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

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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 25, 1964

PART 18

**Testimony of Milton L. Hauff, Edward T. Hugler, Alfred
C. Plitt, Lester Stein, and Ernest C. Tucker**

Printed for the use of the
Committee on Rules and Administration



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HEARINGS
BEFORE THE
COMMISSION

COMMITTEE ON RULES AND ADMINISTRATION

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FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

WEDNESDAY, MARCH 25, 1964

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

The committee met, pursuant to notice, at 2:15 p.m., in room 318, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

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

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

The CHAIRMAN. The committee will please come to order.

Mr. Hautt, Mr. Hugler, Mr. Tucker, Mr. Plitt, and Mr. Taylor, it is necessary that I read a statement. Are they all here? Is Mr. Hautt here, Mr. Hugler, Mr. Tucker, Mr. Plitt? Are they all here? The reason I asked if you are all here is because it is necessary that I read this statement, and it is not necessary to read it over to four different witnesses when they are all here at one time.

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

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

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

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

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

Witnesses have been interviewed by the staff and heard both in executive and 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, witness may 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. Haft.

Senator COOPER. Mr. Chairman.

The CHAIRMAN. Senator Cooper.

Senator COOPER. May I state that this is my day to preside at the President's Commission. The hearing begins at 2:30, and I will have to leave at 2:25.

The CHAIRMAN. All right; thank you. Thank you very much. Senator, we appreciate your coming and staying with us as long as you can.

Mr. Haft—

Mr. McLENDON. This witness has already been sworn.

The CHAIRMAN. You have already been sworn?

Mr. HAFT. Yes, sir.

The CHAIRMAN. Have a seat. Counsel may proceed.

Mr. McLENDON. You are Milton L. Haft?

TESTIMONY OF MILTON L. HAFT—Recalled

Mr. HAFT. That is correct, sir.

Mr. McLENDON. H-a-u-f-t?

Mr. HAFT. Right, sir.

Mr. McLENDON. You understand you have the right to have counsel present?

Mr. HAFT. Yes, sir.

Mr. McLENDON. You do not have counsel?

Mr. HAFT. No, sir.

Mr. McLENDON. Mr. Haft, do you recall that you testified before this committee on the 14th day of January 1964?

Mr. HAFT. Yes, sir.

Mr. McLENDON. Without repeating all of your testimony, I recall that you testified that you did prepare certain income tax returns for Robert G. Baker?

Mr. HAFT. Yes, sir.

Mr. McLENDON. Did you prepare his income tax returns for the year 1959?

Mr. HAFT. No, sir.

Mr. McLENDON. 1960?

Mr. HAFT. No, sir.

Mr. McLENDON. 1961?

Mr. HAFT. Yes, sir.

Mr. McLENDON. 1962?

Mr. HAFT. Yes, sir.

Mr. McLENDON. Did you do that work gratuitously or were you employed?

Mr. HAFT. On one occasion I was paid a fee of \$50 for it—of \$100, sir.

Mr. McLENDON. Was that voluntarily paid to you by Mr. Baker or did you expect compensation?

Mr. HAUFT. This was voluntarily paid, sir.

Mr. McLENDON. And what were the circumstances under which you agreed to prepare these returns?

Mr. HAUFT. Promised on a request of Mr. Baker, sir.

Mr. McLENDON. In connection with the 1961 return, were you called to the Internal Revenue Service office in Washington last week, on the 12th of March?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. Did you go?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. Will you tell the committee what occurred when you got there?

Mr. HAUFT. When I appeared there—this was in response to a request of a Mr. Rosetti—when I got there they informed me that they wanted an affidavit relative to the information I had used, and how I had prepared Mr. Baker's return.

Mr. McLENDON. You are talking about the 1961 return?

Mr. HAUFT. The 1961 income tax return only.

Mr. McLENDON. All right.

Mr. HAUFT. During the course of this, we verified certain factors, and I answered their questions as they asked them—as they asked them, pertaining to this return.

When we had finished with the 1961 return, Mr. Rosetti was getting ready or preparing to question me about returns prepared for the Carousel for the years 1961 and 1962. At this point I informed Mr. Rosetti I had never prepared returns for the Carousel at any time.

He then informed me that I must have because my signature was on the bottom of these returns as the person preparing the return. I said this was not true, and we actually—at that time I asked him, "Let's go back to the 1961 income tax return and verify those signatures against the signatures on the 1961 return."

In doing this, we also discovered that the signature on the 1961 return was not signed by me. It was signed by someone other than me, although it was my name. We then proceeded to look for other documentation the Internal Revenue had in its possession, which did not have my correct signature on it.

This was checked against the signatures on the returns, and at that time this more or less ended the interview with the Internal Revenue Service, because it stopped their line of questioning inasmuch as my signatures—these were not my correct signatures on these returns.

Mr. McLENDON. Summing up, you ascertained that the Carousel partnership information return for the year 1961 bore your signature, but it was not signed by you?

Mr. HAUFT. That is correct, sir.

Mr. McLENDON. And you ascertained that the Baker personal returns for 1961 were signed by himself and his wife, and your name appeared, but your name was not signed by you?

Mr. HAUFT. That is correct, sir.

Mr. McLENDON. Did you identify the signature of Robert G. Baker and his wife on the 1961 return?

Mr. HAUFT. I could identify Mr. Baker's signature. I did not know his wife's signature.

Mr. McLENDON. Did you make any comparison between the handwriting in Baker's signature and the handwriting representing your signature?

Mr. HAUFT. I didn't, sir.

Mr. McLENDON. Could you tell any similarity between the two?

Mr. HAUFT. Not to my knowledge, sir. I am not an analyst of that sort.

Mr. McLENDON. I am just asking for your observation.

Mr. HAUFT. Right, sir.

Mr. McLENDON. Could you tell whether they were signed with the same pen and the same ink?

Mr. HAUFT. I didn't notice that, sir.

Mr. McLENDON. You didn't notice that. When you examined the 1961 return in the Office of the Bureau, were you able to say from memory whether it correctly represented what you had done in the way of preparation of the return?

Mr. HAUFT. To some extent, I could verify some of the facts only from memory, not to the exact—

Mr. McLENDON. What did you do with your working sheets when you prepared the 1961 return?

Mr. HAUFT. The worksheets that I used were prepared in Mr. Baker's office. These worksheets, or which were actually penciled copies of a filled-out return, were used to type an original return form. Mr. Baker retained both the original worksheets and all copies of his tax return.

Mr. McLENDON. Did you have possession of those worksheets at any time after you prepared the return for Mr. Baker?

Mr. HAUFT. You mean any time prior to now, sir?

Mr. McLENDON. Yes.

Mr. HAUFT. No, sir.

Mr. McLENDON. Since this matter came up, have you had access to those worksheets?

Mr. HAUFT. I was given those worksheets by Mr. Bennett Williams, Mr. Baker's attorney.

Mr. McLENDON. Will you tell the circumstances under which you saw them?

Mr. HAUFT. Yes, sir. Mr. Hugler of the committee staff called me and asked me to appear at his office the day before yesterday at 3:30. I responded to his request, came down here, and at that time he asked if I would volunteer to go to Mr. Williams' office, inasmuch as the committee has worked out the situation so that Mr. Williams would give me, or let me look at this time, copies of the work papers I had prepared from which the return was prepared.

Mr. McLENDON. You mean copies, or the original work papers?

Mr. HAUFT. Well, he showed me initially Xeroxed copies.

Mr. McLENDON. Yes?

Mr. HAUFT. Then he allowed me at this point—Mr. Bennett Williams allowed me at this point to verify this against the original work papers which he had in his possession.

Mr. McLENDON. Did you identify the original work papers as being yours?

Mr. HAUFT. I did, sir.

Mr. McLendon. And did you identify the return that you prepared as being in your handwriting?

Mr. Haft. Yes; I have the original, sir.

Mr. McLendon. Give him a copy. Will you examine the group of papers that has just been handed to you, which appear to be a photostatic copy of the worksheets that you have identified, and tell the committee whether or not that is a correct copy of the worksheets that you examined in Mr. Williams' office?

Mr. Haft. These are the original worksheets. There are other attachments here that I did not have, sir.

Mr. McLendon. What are the other attachments that you did not have?

Mr. Haft. The application for the extension of time to file.

Mr. McLendon. Anything else?

Mr. Haft. A copy of an envelope attached at the back end addressed to the District Director, a photostatic copy of a check made payable to Mr. Baker, and this appears to be a deposit slip.

Mr. McLendon. With the exception of those documents that you have just described, are the others your work papers?

Mr. Haft. Yes, sir.

Mr. McLendon. Will you tell the committee whether or not the individual income tax return for the year 1961 carrying the name of the taxpayers Robert G. Baker and Dorothy C.—it looks like Dorothy C. Baker—is in your handwriting?

(At this point Senator Scott entered the hearing room.)

Mr. Haft. It is, other than the items circled and marked "correction," sir. Those are not mine.

Mr. McLendon. And the rest of it is all in your handwriting?

Mr. Haft. Yes, sir.

Mr. McLendon. Did you compare this return which is not signed, which you found among your work papers, with the return that was filed in the Bureau?

Mr. Haft. I did not find it among my work papers, sir. Mr. Williams presented me with this.

Mr. McLendon. I know, but you have identified them as your work papers.

Mr. Haft. Yes.

Mr. McLendon. It is your work papers?

Mr. Haft. Yes, sir.

Mr. McLendon. And is in your handwriting?

Mr. Haft. Yes.

Mr. McLendon. My question is did you compare that with the return which was filed with the Bureau?

Mr. Haft. I don't understand that question, sir.

Mr. McLendon. Did you compare the draft of the income tax return which you have identified you made—is in your handwriting—with the return that was on file in the Bureau?

Mr. Haft. No, sir.

Mr. McLendon. You made no comparison of the two?

Mr. Haft. I did not have it at the time I was at the Bureau, sir.

Mr. McLendon. Since then have you compared them?

Mr. Haft. No, sir.

Mr. McLendon. Have you compared it with the copy?

Mr. HAUFT. I have not compared it as such. I have called off figures with Mr. Hugler of the committee staff, who had a copy. We called the figures to verify to some extent whether this was correct. But we did not match returns, sir.

Mr. McLENDON. What difference, if any, did you and Mr. Hugler determine existed between the two documents?

Mr. HAUFT. That there was an increase on line 5 of the return of approximately \$51, and I think 35 cents, which decreased the total income, and in effect decreased the tax and increased the refund by an amount of I think \$10.25, I think, sir.

Mr. McLENDON. It decreased the amount of the tax by \$10.25?

Mr. HAUFT. That is correct, sir.

Mr. McLENDON. And increased the claimed refund by the same amount?

Mr. HAUFT. That is correct, sir.

Mr. McLENDON. Can you tell the committee what that item was, what it involved?

Mr. HAUFT. Only from the information given me by Mr. Williams, who let me look at the typewriter carbon of the Carousel return for the same period. This indicated an amount of \$120 in sales taxes which the Carousel had paid. In picking up the information of the Carousel, Mr. Baker's portion of the Carousel on this return, we had not picked up the \$120. Therefore it was later added—I presume by Mr. Baker or someone else—and corrected.

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

Mr. McLENDON. Do you know whether that item is correct or incorrect?

Mr. HAUFT. I don't know, sir.

Mr. McLENDON. You haven't tried to verify it?

Mr. HAUFT. I have no idea.

Mr. McLENDON. So that the net difference between the two documents, the one filed and the one you prepared; is \$10.25?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. And that is due to sales tax, you say?

Mr. HAUFT. As I understand it, yes, sir.

Mr. McLENDON. You did not prepare the Carousel return for 1961?

Mr. HAUFT. I did not.

Mr. McLENDON. And I believe you had testified previously you never prepared one?

Mr. HAUFT. That is correct, sir.

Mr. McLENDON. For any year.

Mr. HAUFT. None of the Carousel returns.

Mr. McLENDON. In preparing the Baker return, was it necessary for you to get the information about what loss was allowable because of the storm damage occurring in 1961?

Mr. HAUFT. Only to the extent of getting the information from Mr. Baker himself, sir. He furnished the information of the amount of loss.

Mr. McLENDON. And was that used by you in preparing his return?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. For 1961?

Mr. HAUFT. Yes, sir.

Mr. McLendon. You remember the item, do you?

Mr. Hauff. Yes, sir.

Mr. McLendon. You remember the subject—I will put it that way. Do you remember the amount that was involved?

Mr. Hauff. Yes, sir.

Mr. McLendon. What was it?

Mr. Hauff. \$54,400.

Mr. McLendon. Do you know whether that figure had to be taken into account in preparing the Carousel partnership return?

Mr. Hauff. It would have to come from the partnership return, sir.

Mr. McLendon. And if Baker owned a half interest in it, would he be entitled to claim one-half of that amount?

Mr. Hauff. Yes, sir.

Mr. McLendon. And the Novaks would be entitled to claim one-fourth each; is that right?

Mr. Hauff. I don't know what their capacity is here.

Mr. McLendon. You don't know what their interest is?

Mr. Hauff. No, sir.

Mr. McLendon. In that connection did you talk with Mr. Tucker and Mr. Baker about this loss, the amount of this loss?

Mr. Hauff. During the time I was in Mr. Baker's office, as I recall preparing this return, Mr. Baker called Mr. Tucker to verify the amount, as I recall it.

Mr. McLendon. Yes?

Mr. Hauff. And I think the three of us were on the telephone at the same time, and this is the way we got the basic information.

Mr. McLendon. And the three of you discussed this figure, did you, the figure of \$54,000?

Mr. Hauff. The amount; yes, sir.

Mr. McLendon. And why did you talk to Tucker about it?

Mr. Hauff. I was only talking to Tucker about it because Mr. Baker asked me to talk to Tucker about it. He made the phone call; I did not, sir.

Mr. McLendon. Did you know that Tucker was preparing the Carousel return?

Mr. Hauff. No, sir.

Mr. McLendon. You did not. And this conversation took place at the time you were preparing Baker's return; is that correct?

Mr. Hauff. Yes, sir; in order to arrive at the figure that was going to be used on this return.

Mr. McLendon. Mr. Hauff, when you saw the returns filed, the Carousel return, and the Baker return, the returns that were on file with the Bureau, will you tell the committee what, if any, observation you made with respect to whether your signature appearing on those two returns, one Carousel and one Baker, was in any respect imitated?

Mr. Hauff. I think the remark I made, sir, is that they were not an attempt to imitate my signature. It was merely the use of my signature.

Mr. McLendon. So your testimony is that your name was signed, but whoever signed it did not undertake to imitate your genuine signature?

Mr. Hauff. That is correct, sir.

Mr. McLENDON. And I believe it can be inferred from your testimony—if I am not correct, you correct me—that you did not know that your name appeared on either of these returns until you were called to the Bureau on the 12th of March this year, and shown the two returns?

Mr. HAFT. That is correct, sir.

Mr. McLENDON. Baker never said anything to you about it?

Mr. HAFT. No, sir.

Mr. McLENDON. Had Tucker ever said anything to you about it?

Mr. HAFT. No, sir.

Mr. McLENDON. Did you prepare the 1962 return of Baker? I think you testified you did.

Mr. HAFT. Originally I did prepare it; yes, sir.

Mr. McLENDON. Do you recall that in that return the schedule calling for statement of amounts of money earned by the taxpayer from professional or other activities were substantially increased over the corresponding figure for the previous year?

Mr. HAFT. Yes, sir.

Mr. McLENDON. Approximately how much increase did it show in 1962 over 1961?

Mr. HAFT. If I recall, 1961 was—well, I have 1961's figure here—1961 represents \$8,200; 1962 represents a figure of approximately \$56,000.

Mr. McLENDON. Are you able to tell the committee what information, if any, Baker gave you with respect to why that particular item of income was so greatly increased in 1962 over what it had been in 1961?

Mr. HAFT. To some extent, sir. Mr. Baker informed me that in addition to his joint fees or fees with the Baker-Tucker law practice, he had an additional fee of approximately \$40,000.

Mr. McLENDON. Did he identify it any further than that?

Mr. HAFT. No, sir; only as a fee.

Mr. McLENDON. And did you include the \$40,000 in the figure that made the total of \$56,000?

Mr. HAFT. Yes, sir.

Mr. McLENDON. Will you look at your papers there and tell us what schedule that appears on?

Mr. HAFT. I don't have a copy of that one, sir.

Mr. McLENDON. In your 1961 return, the schedule to which I referred is schedule C.

Mr. HAFT. That is correct, sir.

Mr. McLENDON. And would it be the same schedule indicated in the same manner in the 1962 return?

Mr. HAFT. Yes, sir.

Mr. McLENDON. And it is headed "Profit or Loss on Business or Profession."

Mr. HAFT. That is correct, sir.

Mr. McLENDON. Did you ever at any time ascertain from Baker or any other source any information that would explain this large increase of his income in this category in 1962 as compared with 1961?

Mr. HAFT. No, sir.

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

The CHAIRMAN. Senator Pell, have you a question?

Senator PELL. Thank you, Mr. Chairman. I want to recapitulate my own thinking. As I understand it, the discrepancy you found between the return you prepared originally or the work sheets and the return as filed with the Department of Internal Revenue amounted to a decreased refund of \$10.25 for the Carousel; is that correct?

Mr. HAFT. No, sir; an increased refund to Mr. Baker in that amount.

Senator PELL. An increased refund to Mr. Baker in that amount?

Mr. HAFT. That is correct.

Senator PELL. Was there any discrepancy in the personal return?

Mr. HAFT. This is what we are discussing, sir, the personal return.

Senator PELL. Not the Carousel return?

Mr. HAFT. That is correct.

Senator PELL. Which one are we discussing?

Mr. HAFT. The personal.

Senator PELL. Not the Carousel?

Mr. HAFT. That is correct, sir. I did not do the Carousel. I know nothing about the Carousel return per se.

Senator PELL. Thank you. Earlier in response to a question from Major McLendon, I understood you to say that you helped prepare the 1962 return?

Mr. HAFT. That is correct, sir.

Senator PELL. Yet I notice in the return on the line where it says "Signature of preparer other than taxpayer" it has the name of Mr. Ritenour.

Mr. HAFT. That is right, sir.

Senator PELL. So you helped Mr. Baker and so did Mr. Ritenour then?

Mr. HAFT. I can explain that if you wish, sir.

Senator PELL. I wish you would.

Mr. HAFT. Mr. Baker took the return I had prepared and signed it, and had it further reviewed by Mr. Ritenour who, I understand, was a revenue agent assigned here to the Hill to assist the personnel on the Hill in preparing their returns.

Mr. Ritenour discovered that I had made an error in failing to take a dividend credit which had become allowable in that year. He, I presume, did the face of the return over and prepared the form required to substantiate the dividend credit, and when they redid the return, Mr. Ritenour signed it and, I presume, the copy that I had originally prepared was discarded.

Senator PELL. Thank you. Now, maybe you can help me because I find myself confused as to why Mr. Baker would have falsely written your name down on a piece of paper for a total net savings to himself of \$10.25. Do you have any ideas as to why it was not sent back to you? Did you have any discussions with Mr. Baker on this subject?

Mr. HAFT. Not to my knowledge, sir. I am just as confused about that as you are.

Senator PELL. But the total amount of money saved was \$10.25, as far as you can ascertain?

Mr. HAFT. That is correct, sir. The only thing I can determine is in this particular case, the only reference to the 1961 income tax return, Mr. Baker may have done this as a matter of convenience. The amount of the change was negligible, and rather than call me he just signed my name for me in this case.

Senator PELL. That would be a pretty highhanded—incorrect action, however. You think there was no other reason for it?

Mr. HAUFT. Well, going by the original return as filed, sir, and the return that I prepared, the difference being only \$10, I can't think of any other reason, sir.

Senator PELL. Also how did it happen—maybe you mentioned this earlier and I failed to catch it—how did it happen that you were invited by Mr. Baker or asked by Mr. Baker to prepare his return?

Mr. HAUFT. I happened to be preparing the returns for Mr. Reynolds also, and Mr. Baker and Mr. Reynolds, knowing each other, I presume Mr. Baker asked Mr. Reynolds who is doing his. He advised him I was, and there was no harm in asking me to do it, sir.

Senator PELL. Understood. And then in the end he voluntarily paid you \$100 for doing it?

Mr. HAUFT. On one occasion, sir.

Senator PELL. On one occasion. Is that listed in his return for the coming year as a payment to you?

Mr. HAUFT. That return hasn't been filed yet, sir.

Senator PELL. I see. But you would report it not as a gift but as income received?

Mr. HAUFT. I would pick it up as other income.

Senator PELL. Thank you. That is all.

The CHAIRMAN. Senator Clark?

Senator CLARK. Mr. Hauft, do you have before you a copy of the 1962 return?

Mr. HAUFT. I do not, sir.

