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

GOVERNMENT
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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

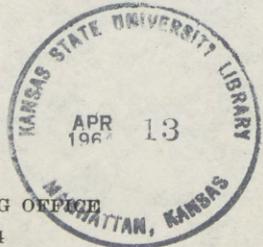
RESOLUTIONS AUTHORIZING AN INVESTIGATION INTO THE
FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR
EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE
SENATE

MARCH 10 AND 11, 1964

PART 17

**Testimony of Jack B. Cooper, Fred Hallford, Benjamin
B. Sigelbaum, and Frank Valeo**

Printed for the use of the
Committee on Rules and Administration



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FINANCIAL OR BUSINESS INTERESTS OF OFFICERS
OR EMPLOYEES OF THE SENATE

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R 80/2
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ST. 17

HEARINGS
BEFORE THE
COMMITTEE ON
RULES AND ADMINISTRATION
UNITED STATES SENATE
COMMITTEE ON RULES AND ADMINISTRATION

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W. ELLIS MEEHAN, *Chief Investigator*
BURKETT VAN KIRK, *Associate Counsel (Minority)*
JAMES H. DUFFY, *Associate Counsel*

II

PART IV

Testimony of Jack B. Cooper, Fred Bellford, Benjamin
H. Sigelbaum and Frank Valco

Printed for the use of the
Committee on Rules and Administration

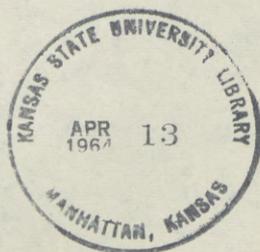


CONTENTS

Opening statement by Senator B. Everett Jordan, chairman of the Committee on Rules and Administration.....	Page 1576, 1587
Testimony of:	
Jack B. Cooper; accompanied by E. David Rosen, counsel.....	1577
Fred Hallford.....	1599
Benjamin B. Sigelbaum; accompanied by Edward L. Carey and Walter E. Gillcrist, counsel.....	1588
Frank Valeo.....	1611

EXHIBITS

Committee exhibit 1. Memorandum of interview with Benjamin B. Sigelbaum by members of Rules Committee's investigative staff.....	1603
Committee exhibit 2. Letter, dated October 4, 1963, from Senator Mike Mansfield to Edward E. Horgan, Jr.....	1605
Committee exhibit 3. Letter, dated October 7, 1963, from Edward E. Horgan, Jr., to Senator Mike Mansfield.....	1605-1606
Committee exhibit 4. Memorandum from Office of the Legislative Counsel, U.S. Senate, to the Committee on Rules and Administration regarding majority and minority secretaries.....	1607-1609
Committee exhibit 5. Letter, dated December 13, 1963, from Financial Clerk Robert A. Brenkworth to Senator B. Everett Jordan regarding the office of the secretary for the majority.....	1609-1611
Committee exhibit 6. Copy of "Code of Ethics for Government Service".....	facing page 1611
Committee exhibit 7. Letter, dated November 12, 1963, from Senator Mike Mansfield to Senator B. Everett Jordan.....	1612
Committee exhibit 8. Excerpt from statement by Senator Mike Mansfield before the majority conference, November 4, 1963.....	1612
Committee exhibit 9. Memorandum, dated December 10, 1963, from Frank Valeo to Rein Vander Zee regarding activities of staff members of majority secretary's office.....	1613
Committee exhibit 10. Copy of "Concept of the Function of the Secretary," dated October 8, 1963.....	1614



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 recess, at 11 a.m., in room 301, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Cannon, Clark, Curtis, 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; Walter Mote, professional staff member; William Ellis Meehan, investigator; Samuel Scott, investigator; and Alice Clark, staff.

The CHAIRMAN. The committee will come to order.

I understand counsel has something he wishes to say to the committee.

Mr. ROSEN. I do. I would like to have the still cameras and the moving cameras and any microphones removed, other than those necessary for the committee's hearing.

The CHAIRMAN. State your reason, please, sir.

Mr. ROSEN. I think that it would be an invasion upon my client's privacy, to have these cameras focused upon him while he is appearing before the committee in response to a subpoena.

The CHAIRMAN. That is a question I will have to refer to the counsel, because it is a legal question.

Mr. McLENDON. Does your client say it would affect his ability to testify?

Mr. ROSEN. I think that it would interfere.

Mr. McLENDON. You think it is unfair to him in his ability to testify?

Mr. ROSEN. I think so.

Mr. McLENDON. Mr. Chairman, on that ground—

Senator CURTIS. Does your client expect to testify?

Mr. ROSEN. I think we would have to meet each question as it comes, sir.

Senator CURTIS. He expects to give some testimony, then?

Mr. ROSEN. As I stated, I think we would have to meet each question as it comes.

Senator CURTIS. I am asking you. Do you expect to advise him to give any testimony?

Mr. ROSEN. I would advise my client to decline to answer any questions which may tend to reflect upon any business or financial relationships at the present time.

Senator SCOTT. May I suggest, Mr. Chairman, that I don't—I am not clear that that is a constitutional objection or a protection extended to the witness by the Constitution, as framed by counsel.

Mr. ROSEN. It would be based upon a constitutional provision.

Senator SCOTT. Which provision, Counsel?

Mr. ROSEN. The fifth amendment.

Mr. McLENDON. If I understand, Counsel, he is undecided. He wants to decide it question by question, as we question him.

Mr. ROSEN. I believe that that is what the law would require. We cannot make a blanket refusal to answer any question or questions.

Mr. McLENDON. I think, Mr. Chairman, under the circumstances, if we exclude the cameras as he requested, he can make no complaint about that. Then we can go ahead in an orderly manner.

The CHAIRMAN. What was that?

Mr. McLENDON. I think under the circumstances it would be possible for you to exclude the cameras, both still cameras and the television, and then we can proceed in an orderly manner.

The CHAIRMAN. That request will be granted.

Mr. ROSEN. Thank you.

Senator CLARK. Mr. Chairman, could I ask a question? Does this include radio?

The CHAIRMAN. Yes; everything.

Senator CLARK. Everybody except the press?

The CHAIRMAN. Everybody except the press.

Mr. McLENDON. Or people that haven't got a job to do here can stay.

The CHAIRMAN. The committee will come to order, please.

Mr. Cooper, it is necessary that I read to you an opening statement, in order that you may know under what authority you have been asked to be here today, and what your rights and privileges are before this committee.

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.

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

Mr. Cooper, will you please stand, sir, 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. COOPER. I do.

The CHAIRMAN. Thank you, sir.

Counsel, you may proceed.

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

TESTIMONY OF JACK B. COOPER, ACCOMPANIED BY E. DAVID ROSEN, COUNSEL

Mr. COOPER. Jack B. Cooper, 6444 Allison Island, Miami Beach, Fla.

Mr. McLENDON. You have your personal counsel with you this morning?

Mr. COOPER. Yes; I do.

Mr. McLENDON. Will you state your name and address?

Mr. ROSEN. E. David Rosen, 19 West Flagler Street, Miami, Fla.

Mr. McLENDON. Mr. Cooper, you understand you are here only in the capacity of a witness, do you not?

Mr. COOPER. I do.

Mr. McLENDON. For your information, this committee is not trying you or anyone else. It is seeking information to enable it to perform its duties in response to a Senate resolution which requires it to make recommendations to the Senate concerning the necessity for rules, laws, and regulations governing its officers and employees. Any question I may ask you is for that purpose and none other.

In 1962, Mr. Cooper, were you associated in business with Mr. George Simon?

Mr. COOPER. Upon the advice of my counsel, I respectfully decline to answer the question, relying upon the fifth amendment.

Mr. McLENDON. Mr. Chairman, I ask that you order and direct Mr. Cooper to answer the question.

The CHAIRMAN. Mr. Cooper, I order and direct you to answer the question.

Mr. COOPER. I stand on the same.

Mr. McLENDON. Mr. Cooper, was Mr. George Simon your auditor in 1962?

Mr. COOPER. I stand on the same, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same, Senator.

Mr. McLENDON. From whom did you first learn that a corporation to be known as Serv-U Corp. was to be organized?

- Mr. COOPER. My answer is the same, Counsel.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. I stand on the same.
- Mr. McLENDON. You are not now a stockholder in that company?
- Mr. COOPER. I stand on the same, Counsel.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. I stand on the same.
- Mr. McLENDON. You have no financial connection with that company now?
- Mr. COOPER. Stand on the same.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. Stand on the same.
- Mr. McLENDON. Were you ever identified with it?
- Mr. COOPER. Stand on the same.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. The answer is the same.
- Mr. McLENDON. Did you ever have any concealed interest in the company?
- Mr. COOPER. I stand upon the same, Counsel.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. I stand upon the same.
- Mr. McLENDON. Did Mr. Simon—George Simon—agree to go along with you in an arrangement by which the two of you put money into the Serv-U Corp?
- Mr. COOPER. The answer is the same, Counsel.
- The CHAIRMAN. I order and direct that you answer that question.
- Mr. COOPER. Stand on the same.
- Mr. McLENDON. And did you buy 2,700 shares of the corporation's stock in Simon's name, George Simon's name?
- Mr. COOPER. I stand on the same, Counsel.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. I stand on the same.
- Mr. McLENDON. And if you did buy it, was it sold?
- Mr. COOPER. I stand on the same, Counsel.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. Stand on the same, Senator.
- Mr. McLENDON. Were other people in Miami associated with you and George Simon in that transaction?
- Mr. COOPER. I stand on the same, Counsel.
- The CHAIRMAN. I order and direct that you answer the question.
- Mr. COOPER. Stand upon the same.
- Mr. McLENDON. Did you attend a meeting in Washington, D.C., at which Ernest Tucker was present?
- Mr. COOPER. Stand upon the same, Counsel.
- Mr. McLENDON. Ed Levinson?
- Mr. COOPER. Answer is the same.
- Mr. McLENDON. Fred Black?
- Mr. COOPER. Same answer.
- Mr. McLENDON. Robert G. Baker?
- Mr. COOPER. Same answer.
- Mr. McLENDON. And perhaps Mr. Sigelbaum?
- Mr. COOPER. Same answer, Counsel.
- The CHAIRMAN. I order and direct that you answer all those questions.

Mr. COOPER. My answer is the same on all of the questions, Senator.

Mr. McLENDON. Do you decline to tell the committee that you did attend such a meeting?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. My answer is the same, Senator.

Mr. McLENDON. Did you hear Ed Levinson, Fred Black, Robert G. Baker, Ernest Tucker, or Benjamin Sigelbaum—my question is: Did you ever hear any one of them explain how the Serv-U Corp. intended to get vending contracts with the North American Aviation Co.?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same.

Mr. McLENDON. Were you on April 16, 1963, registered at the Ambassador Hotel in Santo Domingo with Robert G. Baker and Edward Levinson?

Mr. ROSEN. I didn't hear the last name.

Mr. McLENDON. Edward Levinson.

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. Stand on the same.

Mr. McLENDON. If you were registered there, and it was not in connection with any business affair, how could it possibly incriminate you, merely being at a hotel?

Mr. COOPER. The same answer, Counselor.

The CHAIRMAN. I direct that you answer the question.

Mr. McLENDON. You are unwilling to explain to the committee how you think any of these questions I have asked you would incriminate you?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. I stand on the same.

Mr. McLENDON. Are you willing to tell the committee who bought the interest in Serv-U that was originally acquired by George Simon for you and for him and for others?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. Stand on the same.

Mr. McLENDON. If you sold your interest in Serv-U without a profit, there wouldn't be any income tax involved, would there?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. I stand on the same, Senator.

Mr. McLENDON. Do you tell this committee that you sold it at a profit?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. Stand on the same, Senator.

Mr. McLENDON. Mr. Cooper, your partner, Mr. Simon, has testified that you and he and others he did not name invested \$91,000, and you got back \$91,000. You refuse to tell the committee what the facts are about that?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I direct that you answer the question.

Mr. COOPER. I stand on the same, Senator.

Mr. McLENDON. Are you willing to tell the committee whether Robert G. Baker was present at a meeting in Washington, attended by you, at which an agreement was reached to purchase the interest acquired in Serv-U by Mr. George Simon in his name, but in reality for you and others?

Mr. COOPER. Same answer, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. I stand on the same, Senator.

Mr. McLENDON. Do you decline to tell the committee what other individuals were associated with you and George Simon in acquiring an interest in Serv-U?

Mr. COOPER. Same answer, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. My answer is the same, Senator.

Mr. McLENDON. Were any of these other unnamed persons associated with you in business in any way?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. My answer is the same, Senator.

Mr. McLENDON. Did you know Robert G. Baker before you had your first conversation with George Simon about the Serv-U Corp.?

Mr. COOPER. The answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same, Senator.

Mr. McLENDON. Did you know Ernest Tucker prior to the time that George Simon had the first conversation with you about Serv-U?

Mr. COOPER. The answer is the same, Counselor.

The CHAIRMAN. I order and direct you to answer the question.

Mr. COOPER. The answer is the same, Senator.

Mr. McLENDON. Did you attend a meeting in Miami, attended by George Simon, Edward Levinson, and Fred Black, in connection with the Serv-U Corp., or any other business?

Mr. COOPER. The answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same, Senator.

