENDON. In other words, that check represented your investment in the MGIC stock?

Mr. PEEK. That is correct.

Mr. McLENDON. Mr. Reporter, mark all of those checks on that page that the witness has testified to.

(The documents referred to were marked "Peek exhibits 1 through 4," and are as follows:)

PEEK EXHIBIT 1

THE FIDELITY BANK  
 August 5<sup>th</sup> 1944  
 Mr. Scott J. Piek  
 2700 Woodbine Road  
 Robert G. Fisher

PEEK EXHIBIT 2

December 2 1963  
 The State Bank and Trust Co  
 Columbia, South Carolina  
 Five Thousand and 00/100  
 2000 per cent  
 Washington DC  
 Sent to Peck  
 Scott I Peck  
 Robert C Baker  
 5000 00/100

Scott I Peck

PEEK EXHIBIT 3

12/7/62

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Report to the  
Account of  
Robert G. Baker

THE FIDELITY BANK

Pay to the order of  
Mr. Robert G. Baker  
Two Thousand Five Hundred  
and No/100 Dollars  
\$2,500.00  
Wm. D. Beck

PEEK EXHIBIT 4

Mr. McLENDON. Mr. Peek, will you look at the second sheet of reproduced checks, or copies of checks, and begin at the top of the page, which is dated December 15, 1958, from Baker to you in the amount of \$785.95. Can you tell the committee what that was for?

Mr. PEEK. Yes, sir. As I have already testified, Major, this was a partial payment from Mr. Baker to me which was paid to the Crestview National Bank for the original loan that my wife and I signed for—to borrow the \$3,000 to invest in the Orlando property at Maitland, Fla., sir.

Mr. McLENDON. All right. And then the second check from Baker to you, for \$74.80, dated January 11, 1950?

Mr. PEEK. I think that was January 16, 1960, sir.

Mr. McLENDON. I beg your pardon; you are right.

Mr. PEEK. This was interest on the note that Mr. Baker was also responsible for half of the interest on the note. This is one of the payments of interest on that particular note.

Mr. McLENDON. And the third check on that page for \$700, dated, apparently, May 1, 1960, from Baker to you. What was that for?

Mr. PEEK. Major, when Mr. Hallford asked me about this check, I don't recall what this check was for. I can surmise or assume, but it would just be a calculated guess on my part. If you would care for me to state it that way, I would be happy to do so.

Mr. McLENDON. All right. You did get the check?

Mr. PEEK. Yes, sir.

Mr. McLENDON. And the last check, dated October 20, 1960, \$610, from Baker to you.

Mr. PEEK. That also, once again, sir, the check was made payable to the First National Bank at Crestview, and this was another partial payment on Mr. Baker's part of the note, of the \$3,000.

Mr. McLENDON. In the corner, it is marked, "Scott Peek, Note," which would indicate that is what it is for.

Mr. PEEK. Yes, sir.

Mr. McLENDON. Mr. Reporter, mark each of these.

(The documents referred to were marked "Peek Exhibits 5 through 8," and are as follows:)



PEEK EXHIBIT 6

*See Trial*

WASHINGTON, D.C. Jan. 11 1950  
Mr. Scott T. Paul  
Security from and to  
THE NATIONAL BANK of WASHINGTON  
WASHINGTON, D.C.  
*Bobby C. Lee*





Mr. McLENDON. Mr. Peek, did you ever enter into negotiations with the Interstate Vending Co., looking toward your employment by that company?

Mr. PEEK. Yes, sir; I did.

Mr. McLENDON. Tell the committee about that.

Mr. PEEK. When it was knowledge that I would be leaving Senator Smathers' employment in September of 1963, I was offered a proposal to go to work for a vending company in Florida.

Mr. McLENDON. May I interrupt you there? Did Baker suggest that to you?

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

Mr. McLENDON. Did he have anything to do with it, so far as you know?

Mr. PEEK. So far as I know, he did not, sir.

Mr. McLENDON. The committee has some evidence indicating that Mr. Hancock, of Florida, and Mr. Baker jointly, or separately, suggested to the Interstate people that you would be a good man for them to employ in Florida. Do you have any information of that sort?