Senator CLARK. Could I ask counsel to furnish the witness with a copy of the 1962 return?

Mr. McLENDON. Senator, under the rules, the law applicable, the content of the return cannot be publicly disclosed. You can ask him general questions about it, but not particular items.

Senator CLARK. Very well.

Mr. McLENDON. It is available to you as a member of the committee and to the other members of the committee.

Senator CLARK. All right. It is available to the witness, is it not?

Mr. McLENDON. It is certainly available to him.

Senator CLARK. I ask then that the witness be furnished with a copy of the 1962 individual tax return which he says he helped prepare for Robert G. Baker.

Mr. McLENDON. That is the one that he said was repurchased by Mr. Ritenour.

Senator CLARK. Yes, but he said under testimony, testifying under oath, that he helped prepare it.

Mr. McLENDON. That is right.

Senator CLARK. I shall be careful in view of what counsel advises me.

Mr. McLENDON. Let him have a copy of that.

Senator CLARK. Mr. Hauft, in connection with your work in preparing for Mr. Baker this 1962 return, did you keep any work papers?

Mr. HAUFT. No, sir.

Senator CLARK. Did you have any work papers at the time you prepared the return?

Mr. HAUFT. There was a rough penciled copy again made in the same manner for the 1962 as there was for 1961.

Senator CLARK. In other words, the procedure you followed with respect to working papers was the same for the 1962 return as it was for the 1961 return?

Mr. HAUFT. Yes, sir.

Senator CLARK. Now I call your attention to the handwritten sheet in the 1962 return which is in exhibit, and is entitled "Itemized Deductions." Do you see that? It is the third page of the return.

Mr. HAUFT. Yes, sir.

Senator CLARK. Do you know in whose handwriting that itemized deduction is? Is it your handwriting?

Mr. HAUFT. No; it is not, sir.

Senator CLARK. In the course of preparing the return, were you furnished by Mr. Baker or anybody else with the justification for the itemized deductions there listed?

Mr. HAUFT. Yes, sir; at the time I prepared the returns, Mr. Baker had substantiating evidence for the major portion of the items on here.

Senator CLARK. I ask counsel to confirm to me that I am not entitled to ask questions about those itemized deductions which the witness says he knows about; is that correct?

Mr. McLENDON. That is my understanding. Counsel for the Bureau is in the courtroom and we will be glad for him to come around and help us on this technicality.

Senator CLARK. I would ask this question of counsel for the Bureau if he will present himself and give his name.

STATEMENT OF LESTER STEIN

Mr. STEIN. My name is Lester Stein. I am special assistant to the Chief Counsel, Internal Revenue Service.

Senator CLARK. Suppose you sit there next to Mr. Hauft, if you don't mind.

Senator CURTIS. Senator, will you yield for one question?

Senator CLARK. Yes, indeed.

Senator CURTIS. Are these questions based upon information contained in papers handed to you by Mr. Baker's attorney, Edward Bennett Williams?

Mr. HAUFT. No, sir.

Senator CURTIS. From memory?

Mr. HAUFT. Which ones are you talking about now, sir? I have the 1962 in front of me. We have the 1961 return involved also, sir.

Senator CURTIS. All of them?

Mr. HAUFT. No, sir. The only one furnished me by Mr. Williams was the 1961 work papers that I had prepared for Mr. Baker.

Senator CLARK. Now, Counsel, I ask you to advise me whether under the law I am entitled to examine the witness with respect to the details which he says were furnished to him justifying the sheet which appears on the 1962 return under the heading "Itemized Deductions."

Mr. McLENDON. Will you identify yourself first in the record, Mr. Stein?

Mr. STEIN. My name is Lester Stein. I am a special assistant to the Chief Counsel, Internal Revenue Service. By way of explanation, let me say that I came here to accompany a witness of the Bureau who

will testify with regard to procedures. I find myself volunteered into a situation. I will give you the best that I can.

Now, listening to the testimony that I have heard so far, the documents that we have here are copies, retained copies perhaps by the accountant. This is not a return filed with the Bureau, and my off-hand viewpoint is that there is no confidentiality with regard to this document. On the other hand, there is no assurance necessarily to flow that the information in the copy is necessarily the information in the return. Now, as I would understand it, the witness would be testifying from what is tantamount to his own work papers, and as such I see no reason why he can't.

Senator CLARK. Let me ask you, Mr. Hautt—

Senator PELL. Will the Senator yield?

Senator CLARK. Yes.

Senator PELL. May I make one correction? My understanding is that these things we are looking at, Mr. Counsel, were copies taken from the Bureau of Internal Revenue, not from Mr. Hautt's work papers.

Mr. McLendon. That is right.

Senator PELL. Then counsel is incorrect.

Mr. STEIN. If they are taken from the Internal Revenue return, then he cannot testify with regard to them.

Senator CLARK. Let me ask Mr. Hautt then to look again at the income tax return for 1962, and to tell me whether or not that return is in your handwriting, or any part of it.

Mr. McLendon. Senator Clark, the document that you are asking about is in the handwriting of one of the staff. He copied this material from the original on file with the Bureau.

Senator CLARK. I realize we are in a pretty highly technical legal field, and I want to be very careful not to do anything which is improper. So I ask you whether if the fact is, as Major McLendon has stated, that this paper, a photostatic copy of which the witness has before him—assuming that it is in the handwriting of a member of the staff of the Senate Committee on Rules and Administration, that he made from the official copy on file—

The CHAIRMAN. You had better get it down. These photographers are working pretty hard there.

Senator CLARK. On file in the Internal Revenue Bureau—am I then, in your opinion, entitled to question the witness about the details on this paper which he says he initially prepared?

Mr. STEIN. No, sir; this would be information from the return. Now, my first explanation to you is based upon a misconception of the nature of the document. Senator Pell corrected the situation, and I appreciate it.

Senator CLARK. Thank you, sir. Now I am going to ask the witness a question, and if you think that my question is improper, I hope you will say so before the witness answers.

Now, Mr. Hautt, I call your attention to the fourth sheet in the 1962 return before you, which is entitled, "Interest paid in 1962," and I ask you whether or not you were given any confirmation of the various items claimed as a deduction for interest paid by Mr. Baker at the time you prepared the return.

Mr. HAFT. At the time I prepared the worksheets for the return, I had substantiating evidence for all the interest listed.

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

Senator CLARK. Now I call your attention to another sheet in the return which is entitled—

Mr. STEIN. Senator, can I interject here a moment. The witness didn't check with me. You are inquiring with regard to an item that is contained in the return. My recollection of the statute—and unfortunately, not being prepared for what I am now faced with, I didn't bring the statute with me—but my recollection is that the disclosure with regard to any item taken as a deduction would be an improper disclosure.

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

Senator CLARK. I understand. That is why I carefully confined my question as to whether he had information on the basis of which he had prepared this itemized deduction, and I carefully refrained, asking him about any one of those items.

Mr. STEIN. But you did identify, as I recall, the nature of the deduction, the category into which it fits?

Senator CLARK. Yes; I did. In your opinion that is improper?

Mr. STEIN. I think you shouldn't. This is a disclosure with regard to an item off a return.

Senator CLARK. Let me point out it is not an item, because I have carefully refrained from asking about an item.

Mr. STEIN. You didn't phrase the dollar amount, but you did indicate that a deduction was taken with regard to a specific—

Senator CLARK. No; it wasn't specific.

Mr. STEIN. With regard to a specific category.

Senator CLARK. All right. I would be prepared to have the question and answer stricken as improper if counsel thinks so, and I will rephrase the question.

Mr. Haft, you have prepared a good many income tax returns for various individuals, have you not, in your day?

Mr. HAFT. Yes, sir.

Senator CLARK. And you are generally familiar with the nature of items which must be filled in by all taxpayers with respect to gross income, net income, and itemized deductions. You know, do you not, generally speaking, what are the items which one can claim as a deduction from gross income in determining what one's eventual tax liability should be?

Mr. HAFT. Yes, sir.

Senator CLARK. Now I ask you with respect to the preparation of Mr. Baker's return whether you were furnished information by Mr. Baker which made it possible for you to prepare for him a return which included his gross income, and all applicable deductions allowed by law; is that right?

Mr. STEIN. Done beautifully.

Mr. HAFT. Basically, sir, all factors other than W-2's that were presented me relative to the income were presented by Mr. Baker. The W-2's, of course, supported themselves.

Senator CLARK. The W-2's are—

Mr. HAFT. That is the statement of earnings prepared by his employer.

Senator CLARK. Withholding.

Mr. HAUFF. Yes, sir.

Senator CLARK. How about the items of deduction?

Mr. HAUFF. Those items, all the other items of income were figures presented me by Mr. Baker, without my substantiating them. Those items reflecting deductions against this income were based on documentation supplied me by Mr. Baker and developed from documents.

Senator CLARK. Counsel, I think in view of the restrictions placed on my questioning, which I think are entirely proper, I will not pursue this line of inquiry any further other than to say that there are some extremely interesting, pertinent, and relevant items in this tax return, in my opinion. That is all I have.

Senator SCOTT. Counsel, may I ask—Mr. Chairman, it may be necessary to ask some questions later pertaining to questions already asked by counsel. Counsel has already made reference to a \$56,000 item, and has asked whether a \$40,000 item was included. I intend to pursue that \$40,000 item, and I recognize no power on earth which can prevent me from pursuing it. I simply want to make it clear that so long as counsel has pursued it, I intend to follow along the same line.

Mr. McLENDON. It is perfectly proper for you to do it so long as you don't ask him to take it from the returns. You can ask him from his recollection.

Senator SCOTT. I am going into his recollection.

Mr. McLENDON. That is what I asked him about, too. He didn't refer to the return, I hope.

Mr. HAUFF. Would you want that back, sir?

Mr. McLENDON. Yes, sir; give that.

The CHAIRMAN. Senator Curtis, you are recognized.

Senator CURTIS. May I ask the gentleman from the Internal Revenue Service something first. Were Mr. Baker's returns released to this committee by order of the President?

Mr. STEIN. I have no personal knowledge as to how the committee obtained the returns, but I assume, knowing that there is an Executive order going from the President to the committee, and if you do have the returns, you obtained them through the Executive order and the regulations promulgated thereunder.

Senator CURTIS. Wasn't there a specific decision made in reference to Baker? It was announced over the radio and television, perhaps the newspapers; I don't know.

Mr. STEIN. Senator, I was not involved nor have I been involved in any aspect of the Baker matter officially up until yesterday.

Senator CURTIS. Have you seen the President's order?

Mr. McLENDON. Senator, may I interrupt you? We have the original letter from the chairman of the committee, and also the reply from the Commissioner. I will be glad to put it in evidence if you like.

Senator CURTIS. Was it true or not true? It was announced over the radio that the President ordered the release of Mr. Baker's tax returns.

Mr. STEIN. I would assume it would be, Senator.

Senator CURTIS. Now when he ordered release of them, was that a complete release or were there any restrictions on it?

Mr. STEIN. Well, the committee as I understand it operates under a specific regulation which provides—and I have a copy of it with me; this is the Treasury Department regulation, section 301.6103(a)-101, which would be the regulations applicable to the committee, and this says, and I read in part:

Such data shall be furnished or such return shall be made available for inspection in any office of the Internal Revenue Service. Any information thus obtained by such committee or such subcommittee shall be held confidential, provided, however, that any portion thereof relevant or pertinent to the purpose of the investigation may be submitted by the investigating committee to the appropriate House of the Congress.

As I understand the regulations, in due course you can, in any report you make to the parent body, submit your information, but not prior thereto.

Senator CURTIS. But that doesn't go to my point. There was a news statement that the President had ordered Mr. Baker's returns turned over to the committee. It was flat on that point. It did not say that here was an existing regulation that the committee could get it if it wanted to. What do you know about that?

Mr. STEIN. I also have with me Executive Order 11133, which was signed by the President on December 17, 1963, and I assume this is the Executive order authorizing the committee to obtain access to income returns, and reading in part from the Executive order:

Such inspection shall be in accordance and upon compliance with the rules and regulations prescribed by the Secretary of the Treasury in Treasury Decision 6132 relating to inspection of returns by committees of Congress approved by the President on May 3, 1955.

The rules and regulations approved by the President on May 3, 1955, I have just read to you in pertinent part.

Senator CURTIS. Yes. I am not doubting that you know the regulations. What I am trying to find out, was the statement given to the press correct, that Mr. Johnson, the President of the United States, ordered the tax returns of Robert Baker released to this committee?

Mr. STEIN. Senator, you better get you another witness who is more knowledgeable. I did not read that in the papers. I plead ignorance.

Senator CURTIS. And your statement as to what was not proper information to be elicited by questions was based upon the regulations?

Mr. STEIN. And the law.

Senator CURTIS. Yes; the general regulations and the law.

Mr. STEIN. Those are the only regulations and the law whereby I know that information can be furnished to the committee.

Senator CURTIS. I have here what purports to be a copy of a letter addressed to the chairman of this committee:

DEAR MR. CHAIRMAN: The staff members of your committee named in your letter of January 9 may inspect such of the income tax returns of Robert G. Baker, 5115 Van Ness Street NW., Washington, D.C., as are available. Arrangements for the inspection may be made by having your representatives call Mr. Selden S. Baker on code 184, extension 4443 or 3907.

With kind regards,

Sincerely,

Commissioner.

I want to know whether there was any further permission given.

Mr. STEIN. I didn't get your question, Senator.

Senator CURTIS. Was there any further permission given? What is the meaning of the statement given to the press by the President that he had ordered the tax returns available?

Mr. McLENDON. The witness hasn't seen the statement.

Senator CURTIS. No; and he has testified here as to what was admissible in evidence when he hasn't seen the statement of the President of the United States.

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

Mr. STEIN. I have certainly seen the pertinent documents whereby the Internal Revenue Service releases information to the committee.

Senator CURTIS. I am referring to a statement given to the press since this investigation started. I presume that we can inquire of the White House for a copy of it.

Mr. STEIN. Can I go a step further, Senator? I think I also have another document here that will be helpful. Section 6103 of the Internal Revenue Code provides in part:

Returns made with respect to taxes imposed by chapters 1, 2, 3, and 6—
and income taxes are imposed by chapter 1—

upon which tax has been determined by the Secretary or his delegate shall constitute public records, but, as hereinafter provided by this section, they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary or his delegate and approved by the President.

This is the statutory scheme that Congress has decided upon, which is to be followed in making returns available, and in my knowledge, based upon what I have before me, this is the statutory scheme that has followed.

Senator CURTIS. Oh, yes; I am familiar with how the McClellan committee and other committees, the Finance Committee, get tax returns, according to those regulations.

Mr. STEIN. Yes, sir.

Senator CURTIS. The first time in my recollection I obtained knowledge of the release was from the White House stating that the President was causing Mr. Baker's tax returns to be released.

Mr. STEIN. I am afraid I can't be of any further help to you, Senator.

Senator CURTIS. Now the taxpayer himself can waive the privilege and permit them to be used publicly, can he not? The taxpayer can present his own tax return, can't he, in public?

Mr. STEIN. My impression is yes; he could waive that privilege.

Senator CURTIS. And he could give that waiver to somebody else?

Mr. STEIN. If he so desires, he can turn a copy, an official copy of his return over to whomever he pleases.

Senator CURTIS. I don't know what—if I am mistaken, if there was no such statement, I certainly would want to retract it. But I don't know what prompted it, whether it was permission of the taxpayer or what it was. Well now, aside from that, Mr. Hauff, who called you to the Bureau of Internal Revenue in the first instance?

TESTIMONY OF MILTON L. HAUFF—Resumed

Mr. HAUFF. An internal revenue agent named Rosetti.

Senator CURTIS. Where did you receive this call?

Mr. HAUFT. At my office, sir.

Senator CURTIS. Where is your office?

Mr. HAUFT. 2121 K Street NW., sir.

Senator CURTIS. By whom are you employed?

Mr. HAUFT. Department of Labor.

Senator CURTIS. What is your title, job description?

Mr. HAUFT. Management analyst.

Senator CURTIS. And what did the telephone call say?

Mr. HAUFT. This telephone call was made on a Monday preceding the Thursday I went to the Internal Revenue. They asked if I will be available to them to prepare an affidavit, the Internal Revenue Service, prepare an affidavit relative to the information, the income tax returns I had prepared, and if it would be convenient, if I would be down there at 1, I think it was 1:30 on the Thursday I appeared. I don't know the precise date, sir.

Senator CURTIS. Did they say what they wanted the affidavit for?

Mr. HAUFT. No, sir.

Senator CURTIS. Did they tell you what year?

Mr. HAUFT. They didn't say, didn't mention the years at the time, sir.

Senator CURTIS. Did they tell you whose tax return?

Mr. HAUFT. Mr. Baker's, sir.

Senator CURTIS. And the assumption was his individual return?

Mr. HAUFT. That is correct, sir.

Senator CURTIS. Yes; now when you got down there, how many tax returns were shown to you?

Mr. HAUFT. I was asked about the 1961 income tax. I told them that I had prepared the original 1962—

Senator CURTIS. No, no; all I want to know now is how many returns were shown you.

Mr. HAUFT. The only return shown me completely, sir, was the 1961 income tax.

Senator CURTIS. The personal 1961?

Mr. HAUFT. Yes, sir.

Senator CURTIS. What other returns or parts of returns—I am referring to the place where the signature would appear of someone who assisted in the return—how many such returns or parts of returns did they show you?

Mr. HAUFT. Three, sir.

Senator CURTIS. What were they?

Mr. HAUFT. The two returns for the Carousel Motel and the 1961 income tax return.

Senator CURTIS. Now by the two returns for the Carousel you mean the 2 years?

Mr. HAUFT. Yes, sir.

Senator CURTIS. 1961 and—

Mr. HAUFT. I didn't see the year on the second one, but I presumed it to be 1962.

Senator CURTIS. But at any rate it was 2 years?

Mr. HAUFT. Yes, sir.

Senator CURTIS. And then you saw the Robert Baker personal for 1961?

Mr. HAUFT. Yes, sir.

Senator CURTIS. And that is all the documents they showed you?

Mr. HAUFT. Yes, sir.

Senator CURTIS. All the tax returns or parts thereof?

Mr. HAUFT. That is correct, sir.

Senator CURTIS. Now did your name appear on any of these returns?

Mr. HAUFT. Yes, sir.

Senator CURTIS. Which ones?

Mr. HAUFT. All three, sir.

Senator CURTIS. Your name appeared on his personal return for 1961?

Mr. HAUFT. Yes, sir.

Senator CURTIS. And on the Carousel for the 2 years?

Mr. HAUFT. Yes, sir.

Senator CURTIS. Which we are assuming is 1961-62?

Mr. HAUFT. Yes, sir.

Senator CURTIS. Of those three signatures shown you, how many of them were written by you?

Mr. HAUFT. None of them, sir.

Senator CURTIS. So none of the signatures shown were your own signatures?

Mr. HAUFT. That is correct, sir.

Senator CURTIS. Do you know whose signatures they were?

Mr. HAUFT. No, sir.

Senator CURTIS. Have you since learned whose signatures they were?

Mr. HAUFT. No, sir.

Senator CURTIS. How did you first run on to the fact that your signature was not genuine?

Mr. HAUFT. As I previously said, sir, when the agent was about to present me for questioning, the copies of the Carousel returns, of the original of the Carousel's returns which the Internal Revenue had, I questioned this and asked him why he was going to ask me about these returns. He stated because my signatures were on them as the person preparing them.

Senator CURTIS. What did you say?

Mr. HAUFT. I denied it, sir.

Senator CURTIS. Now who else was present?

Mr. HAUFT. Internal revenue agent named Rosetti. I think the other man's name was Taylor, a stenographer who was taking an affidavit down in shorthand at the time, sir.

Senator CURTIS. These were all employees of the Internal Revenue?

Mr. HAUFT. Yes, sir.

Senator CURTIS. What did they say when you said, "This is not my signature"?

Mr. HAUFT. They said nothing, sir. I think they were speechless at the time.

Senator CURTIS. They were what?

Mr. HAUFT. Speechless.

Senator CURTIS. Speechless?

Mr. HAUFT. Yes, sir, because they had not—well, no one anticipated this type of event occurring, sir.

Senator CURTIS. After they recovered their speech, what did they say?

Mr. HAUFT. They immediately stopped questioning me because I presume it would be an impropriety to question me about returns I had not signed.

Senator CURTIS. What did they have you do?

Mr. HAUFT. Leave, sir.

Senator CURTIS. Didn't they have you give some specimens of your handwriting?

Mr. HAUFT. Yes; I did give them approximately 15 or 20.

Senator CURTIS. Who asked for specimens of your handwriting?

Mr. HAUFT. Mr. Rosetti.

Senator CURTIS. Did he say why he wanted them?

Mr. HAUFT. For comparison purposes, sir.