Mr. McLENDON. Did you ever attend a stockholders meeting of the Serv-U Corp.?

Mr. COOPER. Same answer, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. Stand on the same, Senator.

Mr. McLENDON. And you decline to disclose to this committee whether you made or lost money on your investment in Serv-U?

Mr. COOPER. My answer is the same, Counselor.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same, Senator.

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

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Cooper, what is your business?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. My answer is the same, Senator.

Senator CANNON. Do you mean that you don't feel you can tell this committee what your business is without incriminating yourself?

Mr. COOPER. The same answer, Senator.

Senator CANNON. Do you know Mr. Robert G. Baker?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same.

Senator CANNON. Do you feel that the admission of whether you know or do not know Mr. Baker would tend to incriminate you?

Mr. COOPER. My answer is the same, Senator.

Senator CANNON. Are there any questions you feel that you could answer for this committee?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that you answer that question.

Mr. COOPER. The answer is the same, Senator.

Senator CANNON. Do you presently believe you are under investigation by the Internal Revenue Service?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Senator CANNON. Do you believe you are presently under investigation by the Federal Bureau of Investigation?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. The answer is the same.

Senator CANNON. Do you believe that you are under investigation by any other Government agency?

Mr. COOPER. My answer is the same, Senator.

Senator CANNON. And you honestly believe that you cannot answer any questions put to you by this committee without tending to incriminate yourself?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order that you answer the question.

Mr. COOPER. My answer is the same, Senator.

Senator CANNON. I have nothing further, Mr. Chairman.

The CHAIRMAN. Senator Clark?

Senator CLARK. Mr. Cooper, you and your counsel appreciate that your failure to answer these many questions of fact may result in your being held in contempt of the Senate?

Mr. COOPER. My answer is the same, Senator.

Senator CLARK. That is all.

The CHAIRMAN. I direct that you answer that question.

Mr. COOPER. The answer is the same, Senator.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. How long have you lived in Florida?

Mr. COOPER. My answer is the same, Senator.

Senator CURTIS. Do you live in Florida?

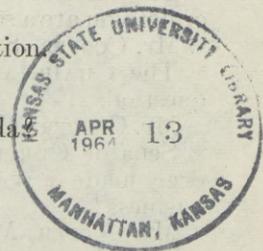
Mr. COOPER. Please repeat the question.

Senator CURTIS. Do you live in Florida?

Mr. COOPER. I gave my address; yes.

Senator CURTIS. I ask the chairman to direct him to answer these last two questions.

The CHAIRMAN. He did answer it. He said he gave his address, as living in Florida. Is that correct?



Mr. COOPER. That is correct.

Senator CURTIS. Where did you live prior to living in Florida?

Mr. COOPER. I refuse to answer the question on the same grounds.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. My answer is the same, Senator.

Senator CURTIS. Am I to understand that your residence in Florida is of such short duration that to reveal where you lived before that could possibly incriminate you in any court in the United States?

Mr. COOPER. The answer is the same, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. Are you a citizen of the United States?

Mr. COOPER. Yes, sir.

Senator CURTIS. By birth?

Mr. COOPER. Yes, sir.

Senator CURTIS. Where?

Mr. COOPER. New York.

Senator CURTIS. When did you leave New York?

Mr. COOPER. I stand on the same; refuse to answer the question.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. Stand on the same.

Senator CURTIS. Did you leave New York of your own volition?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that you answer the question.

Mr. COOPER. My answer is the same.

Senator CURTIS. Now I will ask you: Are you a social friend of Robert G. Baker?

Mr. COOPER. Stand on the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. I can understand why you might want to take the fifth amendment in reference to business transactions, but as one member of the committee I want to warn you that you are taking lightly the fifth amendment, as to whether or not you were a social friend of his. Do you wish to answer?

Mr. ROSEN. Is there a question?

Senator CURTIS. Yes. Do you wish to answer the question whether or not you are a social friend of Robert Baker's?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. My answer is the same.

Senator CURTIS. Will you tell the committee whether or not you ever made any trips with Robert Baker that were unrelated to business?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. Was the trip, then, by you and Ed Levinson and Robert Baker to the Dominican Republic in the spring of 1963 a business trip?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. You have had previous business in the Dominican Republic, haven't you?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. Did you have any business with the Trujillo government?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct—

Mr. COOPER. I stand on the same.

Senator CURTIS. Did you purchase planes for the Trujillo government?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same, Senator.

Senator CURTIS. Mr. Simon testified that you were present at a meeting in Mr. Tucker's office, described as Baker's law partner. Mr. Levinson was present—Mr. Edward Levinson—Mr. Fred Black, Mr. Robert G. Baker, Mr. Benjamin Sigelbaum. Was there such a meeting?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. Are you in the hotel business?

Mr. COOPER. I stand on the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same answer.

Senator CURTIS. Are you in any kind of racing business?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. Stand on the same.

Senator CURTIS. Have you discussed your testimony here with Mr. Robert G. Baker?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. Stand on the same.

Senator CURTIS. Will you explain to me how just stating whether or not you had a conversation with Robert G. Baker would incriminate you?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator CURTIS. That is all.

The CHAIRMAN. Senator Scott?

Senator SCOTT. Mr. Cooper, did you show the results of any of the financial transactions in Serv-U on your income tax returns?

Mr. COOPER. I refuse to answer the question. I stand on the same rights, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. Stand on the same.

Senator SCOTT. Was not the creation of the Serv-U Corp. your idea alone, or after consultation with others?

Mr. COOPER. I stand on the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. The stand is the same.

Senator SCOTT. Are you or are you not a member of a group that is behind the International Airport Hotel System?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same, Senator.

Senator SCOTT. It is not the International Airport Hotel System presently in the process of planning the erection of, or erecting a hotel at the airport at Minneapolis, Minn.?

Mr. COOPER. I stand on the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. I stand on the same.

Senator SCOTT. If they are engaged in this airport project in Minneapolis, Minn., do you have an interest in that project?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. Stand on the same.

Senator SCOTT. Have you had any business transactions with a vending machine operator named Nathan Liever, of Reading, Pa.?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. The answer is the same, Senator.

Senator CURTIS. Mr. Chairman—have you ever given any money or property to Robert G. Baker?

Mr. COOPER. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. My answer is the same, Senator.

Senator CURTIS. Has he ever given you any money or property?

Mr. COOPER. The answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. The answer is the same, Senator.

Senator CURTIS. That is all.

Senator SCOTT. Have you ever visited with or had conference with or had luncheon or dinner with Mr. Robert G. Baker?

Mr. COOPER. My answer is the same, Senator.

Senator SCOTT. Have you discussed with Mr. Robert G. Baker your plans to take the fifth amendment at this hearing?

Mr. COOPER. My answer is the same, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. COOPER. The stand is the same, Senator.

Senator SCOTT. That is all.

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

The CHAIRMAN. There are no further questions. The witness may be excused.

We appreciate your being here, sir.

Mr. COOPER. Thank you very much.

The CHAIRMAN. The committee has word Mr. Sigelbaum is in town. He will be heard tomorrow morning at 9:30.

(Whereupon, at 11:45 a.m., the committee recessed, to reconvene at 9:30 a.m., Wednesday, March 11, 1964.)

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FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

WEDNESDAY, MARCH 11, 1964

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

The committee met, pursuant to recess, at 9:45 a.m., in room 318, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Cannon, Pell, Clark, 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; Walter Mote, professional staff member; William Ellis Meehan, investigator; Samuel Scott, investigator; and Alice Clark, staff.

The CHAIRMAN. The committee will please come to order.

Mr. Sigelbaum, it is necessary that I read this opening statement here in order that you may know under what authority you are 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 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. Sigelbaum.

Mr. Sigelbaum, will you please stand and be sworn?

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. SIGELBAUM. I do.

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

Counsel, you may proceed.

Mr. McLENDON. Will you state your full name and present residence address?

**TESTIMONY OF BENJAMIN B. SIGELBAUM, ACCOMPANIED BY
EDWARD L. CAREY AND WALTER E. GILLCRIST, COUNSEL**

Mr. SIGELBAUM. Benjamin B. Sigelbaum, 4924 Collins Avenue, Miami Beach, Fla.

Mr. McLENDON. Do you have your personal counsel present with you this morning?

Mr. SIGELBAUM. I do, sir.

Mr. McLENDON. Will you let each of them state their name and business address?

Mr. CAREY. Edward L. Carey, 821 15th Street NW., in the District.

Mr. GILLCRIST. Walter E. Gillcrist, of the same address.

Mr. McLENDON. Mr. Sigelbaum, how long have you lived at the address—

Mr. CAREY. May I interrupt just a minute, Mr. Counsel?

Mr. Chairman, the witness requests that television, radio, and cameras be suspended during the time he is a witness here in the chair. He suggests that it would be irritating, harassing, discomforting to him while he is being subjected to questioning. I see no need for removing the equipment. If they merely suspend the operation of the equipment it will satisfy us.

Mr. McLENDON. Mr. Carey, can you inform the committee whether the witness is going to testify? If he is here just to plead the fifth amendment, I don't see how the cameras could affect him on that.

Mr. CAREY. I may suggest that that will be determined by the questions asked by you or members of the senatorial staff—of the Rules Committee, rather.

Mr. McLENDON. May I ask you one other question? Is your client taking the position that he cannot fairly testify if he has to testify in the presence of the television and still cameras and radio?

Mr. CAREY. No. He takes the position that to be asked any questions, and compelled to answer if he exercises a constitutional right or not, it will be extremely difficult for him to answer in any fashion.

Mr. McLENDON. I am not quite clear on the point you are trying to make.

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

Mr. McLENDON. If the witness is taking the position that he cannot fairly—to himself and to the committee—testify in the presence of the

television lights, still cameras, and radio, that is one thing. Can you answer that question for me?

Mr. CAREY. I would say yes to that.

Mr. McLENDON. In view of that, Mr. Chairman, I think the committee should rule that he is entitled to his request.

The CHAIRMAN. That being the request, and at the instruction of the chief counsel, I will ask the television cameras to cease operating. You need not remove them from the room, as he does not ask that. And that other equipment be discontinued from being used—lights and so forth.

Senator CLARK. Radio, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. McLENDON. That was included in your request.

Mr. CAREY. The three forms of communication.

Mr. McLENDON. Mr. Sigelbaum, I didn't finish my question. It is: How long have you lived at the address you gave the committee a few moments ago?

Mr. SIGELBAUM. I didn't hear you, Major.

Mr. McLENDON. I said: How long have you lived at the address you gave the committee a few moments ago?

Mr. SIGELBAUM. Approximately 5 years.

Mr. McLENDON. During that time, have you been a citizen of the State of Florida?

Mr. SIGELBAUM. I respectfully refuse to answer the question on the grounds that my rights under the first, fourth, and fifth amendments to the Constitution of the United States have been violated and invaded, and I specifically refuse to answer the questions on the ground that my answer may tend to incriminate me.

The CHAIRMAN. I direct and order that you answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. CAREY. Mr. Chairman, may we have a stipulation that it will not be necessary for the witness to read this statement every time he chooses to exercise his constitutional rights? May I suggest he may say, "I stand on my previous answer." Is that satisfactory?

Mr. McLENDON. It is, if it is understood that he is including in his appeal the fifth amendment.

Mr. CAREY. That is correct—the first, fourth, and fifth amendments.

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

Mr. Sigelbaum, you decline to inform the committee whether you are a citizen of the States of Florida? I ask you again, are you now a citizen of the State of Florida?

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Are you a citizen of the United States?

Mr. SIGELBAUM. The same answer, Major.

Mr. McLENDON. So you are asserting a right which is given by the Constitution to citizens of the United States, and refuse to tell the committee whether you are or are not a citizen; is that correct?

Mr. SIGELBAUM. Same answer, Major.

Mr. McLENDON. Have you ever been a citizen of the United States?

Mr. SIGELBAUM. Same answer, Major.

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

Mr. SIGELBAUM. Same answer.

Mr. CAREY. Let the record reflect—

Mr. McLENDON. Let the record show that you order him to answer.

The CHAIRMAN. I order and direct that the witness answer that question.

Mr. McLENDON. And the one previous.

The CHAIRMAN. The one previous.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. CAREY. When he says same answer we understand specific reference to the constitutional amendments which he interposed heretofore.

Mr. McLENDON. I think the record is clear on that. You have just declined to advise the committee when you first became acquainted with Robert G. Baker.

I ask you now: Did you know him in 1962?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you know Robert G. Baker—that is, were you acquainted with him—before you ever had any business transactions with him?

Mr. SIGELBAUM. Same answer.

The CHAIRMAN. I direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Are you unwilling to explain to the committee why you think answering that last question would tend to incriminate you?

Mr. SIGELBAUM. Same answer.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. How long have you known Edward Levinson?

Mr. SIGELBAUM. Same answer.

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

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Did you know Edward Levinson before you ever had any business or financial transactions with him?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I direct that the witness answer that question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you become a purchaser of stock in the corporation known as Serv-U?

(At this point, Senators Cannon and Clark withdrew from the hearing room.)