Mr. PEEK. Yes, sir—if I may go on, sir, as I indicated to you, I had been offered a proposal by a vending company to work for them in Florida. Approximately 4 or 5 days thereafter, Mr. Hancock called me and told me that he had heard through the grapevine, as he indicated in his testimony, that I was going to work for a competitor of his. I said I have not made up my mind whether or not I am going to accept that proposal or not.

Mr. Hancock then suggested to me would I be interested in talking with officials of the Interstate Vending Co. out of Chicago. I told him I would be happy to, that I was leaving Senator Smathers' employment, I was going into private business, and that I was willing to listen to anyone who would offer me a proposal for employment.

Some time during August—I don't know the exact date—I went with Mr. Gene Hancock to Chicago one afternoon, about 5:30. We met with the president of Interstate. We discussed the possibilities of employment with Interstate of myself. After the meeting was completed, I returned to Washington that evening, sir.

Mr. McLENDON. Did you ever have any other meeting with them?

Mr. PEEK. No, sir; I did not. However, after I was located in Florida, the Interstate Vending Co. sent to me a proposal for employment.

Mr. McLENDON. You mean a written proposal?

Mr. PEEK. Yes, sir.

Mr. McLENDON. You did not accept it?

Mr. PEEK. I have not accepted it as of this date, sir.

Mr. McLENDON. Had you known Mr. Eugene Hancock prior to this incident?

Mr. PEEK. Yes, sir; I did.

Mr. McLENDON. Had you ever been associated with him in business?

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

Mr. McLENDON. At the time you had this conversation with him, and the time you went to Chicago to negotiate with the Interstate people, did you have any knowledge of the corporation which became known as Serv-U Vending Co.?

Mr. PEEK. Yes; I did.

Mr. McLendon. What knowledge did you have of it?  
 Mr. Peek. The only knowledge I had of it is that Gene Hancock at one time was the president of Serv-U.

Mr. McLendon. Did you know of Baker's connection with it?

Mr. Peek. No, sir; I did not.

Mr. McLendon. And I believe you have already testified that as far as you know Baker had nothing to do with suggesting negotiations between Interstate and you?

Mr. Peek. To the best of my knowledge, he did not. This was entirely Mr. Hancock's suggestion.

Mr. McLendon. Do you remember meeting a man named Donegan, who was with the Interstate people, about that time?

Mr. Peek. I think Mr. Donegan was at the meeting that night. I am not quite sure. But I believe that he was there, at the meeting in Chicago.

Mr. McLendon. Did you ever meet him in Washington?

Mr. Peek. No, sir; I did not.

Mr. McLendon. Now, Mr. Peek, have I asked you about all the business transactions that you had with Baker over the years?

Mr. Peek. No, sir; there was one other.

Mr. McLendon. Will you tell us about that?

Mr. Peek. Yes, sir. It was a recommendation that I made to Mr. Baker of the purchase of some Lefcourt stock. I think it is Lefcourt Realty.

Mr. McLendon. Where is that?

Mr. Peek. At that particular time, sir, it was in Florida. I recommended to Mr. Baker that we make an investment on this. We went in on a joint basis. The stock has been sold and Mr. Baker and I lost about \$400 each on the stock.

Mr. McLendon. How much money did the two of you invest in it?

Mr. Peek. Just a little over a thousand dollars.

Mr. McLendon. Was any other officer or employee of the U.S. Senate involved in that transaction?

Mr. Peek. None whatsoever, sir.

Mr. McLendon. Any Senator involved in it?

Mr. Peek. No, sir.

Mr. McLendon. Have you had any other business investment in which Senator Smathers was connected?

Mr. Peek. No, sir.

Mr. McLendon. Have you had any other business investments in which Baker was involved—Robert Baker?

Mr. Peek. No, sir; not to the best of my knowledge.

Mr. McLendon. There seems to be some confusion, Mr. Peek, with respect to a corporation known as Pasantic. Did you ever have any connection with an organization by that name, or similar name?

Mr. Peek. No, sir. And this is the first time I have ever heard the name mentioned.

Mr. McLendon. You were never offered to become a stockholder in it?

Mr. Peek. No, sir.

Mr. McLendon. You didn't intend to become a stockholder in it?