Senator CURTIS. Tell me as best you can what he said.

Mr. HAUFT. He asked for a number of signatures, and number of copies, well, originals of my signature in as many ways as I signed it.

Senator CURTIS. About how many times did you sign your name?

Mr. HAUFT. I think I signed it about 15 different times, sir.

Senator CURTIS. You left the papers with them?

Mr. HAUFT. Yes, sir.

Senator CURTIS. Did they say anything else?

Mr. HAUFT. No, sir; that was the end of it. And there was no indication that they were going to call me again nor anything else at this point, sir.

Senator CURTIS. When you first said that that was not your signature, you were referring just to the one tax return then?

Mr. HAUFT. No, sir. They showed me the two Carousel returns in the area in which my signature appeared. I referred them back at this point to the 1961 return, where I was sure it was my signature. When we pulled the 1961 return again, these signatures then matched with the signatures on the Carousel return, and did not match my handwriting in any way, sir.

Senator CURTIS. How long have you been in the Government?

Mr. HAUFT. Twenty years, sir.

Senator CURTIS. How long have you lived in this community?

Mr. HAUFT. Since 1932, sir.

Senator CURTIS. I am sure you have a fine reputation and your signature on a tax return would be of value and show a certain standing, would it not?

Mr. HAUFT. To whom, sir?

Senator CURTIS. To the Bureau of Internal Revenue. You have never had any of your work questioned before?

Mr. HAUFT. No, sir; I haven't.

Senator CURTIS. That is what I mean. That here would be some returns that would have the appearance of the assistance of someone whose reputation was good. You gave those specimens of handwriting and left. Later on you talked with Senator Williams and gave him an affidavit?

Mr. HAUFT. That is correct, sir.

Senator CURTIS. Which we have here. Who next did you talk with?

Mr. HAUFT. I think the next time I was questioned was by Mr. Hugler of the investigating committee.

Senator CURTIS. You didn't hear from the Bureau of Internal Revenue?

Mr. HAUFT. Not at that time, sir; no.

Senator CURTIS. And no one in connection with the Government?

Mr. HAUFT. Not until yesterday, sir.

Senator CURTIS. When did Mr. Hugler get in touch with you?

Mr. HAUFT. I think it was either the following day or somewhere about—either 1 or 2 days after.

Senator CURTIS. Let's fix about what day you were at the Bureau of Internal Revenue.

Mr. HAUFT. Thursday, sir.

Senator CURTIS. Thursday at 1?

Mr. HAUFT. Approximately 1 o'clock; yes, sir.

Senator CURTIS. No, no; what date? When we read this record—

Mr. HAUFT. I don't know the concise date, sir.

Senator CURTIS. The 12th of March?

Mr. HAUFT. Yes, sir.

Senator CURTIS. And I think that it became a matter of record in our committee on Friday the 13th?

Mr. HAUFT. Yes, sir.

Senator CURTIS. And then when were you first called by Mr. Hugler?

Mr. HAUFT. I don't recall that it was Friday or Monday, the same Friday or—

Senator CURTIS. Soon thereafter?

Mr. HAUFT. Yes, sir.

Senator CURTIS. And what took place at that interview?

Mr. HAUFT. I was asked more or less the same questions I had been asked by the Internal Revenue relative to the signatures.

Senator CURTIS. What did you say?

Mr. HAUFT. I said the same thing I had said in the affidavit to Senator Williams. I think I used at that time the word that these were "forgeries," and these were definitely not my signatures.

Senator CURTIS. You have stated that they were not your signatures. Did you authorize anybody to sign them?

Mr. HAUFT. No, sir.

Senator CURTIS. Who raised a question in your mind as to whether or not they might be forgeries?

Mr. HAUFT. This came about I think, sir, in presenting the affidavit to Senator Williams, sir.

Senator CURTIS. As to whether or not they were forgeries?

Mr. HAUFT. Yes, sir.

Senator CURTIS. Who else mentioned it as to whether or not they were forgeries, that raised the question as to the fact they might be forgeries, or that they might not have been?

Mr. HAUFT. That they might not be forgeries, sir?

Senator CURTIS. Yes.

Mr. HAUFT. No one has raised the fact that they might be forgeries. At all times the statement made—

Senator CURTIS. What caused you to say—and I am not quibbling about the technicality whether it is a forgery or not—but what came into your mind that caused you to at a later time state that the use of the word "forgery" was an unfortunate term? Had you talked it over with anybody?

Mr. HAUFT. I think I am giving you the information as to what you are driving at, sir. After meeting with the committee, presenting the committee with the documents that I had gotten from Mr. Williams—Edward Bennett Williams—the attorney for Mr. Baker, I talked to the press after this, advising them of what I had done. One of the members of the press made the statement, “Do you think that you used an unfortunate, or that there was an unfortunate choice of words?” I did not make the statement. I may have replied to him that this might be so. The statement is not mine, sir.

Senator CURTIS. You are not a handwriting expert?

Mr. HAUFT. No, sir.

Senator CURTIS. Never studied handwriting?

Mr. HAUFT. No, sir.

Senator CURTIS. Did I understand you to say that these signatures that are your name but not in your handwriting were not an imitation of your signature?

Mr. HAUFT. Yes, sir.

Senator CURTIS. On what do you base that?

Mr. HAUFT. I am not a lawyer, sir, either, and I cannot tell—using the word “forgery” to me meant—

Senator CURTIS. No, no; what I am asking is how do you know it was not an attempt to imitate your signature?

Mr. HAUFT. Because it didn't look like my signature, sir.

Senator CURTIS. If it was an attempt, it was a poor attempt?

Mr. HAUFT. A very poor attempt, sir.

Senator CURTIS. But upon what do you base your statement that it wasn't an attempt at all?

Mr. HAUFT. That it wasn't? Because it didn't look anything like my signature, as I write it, sir.

Senator CURTIS. But you had no independent knowledge that it wasn't an attempt to imitate your signature?

Mr. HAUFT. No, sir.

Senator CURTIS. Mr. Chairman, I have an urgent telephone call. I wonder if I could resume if I relinquish the questioning to somebody?

The CHAIRMAN. Would you be back before long?

Senator CURTIS. I will take it right here.

The CHAIRMAN. Oh, yes; certainly.

(Discussion off the record.)

The CHAIRMAN. I will forgo any questioning.

Mr. McLENDON. Senator Scott, while the Senator is gone, do you want to examine?

Senator SCOTT. Yes; I could ask some questions. Mr. Hauff, do you stand on your original affidavit as you gave it?

Mr. HAUFT. Yes, sir.

Senator SCOTT. When you were interviewed by the committee on the first occasion, the first interview with the committee investigator, were you asked at that time to produce your working papers with regard to the Baker tax return?

Mr. HAUFT. I was asked if I had working papers; yes, sir.

Senator SCOTT. And what was your reply then?

Mr. HAUFT. The same reply I have given now, sir; that all working papers were left in the office of Mr. Baker.

Senator SCOTT. And so the investigator was informed that the working papers which you had used were then in the office of Mr. Baker?

It is the same question, really. The investigator knew from the first interview——

Mr. HAUFT. Which investigator are you talking about, sir?

Senator SCOTT. The investigator for this committee.

Mr. McLENDON. Mr. Hugler.

Senator SCOTT. The first interview; was it also Mr. Hugler?

Mr. McLENDON. Yes.

Senator SCOTT. Then I think that is clear. You were interviewed twice by Mr. Hugler?

Mr. HAUFT. Yes, sir.

Senator SCOTT. It was in the first interview Mr. Hugler was told by you that your working papers in the preparation of Baker's tax return were in the possession of Mr. Baker?

Mr. HAUFT. I so advised him; yes, sir.

Senator SCOTT. Now with reference to the 1962 tax return, did you make this return? Did you prepare the 1962 tax return?

Mr. HAUFT. I prepared a 1962 tax return for Mr. Baker.

Senator SCOTT. A 1962 return. And in the tax return you prepared, do you recall whether or not you listed any deductions for telephone calls from the law office of Tucker & Baker?

Mr. HAUFT. I probably did, sir.

Senator SCOTT. Do you recall whether you did or did not?

Mr. HAUFT. I don't recall precisely, sir. Well, no, sir.

Senator SCOTT. You don't recall.

Mr. HAUFT. I don't recall the specific item, sir.

Senator SCOTT. Now, in answer to questions from counsel as to your recollection, in which return or in the working papers for which return would appear the \$56,000 in income from other than salary?

Mr. HAUFT. 1962, sir.

Senator SCOTT. 1962?

Mr. HAUFT. Yes, sir.

Senator SCOTT. And where would that normally be put by you in your schedule, in your working out a return, what part?

Mr. HAUFT. The gross receipt item on schedule C.

Senator SCOTT. The gross receipt item on schedule C. Do you recall whether or not you broke down the gross receipt item beyond the \$56,000 approximately as to which you have testified?

Mr. HAUFT. Not on the return, sir.

Senator SCOTT. Not on the return?

Mr. HAUFT. No, sir. There is no need for it on the return.

Senator SCOTT. Does your recollection or did your working papers show that the \$40,000 was a fee?

Mr. HAUFT. The \$40,000, as my recollection has it, was listed on there and included in the gross receipts as a fee; yes.

Senator SCOTT. A fee from whom?

Mr. HAUFT. I have no idea, sir.

Senator SCOTT. Would it refresh your recollection to say that it could have been the \$40,000 referred to as a fee received from the late Senator Kerr or his company?

Mr. HAUFT. I have no idea, sir.

Senator SCOTT. You have no recollection. In the course of your interview with Mr. Hugler of March 18, referring to your work on schedule C, is this a correct statement, that he, referring to you, recalled that in preparing Baker's 1962 return, he arrived at the sum

of \$16,000 as Baker's income from his legal practice composed of the partnership Tucker-Baker income, meat commissions, \$2,600 from Ralph Hill and other small amounts? And according to Haft, Baker told him to add an additional \$40,000 fee to this, making a total of \$56,000, and that Baker did not elaborate on the source and nature of this "fee"?

Mr. HAFT. That is correct, sir.

Senator SCOTT. Now, can you fix the time when Mr. Baker asked you to include the \$40,000 in addition to the \$16,000 he was reporting as profit from business or profession?

Mr. HAFT. The precise time, sir?

Senator SCOTT. Approximately. I don't mean the time of day.

Mr. HAFT. It was somewhere before the 15th of April in the year of 1963.

Senator SCOTT. Some time before the 15th of April?

Mr. HAFT. Somewhere in the 1 or 2 weeks prior to the 15th of April, sir.

Senator SCOTT. At that time Mr. Baker referred to it as a fee?

Mr. HAFT. Yes, sir.

Senator SCOTT. Are you familiar with any efforts by Mr. Baker a few weeks after October 7, 1963, to secure statements from Mr. Dean A. McGee, president of the Kerr-McGee Oil Industries, Inc., Oklahoma City, or Mr. Robert S. Kerr, Jr., as coexecutors of the estate of the late Senator Robert S. Kerr, any statement from them that the \$40,000 was a loan or gift to Baker by the late Senator Kerr?

Mr. HAFT. Only to the extent of having read it in the paper, sir.

Senator SCOTT. You read it in the paper, but you never discussed it with Baker?

Mr. HAFT. No, sir.

Senator SCOTT. May I just say for the record this is in the interview of Mr. Fred Hallford, committee investigator. Of course, if it is material we will go further into it. We can do that by calling Mr. Hallford. I know that you said that you prepared the returns piecemeal; that is, when you finished a schedule, you would send it over, and it would be typed up. You sent it over in draft form piecemeal, and it was typed up by Miss Carole Tyler; is that right?

Mr. HAFT. That is right, sir.

Senator SCOTT. Now, was there any earlier draft of schedule C then where the \$40,000 so-called fee had been left out?

Mr. HAFT. No, sir.

Senator SCOTT. In other words, did that come up at the time you were preparing schedule C?

Mr. HAFT. Yes, sir.

Senator SCOTT. Had you prepared any earlier draft of the 1962 tax return for Mr. Baker?

Mr. HAFT. No, sir.

Senator SCOTT. And I believe your testimony is that Mr. Baker furnished you at no time any substantiating records on the \$45,000 here referred to as a fee? He furnished you no—

Mr. HAFT. We are talking about \$40,000, sir.

Senator SCOTT. \$40,000, I'm sorry. The record should show \$40,000.

Mr. HAFT. No, sir; only to say that this was a fee.

Senator SCOTT. Didn't say where it came from?

Mr. HAFT. No, sir.

Senator SCOTT. Never referred to as a loan or as a gift?

Mr. HAFT. No, sir. He referred to it as a fee.

Senator SCOTT. And if he were later interested in establishing it as a loan or a gift, you would have no way of knowing what his purpose may or may not have been?

Mr. HAFT. No, sir.

Senator SCOTT. Have you any explanation at all as to why your name was signed on the Carousel income tax return?

Mr. HAFT. No, sir.

Senator SCOTT. You were never asked to sign, were you?

Mr. HAFT. No, sir.

Senator SCOTT. The signature is not yours?

Mr. HAFT. That is correct, sir.

Senator SCOTT. How did you first hear that you were to go to the office of Edward Bennett Williams?

Mr. HAFT. Mr. Hugler of the committee called me—that is, of the Senate committee—and asked if I would be here at 3:30. At this time he gave me no reason for my appearance. He just said would I be here and I said I would. When I got here, Mr. Hugler asked if I would volunteer to go to the office of Mr. Williams, who would allow us to review the work papers that I had prepared, which later became the final return. We arrived there at approximately 4 o'clock. At that time we waited a few minutes outside of Mr. Bennett Williams' office, and we were taken in.

He presented us with a copy of the work papers first, and he asked me to look at these. I did, and I said these were my work papers. We then compared these with the original work papers. I think during the time we discovered that one of the papers in there was a penciled copy, and not a true copy, and not in my handwriting, but the true copy was in the original file. They made an additional copy of that, and then they gave us a complete set—Mr. Williams gave it to me, rather—a complete set of the work papers I had prepared.

Senator SCOTT. Did Mr. Williams ever give you any explanation of his having you down there and offering you the work papers you prepared?

Mr. HAFT. Did he give me an explanation?

Senator SCOTT. Yes.

Mr. HAFT. I was there primarily as a volunteer, I presume, to Mr. Hugler, who presented the original request to me, sir. I knew nothing of this until I arrived at the Senate Office Building, and at this time I was informed of it.

Senator SCOTT. That is all, Mr. Chairman.

Senator CURTIS. Did the chairman want to say something before I resume?

The CHAIRMAN. You may resume. You go right ahead and finish up.

Senator CURTIS. Of the three returns bearing your signature which were not written by you, they were not filed simultaneously?

Mr. HAFT. I don't know, sir. I don't know when they were filed.

Senator CURTIS. They were for three—

Mr. HAFT. Three different periods. No; I would say the partnership return would have been filed somewhere either before or after the income tax returns. It should have, anyway.

Senator CURTIS. And at least the partnership returns involved 2 years.

Mr. HAUFT. There were two returns; yes, sir.

Senator CURTIS. So if the signatures were placed on them before filing, they were signed by somebody before that?

Mr. HAUFT. Yes, sir.

Senator CURTIS. Was anything said as to who had worked out the arrangement with Mr. Williams that you might see these work papers?

Mr. HAUFT. It is my understanding, sir, that the major had worked this out with Mr. Williams.

Senator CURTIS. Now I want to ask you a couple of questions relating to—along the lines of questions when you were here previously. It will be based upon your knowledge of Mr. Baker's affairs and the work that you have done. I refer to no figures or lines in the income tax return. Do you know whether or not Mr. Baker in 1960 had any income from the Teamsters Union or any branch thereof?

Mr. HAUFT. I have no knowledge of any of his 1960 income, sir.

Senator CURTIS. 1961?

Mr. HAUFT. 1961? No, sir; I have no knowledge of that. I don't recall any figures from Teamsters in here.

Senator CURTIS. If there was a figure from the Teamsters Union, you had no knowledge that it existed?

Mr. HAUFT. That is correct, sir.

Senator CURTIS. Now it was the 1962 return where there was a general amount just marked "Fees," was there not?

Mr. HAUFT. There were approximately \$16,000 in fees, other than the \$40,000 discussed.

Senator CURTIS. But in 1961, was there any such lump sum?

Mr. HAUFT. Yes, sir; approximately \$8,000 as reported in the return; \$8,253, to be precise, sir.

Senator CURTIS. Based upon your knowledge of Mr. Baker's affairs which you got from him, was there any information from Baker to you with reference to the ownership of any property in Westchester County, N.Y., in 1961?

Mr. HAUFT. If I recall, sir, listed on the itemized deductions there was a tax deduction made for taxes paid—I don't know if that is Westchester or Worcester; I guess that is Worcester County—in the amount of \$421.09 real estate taxes paid in that year.

Senator CURTIS. In New York State?

Mr. HAUFT. I don't know whether it is New York, sir, or Maryland.

Senator CURTIS. It is written in longhand, so it is a little bit difficult. Was there any tax return submitted to you in support of that tax receipt?

Mr. HAUFT. I think there was, sir, to support the figure I put down here.

Senator CURTIS. Do you have any recollection what date it was?

Mr. HAUFT. I don't remember, sir.

Senator CURTIS. You have no knowledge of his 1960 business operations?

Mr. HAUFT. No, sir.

Senator CURTIS. Were you shown the Carousel tax returns so far as the figures and substance of them?

Mr. HAUFT. Only one, sir, and this was in Mr. Bennett Williams' office. I was shown a typewritten carbon copy, a carbon copy of a

typewritten copy, to indicate that the figure, that the sales tax figure referred to was picked up from that return, sir, and this was shown by Mr. Williams. This is the only copy I have seen other than the reverse side of one containing my signature at Internal Revenue.

Senator CURTIS. The display of these returns to you other than by Mr. Williams was merely to show you the portion where the signature was purported to be?

Mr. HAUFF. That is correct, sir.

Senator CURTIS. You said that the Internal Revenue people were speechless when the disclosure was made it wasn't your signature. Were you surprised?

Mr. HAUFF. Very much so, sir.

Senator CURTIS. That is all.

Mr. McLENDON. Mr. Hauff, aren't you mistaken about two Carousel returns with your name appearing on it, or was it just one?

Mr. HAUFF. There were two to my knowledge, sir, as I recollect it. Internal Revenue had two copies of the Carousel and one income tax return.

Mr. McLENDON. That is your recollection?

Mr. HAUFF. As I recall it, sir.

Mr. McLENDON. You are not sure about that?

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

Mr. McLENDON. When you left the Bureau's office on the afternoon of the 12th, and had stated to the representatives of the Bureau that your name was not signed by you, who was the first person you discussed this event with after you left there?

Mr. HAUFF. Mr. Reynolds, sir.

Mr. McLENDON. Which Reynolds?

Mr. HAUFF. Don Reynolds.

Mr. McLENDON. Why did you call him or see him?

Mr. HAUFF. Well, one, I am associated with him, sir. We are friends, through an association. I didn't quite know what to do about it, sir, and I felt I had to call someone.

Mr. McLENDON. You were seeking advice from him?

Mr. HAUFF. I was, sir.

Mr. McLENDON. And what advice did he give you?

Mr. HAUFF. None, sir.

Mr. McLENDON. What did you do next?

Mr. HAUFF. Nothing, sir. Within a few minutes of the time I had talked to Mr. Reynolds, I received a call from Senator Williams.

Mr. McLENDON. Did he tell you that he received the information from Mr. Reynolds?

Mr. HAUFF. Yes, sir; and he requested that I come to his office.

Mr. McLENDON. And so you went to Senator Williams' office immediately?

Mr. HAUFF. Yes, sir.

Mr. McLENDON. Is that where you signed the affidavit of March 12, 1964?

Mr. HAUFF. Yes, sir.

Mr. McLENDON. And you stated in the affidavit:

As a result of this I went back to the personal returns for Mr. Baker prepared by me, and on looking at the signatures on those returns I noted that the signatures as to the person preparing these returns were also forgeries and were not my signature.

You also said:

When presented with the return by the Internal Revenue Service, I noted that the signatures purporting to be mine were forgeries.

Mr. HAFT. Yes, sir.

Mr. McLENDON. What is your definition of a forgery?

Mr. HAFT. Until I looked it up recently, sir, I thought a forgery was an attempt to copy precisely. I find the dictionary defines it otherwise, sir.

Mr. McLENDON. What was your definition at the time you signed this affidavit?

Mr. HAFT. At the time I signed that affidavit, sir, I still thought of it as an attempt to copy or to use.

Mr. McLENDON. Copy or use?

Mr. HAFT. Yes, sir.

Mr. McLENDON. In other words, it was your opinion at the time you made this statement that it was a forgery; that if someone signed your name without your authority, it would be a forgery?

Mr. HAFT. That is right, sir.

Mr. McLENDON. Have you learned better since?