Mr. SIGELBAUM. Same answer.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Mr. Sigelbaum, the records of the corporation itself show that you were and are a stockholder. Do you deny that you are now a stockholder in Serv-U Corp.?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. If you have not sold the stock, you are not involved financially except in making an investment, are you?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. And if you are merely the owner of the stock and haven't sold it, you would have no accounting for a loss or profit, would you?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Mr. Chairman, I suggest we suspend for a moment until one of the other Senators returns.

The CHAIRMAN. The reason for the suspension is that it requires three Senators to have a quorum. One has left temporarily.

Senator SCOTT. Mr. Chairman, I was in presente and in situ of the hearing.

The CHAIRMAN. We may proceed now.

Senator SCOTT. I had not left the room.

Mr. McLENDON. Let the record show a quorum has been present all the time the witness has been under examination.

Mr. Sigelbaum, did you buy some stock in the Columbia National Bank, or the National Bank of the District of Columbia?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that you answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Do you still own the stock?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. From whom did you buy it?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you deal with Fred Black in the purchase of it?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you deal with Robert Baker in connection with the purchase of this stock?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Do you decline to inform the committee whether you still own that stock, so the committee could determine whether you might be involved in any tax problem as a result of the ownership of it?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you buy stock in the Farmers & Merchants Bank of Tulsa, Okla.?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Do you still own the stock?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you deal with Fred Black in the purchase of that stock?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you ever visit the North American Aviation Corp. in Los Angeles during the year 1962 or 1963?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Do you know Ernest Tucker?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you confer with Ernest Tucker and Robert G. Baker at the International Hotel in Miami in February of 1963?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Have you conferred with Baker at any time during this year, 1964?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. During the year 1962, were you acquainted with Jack B. Cooper?

Mr. SIGELBAUM. Same answer, Major.

Mr. McLENDON. He lives in the same city you live in, does he not?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Was Cooper the first person who ever talked to you about investing in the Serv-U Corp.?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Mr. Sigelbaum, you have been interviewed by an investigator employed by this committee, have you not?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Is it not a fact that you raised no objection to being interviewed by Mr. Fred Hallford and Mr. Peter Hoehl, investigators for this committee?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. You know, do you not, that these investigators made a written report of their conversations with you?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. I have just handed you a document, a little more than two pages of typewritten, single spaced material, dated February 17, 1964, entitled, "Memorandum", addressed to "Major L. P. McLendon, General Counsel, from Peter Hoehl and Fred Hallford, Investigators, Subject: Interview with Benjamin B. Sigelbaum." I ask you to look at that and state whether or not that appears to be a report of the conversation between you and these two investigators.

Mr. CAREY. We have looked at it, Major.

Mr. McLENDON. Can you answer the question now?

Mr. CAREY. What is the question? I have forgotten.

Mr. McLENDON. I asked him if he could look at this memorandum and state whether or not it purports to be a report of the interview between him, Mr. Hoehl, and Mr. Hallford.

Mr. SIGELBAUM. Same answer, Major.

Mr. McLENDON. I direct your attention to the last paragraph on the third page, which reads as follows—

The CHAIRMAN. I order and direct that the witness answer the previous question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. I am reading the last paragraph on the third page:

Sigelbaum said he would willingly appear before the Senate Rules Committee to furnish testimony as to his participation in the Serv-U Corp. without the issuance of a subpoena.

Did you tell these two investigators that?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Do you deny that you told them that?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Can you give this committee any explanation of why you told these investigators that, and now appear and refuse to answer any questions?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you tell these two investigators that you bought stock in the Serv-U Corp. for approximately \$60,000?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. And did you tell them that you finally acquired a 13½-percent stock interest in the corporation?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. And did you tell them that you had not actually received the stock certificates?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. And did you tell them that you relied upon your confidence in Mr. Levinson to handle this?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you tell them that you met Robert G. Baker for the first time in Fred Black's office in Washington, D.C., about the time that the Serv-U Corp. was being organized?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Did you tell them at the time you agreed to purchase stock in Serv-U that you were not acquainted with any of the other stockholders except Levinson and Torres?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you tell them about a week prior to the date that they talked to you, to wit, on February 17, that you met Bobby

Baker in the International Hotel in Miami, Fla., and had breakfast with him?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you tell them that Ernest Tucker was present on the same occasion?

Mr. SIGELBAUM. Same answer.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Did you tell these two investigators at that time that Baker told you he was looking for a purchaser for the Carousel Motel, located in Maryland?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you tell them that you had no personal interest in gambling operations in the Caribbean area, but you did have investments in business enterprises with Ed Levinson, such as land deals in Florida?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. And were you asked by these investigators whether Bobby Baker was connected with any of those land deals?

Mr. SIGELBAUM. Same answer.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Did you tell them that Ed Levinson told you of the availability of a block of 6,400 shares of stock in the Farmers & Merchants Bank in Tulsa, Okla., and that one-fourth of these shares could be bought by you?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Did you tell them that you considered it a good buy, and that you did buy 25 percent of this stock?

Mr. SIGELBAUM. Same answer, sir.

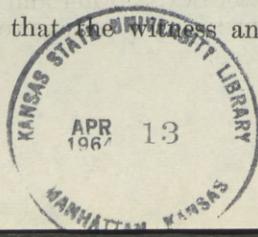
The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Mr. McLENDON. Did you tell them that it was explained to you that this block of stock would be purchased with the proceeds from a loan in the amount of \$175,000 obtained from a bank in Oklahoma City?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.



Mr. SIGELBAUM. Same answer.

Mr. McLENDON. And did you tell them that all of this stock, the 6,400 shares, was deposited as collateral for the loan in the amount of \$175,000 that had been borrowed from a bank in Oklahoma City?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Mr. Sigelbaum, do you refuse to make any explanation whatever to this committee why you would consent, without any objection, to be interviewed by these two representatives of this committee?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. Do you have any reason to believe that these two investigators for this committee would report the interview with you other than truthfully?

Mr. SIGELBAUM. Same answer, sir.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Mr. McLENDON. I think that is all, Mr. Chairman.

The CHAIRMAN. Senator Cooper?

Senator COOPER. No questions.

Mr. McLENDON. May I ask one more question? Mr. Sigelbaum, was Mr. Edward Levinson in the office of the Fremont Hotel in Las Vegas at the time these investigators interviewed you?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. They did interview you in Las Vegas at the Fremont Hotel, did they not?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

The CHAIRMAN. Senator Cooper?

Senator COOPER. Did you visit the offices of the North American Aviation Corp. and the Northrop Co. seeking a vending contract for Serv-U?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Senator COOPER. Did you talk to Mr. Atwood, president of North American, about a vending contract for Serv-U?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct—

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator COOPER. Since you gave your statement to an investigator of this committee, has any person other than your lawyer advised you not to testify before this committee, claiming the rights you have under the Constitution?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator COOPER. When you were interviewed by representatives of this committee, were you induced to make the statement by any promise or representation made to you by a representative of this committee?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, sir.

Senator COOPER. Were you promised by the investigators that you would not be called to testify under oath before this committee?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator COOPER. Since you gave the interview to the representatives of this committee, have you talked to Mr. Baker—Mr. Robert Baker—or Mr. Levinson, and did either one of them advise you not to testify under oath before this committee?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator COOPER. I will ask you another question. You have refused to state that you are a citizen of the United States. Now, is there any way you can explain why it might incriminate you to deny you are a citizen of the United States, or to admit you are a citizen of the United States?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer.

Senator COOPER. That is all I have.

The CHAIRMAN. Senator Scott?

Senator SCOTT. Mr. Sigelbaum, I direct your attention to the fact that a witness, Mr. Cooper, appeared yesterday. Notwithstanding a number of questions, he invoked the protection of the Constitution of the United States. He did reply affirmatively to the question that he was a citizen of the United States.

Now, I would like to caution you very carefully that in asserting rights which are available to citizens of the United States, you might wish to reconsider your refusal to identify yourself as a citizen. Therefore, I again ask you: Are you a citizen of the United States?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator SCOTT. Were you advised that Fred Black had connections at North American that would or could allow Serv-U to become the vending operator at the North American enterprises?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Senator SCOTT. What is the date and place of your birth?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Senator SCOTT. What is your full name?

Mr. SIGELBAUM. Same answer.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Benjamin B. Sigelbaum.

Mr. CAREY. I object to that question on the basis it is repetitious, Senator. But we will answer it anyway. He has already answered that question.

Senator SCOTT. I believe we have now succeeded in putting a "B" in it.

Mr. CAREY. I think it was in initially, but I won't argue that.

Senator COOPER. May I ask a question at this point?

Senator SCOTT. Yes.

Senator COOPER. If you will not state that you are a citizen of the United States, or that you are not a citizen of the United States, are you a member of the diplomatic corps, claiming immunity for that reason?

Mr. CAREY. We will object to that question on the basis of its pertinency.

Mr. SIGELBAUM. Same answer, Senator.

Mr. CAREY. I think the Senator could take judicial notice of that fact, Senator, that he is not.

Senator SCOTT. Have you ever used an alias?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator SCOTT. Do you honestly believe that a truthful answer to these questions I have just asked you regarding your birth, place of birth, would in any way tend to incriminate you in any criminal or civil action?

Mr. SIGELBAUM. Same answer, Senator.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Senator SCOTT. That is all I have.

Mr. McLENDON. Let me ask him one other question. Mr. Sigelbaum, do you contend that these two representatives of this committee who interviewed you on or about February 17, 1964, used any strategy, fraud, deceit, or any method of entrapment as a result of which you agreed to be interviewed and were interviewed?

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

Mr. McLENDON. Then I take it your refusal to answer my question is an admission that these two gentlemen did not practice any fraud or deceit upon you.

Mr. SIGELBAUM. Same answer, Major.

The CHAIRMAN. I order and direct that the witness answer the question.

Mr. SIGELBAUM. Same answer, Mr. Chairman.

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

The CHAIRMAN. Any further questions?

The witness may be excused.

Mr. CAREY. Mr. Chairman, we have a copy of the investigators' report. Is this for us?

Mr. McLENDON. No, sir. I will give you a copy, but I need this one.

Mr. Hallford?

The CHAIRMAN. Thank you, Mr. Sigelbaum.

Mr. SIGELBAUM. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hallford?

Mr. McLENDON. Mr. Sigelbaum, and Counsel, I just want to advise you in advance that this witness is going to testify about this interview, and I want you to know that you have a perfect right to sit here and hear the testimony, if you want to.

Mr. SIGELBAUM. All right.

Mr. McLENDON. We will furnish you with a copy, as I have told you.

Mr. CAREY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hallford, I don't believe you have been sworn. 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. HALLFORD. I do.

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

Mr. McLENDON. Mr. Chairman, this witness has made no point about television and radio and the still cameras. I think it would be perfectly proper for you to now relax the rule and let the machines start grinding.

The CHAIRMAN. It is perfectly all right with the committee.

Mr. HALLFORD. I have no objection.

Mr. McLENDON. Mr. Hallford, are you employed by the Senate Rules Committee?

TESTIMONY OF FRED HALLFORD

Mr. HALLFORD. I am.

Mr. McLENDON. As an investigator?

Mr. HALLFORD. I am.

Mr. McLENDON. What experience and training have you had as an investigator?

Mr. HALLFORD. I have had approximately 24 years of investigative experience with a Government agency.

Mr. McLENDON. Which one?

Mr. HALLFORD. FBI.

Mr. McLENDON. Are you retired now as a former FBI employee?

Mr. HALLFORD. Yes, sir; I retired in January of 1960.

Mr. McLENDON. Do you have any interest in the investigation now pending before this committee that would affect your ability to tell the truth, the whole truth, and nothing but the truth?

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

Mr. McLENDON. Did you, together with Mr. Peter Hoehl, another investigator for the committee, interview Mr. Benjamin B. Sigelbaum on or about February 17, 1964?

Mr. HALLFORD. That is correct.

Mr. McLENDON. Where did you two gentlemen interview him?

Mr. HALLFORD. At the Fremont Hotel, in Las Vegas, Nev., in the office of Mr. Ed Levinson.

Mr. McLENDON. Was Mr. Levinson present all or part of the time?

Mr. HALLFORD. Part of the time he was present. He was in the room at the time the interview began, and he was in and out during the interview. We offered no objections to his being present.

Mr. McLENDON. Did you thereafter reduce to writing the general description of what Mr. Sigelbaum said in reply to inquiries directed to him by you and Mr. Hoehl?

Mr. HALLFORD. I did. I made copious notes during the course of the interview, and shortly thereafter from these notes I prepared a detailed memorandum on the subject matter discussed.

Mr. McLENDON. Will you tell the committee, Mr. Hallford, exactly what you said to Mr. Sigelbaum, how you arranged the conference with him, and what, if anything, was said by him before you began questioning him?

Mr. HALLFORD. The interview with Mr. Sigelbaum was arranged through the cooperation of Mr. Ed Levinson. He called him to his office, and when Mr. Sigelbaum appeared in the office he said he had no objections to being interviewed by representatives of the Senate Rules Committee as he had made a free and—had had a free and oral discussion with representatives of another Government agency prior to the time of this interview. He fully understood that anything he said was purely voluntary on his part. And he had the comment that he had done nothing wrong and had nothing to hide, and he would answer any questions we had to ask him.