Mr. Peek. No, sir.

Mr. McLendon. Did you know that Mr. Webb and others were organizing such a corporation?

Mr. PEEK. No, sir; I did not.

Mr. McLENDON. Did you ever attend any meetings or conference at which the organization of such a corporation was discussed?

Mr. PEEK. No, sir.

Mr. McLENDON. And you tell the committee you never heard of it until it was brought out in this investigation?

Mr. PEEK. That is correct, sir.

Mr. McLENDON. Are you able to tell the committee how your and Baker's finances stand at the moment—how much he owes you, or how much you owe him?

Mr. PEEK. Well, Senator, according to the price of the stock today, I would say that Mr. Baker owes me around approximately 1,800 shares of MGIC stock, and I think the market today is between \$25 and \$27, sir, a share.

Mr. McLENDON. Does that mean if he turned that stock over to you, your account would be square?

Mr. PEEK. It would be completely squared; yes, sir.

Mr. McLENDON. That is all, Mr. Chairman.

Mr. PEEK. No; I am sorry. My counsel reminds me, I would have to pay him back the \$10,000, sir.

Mr. McLENDON. All right.

With that statement, Mr. Chairman, I am through.

The CHAIRMAN. Senator Cannon?

Senator CANNON. In other words, if you got your stock back, you would owe Mr. Baker for the two \$5,000 loans that he made to you, one in 1962, and the other in 1963?

Mr. PEEK. That is correct, sir.

Senator CANNON. And they would be offset against the value of the stock?

Mr. PEEK. Yes, sir.

Senator CANNON. As a credit to him. The \$10,000—

Mr. PEEK. What I would do, if I could get the stock, Senator, is I probably would sell enough off to be able to pay Mr. Baker back the \$10,000.

Senator CANNON. That is all I have at the moment.

Senator CURTIS. The MGIC stock is the only property or stock of any kind that you still own as a result of your joint ventures with Baker?

Mr. PEEK. Yes, sir—other than the Orlando deal, which if you consider Mr. Baker a partner of mine in that—yes, sir; that is the only two.

Senator CURTIS. What do you own in the Orlando deal? I know you covered it.

Mr. PEEK. I purchased one-eighth of Senator Smathers' share in the Orlando property, sir.

Senator CURTIS. That is the one you put in the \$1,500?

Mr. PEEK. That is correct, sir.

Senator CURTIS. How much have you drawn out on that?

Mr. PEEK. I have received approximately a thousand dollars a year, sir, on that.

Senator CURTIS. The total?

Mr. PEEK. A little over \$7,000, sir.

Senator CURTIS. And what is the value of the remaining interest in that?

Mr. PEEK. I am sorry; I cannot answer that, Senator Curtis. I just don't know.

Senator CURTIS. When was the last year you got a thousand dollars out of it?

Mr. PEEK. I have not, to the best of my knowledge, received any payments on this particular investment this year, so it was in 1963, sir.

Senator CURTIS. Were those thousand-dollar payments a result of the sale of part of your assets, or was it earned income?

Mr. PEEK. Senator Curtis, will you ask that question again—I am sorry, sir.

Senator CURTIS. This thousand dollars a year that you would get out of this Florida property, was that a result of a sale of the assets or was it earned income?

Mr. PEEK. It was a sale of the property, sir. These were, as I understand, commercial lots.

Senator CURTIS. Then let me ask you this question: Of the one-eighth interest that you bought, about how many lots would that amount to?

Mr. PEEK. Senator Curtis, I am sorry, I cannot answer that because I just don't know the answer. I have never seen the property, myself.

Senator CURTIS. So you have no idea whether a third or a half or 80 or 90 percent of your lots that would represent your one-eighth share have been sold or not?

Mr. PEEK. That is correct, sir.

Senator CURTIS. No idea?

Mr. PEEK. I don't have the slightest idea, sir. I think Senator Smathers has indicated that this property is nearly all sold, and should be completely sold by the end of the year, sir.

Senator CURTIS. In other words, it is substantially sold by now?

Mr. PEEK. Yes, sir.