Mr. HAFT. I don't know what I have learned at this point, sir.

Mr. McLENDON. Mr. Haft, when you were examined before the committee before, Senator Curtis asked you the question on page 672 of the record:

You have no worksheets?

And your answer:

Mr. HAFT. All the work was done in Mr. Baker's office in the evening after work. All work papers and associated papers were left there, sir. I have no records at all.

The word "there," was that referring to Baker's office?

Mr. HAFT. Yes, sir.

Mr. McLENDON. And is that what you told Mr. Hugler, the committee's investigator, when he interviewed you on the 13th of March?

Mr. HAFT. I think I did, sir.

Mr. McLENDON. He did see you the day following the making of this affidavit?

Mr. HAFT. That is right, sir.

Mr. McLENDON. When you went to Mr. Williams' office—Mr. Williams being the attorney for Mr. Baker—you say he showed you what purported to be copies of some work papers?

Mr. HAFT. He showed me Xeroxed or photostatic copies of those work papers initially, sir.

Mr. McLENDON. And what did he say to you?

Mr. HAFT. He asked me if these were my work papers.

Mr. McLENDON. And what did you say?

Mr. HAFT. I said they were, sir, other than the corrections made on the face of them.

Mr. McLENDON. And then what happened?

Mr. HAFT. We then checked this against the original work papers.

Mr. McLENDON. Where were the originals?

Mr. HAFT. Mr. Williams had them, sir.

Mr. McLENDON. Did he bring them out and put them down beside the copy?

Mr. HAFT. He did, sir.

Mr. McLENDON. Did you compare them?

Mr. HAUFT. I did, sir.

Mr. McLENDON. And was the copy really a copy of the original?

Mr. HAUFT. Other than as I mentioned before, one document contained therein which he then copied and made a part of the photostatic copies or Xeroxed copies.

Mr. McLENDON. Did he permit you to take a copy out of his office?

Mr. HAUFT. He did, sir.

Mr. McLENDON. Is that the copy that you have before you there now?

Mr. HAUFT. That is right, sir.

Mr. McLENDON. Will you hand the reporter now the copies of the worksheets that you have identified as being copies of your workpapers?

(The documents referred to will be found at pp. 1688-1701, identified as "Hugler Exhibit 5.")

Mr. McLENDON. You say that your best recollection is there were two of these Carousel returns that bore your name, sir?

Mr. HAUFT. As I recall it, sir.

Mr. McLENDON. All right; that is all.

Senator SCOTT. Just one question.

The CHAIRMAN. Senator Scott.

Senator SCOTT. Mr. Hauff, when a witness testifies before this committee about any lapse or alleged lapse on the part of Mr. Baker, there usually follows stories along the general lines of an attempt to deride or weaken his testimony, or to make it look like he is not really a very good witness. My questions are along that line right now to clarify something. After you gave this affidavit, there were comments carried publicly that what you apparently concluded was the use by Baker or someone for him of your name without your consent was sort of a hurried timesaving device to make a small change in his own return involving only a few dollars, and that that was the purpose, that was all that this involved.

Now was this your concept when you gave the affidavit, or have you made statements indicating that this is the case, bearing in mind that there was at least one return from the Carousel which also used your name, and which could hardly have been a mere timesaving device, whatever it was? I want you to have this chance to clarify these things, because sometimes words are put in the mouths of witnesses in the committee room, and sometimes in their good faith in an attempt to hurry to get a story or an imperfect understanding of what the witness said, so will you comment on my general remark?

Mr. HAUFT. Yes, sir. At no time had I changed my statement that these were not my returns. This is still true today, as it was when I first made the statement. I did not sign the returns. The signatures on them are not mine.

Senator SCOTT. And you did not authorize it?

Mr. HAUFT. And I did not authorize the signature. These statements made—I think you are referring to the statements made to the papers and not to the affidavit, sir, because the affidavit still maintains what I just said.

Senator SCOTT. The statements made in the papers?

Mr. HAUFT. I am not accustomed to being interviewed by newspapermen, and particularly by a group of them.

Senator CURTIS. We can understand that.

Mr. HAUFT. And I may have made some statements relative to the income tax returns, that inasmuch as the amount involved was only \$10, that Mr. Baker could well have done this to save me time or to save himself time. Under no circumstances am I changing the statements relative to the Carousel returns. I was not contacted relative to these returns. I did not prepare them. I had no knowledge of them, and the signatures are not mine.

Senator SCOTT. And you have no way of knowing whether the Carousel returns are or are not accurate?

Mr. HAUFT. That is correct, sir.

Senator SCOTT. That is all.

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Hauft, you referred to the Carousel returns. I think the purported copies here indicate that one bears your name and the other does not. Did you state that you saw two returns?

Mr. HAUFT. I thought I had seen two returns with my signature, sir. I may be wrong on that. I know in any event there was one.

Senator CANNON. May I ask counsel is it a fact that the Carousel copies show his signature on one only?

Mr. McLENDON. Only one, Senator.

Senator SCOTT. That is only one on those in your possession.

Mr. McLENDON. Yes.

Senator CANNON. Do you recall what date the returns were for the Carousel that you saw; what years?

Mr. HAUFT. I thought they were the 1961 and 1962, sir. I cannot state positively to that.

Senator CANNON. Getting back to your affidavit, you said when you left the office of the Internal Revenue you called Mr. Reynolds.

Mr. HAUFT. That is correct, sir.

Senator CANNON. But he didn't give you any advice. What did he say to you?

Mr. HAUFT. After I explained the situation, sir, he more or less said he would be in touch with me later, and that was about where it was left at that time.

Senator CANNON. And did he tell you where to go or where to stay for contact?

Mr. HAUFT. I was at my office at the time, sir; I had gone back to my office.

Senator CANNON. And he didn't suggest what he was going to do or what he might do?

Mr. HAUFT. I didn't know what he was going to do at that moment, sir.

Senator CANNON. How much later did you get a call?

Mr. HAUFT. I had just about hung up the phone, sir.

Senator SCOTT. It is fortunate—if the Senator will yield—that Delaware is such a small State.

Mr. HAUFT. Actually it was in a very short time, sir.

Senator CANNON. A very few minutes; is that correct?

Mr. HAUFT. Yes.

The CHAIRMAN. The call came from Washington, though, didn't it?

Mr. HAUFT. Yes.

Senator CANNON. Was that long distance?

Mr. HAUFT. I would presume so. I didn't get any indication of a long-distance call.

Senator CANNON. About what time of the day was this?

Mr. HAUFT. This was approximately 4:30; somewhere around that sir.

Senator CANNON. In the afternoon?

Mr. HAUFT. In the afternoon.

Senator CANNON. And so as a result of your conversation then with Senator Williams, what did you do?

Mr. HAUFT. I advised my supervisor that I was leaving, took annual leave, and went to Senator Williams' office.

Senator CANNON. You left immediately?

Mr. HAUFT. Yes, sir.

Senator CANNON. Now, when you got up to Senator Williams' office, who was present there?

Mr. HAUFT. The Senator and his secretary.

Senator CANNON. Just the two?

Mr. HAUFT. Yes, sir.

Senator CANNON. Did you dictate the affidavit or did the Senator dictate the affidavit?

Mr. HAUFT. I did, sir.

Senator CANNON. You dictated the affidavit?

Mr. HAUFT. Yes, sir.

Senator CANNON. So you didn't have the benefit of any legal information at the time?

Mr. HAUFT. No, sir.

Senator CANNON. And you dictated it all from beginning to end?

Mr. HAUFT. Yes, sir.

Senator CANNON. And where was it notarized, right there?

Mr. HAUFT. Right in the Senator's office, sir.

Senator CANNON. Who notarized it, do you know?

Mr. HAUFT. I don't have a copy of it, sir.

Senator CANNON. But the notary was there in the office?

Mr. HAUFT. A notary was called.

Senator CANNON. Now you said earlier to Major McLendon that you believed the term "forgery" meant an attempt to copy or use. Yet in an answer to Senator Scott, you said that you did not believe this was an attempt to copy your signature, because it was a poor copy of it.

Mr. HAUFT. I think in the answer to the Senator he was allowing me to make a statement at that time, sir.

Senator CANNON. I see.

Mr. HAUFT. As to my thoughts.

Senator CANNON. Let me ask you now do you believe that the signature on there was an attempt to copy your signature?

Mr. HAUFT. I do not, sir.

Senator CANNON. And did it resemble your signature in any respect?

Mr. HAUFT. No, sir.

Senator CANNON. So would you say that it did not appear to you to be an attempt to copy or use your signature, or to copy your signature, I will say?

Mr. HAUFT. It was not an attempt to copy my signature as I write it, sir. I may point out one other area I discovered, I think. On the Carousel return there, there is also my address. I don't have a copy

of it. I am recalling this from memory. My address is at 3801 Archer Place. I think the address indicated on the Carousel return is 3801 Archer Road.

Senator SCOTT. Will the Senator yield?

Senator CANNON. No; I am not finished.

What is your middle initial?

Mr. HAUFF. L.

Senator CANNON. And your name on the Carousel Motel did not even have your initial correct, did it?

Mr. HAUFF. I thought it did, sir; M. L.

Senator CANNON. Have these been shown to him?

Mr. HAUFF. I haven't seen it, sir.

Senator CANNON. Do you know whether or not you were shown two copies of the 1961 return, or whether you were shown one of the 1961 and one of the 1962 Carousel return?

Mr. HAUFF. I didn't see the years on them, sir, so I can't qualify that answer.

Senator CANNON. May I ask counsel have these been offered in evidence at the present time?

Mr. McLENDON. Only the worksheets.

Senator CANNON. Will these be offered in evidence or not?

Mr. McLENDON. The tax return itself?

Senator CANNON. Yes.

Mr. McLENDON. We are not permitted to put it in.

Senator CANNON. Is it proper to show the copy?

Mr. McLENDON. Oh, yes; you can ask him about the signature, if that is the purpose. Oh, I am sorry, these are not his handwriting; these are copies of the originals.

Senator CANNON. What I wanted to do was to show Mr. Hauff the purported copies of the 1961 and 1962 Carousel returns, and ask you to simply state whether both of them bear your name, purportedly bear your name thereon. Would you show them to him, please?

Mr. HAUFF. I understand these are copies by the investigators of the committee. These are copies of the return. The initials are shown here as M. R. This is an incorrect copy, sir.

Senator CANNON. On the other copy does the 1961 return show your name at all?

Mr. HAUFF. No, sir.

Senator CANNON. Now, Mr. Hauff, do I correctly understand then that there was only one change made on your worksheet that was not made by you? I missed that part of the testimony.

Mr. HAUFF. You are referring to the 1961 income tax return, sir?

Senator CANNON. The 1961 income tax return.

Mr. HAUFF. The copy I have, sir, shows multiple changes made down the line resulting in one change to the refund.

Senator CANNON. And that was the one change—the one net change of—

Mr. HAUFF. \$10.

Senator CANNON. \$10. Now based on what you have since learned, since signing your affidavit, as to what constitutes a forgery, is it not your contention that this is a forgery?

Mr. HAUFF. I don't know any other term for it, sir.

Senator CANNON. What is your definition now?

Mr. HAUFF. Forgery—

Senator CANNON. I think you said you have since learned a different definition.

Mr. HAFT. Forgery I think is an attempted copy or the use, using to deceive.

Senator CANNON. But your statement is that there was no attempt to copy.

Mr. HAFT. No, sir.

Senator CANNON. No attempt to copy your signature.

Mr. HAFT. That is correct, sir.

Senator CANNON. And do you have any knowledge of whether the use of your signature was with the intent to defraud?

Mr. HAFT. I don't know, sir.

Senator CANNON. Nothing further, Mr. Chairman.

Senator SCOTT. Mr. Chairman?

The CHAIRMAN. Yes.

Senator SCOTT. I am not going to ask you as a nonlawyer to draw a lot of legal conclusions as to what intent means, or defraud. I am just going to ask you, since you have said at one time it was a poor copy, and that at another time you don't regard it as an attempt to copy your signature as you write it, but it was indeed, was it not, an attempt to use your name, or in fact wasn't it an actual use of your name as an accountant?

Mr. HAFT. Yes, sir.

Senator SCOTT. And the use was without your authority and without your knowledge.

Mr. HAFT. That is correct, sir.

Senator SCOTT. And the returns having been submitted to a Government agency, there was no way in which you could find out that your name had been used on the Baker return, and the Carousel return, except through the coincidence or the purely accidental occurrence that you were called down by the Internal Revenue Service, and you there discovered something you were not looking for; isn't that right?

Mr. HAFT. That is right, sir.

Senator SCOTT. And therefore is it your custom or is it not your custom to permit others to use your name as a certified public accountant on income tax returns?

Mr. HAFT. One, sir, I am not a certified public accountant.

Senator SCOTT. As an accountant.

Mr. HAFT. But as an accountant or for any other purpose I have never authorized anyone to use my name.

(At this point of the proceedings, Senator Pell left the committee room.)

Senator SCOTT. Did you have any discussion with Mr. Baker as to any gifts to him or to his wife at any time?

Mr. HAFT. No, sir.

Senator SCOTT. From any source?

Mr. HAFT. No, sir.

Senator SCOTT. Did Mr. Baker list his dependents?

Mr. HAFT. Yes, sir.

Senator SCOTT. Do you remember their names?

Mr. HAFT. I don't remember them, but I have them written here, sir.

Senator SCOTT. Do you have them on your worksheet?

Mr. HAFT. Yes, sir. Robert, Jr.—

Senator SCOTT. Go ahead. I was just going to ask, but go ahead.

Mr. HAFT (continuing). James P., Dorothy C., Lynda K., and Lyndon Johnson.

Senator SCOTT. Have you told us all that you know about this transaction involving the use of your name or the misuse of your name as you view it?

Mr. HAFT. I think so, sir.

Senator SCOTT. You know of nothing else which would be useful to the committee as to which you can give evidence in connection with this particular situation; is that right?

Mr. HAFT. That is correct, sir.

Senator SCOTT. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Haft, I have just two or three questions I would like to ask. You went to the Revenue Department on Thursday, March 12?

Mr. HAFT. Yes, sir.

The CHAIRMAN. About what time did you leave the Revenue Department; what time of day, approximately?

Mr. HAFT. I would say it was 2 or 2:30, somewhere around that, sir.

The CHAIRMAN. Did you go to Mr. Reynolds' office?

Mr. HAFT. I did not, sir.

The CHAIRMAN. You called him?

Mr. HAFT. In fact, rather than take any transportation from—the Internal Revenue Office is at 12th and E. My office is at 21st and K. In order to think this over a little bit, I decided to walk back to my office. So there was a time lapse in walking back, sir.

The CHAIRMAN. And you called Mr. Reynolds?

Mr. HAFT. After I got to my office, sir.

The CHAIRMAN. You stated a while ago—I believe you said that you went to Senator Williams' office about 4:30.

Mr. HAFT. Around that time, sir.

The CHAIRMAN. I have in my possession here the affidavit which you signed, which was drawn up, as you said, by Senator Williams' office. This was delivered to my office by hand about 5:30 in the afternoon. You were making pretty good time getting it before the public, weren't you?

Mr. HAFT. I didn't get it before the public, sir. I gave it to the Senator.

The CHAIRMAN. It was delivered to my office about 5:30 in the afternoon. I didn't think there would be anybody at the Rules Committee at that time of the evening, because usually people are gone at that time. I called over to the office and found Major McLendon was still there, and I told him about this affidavit, and he asked me to read it to him, because I had no way to get it over there that afternoon unless I took it myself. I did read it to him. He copied it down. The next morning he got hold of Mr. Hugler, who interviewed you.

Mr. HAFT. Yes, sir.

The CHAIRMAN. Mr. Hugler was in touch with the Revenue Department before 9 o'clock by telephone to make an arrangement to go down there and start checking up on this. We had a meeting of the Rules

Committee at 9 o'clock on Friday morning, which is the morning after this affidavit came to me. No member of the committee had seen this affidavit, because I had it in my pocket. I am talking about this affidavit in my pocket which was delivered to me.

Senator CURTIS. I was given one at the same time you were; right after. Senator Williams came to my office.

The CHAIRMAN. I am talking about the one that was given to me. I didn't know you had gotten one. I apologize for that error. But anyway, I took this in my pocket to the committee meeting the next morning with the intention of presenting it, which I did. But when I got there, I found that one of the members of the committee was already on the air giving the information out, although we had already started investigating this by having Mr. Hugler go down and talk to the Revenue Department, and then he contacted you.

I just put that in the record to show that we were very diligent in trying to get to the bottom of this, and get the facts of it and clear it up, because forgery is a serious accusation, a serious crime, if it has been committed, and we have tried to do a good job in investigating anything that is presented to this committee that ought to be investigated. I just wanted to get that in the record.

Senator SCOTT. Mr. Chairman, the committee has been working very hard in various directions, and Mr. Hauff, I don't want you to feel badly about furnishing information to the committee. It is all right.

The CHAIRMAN. I didn't say we felt bad about it. I do want to add one thing to that, though, Mr. Hauff. I think it was sort of intimated here that somebody put words in your mouth, and probably had pulled you out before the television camera and made you talk on Monday afternoon. Now, if my information is correct, when you came back with Mr. Hugler from wherever you had been, you voluntarily went out there and started talking without asking anybody; is that correct? Nobody made you go out there; did they?

Mr. HAUFF. No, sir.

The CHAIRMAN. Nobody told you what to say; did they?

Mr. HAUFF. No, sir.

The CHAIRMAN. That was your own conversation, your own words, and not in the presence of any member of this committee.

Mr. HAUFF. That is correct, sir.

The CHAIRMAN. Do you think any member of the committee knew you were going to go out there and make a statement?

Mr. HAUFF. I doubt it, sir.

The CHAIRMAN. I am certain I didn't know it until you had already made it, which is perfectly all right. I am glad you did, because I think you realized you had made an error of judgment which I think you stated, a bad choice of words.

Mr. HAUFF. No, sir; I did not state that.

The CHAIRMAN. Anyway, you said you probably had made a bad selection of words.

Mr. HAUFF. No, sir; a newspaperman said that. I didn't. I may have agreed with his statement, but I did not say it, sir.

The CHAIRMAN. That is fine. I just wanted to get on the record that nobody dragged you out there and made you make a statement you didn't want to make.

Mr. HAUFF. That is right, sir.

The CHAIRMAN. Fine. Thank you, sir.

Senator CURTIS. Mr. Chairman, I don't have any more questions. I would just like to state for the record, Senator John Williams, of Delaware, is a member of the Finance Committee, having jurisdiction of taxes and the operation of the Treasury Department, the Internal Revenue Service, and over a period of many years he has been very active in checking into matters relating to tax matters.

Mr. McLENDON. You may be excused.

Mr. Tucker?

The CHAIRMAN. Thank you very much, Mr. Hauff. We appreciate your being here and volunteering.

Mr. Tucker, you have been sworn previously. You heard the statement read prior to this?

TESTIMONY OF ERNEST C. TUCKER, ACCOMPANIED BY NICHOLAS J. CHASE, ESQ.—Recalled

Mr. TUCKER. That is correct, sir.

The CHAIRMAN. You understand your rights before this committee?

Mr. TUCKER. Yes.

Mr. McLENDON. You are Ernest C. Tucker?

Mr. TUCKER. That is right.

Mr. McLENDON. You testified before this committee?

Mr. TUCKER. That is right.

Mr. McLENDON. Are you accompanied by your same counsel who was with you before?

Mr. TUCKER. Mr. Chase.

Mr. McLENDON. State your address, Mr. Chase, if you don't mind.

Mr. CHASE. Nicholas J. Chase, suite 1216, Wyatt Building, Washington, D.C.

Mr. McLENDON. Mr. Tucker, I believe you testified when you were before the committee before that you prepared the income tax returns for the Carousel partnership?

Mr. TUCKER. That is right.

Mr. McLENDON. Did you prepare the returns for the year 1961?

Mr. TUCKER. I did.

Mr. McLENDON. Tell the committee the circumstances under which you prepared it, and any detail about it that you can.

Mr. TUCKER. A very simple operation. They had only been in business some 2 months. They had a \$54,400 casualty loss plus expenditure of approximately \$102 or \$103 in sales tax for various things which they could take under partnership return for the year 1961. At the request of the partners—namely, Mr. Baker, Mrs. Gertrude Novak, and Mr. Donald Novak—I was their counsel and I prepared their return for them, mailed a copy—or it is possible that they picked it up in my office—to each one of the partners for the purpose of filing. That is the information return, form 1065.

Mr. McLENDON. Do you have a copy of the return as you prepared it for 1961?

Mr. TUCKER. I do.

Mr. McLENDON. Will you produce it, please? What items does it show, Mr. Tucker?

Mr. TUCKER. It shows \$102.71 in sales tax.