Mr. McLENDON. Did you make him any promise that what he said would be treated in confidence?

Mr. HALLFORD. No, sir.

Mr. McLENDON. Did you make him any promise that it would not be used against him, so to speak?

Mr. HALLFORD. No, sir.

Mr. McLENDON. Did you make any promise that it would not be used by the committee in any way the committee saw fit?

Mr. HALLFORD. No, sir. In fact, I informed him it probably would be used.

Mr. McLENDON. You told him it probably would be used?

Mr. HALLFORD. Yes, sir.

Mr. McLENDON. Do you have a copy of your written report of this interview before you?

Mr. HALLFORD. Yes, sir; I do.

Mr. McLENDON. I call your attention to the last paragraph, which reads:

Sigelbaum said he would willingly appear before the Senate Rules Committee to furnish testimony as to his participation in the Serv-U Corp. without the issuance of a subpoena.

Mr. HALLFORD. That is correct. I might add to that that he would willingly appear to testify as to any of the matters discussed with him, in addition to that.

Mr. McLENDON. And after this interview, do you have personal knowledge of an effort by the committee to get in touch with Mr. Sigelbaum about his appearance here?

Mr. HALLFORD. Yes, sir; I do.

Mr. McLENDON. Did you communicate with him, yourself?

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

Mr. McLENDON. Some other member of the staff?

Mr. HALLFORD. Some other member of the staff.

Mr. McLENDON. Now, Mr. Hallford, will you take the written report which you filed with counsel for the committee, and begin at the very beginning of it—you may read the exact language if you care to. I want you to be accurate and clear in telling the committee what Mr. Sigelbaum said.

Mr. HALLFORD. That is right. I think the memorandum represents the most accurate description of what was said, an account of what was said in the office of Mr. Levinson when Sigelbaum was interviewed. I will read the memorandum, if you have no objection.

Mr. McLENDON. All right. You can comment at any time.

Mr. HALLFORD. This is a memorandum written under date of February 17, 1964, to you, from myself and Peter Hoehl, another investigator. It is captioned "Interview With Benjamin B. Sigelbaum."

Mr. McLENDON. Was it prepared from notes taken by you?

Mr. HALLFORD. Yes, sir; copious notes. I have those in the office.

Mr. McLENDON. About how long after the interview was this memorandum prepared?

Mr. HALLFORD. A very few days.

Mr. McLENDON. Go ahead.

Mr. HALLFORD (reading):

Mr. Sigelbaum was interviewed on February 11, 1964, in the office of Mr. Ed Levinson, at the Fremont Hotel in Las Vegas, Nev. He was in Las Vegas to attend the funeral services of Mrs. Levinson held on February 10. Sigelbaum resides at the Executive House located at 4925 Collins Avenue, Miami Beach, Fla.; home telephone number, Jefferson 1-7547. He maintains an office at 404 Dupont Plaza Building, Miami Beach; office telephone, Franklin 1-7118. Sigelbaum furnished the following information:

He claims to have been an extremely close personal friend of Ed Levinson for many years. He recalled that at the time Serv-U Corp. was being organized, Levinson contacted him and explained the general setup of the corporation, its objectives, and potentials. Levinson pointed out that 15 percent in the stock being issued Serv-U—

Mr. McLENDON. "Interest," isn't it?

Mr. HALLFORD. Yes, sir. [Continuing.]

Levinson pointed out that 15 percent interest in the stock being issued Serv-U was available to him, Sigelbaum, Sigelbaum thought the purchase of this stock at the cost of \$60,000 was a good buy. He agreed to purchase it. Later on, he learned that a Mr. Torres, an officer in the Fremont Hotel in Las Vegas and a close personal friend of Mr. Levinson, had an interest, leaving a total of 13½

percent of the total stock issued available to Mr. Sigelbaum. Sigelbaum said he did not receive his shares of stock until approximately a month ago, but had full confidence in Mr. Levinson—

Mr. McLENDON. You missed a line.

Mr. HALLFORD (continuing reading):

but he had never been concerned about his failure to receive the stock as he had full confidence in Mr. Levinson, who he knew would look after his, Sigelbaum's, interest in this financial venture. He said he was satisfied in his own mind that Ed Levinson was the prime contributor to the organization of the Serv-U Corp.

Sigelbaum disclaimed any close personal friendship or relationship with Bobby Baker. He recalled that he first met Baker in Fred Black's office in Washington, D.C., about the time that Serv-U was being organized, probably shortly after Levinson told him of the availability of some of the Serv-U stock.

At the time he purchased his stock in Serv-U Corp., Sigelbaum said that he did not know the identity of any of the other stockholders with the exception of Mr. Levinson and Mr. Torres.

Sigelbaum said that about a week prior to the date of this interview, he had breakfast with Bobby Baker in the dining room of the International Hotel in Miami, Fla. Ernest Tucker was with him at the time of this meeting. Nothing was discussed of significance except Baker was interested in finding a buyer for the Carousel Motel.

Sigelbaum said that he never had any interest whatsoever in the gambling ventures of Ed Levinson in Las Vegas, Nev.; nor in Ed Levinson's efforts to set up gambling operations in the Caribbean. He did point out, however, that he did have investments in business enterprises with Ed Levinson such as land deals in Florida, but pointed out that none of these ventures involved Bobby Baker in any way with the exception of the one following situation:

Approximately 15 months previously, Ed Levinson had informed him, Sigelbaum, that a block of 6,400 shares of stock was being offered by the Farmers & Merchants Bank in Tulsa, Okla., a newly organized bank. He said Levinson told him that 25-percent interest in all of this stock was available to him, Sigelbaum. Levinson thought it would be a good buy, and, relying upon Levinson's recommendations, he agreed to purchase a 25-percent interest. He understood that Levinson would purchase 25 percent, Fred Black would purchase 25 percent, and Bobby Baker 25 percent. He was informed that a sum of approximately \$175,000 was borrowed from another bank, probably in Oklahoma City, Okla., to cover the cost of all the stock, and the stock was put up as collateral at the bank where the loan was arranged. Sigelbaum said he had paid off his portion of the loan, and he still had all of his shares of the stock initially issued by the Farmers & Merchants Bank of Tulsa.

Sigelbaum emphasized that he had never asked any favors of Bobby Baker and he had never rendered any services to Bobby Baker.

Sigelbaum's son, Lester, presently is employed by Levinson at the Fremont Hotel in Las Vegas, Nev., where Lester is in charge of all the slot machines and the gambling operations at the Fremont Hotel.

Sigelbaum said he had visited with the North American Aviation Corporation—had visited the North American Aviation Corporation offices in El Segundo, Calif., either shortly before or after Serv-U was organized, and described the purpose of this visit as to meet Fred Black to go to the races. While in these offices, he briefly met Mr. Atwood, president of North American Aviation, Inc. He claimed that Serv-U was not discussed at all during the period of his visit to these offices.

Sigelbaum claims that he is acquainted with Eugene Hancock of Automatic Vending in Miami, who was the first president of Serv-U Corp. He knows George M. Simon, of Miami, original stockholder of Serv-U Corp. He is fairly certain that he is acquainted with Robert Miller, only to the extent that he met him somewhere through Fred Black, probably at Black's home in Washington, D.C. It will be noted that Miller is president of Northrop Corp., which corporation now utilizes the services of Serv-U Corp. in some of its plants.

Sigelbaum said he would willingly appear before the Senate Rules Committee to furnish testimony as to his participation in the Serv-U Corp., without the issuance of a subpoena.

As I have said previously, he also voluntarily said he would testify to any facts discussed during the course of this interview.

Mr. McLENDON. Mr. Hallford, is this report which you have read to the committee in your honest opinion a fair statement of the interview you had with Mr. Sigelbaum?

Mr. HALLFORD. It certainly is.

Mr. McLENDON. Referring to the first paragraph of this report which gives details about Mr. Sigelbaum's residence, the street number; did you get that information from him?

Mr. HALLFORD. I got all this information from him.

Mr. McLENDON. And the telephone number?

Mr. HALLFORD. Yes, sir.

Mr. McLENDON. You had no knowledge of any of those details except as you got them from Mr. Sigelbaum?

Mr. HALLFORD. That is right.

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

The CHAIRMAN. Senator Cooper?

Senator COOPER. No questions.

The CHAIRMAN. Senator Scott?

Senator SCOTT. No questions.

The CHAIRMAN. You may be excused.

Mr. McLENDON. Mr. Hallford, leave a copy of that with the reporter.

Mark that as an exhibit.

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

COMMITTEE EXHIBIT 1

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
February 17, 1964.

MEMORANDUM

To: Major L. P. McLendon, General Counsel.
From: Peter Hoehl and Fred Hallford, Investigators.
Subject: Interview with Benjamin B. Sigelbaum.

Mr. Sigelbaum was interviewed on February 11, 1964, in the office of Mr. Ed Levinson, at the Fremont Hotel in Las Vegas, Nev. He was in Las Vegas to attend the funeral services of Mrs. Levinson held on February 10. Sigelbaum resides at the Executive House located at 4925 Collins Avenue, Miami Beach, Fla.; home telephone number Jefferson 1-7547. He maintains an office at 404 Dupont Plaza Building, Miami Beach; office telephone Franklin 1-7118. Sigelbaum furnished the following information:

He claims to have been an extremely close personal friend of Ed Levinson for many years. He recalled that at the time Serv-U Corp. was being organized, Levinson contacted him and explained the general setup of the corporation, its objectives, and potentials. Levinson pointed out that 15 percent interest in the stock being issued Serv-U was available to him (Sigelbaum). Sigelbaum thought the purchase of this stock at the cost of \$60,000 was a good buy. He agreed to purchase it. Later on, he learned that a Mr. Torres, an officer in the Fremont Hotel, in Las Vegas, and a close personal friend of Mr. Levinson, had an interest leaving a total of 13½ percent of the total stock issued available to Mr. Sigelbaum. Sigelbaum said he did not receive his shares of stock until approximately 1 month ago, but he had never been concerned about his failure to receive the stock as he had full confidence in Mr. Levinson, who he knew would look after his (Sigelbaum) interest in this financial venture. He said he was satisfied in his own mind that Ed Levinson was the prime contributor to the organization of Serv-U Corp.

Sigelbaum disclaimed any close personal friendship or relationship with Bobby Baker. He recalled that he first met Baker in Fred Black's office in Washington, D.C., about the time that Serv-U was being organized, probably shortly after Levinson told him of the availability of some of the Serv-U stock.

At the time he purchased his stock in Serv-U Corp., Sigelbaum said that he did not know the identity of any of the other stockholders with the exception of Mr. Levinson and Mr. Torres.

Sigelbaum said that about a week prior to the date of this interview, he had breakfast with Bobby Baker in the dining room of the International Hotel in Miami, Fla. Ernest Tucker was with him at the time of this meeting. Nothing was discussed of significance except Baker was interested in finding a buyer for the Carousel Motel.

Sigelbaum said that he never had any interest whatsoever in the gambling ventures of Ed Levinson in Las Vegas, Nev.; nor in Ed Levinson's efforts to set up gambling operations in the Caribbean. He did point out, however, that he did have investments in business enterprises with Ed Levinson such as land deals in Florida, but pointed out that none of these ventures involved Bobby Baker in any way with the exception of the one following situation:

Approximately 15 months previously, Ed Levinson had informed him (Sigelbaum) that a block of 6,400 shares of stock was being offered by the Farmers & Merchants Bank in Tulsa, Okla., a newly organized bank. He said Levinson told him that 25 percent interest in all of this stock was available to him (Sigelbaum). Levinson thought it would be a good buy and relying upon Levinson's recommendation, he agreed to purchase a 25-percent interest. He understood that Levinson would purchase 25 percent, Fred Black would purchase 25 percent, and Bobby Baker, 25 percent. He was informed that a sum of approximately \$175,000 was borrowed from another bank, probably in Oklahoma City, Okla., to cover the cost of all the stock and that the stock was put up as collateral at the bank where the loan was arranged. Sigelbaum said he had paid off his portion of the loan and he still had all of his shares of the stock initially issued by the Farmers & Merchants Bank of Tulsa.

Sigelbaum emphasized that he had never asked any favors of Bobby Baker and he had never rendered any services to Bobby Baker.

Sigelbaum's son, Lester, presently is employed by Levinson at the Fremont Hotel in Las Vegas, Nev., where Lester is in charge of all of the slot machines in the gambling operations at the Fremont Hotel.

Sigelbaum said he had visited the North American Aviation Corp. offices in El Segundo, Calif., either shortly before or after Serv-U was organized and described the purpose of this visit as to meet Fred Black to go to the races. While in these offices, he briefly met Mr. Atwood, president of North American Aviation, Inc. He claimed that Serv-U was not discussed at all during the period of his visit to these offices.

Sigelbaum claims that he is acquainted with Eugene Hancock of Automatic Vending in Miami, who was the first president of Serv-U Corp. He knows George M. Simon, of Miami, original stockholder of Serv-U Corp. He is fairly certain that he is acquainted with Robert Miller, only to the extent that he met him somewhere through Fred Black, probably at Black's home in Washington, D.C. It will be noted that Miller is president of Northrop Corp., which corporation now utilizes the services of Serv-U Corp. in some of its plants.