Senator CURTIS. Now, the reason I have asked you that is this: Counting your third value of the MGIC, and counting the loan that you owe Baker, what is the total amount of money that you have realized, total profit you have realized from all of your joint business ventures with Baker up to date?

Mr. PEEK. If I am not required to give an accurate figure, sir, I will try to give an approximate figure to you, sir.

Senator CURTIS. All right.

Mr. PEEK. Will this include the Orlando property, sir?

Senator CURTIS. Let's assume—what you have realized up to date only.

Mr. PEEK. OK. Including the Orlando property.

Senator CURTIS. Yes—including what you have realized up to date, but not trying to speculate on the future.

Mr. PEEK. All right. I would say approximately \$13,000 all told—not counting the MGIC stock, sir, which I do not have as yet, and which has not been sold.

Senator CURTIS. Now, if you add to the \$13,000 your profit if the MGIC stock were sold as of today?

Mr. PEEK. Well, I would assume the MGIC would probably come to around between \$40,000 and \$50,000.

Senator CURTIS. For your share?

Mr. PEEK. Yes, sir.

Senator CURTIS. How many shares do you have?

Mr. PEEK. 1,840 shares, sir.

Senator CURTIS. 1,840 shares?

Mr. PEEK. I don't know what the market is today, but it is around—

Mr. MEEHAN. \$24 the day before yesterday. I don't know what it is today.

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

Mr. MEEHAN. Yesterday it was offered at 25 $\frac{1}{8}$ .

Senator CURTIS. Your guess would be pretty good, then.

Mr. PEEK. Yes, sir. I said approximately between \$40,000 and \$50,000.

Senator CURTIS. If we took the \$24 figure, that is the offer bid not the asked. The asking bid of \$25 would be \$46,000.

The CHAIRMAN. Then you have to pay back the \$10,000 you borrowed?

Mr. PEEK. That is correct, sir.

Senator CURTIS. So that is \$36,000. And then you feel on other deals you have made \$13,000.

Mr. PEEK. Approximately that; yes, sir.

Senator CURTIS. Now, of that \$13,000, about \$5,500 has been made off the Orlando property. You put in \$1,500, and you got out \$7,000?

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

Senator CURTIS. \$5,500 from that, would be \$7,500 from other—

Mr. PEEK. Approximately that; yes, sir.

Senator CURTIS. So figuring a profit, current asking price for MGIC—you have made about \$49,000.

Mr. PEEK. Well, if you are going to subtract the \$1,500 investment that I originally made in the Orlando property, I would also like to subtract the original investment that I made in the other stocks.

Senator CURTIS. What I am trying to get at is how much profit you have made.

Mr. PEEK. Well, I said approximately \$13,000.

Senator CURTIS. Plus the MGIC.

Mr. PEEK. Plus the MGIC.

Senator CURTIS. That is where I get it.

Mr. PEEK. I am sorry.

Senator CURTIS. The MGIC would be in the neighborhood of \$35,000 or \$36,000.

Mr. PEEK. Approximately; yes, sir.

Senator CURTIS. And \$13,000 plus that would be somewhere between \$40,000 and \$50,000.

Mr. PEEK. Yes, sir.

Senator CURTIS. Did Mr. Baker ever offer you an opportunity to go into any business enterprise that you did not take up?

Mr. PEEK. None that I can recall, Senator.

The CHAIRMAN. Since you are getting so accurate on your figures, he would have a long-term profit gain in there.

Senator CANNON. If the Senator will yield. We also have not deducted here the price that he paid for the MGIC stock, which

I think he said was about \$2,800. So this profit picture would be reduced by that figure; is that correct?

Mr. PEEK. Yes, sir.

Senator CURTIS. Yes. \$2,800?

Mr. PEEK. \$2,875 to be exact, Senator Curtis.

Senator CURTIS. So probably an estimate of \$44,000 or \$45,000 would be better and more accurate as to the profit of your joint enterprises rather than \$48,000 to \$50,000.

Mr. PEEK. That is correct, Senator Curtis.

Senator CURTIS. I don't want to give a false impression.

Mr. PEEK. No; I don't want you to indicate that I—and I don't want the record to indicate that I have already gotten \$40,000 to \$50,000 for the MGIC stock, because I have not received one penny of it. I haven't realized any money from the MGIC stock.