Mr. McLENDON. Is that a deduction?

Mr. TUCKER. As a deduction.

Mr. McLendon. What else?

Mr. TUCKER. \$54,400 as a casualty loss, giving a total deduction of \$54,502.71.

Mr. McLendon. And it does not show any income?

Mr. TUCKER. There was no income that year for the simple reason they had not as yet started operation.

Mr. McLendon. Does this return which you prepared indicate the amount allocated to each one of the partners and deductible on their income tax returns?

Mr. TUCKER. Yes; it does.

Mr. McLendon. Would you read off the amount for each one of the partners?

Mr. TUCKER. Mr. Robert G. Baker was a one-half owner, and as a consequence he got a deduction of \$27,251.34; Mrs. Gertrude C. Novak was one-quarter owner, and she got a deduction of \$13,625.67; Donald J. Novak was a one-quarter owner also. He got a similar deduction; namely, \$13,625.67.

Mr. McLendon. Did you see the return after you prepared it and distributed copies to the three partners?

Mr. TUCKER. No; I did not.

Mr. McLendon. Did you have anything to do with filing it?

Mr. TUCKER. No; I did not.

Mr. McLendon. The copy of the return, Mr. Tucker, shows the name of M. R. Hauff which appears as the person who helped prepare the return. Do you know anything about his signature being on the return as filed?

Mr. TUCKER. It is not on the return which I filed; I mean which I prepared.

Mr. McLendon. Do you have any knowledge of his name being put on the one that was filed with the Bureau?

Mr. TUCKER. I have no knowledge whatsoever concerning it.

Mr. McLendon. I believe the returns in this area are filed in Baltimore, are they not?

Mr. TUCKER. That is correct.

Mr. McLendon. Did you know that Mr. Hauff's name was on this return until the last few days?

Mr. TUCKER. I did not.

Mr. McLendon. And you have no knowledge at all of how his name happened to be on there?

Mr. TUCKER. No knowledge whatsoever.

Mr. McLendon. Have you had an opportunity to examine the original which was on file at the Bureau of the Internal Revenue Service?

Mr. TUCKER. I have not.

Mr. McLendon. So you can't tell the committee anything about whose writing this would be?

Mr. TUCKER. No, sir.

Mr. McLendon. Do you know Mr. Baker's handwriting?

Mr. TUCKER. Yes.

Mr. McLendon. While you were preparing this return, do you recall having a telephone conversation with Mr. Baker and Mr. Hauff?

Mr. TUCKER. Yes; I had a conversation with them concerning the amount that should be on the return.

Mr. McLendon. Tell us about that.

Mr. TUCKER. Mr. Baker called me, to the best of my memory, and at the same time Mr. Hauff called me or talked to me, and I gave them the information; namely, \$54,502.71.

Mr. McLENDON. Did you and Mr. Hauff over the telephone exchange information as to that amount, and how it was to be divided; do you recall?

Mr. TUCKER. Well, I told him Mr. Baker should get 50 percent of it because he was a 50-percent owner. At the same time I am sure Mr. Baker informed him of that.

Mr. McLENDON. What about the other item of \$102.71 for taxes, isn't it, sales tax?

Mr. TUCKER. That is tax which the partners purchased items, possibly the Maryland and the District sales tax on those items.

Mr. McLENDON. Did you discuss that with Mr. Hauff?

Mr. TUCKER. Yes; I told him what it represented.

Mr. McLENDON. In this same telephone conversation?

Mr. TUCKER. To the best of my recollection, yes.

Mr. McLENDON. So would it be fair to say then as a result of that conversation you and Mr. Hauff had exactly the same figures with respect to the storm loss and with respect to this sales tax?

Mr. TUCKER. He took them from me; so he should have.

Mr. McLENDON. All right; that is all.

The CHAIRMAN. Senator Cannon?

Senator CANNON. What about the returns for 1962: do you know who prepared the partnership return for 1962?

Mr. TUCKER. Those returns were prepared at my direction by Horwath & Horwath, a local accounting firm.

Senator CANNON. And do you know whose signature is shown thereon?

Mr. TUCKER. Horwath & Horwath.

Senator CANNON. Do you know which one of the firm?

Mr. TUCKER. Which member of the firm?

Senator CANNON. Yes.

Mr. TUCKER. No; I do not recall, Senator, which member of the firm signed it.

Senator CANNON. Nothing further.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Did you ever own the house on Van Ness Street now occupied by Baker?

Mr. TUCKER. I owned the house as a trustee.

Senator CURTIS. As a trustee?

Mr. TUCKER. As a trustee.

Senator CURTIS. From whom did you buy it?

Mr. TUCKER. Ten Ten Travis Corp., Senator, if my memory is correct, held the legal title prior to the purchase.

Senator CURTIS. Who did they hold it for?

Mr. TUCKER. I have no knowledge concerning that.

Senator CURTIS. Was it for a gas company?

Mr. TUCKER. I was never advised as to who the parent company was that owned Ten Ten Travis Corp.

Senator CURTIS. You have no knowledge?

Mr. TUCKER. No personal knowledge; that is correct.

Senator CURTIS. Do you have any knowledge?

Mr. TUCKER. I have no personal knowledge or any knowledge other than what I have read in the newspapers.

Senator CURTIS. How long did you hold it as trustee?

Mr. TUCKER. A very few days.

Senator CURTIS. To whom did you convey it?

Mr. TUCKER. Conveyance was to the District of Columbia National Bank, Senator, to the best of my recollection.

Senator CURTIS. To what?

Mr. TUCKER. The District of Columbia National Bank as a substitute trustee, to the best of my recollection.

Senator CURTIS. Who did they convey it to?

Mr. TUCKER. I have no knowledge concerning the house since my conveyance.

Senator CURTIS. How many of these conveyances were drawn in your office?

Mr. TUCKER. None of them were drawn in my office, sir. It was handled by the title company.

Senator CURTIS. Which title company?

Mr. TUCKER. Realty Title.

Senator CURTIS. Who asked you to serve as trustee?

Mr. TUCKER. Mr. Baker.

Senator CURTIS. What did he say to you?

Mr. TUCKER. He asked me to serve as trustee.

Senator CURTIS. For what? Tell us about it.

Mr. TUCKER. For the house on Van Ness Street.

Senator CURTIS. Did he say he was buying it?

Mr. TUCKER. That is right.

Senator CURTIS. You were trustee for him?

Mr. TUCKER. That is correct.

Senator CURTIS. Now the grantors on the deed that you received, were they the beneficial owners or were they trustees?

Mr. TUCKER. I don't have any personal knowledge concerning the trust instrument that was held by the Ten Ten Travis Corp., Senator.

Senator CURTIS. What consideration did you pay for the house?

Mr. TUCKER. \$125,000.

Senator CURTIS. How did you pay it?

Mr. TUCKER. By check.

Senator CURTIS. On what bank?

Mr. TUCKER. District of Columbia National.

Senator CURTIS. Your check?

Mr. TUCKER. My personal check, but the money was given to me by Mr. Baker as trustee.

Senator CURTIS. In what form was the money in?

Mr. TUCKER. Check.

Senator CURTIS. On what bank?

Mr. TUCKER. District of Columbia National.

Senator CURTIS. You deposited it to your account?

Mr. TUCKER. That is correct, sir.

Senator CURTIS. And wrote your check?

Mr. TUCKER. That is correct, sir.

Senator CURTIS. With respect to the few days that you held the title, how long before that did Mr. Baker say he wanted you to?

Mr. TUCKER. I didn't hear the question, Senator.

Senator CURTIS. How long before this did you have your conversation with Baker before you held the title as trustee?

Mr. TUCKER. Oh, my best memory would be a couple of weeks we discussed it.

Senator CURTIS. What did he say?

Mr. TUCKER. He said he was purchasing a house on Van Ness Street. He would like for me to hold the title as trustee, which I did.

Senator CURTIS. Did he say for how long as trustee?

Mr. TUCKER. No. There was a trust instrument which gives the owner the right to substitute trustees. It is a normal procedure in trust instruments.

Senator CURTIS. He could have taken it directly?

Mr. TUCKER. He could have what?

Senator CURTIS. He could have taken title directly?

Mr. TUCKER. That is correct, sir.

Senator CURTIS. What else did he say?

Mr. TUCKER. Pertaining to what?

Senator CURTIS. Pertaining to the transfer of this house.

Mr. TUCKER. That is basically it; asked me to serve as a trustee, which I agreed to do.

Senator CURTIS. Did he say where he got the \$125,000?

Mr. TUCKER. No, but he was given a check for \$125,000 which I had previously stated was drawn on the District of Columbia National Bank, which I in turn deposited to my account.

Senator CURTIS. That was signed by Baker?

Mr. TUCKER. That is right.

Senator CURTIS. Did he say where he got the money?

Mr. TUCKER. No, sir.

Senator CURTIS. Was anybody else's name mentioned at the time you had this conversation with Baker about you serving as trustee?

Mr. TUCKER. What do you mean was anyone else's name mentioned, Senator?

Senator CURTIS. Just exactly that.

Mr. TUCKER. I don't understand the question then, sir.

Senator CURTIS. Do you know Dr. Lichtman?

Mr. TUCKER. Yes, sir.

Senator CURTIS. What connection did he have with this?

Mr. TUCKER. Well, Dr. Lichtman was in on the conversation, the conversation which we had.

Senator CURTIS. Where was this conversation?

Mr. TUCKER. When we made up the agreement on the trusteeship.

Senator CURTIS. Where was the conversation?

Mr. TUCKER. In Dr. Lichtman's office.

Senator CURTIS. What was the agreement?

Mr. TUCKER. The agreement whereby Mr. Baker was purchasing the house, and I would act as trustee.

Senator CURTIS. Was it a written agreement?

Mr. TUCKER. Yes, sir.

Senator CURTIS. Was it ever filed of record?

Mr. TUCKER. Yes, sir.

Senator CURTIS. Who did Mr. Lichtman represent?

Mr. TUCKER. Mr. Lichtman is chairman of the board of the District of Columbia National Bank.

Senator CURTIS. In this transaction who did he represent?

Mr. TUCKER. The bank.

Senator CURTIS. Did the bank own the house?

Mr. TUCKER. The bank did not own the house, but the bank had something to do with the financing.

Senator CURTIS. For whom?

Mr. TUCKER. For Mr. Baker.

Senator CURTIS. Did they loan him the money?

Mr. TUCKER. I have no personal knowledge concerning that, although the check was drawn on the bank, as I told you.

Senator CURTIS. You don't know whether that had any relation to loans from the bank?

Mr. TUCKER. I don't know anything about the loan that you are speaking of from the bank, unless you are speaking of Serv-U loan.

Senator CURTIS. You don't know whether he borrowed the money from the bank?

Mr. TUCKER. No. I have no personal knowledge as to whether he borrowed the \$125,000 from the bank.

Senator CURTIS. Do you have any knowledge that the bank handled any of the financing?

Mr. TUCKER. Financing on the home?

Senator CURTIS. Yes.

Mr. TUCKER. No personal knowledge.

Senator CURTIS. Do you have any knowledge, any other knowledge? Did they?

Mr. TUCKER. Newspaper knowledge.

Senator CURTIS. That they financed the home?

Mr. TUCKER. Yes, sir. I learned that in the newspapers.

Senator CURTIS. Now, tell me again who conveyed it to you.

Mr. TUCKER. Ten Ten Travis Corp.

Senator CURTIS. Where are they located?

Mr. TUCKER. My best memory is that they are a Delaware corporation.

Senator CURTIS. Do they have any office here?

Mr. TUCKER. I have never been in their office. I have no knowledge as to where it might be, if they have.

Senator CURTIS. Who signed for them?

Mr. TUCKER. A gentleman by the name of DiCesare, or something similar to that.

Senator CURTIS. DiCesare; does he live here in Washington?

Mr. TUCKER. I have never met him before or since.

Senator CURTIS. You did meet him then?

Mr. TUCKER. I met him at the time.

Senator CURTIS. Where did you meet him?

Mr. TUCKER. At the Realty Title Co., at K Street.

Senator CURTIS. Realty Title Co.?

Mr. TUCKER. That was at the closing of the transfer, Senator; yes, sir.

Senator CURTIS. Who else was present?

Mr. TUCKER. A representative from the W. C. & A. N. Miller Co., a representative from the title company, Mr. DiCesare, myself, and Mr. Baker.

Senator CURTIS. Mr. Baker was there?

Mr. TUCKER. There may have been others there from the title company, but I can't recall.

Senator CURTIS. Who had occupied the house prior to that; do you know?

Mr. TUCKER. I don't have any information concerning that. As a matter of fact, I don't think it had been occupied.

Senator CURTIS. It was vacant?

Mr. TUCKER. I think so.

Senator CURTIS. The knowledge never came to you as to who had been there?

Mr. TUCKER. Well, the newspapers, as I said before; I understood it was a subsidiary of Tennessee Gas Co.

Senator CURTIS. The grantor was a subsidiary of the Tennessee Gas Co.?

Mr. TUCKER. That is what I understand.

Senator CURTIS. Had any of their officials lived there?

Mr. TUCKER. I had no knowledge concerning it.

Senator CURTIS. Did you ever see the house prior to the time Mr. Baker moved in?

Mr. TUCKER. Yes; went and looked at it.

Senator CURTIS. You went and looked at it?

Mr. TUCKER. Yes.

Senator CURTIS. Who was with you?

Mr. TUCKER. Mr. Baker.

Senator CURTIS. Who else?

Mr. TUCKER. That is all. Oh, maybe Mrs. Baker.

Senator CURTIS. There was no salesman?

Mr. TUCKER. No, sir.

Senator CURTIS. None of the parties that represented the owners?

Mr. TUCKER. No, sir.

Senator CURTIS. Did you have any conversation with Mr. Baker when you went to look at the house?

Mr. TUCKER. Nothing other than the fact that he was considering purchasing it.

Senator CURTIS. Do you know the address of it?

Mr. TUCKER. 5115 Van Ness Street, if my memory is correct.

Senator CURTIS. Was there anything said about a restrictive covenant on the land?

Mr. TUCKER. Spring Valley is covered with restrictive covenants.

Senator CURTIS. My question is, Was anything said about it?

Mr. TUCKER. Oh, yes.

Senator CURTIS. Who said it?

Mr. TUCKER. Mr. Baker.

Senator CURTIS. What did he say?

Mr. TUCKER. Well, he just explained what he thought the restrictive covenants were in the area.

Senator CURTIS. What was that?

Mr. TUCKER. And we discussed it.

Senator CURTIS. What was that?

Mr. TUCKER. Well, the restrictive covenants in the area—basically they are that only certain races can live in the area.

Senator CURTIS. What did Mr. Baker say about it?

Mr. TUCKER. Well, he would like to purchase a house in which he would not be completely restricted once he wanted to sell it to someone other than the Caucasian race. He was investing \$125,000, and he would like to have free title. And by having the trust as it was set up, Senator, he got a free title and he owns the house free of the covenants. By the use of the trust he owns the house now free of the covenants and he can sell it to a person of the Jewish race, for example, if he wants to.

Senator CURTIS. Doesn't the covenant run with the land?

Mr. TUCKER. Basically, as you probably know, the Supreme Court has outlawed such covenants.

Senator CURTIS. Yes.

Mr. TUCKER. And by the use of a trust instrument, he was able to accomplish the fact that he could sell it to anyone other than a member of the Caucasian race.

Senator CURTIS. Couldn't he anyway?

Mr. TUCKER. Could he not?

Senator CURTIS. Yes.

Mr. TUCKER. No, sir; he could not.

Senator CURTIS. Why?

Mr. TUCKER. For the simple reason that the covenants have been interpreted in that area as having to go through the Miller Co., because when you purchase the house, you have to sign an agreement with them whereby you will let them resell it basically, and they will not resell it to anyone other than a person of their choice. That is what former Vice President Nixon did.

Senator CURTIS. I am trying to find out about the law in Washington. What did former Vice President Nixon do? Tell me about it. Let's find out the shenanigans. Why did he—

Mr. TUCKER. He had the Miller-type contract, my counsel says. Seriously speaking, Senator, it is a device whereby you actually own a house when you pay \$125,000 for it, and that is an important consideration. If you pay \$125,000 for a house, I have a suspicion that you would like to sell it to whomever you choose, when you choose.

Senator CURTIS. I don't know. Do you own such a house?

Mr. TUCKER. No; it is a little out of my category.

Mr. CHASE. Fifth amendment.

Senator CURTIS. Were you surprised that Baker bought a \$125,000 house?

Mr. TUCKER. No; I am not surprised.

Senator CURTIS. Why?

Mr. TUCKER. It is common in that area to have a house in that price.

Senator CURTIS. Well, in that area, but I am talking about the purchase. Here is your law partner. You say you wouldn't buy a house like that. Now, why weren't you surprised when Baker bought one?

Mr. TUCKER. Well, most people, Senator, are able to buy things on credit, if they have a substantial job, and Mr. Baker had a substantial job.

Senator CURTIS. Did he buy it on credit?

Mr. TUCKER. I am told through the newspaper that he borrowed the money from the bank.

Senator CURTIS. Was there any mortgage or trust deed executed that day?

Mr. TUCKER. The bank, as I suggested, wound up as a substitute trustee which gave them security for the loan.

(At this point of the proceedings, Senator Pell entered the committee room.)

Senator CURTIS. Now going to another subject, when Mr. Simon was here, he was being asked about Serv-U, and about the investment of \$91,000, which was a combination of loans and stock. Mr. McLendon said:

So you say that you and Cooper put in a total of about \$91,000?

Mr. SIMON. Right.

Mr. McLENDON. Before you invested any of this money, paid any of it to the company, did you have a meeting with any of the officers or directors of the company?

Mr. SIMON. No. At that point I met with Mr. Cooper; Mr. Levinson and I had met Mr. Black right about the same time. Whether it was immediately before or after the investment I couldn't specifically place the time.

Mr. McLENDON. Where did this meeting occur; in Miami or in Washington?

Mr. SIMON. In Miami. The meeting occurred in Miami, the first time I met Mr. Black.

Mr. McLENDON. Was Mr. Baker present?

Mr. SIMON. No; he was not.

Mr. McLENDON. Did you attend a meeting later at which Baker was present?

Mr. SIMON. Yes, sir.

Mr. McLENDON. Where?

Mr. SIMON. In Washington.

Mr. McLENDON. Tell us about that meeting.

Mr. SIMON. There was a meeting that we were called up by—it was either by Mr. Levinson or Mr. Tucker, and asked to meet them in Washington, which we did at Mr. Tucker's office.

Mr. McLENDON. You mean by "we" you and Cooper?

Mr. SIMON. Mr. Cooper and myself.

Mr. McLENDON. You met in Tucker's office?

Mr. SIMON. That is correct.

Mr. McLENDON. Who was present?

Mr. SIMON. Mr. Tucker, Mr. Cooper, Mr. Levinson, Mr. Baker, Mr. Black, and a gentleman by the name of Sigelbaum, an associate of Mr. Levinson.

Will you tell us what happened at that meeting?

Mr. CHASE. Did you fix the date, Senator?

Senator CURTIS. I can't give you the date. It was before Christmas 1962, I am informed.

Mr. CHASE. Thank you.

Mr. TUCKER. At that meeting, Senator, Mr. Simon sold his stock.

Senator CURTIS. What else was said about Serv-U?

Mr. TUCKER. That was basically it.

Senator CURTIS. Who did he sell it to?

Mr. TUCKER. He sold it to me.

Senator CURTIS. To you?

Mr. TUCKER. And I held it as trustee for Mr. Black and Mr. Baker.

Senator CURTIS. Was anything said about Serv-U business?

Mr. TUCKER. Well, I don't have any specific recollection as to any particular items of the business discussed, but most assuredly the business was mentioned, although I couldn't possibly—that would be a year and a half ago—I couldn't possibly remember anything specific unless you have something in mind that you might refresh my recollection.

Senator CURTIS. Was anything said about contracts?

Mr. TUCKER. No; we did not discuss any contracts as my best memory would recall.

Senator CURTIS. I think this was covered before, but refresh my memory. In your own right as beneficial owner, how much do you own of Serv-U?

Mr. TUCKER. Myself personally?

Senator CURTIS. Yes.

Mr. TUCKER. I am just counsel for the corporation. I have no beneficial ownership.

Senator CURTIS. You are counsel for it?

Mr. TUCKER. I am counsel and an officer.

Senator CURTIS. And an officer. And you hold some of the stock?

Mr. TUCKER. That is correct.

Senator CURTIS. It has been a prosperous company?

Mr. TUCKER. Yes; it has prospered.

Senator CURTIS. You have been counsel for it since it was formed?

Mr. TUCKER. That is right.

Senator CURTIS. And any other officer?

Mr. TUCKER. I have been an officer since it was formed.

Senator CURTIS. What officer?