Sigelbaum said he would willingly appear before the Senate Rules Committee to furnish testimony as to his participation in the Serv-U Corp. without the issuance of a subpoena.

Mr. McLENDON. One other question: Did Mr. Sigelbaum personally or through his counsel ever ask you for a copy of this report?

Mr. HALLFORD. No, sir.

Mr. McLENDON. Did he indicate at the time you interviewed him that he would like to have a copy of any report that you made of the interview?

Mr. HALLFORD. No, sir.

Mr. McLENDON. All right. That is all.

Mr. Chairman, and gentlemen of the committee, I have now the affidavit that Edward E. Horgan agreed to supply the committee, which is attached to a copy of his letter to Senator Mansfield, dated October 7, 1963. I would like to offer these in evidence with this explanation—that this young man is in the military service at Camp Jackson, Columbia, S.C. He advised the staff if he was absent 1 day

he would have to do all of his basic training all over again. Having had a little bit of experience in the military service, my sympathies with him are so great that I suggested he make an affidavit.

Senator SCOTT. Mr. Chairman, all of our sympathies are with any GI who is doing basic training and would have to do it all over again if he were absent a single day. Speaking for myself, I have no objection to the introduction of the affidavit under these very unusual circumstances, reserving only the right to call the witness or to request additional information should the committee deem it necessary.

The CHAIRMAN. Incidentally, the information contained in this is verified by the paymaster of the Senate.

Mr. MCLENDON. I might add this witness was interviewed extensively, and he has no information, except with respect to this particular transaction, that we thought was pertinent.

(The documents referred to were marked "Committee Exhibit 2" and "Committee Exhibit 3," and are as follows:)

COMMITTEE EXHIBIT 2

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., October 4, 1963.

Mr. EDWARD E. HORGAN, Jr.,
Business and Defense Services Administration,
Department of Commerce,
Washington, D.C.

DEAR MR. HORGAN: In the Washington Daily News, October 3, 1963 (p. 2), there is a reference which alleges that you received approximately \$2,000 from the Senate disbursing office as an employee of the Senate Democratic cloakroom while attending Montana State University in Missoula, Mont., during the months September through December 1961. Enclosed herewith is a copy of the article to which reference is made.

I request that you make whatever comment you wish in connection with this article. And, specifically, I ask you to reply to the following questions:

1. On whose recommendation were you appointed to a position in the Democratic cloakroom?

2. Did you receive the \$1,936.32, as alleged, from the Senate disbursing office during the months of September through December 1961, on the basis of salary of \$484.08 per month?

3. During the period September-December 1961, did you perform any duties for the Senate? If so, please provide details.

4. Were you in regular attendance at Montana State University in Missoula during the period September through December 1961?

5. If you received any payments from the Senate during this period, what were the official or unofficial basis for the payments and who to your knowledge authorized them?

This is a matter which directly affects the Senate and you personally and I would appreciate an immediate response to this letter.

Sincerely yours,

MIKE MANSFIELD.

COMMITTEE EXHIBIT 3

BETHESDA, MD., October 7, 1963.

HON. MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MANSFIELD: I am pleased to have this opportunity to answer the questions posed in your letter of October 4. My specific answers, in the order in which your questions were enumerated, are as follows:

1. I was appointed to the staff of the secretary to the majority by Mr. Robert G. Baker, in the fall of 1958, after having served an apprenticeship of some 3 years, as a Senate page boy under the patronage of the late Senator James

E. Murray. At the time of my appointment, I was told that I had earned it by successfully learning the many functions of the cloakroom staff.

2. I was on the payroll of the Senate during the period in question. I have no independent recollection of the exact total salary payments received, but am willing to accept as accurate the figure quoted; however, the Senate Disbursing Office, I suggest, would be the best source for confirmation.

3. My regular duties as a member of the staff of the secretary to the majority were performed for approximately 2 weeks during the first half of September 1961. From that date, through the end of December 1961, I did not perform any official duties for the U.S. Senate.

4. I was in regular attendance at Montana State University from September 21 through December 1961.

5. The payments which I received during the period in question were authorized by Mr. Robert G. Baker, under whom I worked both as a Senate page boy and as member of the majority staff for approximately 7 years. The basis for these payments, as I understood it, were (a) a regular 8-hour day is nonexistent for Senators and members of the majority staff during most months of the year with the working hours long and arduous and often extending far into the night and sometimes reaching deep into the weekends; (b) there is no such thing as overtime pay in the Senate; (c) during my 7-year employment, I did not receive any regular vacation periods; (d) my replacement in the cloakroom did not go on the payroll until the new Congress convened in January of 1962, and it was felt, under all these circumstances, I was entitled either to a vacation or the equivalent of one.

Senator, I appreciate you having given me an opportunity to clarify this matter.

Sincerely yours,

EDWARD E. HORGAN, Jr.

I received the attached letter which is a true copy from Senator Mike Mansfield. The information contained in this letter, which is my answer, is true.

EDWARD E. HORGAN, Jr.

Subscribed and sworn to me this 10th day of March, 1964.

[SEAL]

LAVERN C. SMITH.

My commission expires at the pleasure of the Governor.

Mr. McLendon. Mr. Chairman, I would like at this time to offer in evidence—

Senator SCOTT. Mr. Chairman, could I suggest respectfully that as soon as it is convenient a copy of Mr. Horgan's affidavit be made available to the press?

Mr. McLendon. Yes, sir; I will see that that is done.

The CHAIRMAN. Mr. Valeo, will you take the witness stand, please, sir?

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 will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. VALEO. I do, sir.

The CHAIRMAN. Thank you very much. Have a seat, please, sir.

Mr. McLendon. Before examining this witness, Mr. Chairman, and gentlemen of the committee, I would like to make a part of the record of the committee a memorandum for the Committee on Rules and Administration addressed to the attention of Mr. Gordon F. Harrison, and signed by John C. Herberg, senior counsel of the legislative counsel of the Senate. This memorandum was prepared as a result of a request made by me through Mr. Harrison for a brief on the origin and the history of the office of the secretary of the majority and the secretary of the minority, primarily for the purpose of discovering whether there were any laws, rules, or regulations in existence govern-

ing the duties of this particular office. The memorandum covers that subject extensively.

I would like that to be added to the record.

(The document referred to was marked "Committee Exhibit 4," and is as follows:)

COMMITTEE EXHIBIT 4

U.S. SENATE, OFFICE OF THE LEGISLATIVE COUNSEL

MEMORANDUM FOR THE COMMITTEE ON RULES AND ADMINISTRATION

Attention: Mr. Gordon F. Harrison.

Subject: Duties of the Secretary for the Majority of the Senate.

This memorandum is transmitted in response to your request of October 25, 1963, for information concerning the duties of the Secretary for the Majority of the Senate.

HISTORY OF THE OFFICE

Apart from provisions of law relating to the compensation of the Secretary for the Majority of the Senate (see, for example, 2 U.S.C. 61g), no substantive statute has been found for the establishment of that office, the appointment of individuals to serve as Secretary for the Majority, or the specification of the duties of that officer. The following is a description of the history of the Office of Secretary for the Majority so far as it can be ascertained by an examination of statutory provisions.

The first reference to that office appears in the Legislative Pay Act of 1929 (46 Stat. 32), which became effective by its terms on July 1, 1929, and which fixed compensation for officers and employees of the Legislative Branch. Under the caption "Senate" and the subcaption "Office of Sergeant at Arms and Doorkeeper" (46 Stat. 34), provision was made for "Sergeant at Arms and Doorkeeper, \$8,000; two secretaries (one for the majority and one for the minority) at \$5,400 each * * *". Immediately after the passage by the Senate, on June 18, 1929, of the bill (H.R. 3966, 71st Cong., 1st sess.) which became the Legislative Pay Act of 1929, the Senate agreed to two resolutions (S. Res. 96 and S. Res. 97, 71st Cong., 1st sess.) by which Carl A. Loeffler and Edwin A. Halsey were appointed Secretary for the Majority of the Senate and Secretary for the Minority of the Senate, respectively. See Journal of the Senate, volume 137, page 122. After offering Senate Resolution 96, Senator Watson made the following explanatory statement (71 Cong. Rec., pt. 3, p. 3058):

"Mr. WATSON. Mr. President, Mr. Loeffler has held the position of and has hitherto been called the Assistant Sergeant at Arms. The bill that has just been passed changes his title to 'secretary for the majority of the Senate.' Unless this resolution be passed he will go out of office on the 1st of July, because his position is an elective one, and he must be elected by the Senate. Therefore I have offered this resolution, and I understand the Senator from Arkansas (Mr. Robinson) will offer a similar one on behalf of Colonel Halsey."

Until 1947, annual provision for the salaries of the Secretary for the Majority and the Secretary for the Minority was made by appropriation for the Office of Sergeant at Arms. The Legislative Branch Appropriation Act, 1948 (Act of July 17, 1947, 61 Stat. 361, 363) contained a separate caption for "Offices of the Secretaries for the Majority and the Minority." Under that caption appropriation was made "For the offices of the secretary for the majority and the secretary for the minority, heretofore included under the office of the Sergeant at Arms, \$43,120." Beyond reference to the fact of the change so made, neither the committee reports (H. Rept. 913; S. Rept. 467; 80th Cong.) nor the floor debates upon that appropriation measure (H.R. 3993, 80th Cong.) provide any information concerning the functions of the majority and minority secretaries. Since 1947, appropriation has been made annually in the Legislative Branch Appropriation Act for the Offices of the Secretaries for the Majority and the Minority as offices separate and distinct from that of the Office of Sergeant at Arms. See, for example, the most recent provision contained in the Legislative Branch Appropriation Act, 1963 (Act of October 2, 1962, 76 Stat. 680, 681). No such appropriation Act contains any specification of the functions or duties of the officers so named.

Although the Office of Secretary for the Majority as a separate office (not included within the office of Sergeant at Arms) appears to have originated through the appropriation by the Act of July 17, 1947, of a salary for the occupant of the office of Secretary for the Majority, that office seems to have acquired permanent status at the outset under the following provision of section 105 of that Act (61 Stat. 377) :

"Sec. 105. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto * * *"

The foregoing is a recurring provision which has been included in later Legislative Branch Appropriation Acts. The most recent such provision is contained in section 103 of the Legislative Branch Appropriation Act, 1963 (Act of October 2, 1962, 76 Stat. 693).

The Legislative Branch Appropriation Act, 1950 (Act of June 21, 1949, 63 Stat. 216, 217-218), made the following provision with respect to personnel of the Offices of the Secretaries for the Majority and the Minority :

"For the offices of the secretary for the majority and the secretary for the minority, including compensation for two chief telephone pages at basic rates to be fixed by the respective secretaries, but not exceeding \$2,880 each per annum, in lieu of one clerk in the office of the Secretary of the Senate at \$1,860 per annum and one messenger acting as assistant doorkeeper under the Sergeant at Arms and Doorkeeper at \$2,560 per annum, \$54,340 ; and the compensation of the clerk to the secretary for the majority and the clerk to the secretary for the minority shall be at the basic rate of \$3,000 each per annum."

Chapter II of the Supplemental Appropriation Act, 1955 (Act of August 26, 1954, 68 Stat. 800), relating to the Legislative Branch, made an additional appropriation for the Offices of the Secretaries for the Majority and the Minority which contained the following proviso (68 Stat. 802) :

"*Provided*, That effective August 1, 1954, the basic annual compensation of the clerk to the secretary for the majority and the clerk to the secretary for the minority shall be at a rate to be fixed by the respective secretaries, but not exceeding \$3,480 each."

The Legislative Branch Appropriation Act, 1959 (Act of July 31, 1958, 72 Stat. 439, 440), made the following provision with respect to personnel of the Offices of the Secretaries for the Majority and the Minority :

"For the offices of the Secretary for the Majority and the Secretary for the Minority, \$98,240 : *Provided*, That effective July 1, 1958, the basic compensation of the chief telephone page for the majority and the chief telephone page for the minority may be fixed by the respective Secretaries at not to exceed \$3,480 per annum each, and the basic annual compensation of one telephone page for the majority and one telephone page for the minority shall be \$2,580 each in lieu of \$2,220 each."

The Legislative Branch Appropriation Act, 1960 (Act of August 21, 1959, 73 Stat. 398, 399), made the following provision with respect to the authority of the Secretaries for the Majority and the Minority to fix the basic compensation of the Assistant Secretaries for the Majority and the Minority :

"*Provided*, That effective July 1, 1959, the basic per annum compensation of the assistant secretary for the majority and the assistant secretary for the minority may be fixed by the respective secretaries at not to exceed \$7,560 each."

The Legislative Branch Appropriation Act, 1961 (Act of July 12, 1960, 74 Stat. 446, 447), made the following provision with respect to the personnel of the Offices of the Secretaries for the Majority and the Minority :

"For the offices of the secretary for the majority and the secretary for the minority, \$115,575 : *Provided*, That effective July 1, 1960, the respective secretaries may fix the basic compensation of the chief telephone pages for the majority and minority at not to exceed \$3,780 per annum each ; may fix the basic compensation of one telephone page for the majority and minority at not to exceed \$2,880 per annum each ; and may fix the basic compensation of one telephone page for the majority and minority at not to exceed \$2,520 per annum each."