Senator CURTIS. That is because you turned it over voluntarily to Baker.

Mr. PEEK. That is correct, sir.

Senator CURTIS. What was the value of it at the time you turned it over?

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

Mr. PEEK. Senator, I would have to take a guess on it. I would say it was approximately—I think it was \$30 a share. I really don't know, sir. I just don't recall.

Senator CURTIS. And it reached its peak sometime after that?

Mr. PEEK. I think it did; yes, sir.

Senator CURTIS. Now, we have before us a record of MGIC stock sold to a number of people who gave as the address room F-80, Senate Office Building. Do you know whose office that would be?

Mr. PEEK. I believe that that used to be Mr. Baker's office.

Senator CURTIS. Do you know an Edith P. and Maywood Boggs?

Mr. PEEK. No, sir; I do not. I have never heard the name. I don't know them; no, sir.

Senator CURTIS. Did you ever seem them in room F-80?

Mr. PEEK. No, sir.

Senator CURTIS. Do you know a J. E. Lightle?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. His address is room F-80, too. And, of course, you know who Alfred S. Novak and Gertrude Novak are.

Mr. PEEK. Yes, sir; I have met them. But I want for the record—since you are talking about room F-80—I have never seen them in F-80.

Senator CURTIS. You never have seen them in F-80?

Mr. PEEK. Mr. or Mrs. Novak; no, sir.

Senator CURTIS. James W. Wilson, room F-80, Senate Office Building.

Mr. PEEK. I don't know him, sir.

Senator CURTIS. Now, your stock; was that ever in your name?

Mr. PEEK. No, sir; it was not.

Senator CURTIS. Did you ever have any discussion with Baker as to who the real or beneficial owner of the stock was, these various people listed at his office as the address?

Mr. PEEK. Senator Curtis, I am the only one that I personally know about who purchased MGIC stock from Mr. Baker.

Senator CURTIS. You never had any discussion with him about who else he might—

Mr. PEEK. No, sir; I did not.

Senator CURTIS. Have you ever held any property in your name for Baker?

Mr. PEEK. No, sir; I have not. No, sir; I never have had any.

Senator CURTIS. Now, did he ever hold any property in his name for you other than the MGIC stock?

Mr. PEEK. Yes, sir; he did. The Spiegel stock.

Senator CURTIS. Which stock?

Mr. PEEK. Spiegel, Inc., that we testified earlier about. And the Seaboard Railroad stock was originally purchased in his name, and then 500 shares was transferred at a later date to my name.

Senator CURTIS. Did you ever hold property or stock for others, other than Baker, in any of these activities where Baker was involved?

Mr. PEEK. No, sir; I did not, to the best of my knowledge.

Senator CURTIS. And you have known Mr. Baker since about 1954?

Mr. PEEK. 1954.

Senator CURTIS. And I believe you testified you were quite close friends.

Mr. PEEK. We were very close personal friends; our families were very close personal friends.

Senator CURTIS. How often would you see him?

Mr. PEEK. Sometimes, Senator, I would see him on a daily basis, when I was here in Washington, because of my job as administrative assistant—I would maybe see him in the Capitol. Now, I would like to indicate to you, Senator, that I left Washington in November of 1961 and did not return to Washington until 1963, and during that absence I hardly saw Mr. Baker at all.

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

Senator CURTIS. Did you ever take any trips together?

Mr. PEEK. None that I can recall, Senator; no, sir. I am sorry; I did. I took one trip—I went with Mr. Baker to Jacksonville when we looked over that property at Jacksonville Beach; yes, sir.

Senator CURTIS. Is that the only trip you took with him?

Mr. PEEK. To the best of my knowledge, sir.

Senator CURTIS. Who else was along?

Mr. PEEK. To the best of my knowledge, Mr. Baker and I went to Jacksonville.

Senator CURTIS. Was that the property that he was arranging to loan some money on?

Mr. PEEK. Yes, sir.

Senator CURTIS. Who arranged that loan?

Mr. PEEK. I don't know who arranged the loan, Senator.

Senator CURTIS. Did you personally sign for that loan?

Mr. PEEK. No, sir.