Mr. TUCKER. I have been various officers. I have been vice president, secretary, chairman of the board of directors, and a director, of course; on various occasions this is.

Senator CURTIS. All right; then you are well qualified to answer my next question. How did Serv-U get all of these contracts with these large companies that had these Government contracts?

Mr. TUCKER. I think that that has all been covered before, by either myself, Mr. Black, Mr. Armstrong, or Mr. Hancock.

Senator CURTIS. Not Mr. Baker. Mr. Baker didn't tell us anything about it.

Mr. TUCKER. I don't recall that he told you anything about it. Mr. Black originally gave the president of the corporation a letter of introduction to North American, whereby Mr. Hancock as president of Serv-U Corp. was permitted to submit a bid with North American, and that is basically how we got our first contract—through that transaction.

Senator CURTIS. Mr. Simon was asked. He said:

There was a good chance to get North American Aviation contract.

And Mr. McLendon said:

Was there any explanation to you why there was such a good chance?

Mr. SIMON. The only explanation given to me was that Mr. Black had some connections with North American.

Mr. TUCKER. Well, the testimony which you read to me a few moments ago referred to a meeting which they had in Florida, and whether or not that grew out of that meeting which I was not present at, I don't know. But that particular phrase which you are using was never discussed in my presence.

Senator CURTIS. Would this company have prospered like this if Mr. Baker had not participated?

Mr. TUCKER. Had what?

Senator CURTIS. Would this company have prospered like it did if Mr. Baker had not participated?

Mr. TUCKER. That is certainly a hypothetical question that I don't believe I can answer.

Senator CURTIS. I am asking the chairman of the board. Well, I will withdraw the question. Now, one more thing. When you were here before:

Mr. TUCKER. Well, I think if my memory is correct, Senator, I met with Mr. Sabella only one time; I met with Mr. Donegan maybe three times.

Senator CURTIS. Did you represent them in anything else other than Melpar?

Mr. TUCKER. No, sir. I never represented Interstate in any other connection.

Senator CURTIS. Did Mr. Baker know these people?

Mr. TUCKER. I am positive that Mr. Baker did not know them. Whether Mr. Baker had ever met anyone from Interstate other than possibly Mr. Donegan I am not familiar with the facts.

Is that still the situation?

Mr. TUCKER. The same answer.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Senator Scott?

Senator SCOTT. Mr. Tucker, when did you form your partnership with Mr. Baker?

Mr. TUCKER. As I previously testified, Senator, Mr. Baker and I have never been partners. I think the term you used is very loosely in this area. We are associates. We share the same office space and we have never been partners as such.

Senator SCOTT. When did you form the association of the Baker-Tucker law office?

Mr. TUCKER. We have never formed an association of Baker-Tucker law offices.

Senator SCOTT. When did you begin to practice law in the same office?

Mr. TUCKER. In approximately 1953.

Senator SCOTT. Now Mr. Hauff has testified that Mr. Baker filed a partnership return under schedule C of his profits from what he referred to as the Baker-Tucker law office in 1962. Can you explain why there would be no similar return of profits from the Baker-Tucker law association in the 1961 tax return under schedule C?

Mr. TUCKER. I guess the best explanation would be, Senator, that there was no partnership.

Senator SCOTT. But what kind of an association was it in 1962 then that led him to file in the 1962 return, according to the recollection of Mr. Hauff, a profit-and-loss account of the Baker-Tucker—

Mr. CHASE. Mr. Chairman, may I address Senator Scott?

Senator SCOTT (continuing). The Baker-Tucker law office should be the correct return.

Mr. CHASE. But that isn't a law partnership, 1065, as I understood Mr. Hauff's testimony. He is giving testimony with reference to the Carousel partnership. Now the question that has been put to the witness refers to whether or not there was a 1065 for the law relationship.

Senator SCOTT. No. The question is whether or not there was a 1040 return from Baker containing a schedule C or C-1, wherein Mr. Hauff helped to prepare returns for the Tucker and Baker law office, and certain income and expenses were returned in the 1962 return. I am asking why there was no similar tax return or inclusion in the Baker tax return for 1961 form 1040 for the Tucker and Baker law office.

Mr. TUCKER. I think you would have to address that question to Mr. Hauff because, Senator, I have no knowledge of Mr. Baker's tax return.

Senator SCOTT. But you did have an association with him in 1961 as you did in 1962?

Mr. TUCKER. Well, now, again I think you are using the same loose terminology that others tend to use in associations.

Senator SCOTT. You shared a law office and you had some business and legal dealings together.

Mr. TUCKER. That is correct, sir, and if we didn't happen to have any business together for the year 1961, possibly there would be no return filed.

Senator SCOTT. Do you remember whether or not you did have any legal business which would involve the sharing of expenses and profits in 1961?

Mr. TUCKER. It is possible that we would have, Senator. I would have to examine my tax return to see if I made any referral fees. But, by the same token, Mr. Baker was a full-time Government employee, and as such, he did not utilize the office. It was more or less for his own use or in his own business affairs, and he did not basically share any expenses. Those expenses are borne by myself and my other associates; not Mr. Baker.

Senator SCOTT. With reference to the covenants, did not Mr. Baker or did he say in your presence that the real reason for the trust transaction was to enable him to get a deed because a covenant restricting ownership against certain races would be embarrassing to him in his position?

Mr. TUCKER. I thought I covered that, but maybe I didn't. I meant to convey the information that Mr. Baker would like to have a house on which he would have clear title, and by using the instrument of a trust, he would have clear title, but specifically he did not mention it would be embarrassing to him in his position.

Senator SCOTT. Not in your presence?

Mr. TUCKER. That is right.

Senator SCOTT. No such statement was made. But there is no question in your mind the covenant is illegal in any event, in view of the Supreme Court decision?

Mr. TUCKER. In view of the Supreme Court decision, but I think that the general practice has been whereby Miller is appointed agent. They are "legally able to avoid the Supreme Court decision."

Senator SCOTT. Did you and Baker and Diego Bordas ever discuss the sugar contract with the Dominican Republic or anyone acting for the Dominican Republic?

Mr. TUCKER. No, sir.

Senator SCOTT. If there is no objection, Counsel—I don't know whether it is subject to objection or not—I would like to show Mr. Tucker the Carousel motel return as to which he said he furnished information, to ask him to look at the signatures of Mr. Baker and Mr. Hauff, and then ask him some questions about it.

Mr. McLENDON. These are copied signatures. These are not the signatures as they appear in the original.

Senator SCOTT. This is not a photostat?

Mr. McLENDON. No, sir. This is handwritten by Mr. Hugler of our staff. They don't permit us to photostat them. You can see them down there, but they are not permitted to bring them out.

Senator SCOTT. Mr. Tucker then would have no right to see the return?

Mr. McLENDON. Oh, yes; he would have a right to see it as counsel for the Carousel; yes.

Senator SCOTT. May I request that Mr. Tucker look at the tax return for 1961 of the Carousel Motel of the Internal Revenue records, and later advise us whether the signature of Robert G. Baker is in fact the signature of Robert G. Baker, whether in his opinion the signature of one M. R. Hauft is in fact also in the handwriting of Mr. Robert G. Baker.

(At this point of the proceedings, Senator Curtis left the committee room.)

Mr. CHASE. Are we getting an expert fee for this, Senator Scott?

Senator SCOTT. You are not getting it from me; I'll tell you that.

Mr. McLENDON. I am not sure. Mr. Stein might have to help us again. Is he permitted to do that, Mr. Stein?

Mr. STEIN. Could I hear the question again?

Mr. McLENDON. He wants to know if Mr. Tucker, who prepared the Carousel partnership information return, would have a right to go to the Office of the Internal Revenue Service and inspect the return and signatures thereon, and then be able to testify in his opinion whether the handwriting was Baker's handwriting.

Mr. STEIN. The mere fact that he prepared the return would not give him access to the original return in the Bureau; no, sir. The only person having access to that return—not to the return itself, but to a certified copy of the return—would be the taxpayer himself, or anyone else authorized under the regulations. The preparer of the return is not.

Senator SCOTT. Would the committee be entitled to a photostatic copy of the return so that it could ask Mr. Tucker to comment as to whether or not the signature of Hauft was in fact written by Mr. Baker?

Mr. STEIN. I understand that the committee in the proper manner, if it requests the returns under the Presidential order and regulations, is entitled to inspect returns; yes, sir.

Mr. McLENDON. That has been done.

Mr. STEIN. Inspect returns, but it is not the practice of the Service to furnish photostatic copies to the committees.

The CHAIRMAN. We have the copies of those returns. We have all that information in the files.

Senator SCOTT. Does the committee have a photostatic copy?

The CHAIRMAN. No, and you can't get it.

Senator SCOTT. That is what I am asking Mr. Stein.

Mr. STEIN. No, sir.

Senator SCOTT. You cannot get it?

Mr. STEIN. The practice of Internal Revenue is not to furnish photostatic copies of returns to a congressional committee such as this one is.

Senator SCOTT. Is the committee entitled to send to the Internal Revenue Service a handwriting expert with instructions to the hand-

writing expert to examine the return of the Carousel Motel in 1961 and to advise the committee whether in his opinion the same person who signed Robert G. Baker also signed the other name, M. R. Hauft?

Mr. STEIN. Under the regulations the committee by resolution—I guess it is—can designate a member of its staff to inspect a return in the Internal Revenue Service.

Senator SCOTT. Can the committee designate as its employee for the purpose a handwriting expert to examine the return to determine whether or not the signature of the one person has been signed by the handwriting, the handwriting of the taxpayer?

Mr. STEIN. Senator, I think that is a question the committee is in better position to answer. The regulations provide that a member of the committee's staff properly designated can inspect. Now, if the committee designates one of its staff to inspect that return, he can inspect that return, regardless of what his other qualifications are. Whether you employ a handwriting expert is your affair.

Senator SCOTT. Thank you, Mr. Stein.

Now, Mr. Tucker, has the Internal Revenue Service consulted you with regard to the signatures of either Mr. Baker or Mr. Hauft on the Carousel Motel return?

Mr. TUCKER. No, sir; they have not.

Senator SCOTT. You have had no conversations with them about it?

Mr. TUCKER. I have had numerous conversations with Internal Revenue.

Senator SCOTT. About this Carousel return?

Mr. TUCKER. About corporate matters in general, but about that specifically, no; they have not asked me.

Senator SCOTT. I will ask the committee if the committee will consider the employment of a handwriting expert for the purpose which I have indicated.

Mr. McLENDON. Senator, I do not think that is going to be necessary, because I think the Bureau is doing that, and it may be we can in some way get the benefit of the experts that they use. I am not too sure about that.

Senator SCOTT. If the committee can get the information I am seeking otherwise, I will be happy to have it. But if they do not, I think the committee should send a handwriting expert to clarify a most important element in this investigation.

I have only one other question.

Do you have any account of any gifts of the Tennessee Gas Corp. or the Ten Ten Corp. to Mr. Baker or his wife?

Mr. TUCKER. I do not.

Senator CURTIS. Mr. Chairman, this is not a question. The other day we received upon request from counsel—and this does not pertain to the same item but it is a similar case—a legal opinion from legislative counsel. I have before me a true copy of the opinion of Mr. Colin F. Stam of the staff of the Joint Committee on Internal Revenue Taxation. It cites several sections proposed. I would like to insert it in here for the information of the committee. One section that it refers to is section 1001:

Whoever in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or

fraudulent statements or representations or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

I ask that this be printed in the record for the information of the committee.

The CHAIRMAN. It is so ordered.

Mr. McLENDON. The companion statute might as well go in, also. You read 1001, didn't you?

Senator CURTIS. 1001; yes.

Mr. McLENDON. Also title 26, United States Code, section 6031, and also title 26, section 7206. All three of those criminal statutes bear upon the question of fraudulent signatures and fraudulent representations to agencies of the Government.

Senator CURTIS. And this paper that I did not take time to read in full also refers to 7206(1) and 7207.

The CHAIRMAN. I am glad you brought them up because we had already gotten them. We will have them all put in the record at the same time. Are there any other questions?

Mr. McLENDON. I will hand that to the committee reporter and let her put it in the record with any other.

(The material referred to follows:)

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, March 25, 1964.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: This is in response to your inquiry regarding the penalty provisions applicable in a situation where a tax return has been filed with a forged signature of a preparer of the return.

Under the Internal Revenue Code, such an offense may be prosecuted under section 7206(1) or under section 7207. Section 7206(1) provides:

"Any person who—

"(1) Declaration under penalties of perjury.—Willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter; or"

* * * * *
"shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than 3 years, or both, together with the costs of prosecution."

Section 7207 of the Internal Revenue Code relating to fraudulent returns, statements, or other documents provides:

"Any person who willfully delivers or discloses to the Secretary or his delegate any list, return, account, statement, or other document, known by him to be fraudulent or to be false as to any material matter, shall be fined not more than \$1,000, or imprisoned not more than 1 year, or both. Any person required pursuant to section 6047 (b) or (c) to furnish any information to the Secretary or any other person who willfully furnishes to the Secretary or such other person any information known by him to be fraudulent or to be false as to any material matter shall be fined not more than \$1,000, or imprisoned not more than 1 year, or both."

Such an offense may also be prosecuted under section 1001 of the Criminal Code of the United States (title 18, U.S. Code), which provides:

"SEC. 1001. *Statements or Entries Generally.* Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or repre-

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sentations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."

Sincerely yours.

COLIN F. STAM,
Chief of Staff.

INFORMATION RETURNS

TITLE 26, U.S.C. 6031

Every partnership shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowable by subtitle A, and such other information for the purpose of carrying out the provisions of subtitle A, as the Secretary or his delegate may by forms and regulations prescribe, and shall include in the return the names and addresses of the individuals who would be entitled to share in the taxable income if distributed and the amount of the distributive share or each individual.

CRIMES AND CRIMINAL PROCEDURE

TITLE 18, U.S.C. 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States *knowingly and willfully* falsifies, conceals, or covers up by any trick, scheme, or device, a material fact, or makes any false, fictitious or fraudulent statements or representations, or make or uses any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Legislative intent was to protect the authorized functions of governmental departments and agencies from the perversion which might result from the deceptive practices described.

U.S. v. Gilliland, 132 U.S. 86 (1941)

A *wrongful purpose* is an essential element of offense of knowingly and willfully falsifying or concealing a material fact in any matter within the jurisdiction of department or agency of the United States and of the offense of conspiring to falsify or conceal in such matters, and *must be proved* in each offense charged.

U.S. v. Buckley, 49 Fed. Supp. 993 (1943)

TITLE 26 U.S.C. 7206

FRAUD AND FALSE STATEMENTS

Any person who :

(3) Simulates or falsely or fraudulently executes or signs any bond, permit, entry or other document required by the provisions of the *Internal Revenue Laws*, or by any regulation made in pursuance thereof, or *procures the same* to be falsely or fraudulently executed, or advises, aids in, or connives at such execution thereof, — *or*

(5) (B) Receives, withholds, destroys, mutilates, or falsifies any book, document, or record, or makes any false statement, relating to the estate or financial condition of the taxpayer or other person liable in respect to the tax :

shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than three years, or both, together, with the costs of prosecution.

Mr. McLENDON. That is all, unless the committee has any questions.
(At this point, Senator Scott left the room.)

The CHAIRMAN. That is all, Mr. Tucker, at the present time, and you will be excused.

Mr. Hugler, place your left hand on the Bible and raise your right hand, please sir.

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. HUGLER. I do.

Mr. McLENDON. State your whole name, Mr. Hugler.

TESTIMONY OF EDWARD T. HUGLER

Mr. HUGLER. Edward T. Hugler.

Mr. McLENDON. What is your address?

Mr. HUGLER. 7403 16th Avenue, Takoma Park, Md.

Mr. McLENDON. What is your permanent employment with the Government?

Mr. HUGLER. I am an employee of the General Accounting Office.

Mr. McLENDON. Have you been assigned by that Office of the staff of the Senate Rules Committee?

Mr. HUGLER. Yes; I have; these past 5 months.

Mr. McLENDON. On Friday, the 13th of March, following receipt by the committee of an affidavit of Mr. Hauff, were you assigned to get in touch with the Internal Revenue Service concerning that matter?

Mr. HUGLER. Yes; I was.

Mr. McLENDON. Did you go?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. What time?

Mr. HUGLER. My first contact with the Bureau of Internal Revenue was at approximately 8:30 a.m. by telephone, at which time I ascertained the outline of facts and made arrangements to go over there immediately.

Mr. McLENDON. Did you interview the people there who had in turn interviewed Mr. Hauff?

Mr. HUGLER. Yes; I did.

Mr. McLENDON. I believe one of those was Mr. Taylor and one was——

Mr. HUGLER. Mr. Rosetti was the man I spoke to.

Mr. McLENDON. After that, did you see Mr. Hauff himself?

Mr. HUGLER. I did not see Mr. Hauff that same day. That was a Friday, if you will recall.

Mr. McLENDON. Yes.

Mr. HUGLER. I saw Mr. Hauff in the middle of the week following.

Mr. McLENDON. Go ahead and tell what you said to him, what he said to you.

Mr. HUGLER. Mr. Hauff was reinterviewed. This was the second interview, on March 17, in this building. Mr. Hauff told the circumstances of his having been called down to the Internal Revenue Service and asked about his participation in the preparation of Mr. Baker's 1961 personal return. He told us that he went through that return with the agents.

He then said the agents asked him to examine the Carousel return for 1961, at which time he objected, saying he had not prepared such

a return. He told us that the agents thereupon showed him the Carousel return and said in substance, "Is this not your signature?"

Mr. Hautt said that while it was his name on the Carousel return, he told the agents it was not his signature and they thereupon went back and reexamined the 1961 personal return of Mr. Baker. He discovered at that time that that, too, was not his signature.

Mr. McLendon. Was there more than one Carousel return on which Mr. Hautt's signature appeared, according to his story?

Mr. Hugler. No, sir; there was only one.

Mr. McLendon. That was the year 1961?

Mr. Hugler. Yes, sir.

Mr. McLendon. Go ahead, now. What happened from then?

Mr. Hugler. Do you want me to continue with this conversation I had with Mr. Hautt on that day?

Mr. McLendon. Yes.

Mr. Hugler. Mr. Hautt told us—when I say "us" I was accompanied in this interview by Mr. Peter Hoehl of the staff. Mr. Hautt told us there was not the remotest resemblance between the way his name was signed on this return and the way he signed it.

Mr. McLendon. You say this return. You mean both the Carousel and the personal return, or the one?

Mr. Hugler. Both of them, sir.

Mr. McLendon. Go ahead.

Mr. Hugler. He pointed out further that his home address was 3801 Archer Place, Kensington, Md., whereas on the 1961 personal return it was shown as 3801 Archer Street.

Mr. McLendon. Kensington, Md.?

Mr. Hugler. Kensington, Md.

Mr. McLendon. That was a discrepancy with respect to the address?

Mr. Hugler. Yes, sir; one he pointed out that he would not have made.

Mr. McLendon. How about the name; how it was signed? Did he make any comment about that?

Mr. Hugler. No, sir; not at that time.

Mr. McLendon. Go ahead.

Mr. Hugler. Mr. Hautt said he was quite surprised to see his name was on the returns and he got back to his office around 2 or 2:30 and immediately called his friend, Don Reynolds, and told him about it. He said 2 or 3 minutes later he got a call from Senator Williams, who asked him to come to his office. He did; he prepared an affidavit, signed it, and left it with Senator Williams.

Mr. McLendon. Did he identify that affidavit as the one the committee had?

Mr. Hugler. Yes, sir; he did, although I did not have a copy of it at the time.

Mr. McLendon. Go ahead.

Mr. Hugler. We then discussed the 1962 return with Mr. Hautt.

Mr. McLendon. The personal return?

Mr. Hugler. The personal return. He said that while he was not able to examine this return, it was spread out on the table near him and he did notice that some \$56,000 had been reported by Mr. Baker

on schedule C, which is profits or loss from business or profession. He recalled that when he had been preparing Mr. Baker's 1962 personal return, based on the figures furnished to him by Mr. Baker, he had arrived at the sum of \$16,000 as income to Mr. Baker from his legal practice, from meat commissions, and from certain payments from Mr. Ralph Hill. Then Mr. Hauft told us that to this amount Mr. Baker told him to add an additional \$40,000 fee, making the total of \$56,000. We asked Mr. Hauft whether Mr. Baker had enlarged on his statement about the \$40,000 fee and he said no and that he did not ask him.

Mr. McLENDON. Did he say whether he signed the return for 1962, the personal return?