The Legislative Branch Appropriation Act, 1962 (Act of August 10, 1961, 75 Stat. 320, 321), made the following provision with respect to the authority of the

Secretaries for the Majority and the Minority to fix the basic compensation of the Assistant Secretaries for the Majority and the Minority:

"*Provided*, That effective July 1, 1961, the respective Secretaries may fix the basic compensation of the assistant secretary for the majority and the assistant secretary for the minority at not to exceed \$8,160 per annum each."

DUTIES OF THE OFFICE

The only specification of the duties of the Secretary for the Majority which has been found is that contained in Rule II of the Rules for the Regulation of the Senate Wing of the United States Capitol, adopted by the Committee on Rules and Administration pursuant to Rule XXIV of the Standing Rules of the Senate, which provides (Senate Manual, pp. 115-116):

"MAJORITY AND MINORITY SECRETARIES

"The secretary for the majority and the secretary for the minority shall be assigned, during the daily sessions of the Senate, to duty upon the Senate floor. They shall see that the messengers assigned to the doors upon the Senate floor are at their posts, and that the floor and cloakrooms are cleared at least five minutes before the opening of daily sessions of all persons not entitled to remain there. In the absence of the Sergeant at Arms the duties of his office, so far as they pertain to the enforcement of rules, shall devolve upon the secretary for the majority and the secretary of the minority in the order of their rank."

JOHN C. HERBERG,
Senior Counsel.

OCTOBER 28, 1963.

Mr. McLENDON. Likewise, I would like to offer—to be made a part of the record—a letter signed by Robert A. Brenkworth, financial clerk of the U.S. Senate, addressed to Chairman B. Everett Jordan, of this committee, dated December 13, 1963, which is also the result of research made by Mr. Brenkworth with respect to the office of secretary to the majority and the secretary of the minority, and discloses the information with respect to the authorized compensation for those offices, and contains the same information contained in the former research document with respect to the duties of these two offices.

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

Mr. McLENDON. That is, the secretary of the minority and the secretary of the majority.

Senator SCOTT. May I see that?

Mr. McLENDON. I would like to have that in the record.

(The document referred to was marked "Committee Exhibit 5," and is as follows:)

COMMITTEE EXHIBIT 5

U.S. SENATE,
DISBURSING OFFICE,
Washington, December 13, 1963.

HON. B. EVERETT JORDAN,
Chairman, Committee on Rules and Administration,
U.S. Senate.

DEAR SENATOR JORDAN: The following information is submitted in response to your letter of December 5, 1963, regarding the office of the secretary for the majority.

There is an annual appropriation, currently \$135,195, for the office of the secretaries for the majority and minority in the Legislative Branch Appropriation Acts under the heading "Salaries, Officers and Employees."

Through June 30, 1947, the secretaries for the majority and minority and their employees were appropriated for under the Office of the Sergeant at Arms and Doorkeeper.

1610 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

In the Legislative Branch Appropriation Act for fiscal year 1948, effective July 1, 1947, the following six positions were appropriated for under the heading "Offices of the Secretaries for the Majority and Minority."

1. Secretary for the Majority.
2. Secretary for the Minority.
3. Assistant Secretary for the Majority.
4. Assistant Secretary for the Minority.
5. Clerk to the secretary for the Majority.
6. Clerk to the secretary for the Minority.

At that time, all of these positions were compensated at statutory rates. The effect of this action was to permit the respective secretaries to appoint their assistants and clerks.

The Legislative Branch Appropriation Act for fiscal year 1950, effective July 1, 1949, authorized each secretary to appoint and fix the compensation of one chief telephone page at not to exceed \$2,880 basic.

Public Law 663, 83d Congress, a supplemental appropriation act for fiscal year 1955, effective August 1, 1954, authorized each secretary to fix the compensation of the clerks at not to exceed \$3,480 basic.

The Legislative Branch Appropriation Act for fiscal year 1956, effective August 1, 1955, authorized each secretary to appoint two telephone pages to be compensated at \$2,220 basic per annum each.

The Legislative Branch Appropriation Act for fiscal year 1960, effective July 1, 1959, authorized each secretary to fix the compensation of the assistant secretaries at not to exceed \$7,560 basic per annum. This was increased to \$8,160, effective July 1, 1961, in the Legislative Act for fiscal year 1962.

The Legislative Branch Appropriation Act for fiscal year 1961, effective July 1, 1960, authorized each secretary to fix the compensation of the telephone pages, one at not to exceed \$2,880 basic and one at not to exceed \$2,520 basic.

Currently, each secretary is compensated at a statutory salary of \$19,611.76 gross per annum and is authorized to appoint and fix the compensation of the following employees at not to exceed the per annum salaries indicated:

Position	Basic	Gross
Assistant secretary.....	\$8,160	\$17,530.97
Clerk.....	3,480	8,296.07
Chief telephone page.....	3,780	8,046.19
Telephone page.....	2,880	6,995.86
Telephone page.....	2,520	6,215.70

In addition, each secretary receives \$70 annually for postage by direct appropriation. Indirectly there is an allotment of \$2,000 from the appropriation "Stationery" for the Senate Chamber which is controlled by the secretaries jointly.

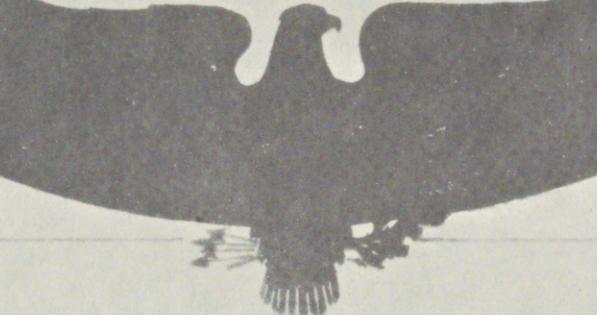
I presume that the official business telegrams and long-distance telephone calls of the secretaries are also paid for by the Senate. Information regarding these items must be obtained from the Sergeant at Arms of the Senate, who maintains these accounts.

In addition to the foregoing limitations on number of employees and salaries of same as contained in the Legislative Appropriation Acts, Rule II of the Rules for the Regulation of the Senate Wing of the United States Capitol pertain to the secretaries, as follows:

"RULE II

"Majority and Minority Secretaries

"The secretary for the majority and the secretary for the minority shall be assigned, during the daily sessions of the Senate, to duty upon the Senate floor. They shall see that the messengers assigned to the doors upon the Senate floor are at their posts, and that the floor and cloakrooms are cleared at least five minutes before the opening of daily sessions of all persons not entitled to remain there. In the absence of the Sergeant at Arms the duties of his office, so far as they pertain to the enforcement of rules, shall devolve upon the secretary for the majority and the secretary for the minority in the order of their rank."

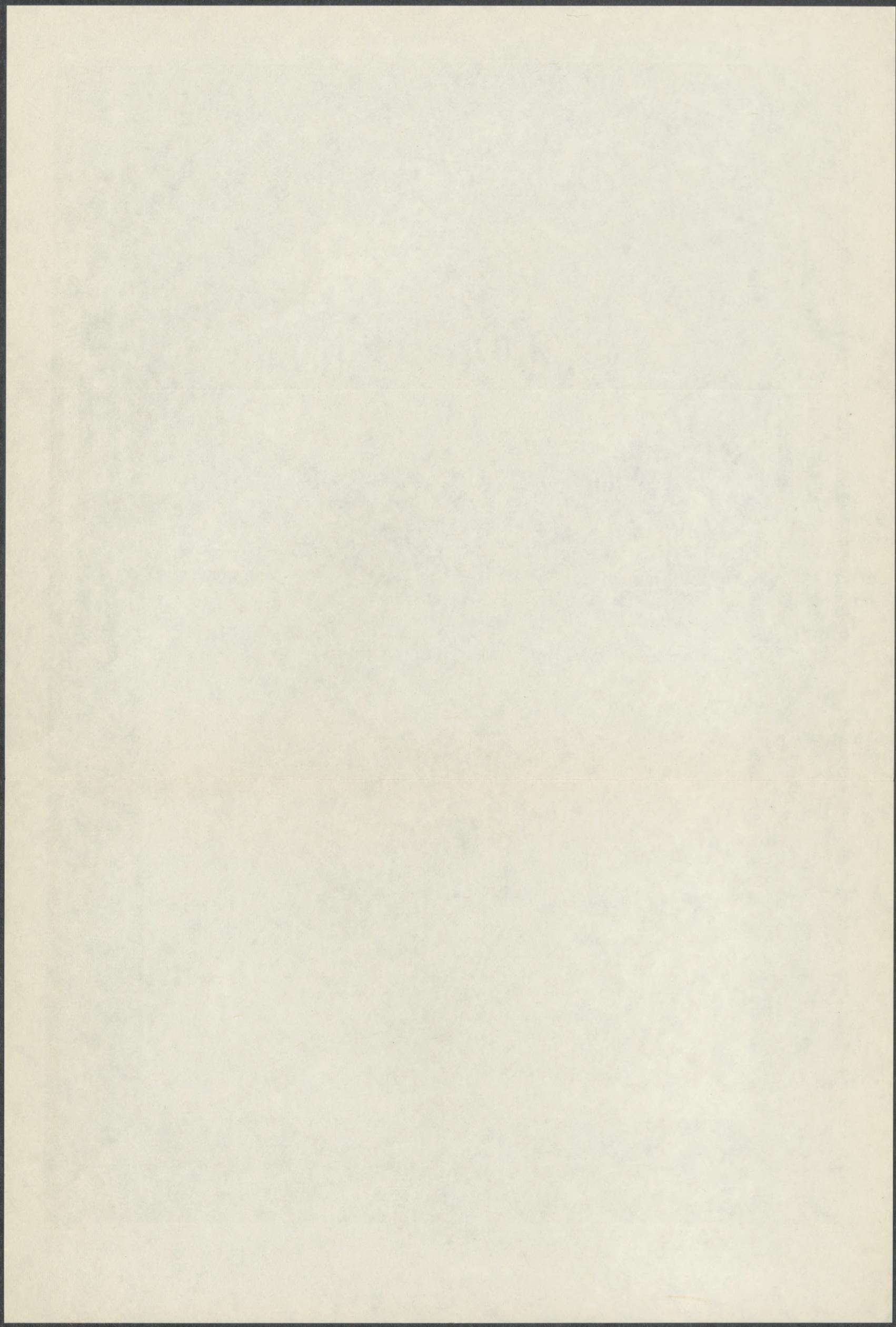


Code of Ethics
for
Government Service

ANY PERSON IN GOVERNMENT SERVICE SHOULD:

- I.** Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.
- II.** Uphold the Constitution, laws, and legal regulations of the United States and of all governments therein and never be a party to their evasion.
- III.** Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.
- IV.** Seek to find and employ more efficient and economical ways of getting tasks accomplished.
- V.** Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.
- VI.** Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.
- VII.** Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.
- VIII.** Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.
- IX.** Expose corruption wherever discovered.
- X.** Uphold these principles, ever conscious that public office is a public trust.





Other than this, I know of no statutes, rules, or regulations which specifically pertain to assignment, place of work, or hours of employees of the secretaries. As you know, there is no fixed workday or fixed workweek for employees of the Senate, this being a matter for determination by the Senator, chairman, or officer authorized to appoint, individually. Also, there is no official leave system for Senate employees, this being left to the discretion of the individual employers.

Legally, the secretaries have complete discretion with respect to hiring, assignment of duties, and hours of employees under their jurisdiction. As a practical matter, however, the majority and minority parties in the Senate, having jurisdiction over the secretary they elect, could impose their wills on the secretaries in these areas. I would not be aware of any limitations imposed in such a manner.

The foregoing applies equally to the Secretary for the Majority and the Secretary for the Minority.

Respectfully,

ROBERT A. BRENKWORTH,
Financial Clerk, U.S. Senate.

Mr. McLENDON. Although the committee would, I am sure, take judicial notice of the existence of laws and regulations and statutes which are approved by the Senate or the Congress—but for the purpose of having it easily available in the record of this committee, since these records will no doubt be given extensive publication throughout the country, I would like for the record, also, to include a copy of the Code of Ethics for Government Service adopted by the 86th Congress, 1st session, as House Document No. 103, dated July 11, 1958.

(The document referred to was marked "Committee Exhibit 6," and appears on opposite page.)

Mr. McLENDON. Mr. Valeo, what official position do you now hold with the Government?

TESTIMONY OF FRANK VALEO

Mr. VALEO. Secretary for the majority, sir, in the Senate.

Mr. McLENDON. And when did you become secretary?

Mr. VALEO. I became acting secretary on October 7, 1963, and I was elected secretary on November 4, 1963.

Mr. McLENDON. You became acting secretary how long after Robert G. Baker resigned?

Mr. VALEO. I believe it was on the same day or the following day.

Mr. McLENDON. Are you familiar with the rules and regulations governing that office and the employees of the office as of this date?

Mr. VALEO. Yes, sir.

Mr. McLENDON. Will you refer to your files, if you brought your files with you, as I requested? Will you state whether or not you have in your files a letter dated November 12, 1963, from Mr. Mansfield—Senator Mansfield—addressed to Hon. B. Everett Jordan, chairman of the Committee on Rules and Administration, to which is attached excerpts from a statement by Senator Mike Mansfield before the majority conference November 4, 1963?