Senator CURTIS. Have you ever been employed by any vending company?

Mr. PEEK. I have not been employed by any vending company; no, sir.

Senator CURTIS. And have received no money or other property from anyone connected with a vending company?

Mr. PEEK. That is right, sir.

Senator CURTIS. Did Mr. Baker ever give you any money other than what has been already put in the record by our counsel?

Mr. PEEK. None; no, sir.

Senator CURTIS. Do you know Mr. Fred Black?

Mr. PEEK. I have met Mr. Black; yes, sir.

Senator CURTIS. How well do you know him?

Mr. PEEK. Not very well at all, sir.

Senator CURTIS. Do you know Mr. Baker's other business partners? Do you know Mr. Ed Torres?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. Do you know Mr. Levinson?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. You never met him?

Mr. PEEK. I have never met him.

Senator CURTIS. This loan in Oklahoma City that your stock is pledged for; what did Mr. Baker tell you that that loan was for?

Mr. PEEK. Mr. Baker has never indicated to me on any occasion what the loan was for, sir.

Senator CURTIS. Do you know how much the loan was?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. You haven't heard of it since then?

Mr. PEEK. Well, I have read various amounts in the newspapers, so I really don't know what it is, and I don't know what it is, sir.

Senator CURTIS. Do you know what other property was pledged for that loan?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. Do you know what the proceeds were used for?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. You have no knowledge of whether or not the extent of any risk, if there is any involved, in the pledging of the stock?

Mr. PEEK. No, sir; I do not.

Senator CURTIS. Do you have anything in writing with reference to your ownership of that stock?

Mr. PEEK. At one time, Senator, Mr. Baker did give me something in writing that he had purchased approximately 1,840 shares in his name for me; yes, sir.

Senator CURTIS. You did have a writing to that effect?

Mr. PEEK. I am sorry, sir?

Senator CURTIS. You had a written agreement between the two of you?

Mr. PEEK. It was just a letter, as I recall—it was a letter from him.

Senator CURTIS. A letter from him to you?

Mr. PEEK. Yes, sir; as I recall that is what it was.

Senator CURTIS. You do know Mr. Hancock?

Mr. PEEK. I do know Mr. Hancock; yes, sir.

Senator CURTIS. How long have you known Mr. Hancock?

Mr. PEEK. I think our acquaintanceship goes back as far as 1948, Senator. We played football against each other in college.

Senator CURTIS. Do you know how he got acquainted with Mr. Baker?

Mr. PEEK. No; I do not, sir.

Senator CURTIS. You didn't introduce them?

Mr. PEEK. I did not introduce them.

Senator CURTIS. Have you had any business transactions with him?

Mr. PEEK. No, sir; I have not had any business transactions with him.

Senator CURTIS. Do you know Mr. Jack Cooper?

Mr. PEEK. I know Mr. Jack Cooper; yes.

Senator CURTIS. Have you had any business transactions with him?

Mr. PEEK. No, sir.

Senator CURTIS. Do you know Mr. Donegan?

Mr. PEEK. As I indicated earlier, Senator, I think, to the best of my recollection, Mr. Donegan—Is this the Donegan you are talking about of Interstate Vending?

Senator CURTIS. Yes.

Mr. PEEK. He was at the meeting where they discussed with me possible employment.

Senator CURTIS. Was that the meeting in Chicago, or was that held here?

Mr. PEEK. Senator, I met him in Chicago, as I indicated earlier. I have never met Mr. Donegan here.

Senator CURTIS. Have you met Mr. Sigelbaum.

Mr. PEEK. No, sir; I have never met Mr. Sigelbaum.

Senator CURTIS. Were you ever a stockholder in Serv-U?

Mr. PEEK. No, sir; I have never been a stockholder in Serv-U.

Senator CURTIS. Has Serv-U been discussed in your presence by Mr. Baker?

Mr. PEEK. No, sir; he has not.

Senator CURTIS. By anyone else that you knew?

Mr. PEEK. As I indicated earlier, Mr. Hancock indicated to me at one time he was the president of Serv-U.

Senator CURTIS. How did you get acquainted with Mr. Black?

Mr. PEEK. As I recall, Senator, I believe I met Mr. Black through Mr. Baker.