Mr. HUGLER. Mr. Hauft recalled that following his preparation, Hauft's preparation, of a draft return for Mr. Baker for 1962, Mr. Baker had this draft typed and furnished him, he believes, the typed version, which he signed. However, Mr. Hauft also said that he learned that Mr. Baker had apparently asked the advice of the tax bureau man located here in the building about this 1962 return and learned that Mr. Hauft had made an omission, an investment credit. The tax agent had advised Mr. Baker that he was due this and apparently Mr. Baker took his advice and modified his return.

Mr. McLENDON. Was the agent Mr. W. G. Ritenour, who is assigned to duty here at the Capitol?

Mr. HUGLER. Yes; it was.

Mr. McLENDON. Did you see the original return of 1962 for Baker; personal return for Mr. and Mrs. Baker?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Did you examine the names or signatures on it?

Mr. HUGLER. Yes; I did.

Mr. McLENDON. Did it carry the names of Robert G. Baker and Dorothy C. Baker?

Mr. HUGLER. Yes; it did.

Mr. McLENDON. Did it carry the name of W. G. Ritenour, internal revenue agent, as the signature of the person who prepared the return?

Mr. HUGLER. Yes; it did.

Mr. McLENDON. It did not carry Mr. Hauft's signature?

Mr. HUGLER. No, sir.

Mr. McLENDON. Now, were you permitted under the Executive order of the President to make your own copies of the 1962 and 1961 returns? When I say your own copy, I mean in your own handwriting as distinguished from the photostatic copy.

Mr. HUGLER. Yes, sir.

Mr. McLENDON. You did do that?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. And you have had a copy made of the 1961 return and also the 1962 return?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. What were the signatures appearing on the 1961 personal return of Mr. and Mrs. Baker?

Mr. HUGLER. Robert G. Baker, Dorothy C. Baker, and M. L. Hauft.

Mr. McLENDON. And the address again?

Mr. HUGLER. The address on this return is 3801 Archer Street, Kensington, Md.

Mr. McLENDON. Could you tell whether there was any difference in the ink with which the names Robert G. Baker and Dorothy C. Baker were signed and the ink with which the name of M. L. Haft was signed?

Mr. HUGLER. It appeared to me that the names Robert G. Baker and M. L. Haft were signed in the same shade of ink, whereas the signature of Dorothy C. Baker was signed in a much lighter shade of ink.

Mr. McLENDON. Could you detect any indication in the name, M. L. Haft, of imitation of Haft's signature?

Mr. HUGLER. No, sir; they were entirely different.

Mr. McLENDON. What did Mr. Haft say about whether there was any imitation?

Mr. HUGLER. He said that he had examined that signature at the tax bureau and there was no similarity between that and his authentic signature.

Mr. McLENDON. Now, turning to the partnership return for Carousel for the year 1961, were you permitted to inspect the original of that at the Bureau's office?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Will you tell us what signatures appeared on it?

Mr. HUGLER. Robert G. Baker and M. R. Haft.

Mr. McLENDON. Whereas on the other one, the signature is M. L. Haft?

Mr. HUGLER. That is correct.

Mr. McLENDON. Was there any difference in the address given after Haft's name on this return as compared to the one in 1961?

Mr. HUGLER. No, sir; they are identical.

Mr. McLENDON. What is the date appearing on the individual return of 1961?

Mr. HUGLER. June 15, 1962.

Mr. McLENDON. Did you find in the office of the Bureau that Baker had requested and obtained permission for an extension of time to file the 1961 return?

Mr. HUGLER. Yes, sir; I did.

Mr. McLENDON. Do you have copies of the application?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Will you pull those out and hand them to the reporter?

Mr. HUGLER. Before doing so, Major, I would like to point out that we have not only the application for extension, but attached to it are the instructions on how to file it, as well as the face of the envelope in which the Internal Revenue Bureau received this application. Do you want the reporter to have all this?

Mr. McLENDON. Yes sir; hand those to the reporter.

(The documents referred to were marked "Hugler Exhibit 1," and are as follows:)

HUGLER EXHIBIT 1

<p>FORM 1009 <small>(Rev. Nov. 1960)</small></p>	<p>U.S. Treasury Department—Internal Revenue Service APPLICATION FOR EXTENSION OF TIME TO FILE U.S. Individual Income Tax Return</p>	<p>3110 EX ✓ 404 23 P. 1953-A</p>
<p>File in duplicate with your District Director on or before the due date for filing the return.</p>	<p>Name <u>Robert G. Baker and Dorothy C. Baker</u></p> <p>Address <u>3324 Northampton Street, N.W. Washington</u> <small>(Number and street or rural route) D. C.</small></p> <p><u>Washington</u> <u>D. C.</u> <small>(City, town, or post office) (Postal zone number) (State)</small></p> <p><small>(See instructions on Reverse Side)</small></p>	<p>XXXX Social Security Number, if any</p>

E. J. Hugler #1

- An extension of time until June 15, 1962 is hereby requested in which to file the individual income tax return (Form 1040 or Form 1040W) of the taxpayer named above for the calendar year 1961 or other taxable year beginning and ending
- State in detail the reason the extension is needed (see instruction 3): I am building a new motel at Ocean City, Maryland. On March 7, 1962, our building suffered considerable damage. It is impossible to determine our losses until approximately June 1, 1962.
- Did you file an individual income tax return on time (including any authorized extension) for each of the 3 years immediately preceding the year for which this extension is requested? Yes No
 If the answer is NO, list each year during the 3-year period for which a return was not timely filed, and state the reason.
- Were you required to file a declaration of estimated tax for the year for which this extension is requested?
 Yes No
 If the answer is YES, was each installment payment made on or before its due date? Yes No None required
and 15 1962 Robert G. Baker
(Date) (Taxpayer's signature)
 *If signed on behalf of the taxpayer by another person, see instruction 6 on reverse side.

THE INTERNAL REVENUE SERVICE WILL INDICATE BELOW WHETHER THE EXTENSION IS GRANTED OR DENIED AND WILL RETURN THE ORIGINAL OF THIS APPLICATION TO YOU

NOTICE TO APPLICANT:

- Your application is approved. This form must be attached to your individual income tax return when filed as evidence that the extension was granted. Interest accrues at the rate of 6 percent per year on any tax due for the year from the regular due date of the return until paid.
- Your application cannot be considered since it was received in this office after the due date of the return. Your return should be filed without further delay. Please attach this form to the return to explain the delay in filing.
- Careful consideration has been given to the reasons and other data given in your application but it has been determined that the extension is not warranted. Your return should be filed by the regular due date or within 10 days of the date of signature of this notice, if the end of such 10-day period is later than the regular due date. Please attach this form to the return to explain the delay in filing.
- Other:

MAY 1 1962

Jimmy Mackin

HUGLER EXHIBIT 1—Continued

1953-B

INSTRUCTIONS

1. **When to file.**—A taxpayer desiring an extension of time for filing an individual income tax return on Form 1040 or Form 1040W must submit an application on or before the due date of the return. If possible the application should be submitted in sufficient time to enable the District Director to consider and to act on the application before the regular due date of the return.

2. **How and where to file.**—Complete this form in duplicate and file with the District Director of Internal Revenue for the district in which you live.

U.S. citizens abroad who have no legal residence or place of business in the United States should file with the Director of International Operations, Internal Revenue Service, Washington 25, D.C. If a U.S. citizen abroad is requesting an extension of time for filing because he expects to receive income which will be exempt under section 911 of the Internal Revenue Code, he should use Form 2350 rather than this form.

3. **Reasons for extension.**—The District Director will grant a reasonable extension of time for filing a return if the taxpayer files a timely application which establishes that he is unable to file the return by the due date because of circumstances beyond his control. Generally, an application will be considered in the light of the efforts made by the taxpayer to fulfill his filing responsibility, rather than the convenience of anyone who assists him. However, consideration will be given to circumstances in which the taxpayer's practitioner is unable, due to reasons beyond his control, to complete the return for filing by the due

date, or to other circumstances in which a taxpayer is unable to get essential professional assistance in spite of timely efforts to obtain it.

The reason for the application which is called for in Item 2 should be explained to clearly describe the circumstances beyond the taxpayer's control, which have caused the unavoidable delay in filing the return. Applications which give incomplete reasons such as "illness" or "practitioner too busy" without adequate explanations, will not be approved.

4. **Blanket requests.**—Blanket requests for extensions will not be granted.

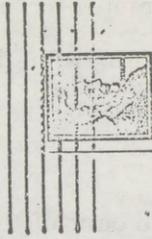
5. **Period of extension.**—Generally, extensions of time on an initial application will be limited to a period of time not in excess of 60 days. Longer periods of time will not be granted unless sufficient need for such extended period is clearly shown. In no event will an extension be granted in excess of 6 months for taxpayers within the United States.

6. **Signature.**—The application must be signed by the taxpayer or a duly authorized agent. If it is signed by a person with a duly authorized power of attorney, a statement to that effect should be made below. It will not be necessary to attach a copy of the power of attorney.

If the taxpayer is unable to sign the application because of illness, absence, or other good cause, any person standing in close personal or business relationship to him may sign the application. However, the signer must state below the reasons for his signature and his relationship to the taxpayer.

HUGLER EXHIBIT 1—Continued

1953-C



District Director
U. S. Treasury Department
Internal Revenue Service
707 N. Calvert Street
Baltimore 2, Maryland

United States Senate
SECRETARY FOR THE MAJORITY

Mr. McLendon. You obtained those from the Bureau?

Mr. Hugler. Yes; I did.

Mr. McLendon. Was the request granted for an extension of time?

Mr. Hugler. Yes, sir.

Mr. McLendon. Was the tax return, with the date you found stamped upon it, filed within the time extended?

Mr. Hugler. The 1961 return is shown by the taxpayer as having been filed on June 15.

Mr. McLendon. 1962?

Mr. Hugler. 1962.

Mr. McLendon. Was there a stamp on it of the Internal Revenue Service indicating the date of filing?

Mr. Hugler. Yes, sir; this return was stamped as having been received on June 18, 1962.

Mr. McLendon. In what office?

Mr. Hugler. In the Baltimore office.

Mr. McLendon. Did you also inspect the original return, 1961, as filed with the Bureau, to ascertain whether or not it had a distinctive number appearing on it, put on there by the Bureau?

Mr. Hugler. Yes; I did.

Mr. McLendon. What was the number you find?

Mr. Hugler. BR, 500463.

Mr. McLendon. Did you ascertain from the Bureau what that number was used for and why it appeared on the return?

Mr. Hugler. Yes, sir; I did.

Mr. McLendon. Tell the committee about that.

Mr. Hugler. It is my understanding that this is part of the accounting process followed by the Bureau of Internal Revenue, that upon receipt of any individual's return, a distinctive identifying number is placed thereon.

Mr. McLendon. Did this return as filed with the Bureau call for a refund?

Mr. Hugler. Yes, sir; it did.

Mr. McLendon. In what amount?

Mr. Hugler. \$4,484.02.

Mr. McLendon. Did you find whether the Bureau had paid that amount, a refund?

Mr. Hugler. Yes, sir; I did.

Mr. McLendon. Do you have a copy of the check that was used in payment to Baker of the amount claimed as a refund?

Mr. Hugler. Yes; I do.

Mr. McLendon. What is the date of it?

Mr. Hugler. The refund check is dated July 17, 1962.

Mr. McLendon. Do you have a photostated copy of the face and the back of the check?

Mr. Hugler. Yes; I do.

Mr. McLendon. What are the endorsements appearing on the back of the check?

Mr. Hugler. Robert G. Baker, Dorothy C. Baker.

Mr. McLendon. Did you obtain from a bank a record showing that

that check so endorsed was deposited to Baker's account?

Mr. HUGLER. Yes; I did.

Mr. McLendon. What bank?

Mr. HUGLER. The American Security & Trust Co. of Washington, D.C.

Mr. McLendon. What is the date of that deposit?

Mr. HUGLER. The deposit slip is dated July 25, 1962.

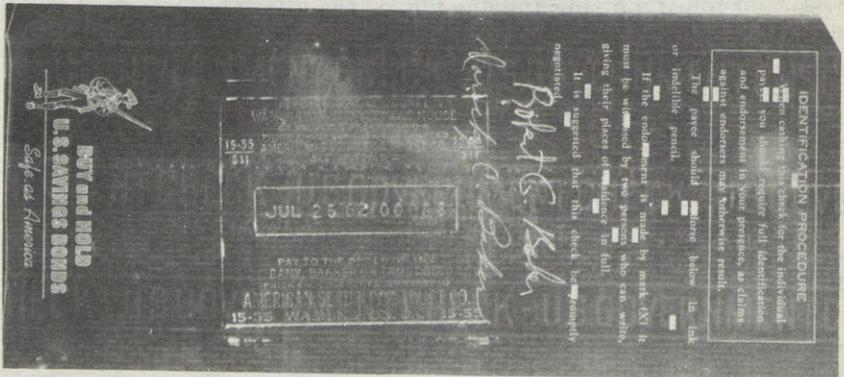
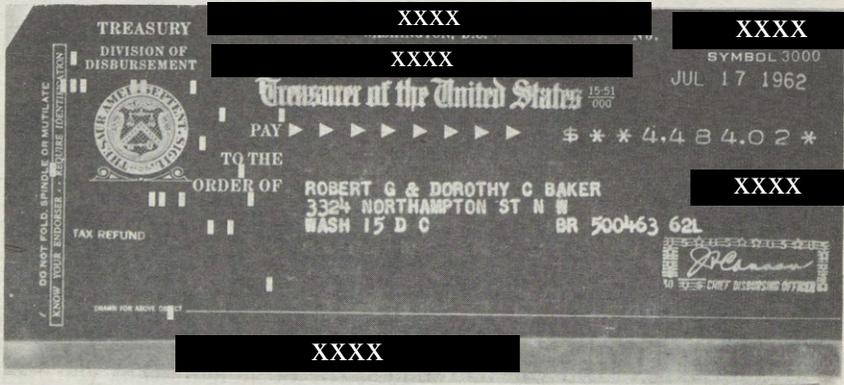
Mr. McLendon. Do you have a copy of it here?

Mr. HUGLER. Yes; I do.

Mr. McLendon. Hand that, together with a copy of the check, to the reporter, please.

(The documents referred to were marked "Hugler Exhibit 2-A" and "Hugler Exhibit 2-B," and are as follows:)

HUGLER EXHIBIT 2-A



HUGLER EXHIBIT 2-B

AMERICAN SECURITY & TRUST COMPANY

XXXX

51,534.01 4,484.02
 115-7-51 485.70
 15-3-51 650.00
 66-763-94 408.28
 1-8-24 686.40
 10

Jun 25 '62

EAST CAPITOL STREET OFFICE

Robert G. Baker
 3324 North Hampton St N.W.
 WASH. DC

EMERGENCY AND/OR COPY

TOTAL DEPOSIT 6,715.46

76

Ex Hugler 2B

Mr. McLendon. Referring to the application for extension of time which you have handed the reporter—have you that?

Mr. Hugler. Yes, sir.

Mr. McLendon. Will you read for the committee the reason given in paragraph 2 of the request for extension?

Mr. Hugler (reading): "I am building a new motel"—

Mr. McLendon. Are you quoting now from the document?

Mr. Hugler. I am reading from the application for extension, Major. The taxpayer states [continues reading:]

I am building a new motel at Ocean City, Md. On March 7, 1962, our building suffered considerable damage. It is impossible to determine our losses until approximately June 1, 1962.

Mr. McLendon. Did you find among the documents that you had access to and inspected any communication to Baker or anyone representing him reporting the amount of the allowable loss or damage due to the storm?

Mr. Hugler. Yes, sir; I did.

Mr. McLendon. Tell the committee what that is.

Mr. Hugler. Attached to the personal return for 1961 are two letters. One is dated May 7, 1962. It is from the Small Business Administration addressed to the various partners in the Carousel venture: Robert G. Baker, Dorothy C. Baker, Donald J. Novak, Anita M. Novak, and Gertrude C. Novak. This letter reads:

DEAR MR. BAKER: We are pleased to advise that this Administration has approved a loan to you in the amount of \$54,000, subject to certain terms and conditions.

The authorization setting forth the terms and conditions will be forwarded to you within a few days. We suggest that no action be taken pending receipt of the signed authorization.

Mr. McLENDON. Was that the only communication with respect to the allowable loss due to storm damage?

Mr. HUGLER. No, sir.

Mr. McLENDON. What else did you find?

Mr. HUGLER. There was another letter attached to the 1961 personal return.

Mr. McLENDON. What is the date of it?

Mr. HUGLER. Dated May 15, 1962, from the Small Business Administration, addressed to Mr. Robert G. Baker. It states:

DEAR MR. BAKER: Your application for a disaster loan from the Small Business Administration has been approved in the amount of \$54,400, subject to the terms and conditions set forth in the attached authorization, a copy of which has been furnished Mr. Harry H. Cropper, 303 South Baltimore Avenue, Ocean City, Md., who has been appointed a counsel for SBA to handle loan closing matters in this area.

The rest of the letter I do not believe is particularly pertinent.

Mr. McLENDON. Were both of those letters from the Small Business Administration made after the normal date for filing income tax returns, to wit, April 15?

Mr. HUGLER. Yes; that is right.

Mr. McLENDON. Between the normal date for filing and the date that was extended at Baker's request; is that correct?

Mr. HUGLER. That is right.

Mr. McLENDON. Now, hand those to the reporter so she can mark them, please.

(The documents referred to were marked "Hugler Exhibit 3" and "Hugler Exhibit 4," and are as follows:)

HUGLER EXHIBIT 3

E. A. Hugler #3

1959-A

C O P Y

SMALL BUSINESS ADMINISTRATION
The Executive Office Building
1904 Byrd Avenue
Richmond 26, Virginia

May 7, 1962

Robert G. Baker, Dorothy C. Baker
Donald J. Novak, Anita M. Novak and
Gertrude C. Novak, T/A
Carousel Motel
Fenwick, Maryland

Re: DL-177, 338-Balt.

Dear Mr. Baker:

We are pleased to advise that this Administration has approved a loan to you in the amount of \$54,000.00 subject to certain terms and conditions.

The Authorization setting forth the terms and conditions will be forwarded to you within a few days. We suggest that no action be taken pending receipt of the signed Authorization.

Very truly yours,

(S)

G. D. Holden, Chief
Financial Assistance Division

Temporary Mailing Address:

Mr. Ernest C. Tucker

Suite 605, 2000 P. Street, N. W.
Washington, D. C.

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1685

HUGLER EXHIBIT 4

C O P Y

SMALL BUSINESS ADMINISTRATION

Ex. Hugler #4

Letter C

1959-B

May 15, 1962

Mr. Robert G. Baker
Carousel Motel
Suite #605
2000 P Street, N. W.
Washington, D. C.

Re: DL-177,338-Balt

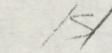
Dear Mr. Baker:

Your application for a disaster loan from the Small Business Administration has been approved in the amount of \$ 54,400.00, subject to the terms and conditions set forth in the attached Authorization, a copy of which has been furnished Mr. Harry H. Cropper, 303 South Baltimore Avenue, Ocean City, Maryland, who has been appointed a counsel for SBA to handle loan closing matters in this area. Please contact him and make arrangements for the closing of your loan. It is suggested that you have available for his examination, deed, abstract or other papers covering ownership of and describing property required as security, including a list of chattels or personal property.

In addition to the conditions set forth in the attached Authorization, you will be required to carry insurance, fire and wind-storm (or extended coverage) in an amount not less than the amount of the loan. The policies shall be endorsed to provide for payment of loss proceeds to SBA as its interests appear. Receipt showing premium payment must be furnished.

Forms required to be executed by you will be explained by the closing attorney.

Yours very truly,



Edgar Allan
Regional Counsel

Enclosure

Mr. McLENDON. Did you discuss with Mr. Haft whether or not he had available to him his original work papers in connection with the work papers of the 1961 personal return for Mr. Baker?

Mr. HUGLER. Yes; I did.

Mr. McLENDON. He previously testified he did not have them. Did he repeat that to you?

Mr. HUGLER. Yes; he did.

Mr. McLENDON. Did he tell you that, if he could have access to those papers, he could compare his figures on those papers with the figures on the return to see whether they corresponded or whether they differed?

Mr. HUGLER. Yes; he did.

Mr. McLENDON. You and he discussed that problem, did you?

Mr. HUGLER. Yes; we did.

Mr. McLENDON. Were you notified by me later that arrangements had been made so that Mr. Haft could inspect certain papers for the purpose of ascertaining whether they were his work papers?

Mr. HUGLER. Yes; you so advised me Monday morning, March 23.

Mr. McLENDON. In consequence of that advice, did you go with Mr. Haft to Mr. Williams' office, who represents Mr. Baker as counsel?

Mr. HUGLER. Yes; I did.

Mr. McLENDON. Tell the committee what occurred.