Mr. VALEO. I have, sir.

Mr. McLendon. Will you hand a copy to the reporter?

Will you mark that, Mr. Reporter?

(The documents referred to were marked "Committee Exhibit 7" and "Committee Exhibit 8," and are as follows:)

COMMITTEE EXHIBIT 7

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., November 12, 1963.

HON. B. EVERETT JORDAN,
Chairman, Committee on Rules and Administration,
U.S. Senate, Washington, D.C.

DEAR EVERETT: Enclosed herewith is an excerpt from the statement which I made before the majority conference on November 4, 1963. It refers to the question of Senate-owned automobiles which are assigned to staff officials of the Senate.

This excerpt constitutes my personal view in connection with one aspect of the inquires into staff practices which your committee is now making. I believe very strongly that if something could be worked out along these lines, it would not only facilitate the usage of these vehicles for perfectly legitimate Senate business but would go far to meet the criticism which is directed at current usage.

I want to make it clear that in my view there is a need for automobiles in connection with the official business of the Senate, and responsibility for them may be properly lodged in Senate officials. But by the same token, I do not believe it is good practice either to assign the costs to the Post Office or to permit these vehicles to be used for personal purposes.

With best personal wishes, I am,

Sincerely yours,

MIKE MANSFIELD.

COMMITTEE EXHIBIT 8

EXCERPT FROM STATEMENT BY SENATOR MIKE MANSFIELD BEFORE THE MAJORITY CONFERENCE, NOVEMBER 4, 1963

Speaking on another matter which has been of some concern in recent weeks, I would refer to the question of Senate-owned automobiles which are assigned in an indirect manner for the use of staff personnel at their discretion. It is my understanding that these automobiles are assigned to the Secretary of the Senate, to the secretaries for the majority and minority, the Sergeant at Arms, the Assistant Sergeant at Arms, and the disbursing officer without any condition attaching to their use. I must say the Members who have requested their use have always been given every consideration in this respect. I have requested of Frank Valeo that he not use the automobile which is assigned to the majority secretary for any purposes pending a clarification of this matter.

It would seem to me that the Senate has a bona fide reason to have a limited pool of automobiles under staff supervision and does not have to conceal or camouflage their use, provided that they are used in connection with official business. I would suggest to the Rules Committee members, therefore, that they might wish to face this issue squarely and recommend to the Senate that there be a pool of official automobiles but that they be placed under appropriate officials of the Senate solely and strictly for official usage.

Mr. McLendon. Do you have with you a correct copy of a memorandum dated December 10, 1963, from Rein Vander Zee, to you, subject: "Participation of Staff of Majority Secretary's Office in Testimonials, Fundraising, and Similar Political Functions," consisting of five paragraphs?

Mr. Valeo. Major, I believe it is just the reverse. It is a memorandum to Mr. Vander Zee from me.

Mr. McLendon. You are right. And it is dated December 10, 1963?

Mr. VALEO. That is correct, sir.

Mr. McLENDON. Is this an official copy of the memorandum prepared under the instructions of Senator Mansfield?

Mr. VALEO. That is correct, sir.

Mr. McLENDON. Will you hand a copy to the reporter there, to be marked? And I offer that as part of the record.

(The document referred to was marked "Committee Exhibit 9," and is as follows:)

COMMITTEE EXHIBIT 9

U.S. SENATE,
SECRETARY FOR THE MAJORITY,
December 10, 1963.

To: Rein Vander Zee.

From: Frank Valeo.

Subject: Participation of staff of majority secretary's office in testimonials, fundraising, and similar political functions.

Please note for your own guidance and advise all staff personnel under your supervision of the following interim guidelines in connection with the above activities. These will remain in force, for all personnel pending further instructions.

1. The staff of the majority secretary's office is an arm of the majority conference in the Senate, responsible to that body through the majority leader.

2. The salaries of the staff are paid for by the Senate for duties performed in the Senate for all Members of the majority.

3. The staff of the cloakroom has no official functions, other than those related to work in connection with legislative activities on the floor of the Senate.

4. The staff has no official functions along the lines of the subject of this memo. Any participation by members of the staff in such functions which could reflect in any significant way on the integrity, impartiality and complete equity of the service to all Democratic Senators is incompatible with the discharge of the official functions of the office.

5. When in doubt as to the propriety of participation in any such function, staff members will check with the secretary for the majority or the majority leader prior to participation. Specifically, all out-of-town functions involving gratuitous transportation, reimbursement or hospitality to staff members in connection with such functions will be cleared in advance. All participation by staff in direct political fundraising activities will be undertaken solely on the basis of arrangements established by the majority leader with the Senate Democratic campaign committee.

Mr. McLENDON. Do you have a third document which is headed at the top of the page, "Concept of the Function of the Secretary to the Majority," bearing date October 8, 1963?

Mr. VALEO. I do, sir.

Mr. McLENDON. What is the origin of that document?

Mr. VALEO. This document was the result of a conversation which I had with Senator Mansfield at the time I became acting secretary for the majority. At that time, there was no specific job description, so to speak, for the office itself. I prepared this document as my concept of what the job should entail. And it was approved by the majority leader.

Mr. McLENDON. Senator Mansfield?

Mr. VALEO. Senator Mansfield.

Mr. McLENDON. And is it prevailing now?

Mr. VALEO. It prevails now.

Mr. McLENDON. Now, with reference to all of these documents you have identified, will you tell the committee whether they are in force at the present time?

Mr. VALEO. They are all in force.

Mr. McLENDON. Mr. Reporter, will you mark that last exhibit? (The document referred to was marked "Committee Exhibit 10," and is as follows:)

COMMITTEE EXHIBIT 10

OCTOBER 8, 1963.

CONCEPT OF THE FUNCTION OF THE SECRETARY TO THE MAJORITY

1. To organize the staff work of the majority in an objective and impartial fashion in order to facilitate consideration by the majority conference and its subsidiaries (steering committee and policy committee) of all matters which come within their purview.

2. To provide such services as may be required by the majority Members on the Senate floor in an efficient and impartial fashion. These include such services as spot information on pending matters, pairing, and messenger service.

3. To maintain a system of recordkeeping for the majority conference and its subsidiaries which will provide an adequate source of current and historic reference.

4. To perform whatever other responsibilities may be assigned from time to time to the office by the Senate majority leadership.

Mr. McLENDON. The chairman suggests you read this last one, just for information.

The CHAIRMAN. It is very short. I think it is an interesting document. I think it would be well to read it. It is well done, and it bears on the point we are discussing.

Mr. VALEO (reading):

Concept of the function of the secretary to the majority.

1. To organize the staff work of the majority in an objective and impartial fashion in order to facilitate consideration by the majority conference and its subsidiaries (steering committee and policy committee) of all matters which come within their purview.

2. To provide such services as may be required by the majority Members on the Senate floor in an efficient and impartial fashion. These include such services as spot information on pending matters, pairing, and messenger service.

3. To maintain a system of recordkeeping for the majority conference and its subsidiaries which will provide an adequate source of current and historic reference.

4. To perform whatever other responsibilities may be assigned from time to time to the office by the Senate majority leadership.

Mr. McLENDON. Mr. Valeo, are there any other documents that bear on the duties of the personnel of this office to which you have not referred?

Mr. VALEO. No, sir.

Mr. McLENDON. You say these are in effect now?

Mr. VALEO. That is correct, sir.

Mr. McLENDON. That is all I want to ask, Mr. Chairman.

The CHAIRMAN. Senator Clark, did you have a question?

Senator CLARK. Yes; I do, Mr. Chairman.

Mr. Valeo, how many employees do you supervise?

Mr. VALEO. I supervise directly about five or six.

Senator CLARK. Could you give us a brief summary of their duties?

Mr. VALEO. Yes. There is an administrative assistant in my office who handles the routine administrative work of the office. There is an assistant secretary, at the present time an acting assistant secretary, who has primary responsibility for the work on the floor. There are three telephone pages who have responsibilities in connection with answering Members' inquiries on the phone, and for the general maintenance of the cloakroom. In addition to that, about half of the

Senate pages who are not directly assigned—are not directly under my supervision, but they are assigned by the Sergeant at Arms to the secretary for the majority for the general page duties on the floor.

Senator CLARK. Who has direct supervision over the Senate pages?

Mr. VALEO. While they are working on the floor, that supervision would lie with my assistant secretary. In terms of their general employment by the Senate, they would be under the Sergeant at Arms.

Senator CLARK. That is Mr. Joseph Duke?

Mr. VALEO. That is correct, sir.

Senator CLARK. Now, have you been able to come to a conclusion as to whether this committee ought to recommend that all employees under your supervision should give their full time on the job, and not engage in outside business or financial activities?

Mr. VALEO. I wouldn't want to presume to suggest what the committee should decide in this. My own personal feeling is that there certainly ought to be no outside activities which would in any way interfere with the functions which are the responsibilities of the people who work in the Senate.

Senator CLARK. In the vernacular, you would disapprove of moonlighting for employees under your supervision?

Mr. VALEO. As a general practice. There might be extenuating circumstances.

Senator CLARK. Well, I don't want to press you, Mr. Valeo. You may perhaps want to give this further thought. But as one member of this committee, I would be very much influenced by your thinking, since you have taken this job, and your recommendation as to what, if any, rules of conduct should be recommended to the Senate by this committee for employees under your supervision. This whole inquiry arose in the first instance because of the conduct of your predecessor which was severely criticized. This committee's duty, as I take it, is to see what it should do to assure that a similar situation does not appear in the future. You are probably in a better position than anybody else to give us the benefit of your thinking. And I don't ask you to give it now.

But I would ask, Mr. Chairman, that we should request Mr. Valeo to communicate with the committee, give us the benefit of his thinking on this general subject, because I think it can be very helpful to us in preparing our report.

Mr. VALEO. Senator Clark, if I may say so, two of the memorandums which have been submitted here, and which represent in effect interim specific instructions to staff, are of some relevance here.

Now, these could be expanded in a more general memorandum. But as of the moment, I would refer you to two of these memorandums which have been submitted in evidence today.

Senator CLARK. Yes; I understand that. But my recollection is—and tell me if I am wrong—that those memorandums were prepared before this committee really got underway with its investigation of the Baker case.

Mr. VALEO. That is correct.

Senator CLARK. And in the light of what this committee has developed, it occurred to me that you might want to take another look at those memorandums. I personally will ask the chairman, or be glad to do it, myself, to ask Senator Mansfield for his views, as to

what, if any, additional safeguards this committee should recommend in connection with the running of your office. This is obviously a friendly inquiry on my part. But I do think you can be helpful.

The CHAIRMAN. For the benefit of Senator Clark, I am glad you asked that question, and I think Mr. Valeo will verify the fact that we have had numerous conversations regarding a good many phases of the very thing you have asked Mr. Valeo. He has been most helpful and generous with his time in supplying information to me, which I, of course, will pass along to the committee when we start trying to write some regulations. And I think if you read all the documents that have been put in the record there, you will get a lot of information on that—from Senator Mansfield to Mr. Valeo, quite some time ago, and I think before this committee even started this investigation, certainly in its very early stages, anyway.

Senator CLARK. Could I ask a couple more questions, Mr. Chairman?

The CHAIRMAN. Certainly, you may.

Senator CLARK. Actually, this first one is not a question. But there has been placed in the record by Major McLendon a code of ethics for Government service, which, as I understand, was approved last year by both Houses of Congress.

I ask the major if that is correct.

Mr. McLENDON. The date is on the bottom there, Senator. I think it was earlier than that.

Senator CLARK. July 11, 1958. That is what this says.

Mr. McLENDON. That is correct.

Senator CLARK. Now, I would like, Mr. Chairman, to offer for the record two other documents. The first is the text of the proposals in the ethics report of the Special Committee of New York State on Ethics, submitted to the New York State Senate and General Assembly by a very distinguished New York lawyer, the chairman of the committee, Mr. Cloyd Laporte, on March 9, 1964. The provisions of these proposals, when read in conjunction with the then existing code of ethics for legislative conduct in New York State, I believe, would be helpful to us in our deliberations.

If he has had a chance to look at them, I would like to know what Mr. Valeo thinks of them. And I would ask that they be put in the record, and that our staff be asked to check and see to what extent these proposals are already incorporated in Federal law, or are applicable to the Federal situation.

I would also like to offer for the record an editorial which appeared in the New York Times on the same date, March 9, 1964, entitled "For Legislative Integrity" with the thought that this editorial would be useful to our committee in its deliberations.

Mr. McLENDON. Senator, may I make an inquiry of you?

Senator CLARK. Yes.

Mr. McLENDON. Would you not think it would be better for the committee to get the official report of that committee on ethics and attach it to the record, rather than use the newspaper account of it?

Senator CLARK. Yes. In the light of your comment, Major, I will withdraw the request for the report. I would press the request for the editorial. And I am delighted that you feel that this would be a good thing to do.

(The document referred to follows:)

FOR LEGISLATIVE INTEGRITY

The report just submitted to the State legislature by the special committee on ethics is judicious, temperate, and well reasoned. More important, it is an urgent call to action—a call to which both parties at Albany should respond swiftly and affirmatively.