Senator CURTIS. Did you ever meet Mr. Ralph Hill?

Mr. PEEK. To the best of my knowledge, I have never met Mr. Ralph Hill.

Senator CURTIS. You said that you had visited Mr. Baker's home. Where was that home located?

Mr. PEEK. I don't believe I indicated I ever visited Mr. Baker's home.

Senator CURTIS. Have you ever visited his home?

Mr. PEEK. Yes, sir; I have.

Senator CURTIS. Where was the home located?

Mr. PEEK. In Northwest Washington. I believe it is Davenport.

Senator CURTIS. Is that his present home?

Mr. PEEK. No, sir; I have never been in his present home.

Senator CURTIS. Have you ever been to his property referred to as the townhouse?

Mr. PEEK. Yes; I have, Senator.

Senator CURTIS. Where is that located?

Mr. PEEK. It is in Southwest Washington, at, I think it is M Street, or N Street, 308.

Senator CURTIS. Who owned it at the time you were there?

Mr. PEEK. I don't know who owned it, Senator I was there when I on occasions would drop my secretary off, Miss Mary Alice Martin, on my way home.

Senator CURTIS. Did she live there?

Mr. PEEK. She did live there at that time; yes, sir.

Senator CURTIS. You have never met Mr. Hill?

Mr. PEEK. To the best of my knowledge, I have never met Mr. Hill.

Senator CURTIS. Now, Mr. Hill testified before this committee back in the middle of January, part 8 of our hearings, concerning being present at a place here in Washington. He said:

Mr. HILL. Yes; there were a couple of friends there. I think I met her roommate.

I believe he is referring to Miss Tyler.

I am sure I have. And also another gentleman coming in as I was leaving.

Senator SCOTT. Do you recall who the other gentleman was?

Mr. HILL. Well, I recall meeting Mr. Scotty Peek as I was leaving the house.

Do you recall that?

Mr. PEEK. To the best of my knowledge, Senator Curtis, I have never met Mr. Ralph Hill, and I believe that gentleman is mistaken.

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

Senator CURTIS. He went on to say:

He was escorting her roommate into the house.

Do you know who Miss Tyler's roommate was?

Mr. PEEK. If he is talking about Miss Mary Alice Martin, yes; I knew Miss Martin.

Senator CURTIS. Who else lived there besides those two people?

Mr. PEEK. None, to my knowledge.

Senator CURTIS. Were you ever present when Robert Baker entertained?

Mr. PEEK. No, sir; I was never at a party at the townhouse.

Senator CURTIS. Any place. I say, were you ever present when Mr. Baker entertained any place?

Mr. PEEK. Yes; on occasions I was at his old house, when he entertained; yes.

Senator CURTIS. Any place else besides his residence?

Mr. PEEK. Not to the best of my knowledge; no, sir.

Senator CURTIS. Did the two of you ever attend any social gathering given by anyone else, other than at his residence?

Mr. PEEK. We possibly could have, Senator. I don't recall. We have been at functions, I am sure, together. But to the best of my knowledge, we never traveled there together.

Senator CURTIS. Did Mr. Baker ever discuss with you or mention to you his ownership of bank stock?

Mr. PEEK. Never, sir.

Senator CURTIS. Do you know a Mr. Kampelman?

Mr. PEEK. I am sorry?

Senator CURTIS. Mr. Kampelman, with the District of Columbia National Bank.

Mr. PEEK. I know a Mr. Max Kampelman, who used to be an employee here in the Senate, but I don't know whether that is the same one.

Senator CURTIS. That is the one I am referring to.

Mr. PEEK. Yes; I know Mr. Kampelman.

Senator CURTIS. Did Mr. Baker ever mention any business transactions with him?

Mr. PEEK. Never, sir.

Senator CURTIS. Have you had any business transactions with him?

Mr. PEEK. No, sir.

Senator CURTIS. Do you know anyone connected with North American Aviation?

Mr. PEEK. The only one that I know is—was Mr. Black, who was connected, I understand, with North American.

Senator CURTIS. That is all.

The CHAIRMAN. Senator Cooper?

Senator COOPER. I have no questions.

The CHAIRMAN. Senator Scott?

Senator SCOTT. Mr. Peek, almost three-fourths of the profit you made through your association with Mr. Baker was in the MGIC stock. In view of that fact, that so high a percentage of your profit is so involved, what efforts have you made to get from Mr. Baker the 1,840 shares of MGIC stock which you say belongs to you?

Mr. PEEK. Senator Scott, as I indicated to you earlier, on two different occasions I went to Mr. Baker and asked him for the stock, and on both occasions he told me at that particular time he was unable to obtain the stock.

Senator SCOTT. Did he give you any reason why he was unable to obtain the stock?

Mr. PEEK. No, sir. The only reason why he said that he had pledged it as a collateral on a loan, and this was based completely on my permission for him to do so.

Senator SCOTT. In view of the fact that that represents an approximate profit to you of \$36,000, less the \$2,800 you put in it, has this given you any concern?

Mr. PEEK. No, sir; it has not. Mr. Baker and I have been long-time friends, since 1954. As previously testified here today by me, we have been in businesses together. And I have no concern whatsoever. I have every reason to believe that Mr. Baker will return the stock to me someday.

Senator SCOTT. And you are willing to have the situation remain until sometime in the indefinite future, without any concern as to your investment; is that right?

Mr. PEEK. That is correct, sir.

Senator SCOTT. Mr. Reynolds was also interested in Wertco; was he not?

Mr. PEEK. Yes, sir.

Senator SCOTT. Were your relations with Mr. Reynolds cordial, friendly?

Mr. PEEK. I would say that they were friendly. I met Mr. Reynolds through Mr. Baker.

Senator SCOTT. You knew of nothing against Mr. Reynolds or derogatory to his character or reputation; did you?

Mr. PEEK. No, sir.

Senator SCOTT. That is all.

Senator COOPER. I would like to ask a question. It might have been asked before I came in. First, as to Wertco, what was the nature of the real estate developments to be undertaken; do you know?

Mr. PEEK. Senator Cooper, the original idea was to purchase a piece of property and eventually build a motel on the property.

Senator COOPER. Where was it to be located?

Mr. PEEK. Jacksonville Beach, Fla.

Senator COOPER. I understand you withdrew from that undertaking.

Mr. PEEK. Yes, sir; I did.

Senator COOPER. Now, on the other real estate which you had in Maitland, Orange County, Fla.—what was the nature of that real estate development?

Mr. PEEK. Senator Cooper, to the best of my knowledge this was unimproved land that was improved for commercial lots. When I say commercial lots, I mean for private homes.

Senator COOPER. You mean it was bought as unimproved land, and then houses built on it, or businesses?

Mr. PEEK. To the best of my knowledge, yes, sir. It was bought as unimproved land, and then was improved for residential lots; yes, sir.

Senator COOPER. Where is Maitland, Fla.?

Mr. PEEK. Maitland, Fla., sir, is in north Orange County, which is approximately 10 or 11 miles from Orlando, Fla., sir.

Senator COOPER. Any Government installations in that vicinity?

Mr. PEEK. Cape Kennedy is approximately—and this is a guess—I would say around 65 miles from there.

Senator COOPER. How far?

Mr. PEEK. Around 65 miles.

Senator COOPER. That is all.

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Peek, were you out of the Jacksonville property deal when the Teamsters Union loan was obtained, if there was one obtained?

Mr. PEEK. Yes, sir.

Senator CANNON. You had no further interest in it; were completely out?

Mr. PEEK. No, sir.

Senator CANNON. That is all.

The CHAIRMAN. Senator Clark?

Senator CLARK. No questions.

The CHAIRMAN. Senator Hayden?

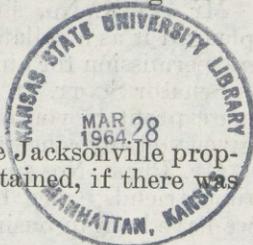
Senator HAYDEN. No questions.

The CHAIRMAN. Any further questions?

May I make this observation: Mr. Peek is here voluntarily. He asked to be heard. I just wanted the record to show that, that he came voluntarily, with his attorney. He made a very fine witness.

(Discussion off the record.)

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



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