After months of arduous study, often under discouraging circumstances, the committee has come up with excellent recommendations for revising and strengthening the existing code of legislative ethics. Its proposals would do much to overcome the deficiencies disclosed in 10 years under the old code. They would provide safeguards against the scandals and abuses that have tended to sap faith in the integrity of all legislators—the dedicated as well as the venal.

Strengthening the code implies no self-indictment by the legislature. As the committee points out, the increasing complexity of government makes conflict of interest almost inevitable for part-time public officials, and particularly for legislators. If public confidence in government is to be maintained, officials must not only avoid acts of misconduct but also acts which may create an appearance of misconduct.

The specific measures recommended are thoroughly appropriate to the ends sought. Legislators who are lawyers would be prohibited from appearing for pay before most State agencies whose budgets and salaries are under the control of the legislature. They would likewise be barred from appearing before the Court of Claims, where the State is the defendant.

Recent scandals have made manifest the desirability of the panel's proposal that members of the legislature be forbidden to accept gifts of value, including entertainment and travel, where it might reasonably be inferred that these were intended to influence official acts.

The proposed State ethics commission, which would render advisory opinions on request, would be enormously helpful in guiding lawmakers through what Senate Majority Leader Mahoney has called the "jungle of values." It would build up a meaningful body of case-by-case precedents and would also provide a means of vindicating a legislator unjustly accused of improper conduct.

The members of the committee, under the chairmanship of Cloyd Laporte, and their able counsel, S. Stanley Kreutzer, deserve the State's gratitude for their services. The legislature should not only adopt the recommendations but continue the committee in existence to draw up a similar code for public officers who are not members of the legislature.

By doing both, our legislators could turn what has so far been a lackluster session into one with a genuine claim to distinction. They would also make a substantial contribution to enhancing their own status in public regard.

Mr. McLENDON. I would be glad to inform the committee we have already taken steps to obtain an official copy of that report.

Senator CLARK. Now, Mr. Valeo, I would also like your thinking, at your convenience, as to the efficacy of this code of Federal ethics, which has been put into the record, whether or not it should not be amplified and made substantially more specific from the point of view of the running of your office, whereas we have found to our sorrow there is apparently a good deal of temptation for conduct which is not entirely at the highest ethical level.

Mr. VALEO. I will be glad to give you that, sir.

Senator CLARK. That is all I have.

The CHAIRMAN. Thank you very much, Senator Clark.

Senator Cooper, did you have a question?

Senator COOPER. Mr. Chairman, it is now almost 11 o'clock. I assume we will adjourn at 11.

Senator CLARK. The Senate comes in at 12 today.

The CHAIRMAN. It is 12 o'clock—but some of the members want to get away as early as possible. They have another meeting to attend. But take your time and finish up.

Senator SCOTT. Mr. Chairman, may I ask to be heard briefly? I have an important appointment which will compel me to leave at 11, an overriding appointment which I cannot decline. I would like to request that Mr. Valeo be recalled at the convenience of himself and of the committee so that I may have an opportunity to pursue a line of questions. I would like to say in that connection I have the highest regard for Mr. Valeo, and my questions will be in that spirit. But there are some questions I would like to ask.

The CHAIRMAN. Well, we will certainly do that. But I might add that Mr. Valeo is available all the time. He doesn't have to be called. Mr. Valeo will come before the committee any time.

Senator SCOTT. I am sure that is true, Mr. Chairman.

Senator CLARK. Mr. Chairman, while we are at it, I think we should very briefly call—not for extensive questioning—Mr. Valeo's opposite number, Mr. Mark Trice, because it occurs to me these problems are not confined to any political party in connection with the operation of the Senate. And I would like to have his views briefly on these problems.

Mr. McLENDON. He has been contacted, Senator, and the same inquiries were directed to him as directed to Mr. Valeo.

Senator CLARK. Thank you, sir.

Mr. McLENDON. Is it understood the editorial offered by Senator Clark will be made a part of the record?

The CHAIRMAN. I have no objection to it becoming a part of the record.

Senator Cooper? Do you have a question?

Senator COOPER. Yes. I would like to say, also, as Senator Scott has said, that I have the highest regard for Mr. Valeo. But there are certain questions I think must be asked. First, what was your position prior to your appointment as secretary to the majority?

Mr. VALEO. Senator Cooper, I was assistant to the majority leader.

Senator COOPER. You were assistant to Senator Mansfield?

Mr. VALEO. That is correct, sir.

Senator COOPER. Did you work, then, as an appointee of the Democratic conference?

Mr. VALEO. No, sir.

Senator COOPER. How would you describe it?

Mr. VALEO. As assistant to the majority leader, I would have been an appointee of Senator Mansfield.

Senator COOPER. A personal appointee of Senator Mansfield?

Mr. VALEO. That is correct, sir.

Senator COOPER. At that time, before you became secretary to the majority, did you have any connection or relationship with Mr. Baker?

Mr. VALEO. Some connection.

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

Mr. VALEO. I had at that time no responsibilities in terms of the majority as a whole, but I did have responsibilities to the majority leader and occasionally I was an observer, or I was asked for comment on various matters which were decided as party or Senate matters. And in that connection, I had some contact with Mr. Baker.

Senator COOPER. How long was that?

Mr. VALEO. Approximately 2 years.

Senator COOPER. Did you have any other position with the Senate before that time?

Mr. VALEO. Before that I was assistant to the majority whip, who was, again, Senator Mansfield at the time. In that, I had very infrequent contact with Mr. Baker.

Senator COOPER. In the position you held prior to your nomination and appointment as secretary to the majority, did you have any official duties respecting Mr. Baker's personnel?

Mr. VALEO. No, sir.

Senator COOPER. Did you have any duties at all connected with them?

Mr. VALEO. No, sir.

Senator COOPER. Can you give the approximate number of employees in the Senate who are now under your direction?

Mr. VALEO. About six.

Senator COOPER. At present?

Mr. VALEO. That is correct—directly under my supervision.

Senator COOPER. You are not accountable or responsible for the acts of any others, except six?

Mr. VALEO. That is correct.

Senator COOPER. Were these six working under Mr. Baker when he was secretary to the majority?

Mr. VALEO. There have been several changes.

Senator COOPER. I did not hear you.

Mr. VALEO. There have been several changes.

Senator COOPER. When you say you are responsible for only six, are there others, though, who are employed under other employees of the majority?

Mr. VALEO. No, sir. Senator, in addition to the office of the secretary for the majority, there is also the majority policy committee, and, as secretary for the majority, I have some general coordinating responsibilities in connection with them, but they are not those of direct supervision.

Senator COOPER. Do you have any power of appointment or dismissal of employees of the Senate?

Mr. VALEO. No, sir. They would be directly under the majority leader and, in effect, under the majority conference.

Senator COOPER. Will you describe the nature of the majority conference?

Mr. VALEO. Yes. The majority conference would be the members of the Democratic Party meeting as a group within the Senate. It is primarily responsible, I believe, for the organization of the Senate when it is in the majority, and for the organization of the minority, should it be in the minority. They are roughly comparable to the minority conference or caucus.

Senator COOPER. Who has charge and supervision over the employees of the majority, other than the six which you stated are under your control?

Mr. VALEO. There is, in addition, the majority policy committee, which is jointly operated by Pauline Moore and Kenneth Teasdale. There is, in addition—well, in an indirect sense, the Office of the Sergeant at Arms, and the Office of the Secretary of the Senate would also come generally under the majority conference, because these—

both of these Offices are elected officials of the Senate. And, as you know, in the organization of the Senate, the majority conference would initially approve the election of the individuals for these responsibilities.

Senator COOPER. Do you know whether or not, since you became secretary to the majority, any employees of the majority have been dismissed for any alleged connection with the transactions of Mr. Baker?

Mr. VALEO. No, sir.

Senator COOPER. Do you know whether any employees have been dismissed since you became secretary to the majority?

Mr. VALEO. Not to the best of my knowledge.

Senator COOPER. You did say a few minutes ago that there have been some changes.

Mr. VALEO. That is correct; there have been resignations.

Senator COOPER. There have been no dismissals, but there have been resignations?

Mr. VALEO. That is correct.

Senator COOPER. Could you give the committee a list of those who have resigned, since you became secretary?

Mr. VALEO. Yes, sir; Miss Tyler has resigned; Mr. Rein Vander Zee, the assistant secretary, has resigned.

The CHAIRMAN. Is he not practicing law downtown?

Mr. VALEO. He is now practicing law downtown, or is about to begin a practice of law downtown. To the best of my recollection, those are the two.

Senator COOPER. You do not know of any others who have been dismissed or who have resigned?

Mr. VALEO. No, sir.

Senator COOPER. How long have you known Mr. Baker?

Mr. VALEO. A maximum of 4 years, but my acquaintance with him in the first 2 years was quite slight.

Senator COOPER. I will ask you, Mr. Valeo, if you had any personal knowledge of any of the business transactions with which Mr. Baker is alleged to have been connected; first, any association with a vending company?

Mr. VALEO. No, sir.

Senator COOPER. Or with the Carousel transaction?

Mr. VALEO. I knew of the existence of the Carousel.

Senator COOPER. Or the MGIC Corp.?

Mr. VALEO. No, sir.

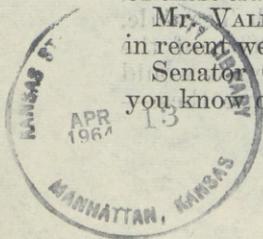
Senator COOPER. You have no personal knowledge of any of the transactions with which Mr. Baker is alleged to have been connected?

Mr. VALEO. That is correct.

Senator COOPER. During these hearings it has been alleged at one time that payments were made to Mr. Baker by Mr. Reynolds, and it was alleged that Mr. Baker made transfers of cash to Mrs. Novak to be deposited by her in the Carousel account. Do you know of any of these transactions?

Mr. VALEO. No knowledge except what has come out in the press in recent weeks.

Senator COOPER. Your statement is, I believe, categorically, that you know of no business transactions with which Mr. Baker has been



alleged to have been connected, and that you know of none of these transactions in which he is alleged to have paid cash to individuals for various purposes, or transactions in which it is alleged that cash had been paid to him, or payments made to him?

Mr. VALEO. No direct or personal knowledge; that is correct. I refer again to the newspaper reports of proceedings before the committee.

Senator COOPER. Other than the information that you have received as a result of these hearings—newspaper accounts and other accounts of the hearings themselves—prior to that time had you had any information, either personal knowledge or other information of such transactions?

Mr. VALEO. No, sir.

Senator COOPER. That is all.

Mr. McLENDON. I understood you to answer one question asked by the Senator, that you did have knowledge of the Carousel?

Mr. VALEO. I beg your pardon, sir?

Mr. McLENDON. I understood you to answer one of the Senator's questions to the effect that you did have knowledge of the Carousel, the motor hotel.

Mr. VALEO. The Carousel; yes, sir.

Mr. McLENDON. Tell the committee what you knew about this.

Mr. VALEO. I knew that the Carousel was about to open. I knew when it opened. And I knew that Mr. Baker—I didn't know anything of his partners, but I knew he had some interest. As a matter of fact, I thought he had the entire interest in it.

Mr. McLENDON. Is that all you knew about it?

Mr. VALEO. That is right, sir.

Mr. McLENDON. You ever discuss it with him?

Mr. VALEO. He mentioned it, I believe, at about the time that it was going to be open.

Mr. McLENDON. Were you invited to attend the opening?

Mr. VALEO. Yes, sir.

Mr. McLENDON. Did you go?

Mr. VALEO. No, sir.

Mr. McLENDON. Now, while we are on the subject, have you engaged in any business transactions, financial transactions, while holding an office or appointment under the U.S. Senate?

Mr. VALEO. I have several investments. I engage in no business transactions.

Mr. McLENDON. Are they your own personal investments?

Mr. VALEO. They are jointly held by my wife and myself.

Mr. McLENDON. Have you ever had any investment with any other officer or employee of the Senate?

Mr. VALEO. No, sir.

Mr. McLENDON. Or with a Senator?

Mr. VALEO. No, sir.

Mr. McLENDON. And these personal investments, you say, are in stock, purchase of stock?

Mr. VALEO. I have a nominal amount of inherited stock, a recent inheritance. And I have a piece of property in addition to my own domicile.

Mr. McLENDON. Is that the extent of your investments?

Mr. VALEO. Just about.

Mr. McLENDON. And have you given any of your time to the handling of your private investments that would conflict with your duties as an officer and employee of the Senate?

Mr. VALEO. I don't think I would have had the time, to begin with.

Mr. McLENDON. That is not quite answering my question. I ask you did you take any of your time from your duties as an officer and employee of the Senate?

Mr. VALEO. No, sir.

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

Mr. McLENDON. That is all.

The CHAIRMAN. Thank you very much, Mr. Valeo. I appreciate your coming and your cooperation.

Mr. VALEO. Thank you, Mr. Chairman.

The CHAIRMAN. You may be excused. Thank you very much.

Mr. VALEO. Thank you.

The CHAIRMAN. The committee stands in recess until call of the Chair.

(Whereupon, at 11:15 a.m., the committee recessed, subject to the call of the Chair.)