Mr. HUGLER. Mr. Haft and I arrived at the office of Edward Bennett Williams at approximately 4 p.m. on that same date. Mr. Williams met with us and said that he had made an arrangement with you whereby he was willing to release certain papers under certain conditions. He spelled these conditions out to me. He termed them "certain ground rules." He said he was going to show Mr. Haft some working papers. He asked me to stand on the far side of the room so I would not be able to see these papers at that time. He said that when he showed these papers to Mr. Haft, if Mr. Haft identified them as his own, he would thereupon give them to Mr. Haft. However, he said that if Mr. Haft was unable to identify the working papers as his own, he, Mr. Williams, would retrieve them and keep them.

Mr. Williams did show Mr. Haft some working papers. Mr. Haft identified them as his own, whereupon Mr. Williams had copies made of these papers and handed one set to Mr. Haft. He told Mr. Haft that they were his, Haft's, and that Haft could do with them as he pleased.

Mr. McLENDON. After he gave copies to Haft which Haft had previously identified as his working papers, did he, Mr. Haft, permit you to copy the copy?

Mr. HUGLER. Yes; Mr. Haft and I returned here to the Old Senate Office Building at approximately 4:45 p.m. that same afternoon. I asked Mr. Haft if he would permit me to make copies. He agreed.

Mr. McLENDON. Will you look at the copies which Mr. Haft has identified? I think the reporter already has it, unless it has been taken away.

Mr. HUGLER. I have it here.

Mr. McLENDON. Will you look at that now and identify it sheet by sheet, if you can?

Mr. HUGLER. Yes, sir, Major; these are the working papers turned over to me by Mr. Hautt and identified by him as his own.

Mr. McLENDON. You have a complete set of them there?

Mr. HUGLER. Yes, sir; I do.

Mr. McLENDON. Will you hand them to the reporter so she can mark them as an exhibit?

(The documents referred to were marked "Hugler Exhibit 5," and are as follows:)

HUGLER EXHIBIT 5

E.A. Hugler #5

1962-A

FORM 1040

U.S. INDIVIDUAL INCOME TAX RETURN—1961

U.S. Treasury Department
Internal Revenue Service

for taxable year beginning... 1961, ending... 1962

Your Social Security Number

First name and initial: Kouss & Deastry Last name: Baker
 (If joint return of husband and wife, use first names and middle initials of both)
 Home address: 3324 Northampton St NW
Wase 15 DC
 (City, town, or post office) (Partial zone number) (State)

Occupation: _____
 Wife's Social Security Number: _____
 Occupation: _____

Check Single; Unmarried "Head of Household"; Surviving widow or widower with dependent child;
 Married filing joint return; Married filing separate return—Name of wife (husband)

INCOME—(If joint return, include all income of both husband and wife)

1. Wages, salaries, tips, etc., and excess of allowances over business expenses.	(a) Wages, etc.	(b) Federal income tax withheld
Employer's name: <u>U.S. Senate</u> Where employed (city and state): <u>DC</u>	\$ <u>18,538.65</u>	\$ <u>506.32</u>
	<u>10,988.16</u>	<u>1830.54</u>
If either you or your wife worked for more than one employer, see page 4 of instructions		
2. Totals here	<u>89316.84</u>	<u>4881.96</u>
3. "Sick pay" if included in line 1 (attach required statement)	<u>400.-</u>	
4. Subtract line 3 from total wages		<u>28916.84</u>
5. Dividends, interest, rents, royalties, pensions, etc. (Schedule B—If required by instructions page 5)	<u>25364.8</u>	<u>(2537.17)</u>
6. Business income (Schedule C)		<u>(242.25)</u>
7. Sale or exchange of property (Schedule D)		<u>21567.22</u>
8. Farm income (Schedule F)		
9. Total (add lines 4 through 8)	<u>24,810.99</u>	<u>24867.34</u>

FIGURE YOUR TAX BY USING EITHER 10 OR 11

10. Tax Table
 If line 9 is less than \$5,000 and you do not itemize deductions—
 Copy total exemptions from page 2 here
 Find your tax in table on page 10 of instructions.
 Do not use lines 11 a, b, c, or d.
 Enter tax on line 12.

11. Tax Rate Schedule
 a. If you itemize deductions, enter total from page 2
 If line 9 is \$5,000 or more and you do not itemize, enter 10% of line 9 but not more than \$1,000 (\$500 if married and filing separate return).
 b. Subtract line 11a from line 9
 c. Copy total exemptions from page 2 here, multiply by \$600.
 d. Subtract line 11c from line 11b
 Figure your tax on this amount by using tax rate schedule on page 9 of instructions and enter tax on line 12

<u>18256</u>	<u>21</u>
<u>6606</u>	<u>03</u>
<u>4200</u>	<u>-</u>
<u>2406</u>	<u>03</u>

12. Tax (from either tax table or tax rate schedule)	<u>477.35</u>	<u>481.21</u>
13. Self-employment tax (Schedule C-3 or F-1)		
14. Total (add lines 12 and 13)	<u>477.35</u>	<u>481.21</u>

PAYMENTS AND CREDITS

15. a. Tax withheld (line 2, col. (b) above). Attach Forms W-2	<u>4881.96</u>	
b. Payments and credits on 1961 Declaration of Estimated Tax	<u>9.20</u>	
c. Dividends received credit		
d. Retirement income credit		
e. Other credits (Specify—see page 5 of instructions)		<u>4891.16</u>
f. Total (add lines a, b, c, d and e)		<u>4891.16</u>

District Director's office where amount on line 15b was paid

TAX DUE OR REFUND

16. If payments and credits (line 15f) are less than tax (line 14), enter Balance Due here. Pay in full with this return to "Internal Revenue Service."	<u>4,420.20</u>	
17. If payments and credits (line 15f) are larger than tax (line 14), enter overpayment here		<u>4409.91</u>
18. Line 17 to be: (a) Credited on 1962 estimated tax \$ _____ (b) Refunded \$ _____		

I declare under penalties of perjury that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here (Taxpayer's signature and date) (If joint return, BOTH HUSBAND AND WIFE MUST SIGN) (Wife's signature and date)

Sign here (Officer of preparer other than taxpayer) (Date)

24,810.99
 51.35
 24,759.64

24,810.99
 18,258.01
 6,552.98

6,554.18
 4,201.01
 2,353.17

1690 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

HUGLER EXHIBIT 5—Continued

1962-C

1961
 DOROTHY C. & ROBERT G. EAKER
 3324 Northampton Street, N. W.
 Washington 15, D. C.

SCHEDULE # 1

Interest on Notes

American Security & Trust Company	\$	2401.59
Suburban Trust Company		301.76
South Carolina National Bank		412.72
Pickens Bank, South Carolina		444.31
National Bank of Washington		1071.67
Don B. Reynolds		750.00
Investors Corporation of South Carolina		235.34
Mrs. Cecil Freed		833.06
First National Bank of Dallas		2002.38
Fidelity Investment Company		589.62
Fenwick Corporation		1100.00
Fidelity Investment Company		86.25
Fraternity Savings and Loan		922.50
Luther Hodges		913.12

TOTAL 12,064.32

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1691

HUGLER EXHIBIT 5—Continued

Name and address Baker 1962-D

Year 1961

ITEMIZED DEDUCTIONS

CONTRIBUTIONS:

Church of People <i>Catholic</i>	\$ 520	
Ascription to Cross <i>Papers I</i>	260	
March of Dimes		
Cancer Fund		
Heart Fund		
Cerebral Palsy Fund		
YMCA or YWCA		
Boy Scouts of America		
Girl Scouts of America		
Salvation Army	658	57
Community Chest		
Value of Food and Clothing Donated to Charities		
Honors For Aged		
Federation of Charities		
<i>American Union</i>	500	
<i>2 Mass League</i>	10	
Various Organized Charities	100	
TOTAL CONTRIBUTIONS	\$ 2028	57

INTEREST:

On Mortgage <i>Home Bldg. Co.</i>	\$ 711	57
On Bank Loans		
<i>See Det. in Part II</i>	12064	82
On Insurance Loans		
On Notes		
On Installment Purchases		
TOTAL INTEREST	\$ 12775	79

TAXES:

Real Estate <i>Mnt. Co</i>	\$ 169	11
<i>Woods</i>	121	02
Personal Property <i>80</i>	357	21
Sales--State and/or City	740	
Gasoline--State	120	
Auto Licenses	7	50
State Income <i>C.S.S.I.</i>	816	26
<i>State Income</i>	297	60
TOTAL TAXES	\$ 1928	81

MEDICAL EXPENSES:

Medicines	\$	
Less 1% of adj. gross income		
Net Medicines	\$	
Other Medical Expenses:		
Dr.	\$	
Dr.		
Dr.		
Dr.		
Chiropractor		
Dentist		
False Teeth and Bridgework		
Optician		
Eye Glasses		
Chiropodist		
Orthopedic Shoes		
Hospital		
Surgeon		
Nurses		
Operating Room Fees		
Pediatrician		
X-Rays		
Blood Tests		
Cardiograph		
Laboratory Tests		
Health & Accident Insurance		
Travel Exp. Prescribed by Dr.		
Hosp. and Blue Cross		
Hearing Aids		
Total (Not Compensated by Insurance or Otherwise)	\$	
Less 1% of adj. gross income		
ALLOWABLE MEDICAL EXPENSES	\$	

CHILD CARE EXPENSES:

CASUALTY OR THEFT LOSSES:

MISCELLANEOUS:

<i>2</i>	\$ 2	00
<i>Entertainment (State & City)</i>	1521	24
TOTAL MISCELLANEOUS	\$ 1523	24

SUMMARY

Total for Federal (to line 2, page 3, Form 1040) \$ 18256.21

Add:

Deduct:

State Income Tax

Total for State

1692 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

HUGLER EXHIBIT 5—Continued

1962-E

<p>SCHEDULE B (Form 1040) U.S. Treasury Department Internal Revenue Service</p>	<p>SUPPLEMENTAL SCHEDULE OF INCOME AND CREDITS (From all sources other than wages, business, farming, and sale or exchange of property) Attach this Schedule to your Individual Income Tax Return, Form 1040</p>	<p>1961</p>
--	---	-------------

Name and address as shown on page 1 of Form 1040.

Part I.—DIVIDEND INCOME (Income from savings (building) and loan associations and credit unions should be entered as interest in Part II)

1. Name of qualifying corporation declaring dividend: (Indicate by O, W, or J whether stock is held by husband, wife, or jointly)	Amount	
PICKENS BANK (J)	240.00	
WYNN BROS. (J)	296.00	
NATL. BK. of MD. (J)	150.00	
2. Total	330.00	
3. Exclusion of \$50 (If both husband and wife received dividends, each is entitled to exclude not more than \$50 of his (her) own dividends)	150.00	
4. Subtract line 3 from line 2. Enter here and on line 1, Part VII		230.00
5. Name of nonqualifying corporation declaring dividend:		
6. Total (add lines 4 and 5)		230.00

Part II.—INTEREST INCOME (This includes interest credited to your account)

Name of payor	Amount	Name of payor	Amount
HEWARD JOHNSON	210.16		
ORLANDO PROPERTIES	768.78		
CHARLOTTE ENTERPRISES	677.37		
Total →			1756.31

Part III.—PENSION AND ANNUITY INCOME

A.—General Rule (If you did not contribute to the cost of this pension or annuity, enter the total amount received on line 6 and omit lines 1 through 5.)

1. Investment in contract		4. Amount received this year	\$
2. Expected return		5. Amount excludable (line 4 multiplied by line 3)	
3. Percentage of income to be excluded (line 1 divided by line 2)	%	6. Taxable portion (excess of line 4 over line 5)	

B.—Where your employer has contributed part of the cost and your contribution will be recoverable tax-free within 3 years. If your cost was fully recovered in prior years, enter the total amount received in line 5 and omit lines 1 through 4.

1. Cost of annuity (amounts you paid)		4. Amount received this year	
2. Cost received tax-free in past years		5. Taxable portion (excess, if any, of line 4 over line 3)	
3. Remainder of cost (line 1 less line 2)			

Part IV.—RENT AND ROYALTY INCOME

1. Kind and location of property (Identify whether rent or royalty)	2. Total amount of rents or royalties	3. Depreciation (explain in Part VI) or depletion	4. Repairs (attach itemized list)	5. Other expenses (attach itemized list)
1016 Apt. Pickens, S.C.	600	203.44		
1. Totals				
2. Net income (or loss) from rents and royalties (column 2 less sum of columns 3, 4, and 5)				396.56

Part V.—OTHER INCOME OR LOSSES

1. Partnerships (name, address, and nature of income)	Peter Demet (D.V.) 2nd Corp. Loan 25,200.00
2. Estates or trusts (name and address)	Dee + Norm 20,000.00
3. Other sources (state nature)	Ocean 25,000.00

TOTAL INCOME (OR LOSS) FROM ABOVE SOURCES (Enter here and on line 5, page 1, of Form 1040) 25,317.56

10-7040-1
25,317.56

HUGLER EXHIBIT 5—Continued

1962-4

SCHEDULE C (Form 1040) <small>U. S. Treasury Department Internal Revenue Service</small>	PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (Compute social security self-employment tax on Schedule C-3 (Form 1040))	1961
Attach this Schedule to your Income Tax Return, Form 1040 — Partnerships, Joint Ventures, Etc., Must File On Form 1065		
Name and address as shown on page 1, Form 1040 <i>Robert C. & Dorothy C. Baker -</i>		
A. Principal business activity <small>(See separate instructions)</small>	<i>Attorney</i> <small>(Retail trade, wholesale trade, lawyer, etc.)</small>	Principal product or service
B. Business name <small>(See separate instructions)</small>	<i>Robert C. Baker</i>	C. Employer Identification Number
D. Business location <small>(Number and street or rural route)</small>	<i>2000 P St NW DC</i> <small>(City or post office)</small>	<small>(State)</small>

1. Total receipts \$..... less allowances, rebates, and returns \$.....		2253 90
2. Inventory at beginning of year (if different than last year's closing inventory attach explanation).....		
3. Merchandise purchased \$..... less any items withdrawn from business for personal use \$.....		
4. Cost of labor (do not include salary paid to yourself).....		
5. Material and supplies.....		
6. Other costs (explain in Schedule C-2).....		
7. Total of lines 2 through 6.....		
8. Inventory at end of this year.....		
9. Cost of goods sold (line 7 less line 8).....		
10. Gross profit (subtract line 9 from line 1).....		

OTHER BUSINESS DEDUCTIONS

11. Salaries and wages not included on line 4 (exclude any paid to yourself).....		
12. Rent on business property.....		
13. Interest on business indebtedness.....		
14. Taxes on business and business property.....		
15. Losses of business property (attach statement).....		
16. Bad debts arising from sales or services.....		
17. Depreciation (explain in Schedule C-2).....		
18. Repairs (explain in Schedule C-2).....		
19. Depletion of mines, oil and gas wells, timber, etc. (attach schedule).....		
20. Amortization (attach statement).....		
21. Insurance.....		
22. Legal and professional fees.....		
23. Commissions.....		
24. Other business expenses (explain in Schedule C-2).....		
25. Total of lines 11 through 24.....		8497 15
26. Net profit (or loss) (subtract line 25 from line 10). Enter here, on line 1, Schedule C-3; and on line 6, page 1, Form 1040.....		(243 25) C

INVENTORY INFORMATION

1. Method of inventory valuation—Cost ; lower of cost or market ; other . If other, attach explanation.
2. Was the method of inventory valuation indicated above the same method used for 1960? Yes No. If "No" attach explanation.
3. If inventory is valued at lower of cost or market, enter total cost \$..... and total market valuation \$..... of those items valued at market.
4. If closing inventory was taken by physical count, enter date inventory was taken..... If not at end of year, attach an explanation of how the end of year count was determined.
5. If closing inventory was not taken by a physical count, attach an explanation of how inventory items were counted or measured.

HUGLER EXHIBIT 5—Continued

1962-I

1961

SCHEDULE C - 1

Depreciation Chart - 1956 Base

I. Office Furniture		
Swivel Chair	\$ 70.00	
3 side chairs	150.00	
Rug	120.00	
Desk	165.00	
Chair	69.00	
Rug	89.00	
Desk	5.00	
Miscellaneous	50.00	
	<u>\$ 718.50</u>	
	10% depreciation	\$ 71.85
II. Books (1957 Base)		
10 volumes American Jurisprudence	\$122.50	
Bankers Estate - 2 volumes	36.00	
Nelson on Divorce - 3 volumes	25.00	
Couch on Insurance - 9 volumes	100.00	
(1959 base) Couch on Insurance - 2 volumes	<u>-46.00</u>	
	\$348.50	
	10% depreciation	\$ 34.85
III. Automobile		
1957 Cadillac (we have another car for personal use)		
Cost	\$2,800.00	
Less 20 percent	<u>560.00</u>	
	\$2,240.00	
	25% depreciation	\$560.00
	<u>\$66.70</u>	TOTAL

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1697

HUGLER EXHIBIT 5—Continued

1962-J

TUCKER & BAKER, LAW OFFICE

1961

SCHEDULE C - 2

Income & Commissions \$ 8,253.90

Expenses:

Transportation (Air)	2565.93	
Telephone and Answering Service	336.28	
Periodicals	33.30	
Auto Repairs, Gas, Oil, etc.	623.39	
Flowers	115.53	
Bank Service Charges	48.68	
Rent	1200.00	
Depreciation	666.70	
Taxi Fares, Parking, Tips	824.00	
Club Dues	490.71	
Meals and Lodging away from home	427.33	
Office Supplies	654.00	
Entertainment	511.30	
		(\$ 8,497.15)
Net Loss		(\$ 243.25)

HUGLER EXHIBIT 5—Continued

1962-K

SCHEDULE C-3 (Form 1040)	U.S. Treasury Department—Internal Revenue Service COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX (See instructions on page 2)	1961
▶ If you had wages of \$4,800 or more which were subject to the deduction for social security, do not fill in this Schedule. ▶ Complete only one Schedule C-3; if you had more than one business, combine profits (or losses) from all of your businesses on this Schedule. ▶ Each self-employed person must file a separate schedule. See instructions, page 2, for joint returns and partnerships.		
NAME AND ADDRESS (as shown on page 1 of Form 1040)		
NAME OF SELF-EMPLOYED PERSON (as shown on social security card)		
1. Net profit (or loss) shown on line 26 Schedule C (Form 1040) (Enter combined amount if more than one business).....		
2. Add to net profit (or subtract from net loss) losses of business property shown on line 15, Schedule C.....		
3. Total (or difference)		
4. Net income (or loss) from excluded services or sources included on line 3 (see "Exclusions," page 2)..... Specify excluded services or sources		
5. Net earnings (or loss) from self-employment—		
(a) From business (line 3 less any amount on line 4).....		
(b) From partnerships, joint ventures, etc. (other than farming)		
(c) From service as a minister, member of a religious order, or a Christian Science practitioner Enter only if you have filed or are filing Form 2031 (see instructions, page 2).		
(d) From farming reported on line 2 (or line 3 if option used), separate Schedule F-1 (Form 1040).....		
(e) From service with a foreign government or international organization.....		
6. Total net earnings (or loss) from self-employment reported on line 5. Enter here and on line 6 below (If line 6 is under \$400, you are not subject to self-employment tax. Do not fill in rest of page.)		
7. The largest amount of combined wages and self-employment earnings subject to social security tax is		
	\$	4,800 00
8. Total wages, covered by social security, paid to you during the taxable year. (For "Covered" wages see "F. I. C. A. Wages" box on Form W-2.) Enter here and on line 7, below		
9. Balance (line 7 less line 8)		
10. Self-employment income—line 6 or 9, whichever is smaller. Enter here and on line 8, below.....		
11. Self-employment tax—If line 10 is \$4,800, enter \$216.00; if less, multiply the amount on line 10 by 4½%... Enter this amount here and on line 13, page 1, Form 1040		

Important.—The amounts reported on the form below are for your social security account. This account is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely, but do not detach.

SCHEDULE SE (Form 1040)
U. S. Treasury Department
Internal Revenue Service

U. S. REPORT OF SELF-EMPLOYMENT INCOME
For crediting to your social security account

1961

Indicate year covered by this return (even though income was received only in part of year): 1. Calendar year 1961 <input type="checkbox"/> or other taxable year beginning 1961, ending If less than 12 months, was short year due to (a) <input type="checkbox"/> Death, or (b) <input type="checkbox"/> Change in accounting period, or (c) <input type="checkbox"/> Other.	PLEASE DO NOT WRITE IN THIS SPACE
2. BUSINESS ACTIVITIES SUBJECT TO SELF-EMPLOYMENT TAX (Grocery store, restaurant, etc.)	
3. BUSINESS ADDRESS (number and street, city or post office, postal zone number, State)	
4. SOCIAL SECURITY ACCOUNT NUMBER OF PERSON NAMED IN ITEM 5 BELOW	
PRINT OR TYPE NAME OF SELF-EMPLOYED PERSON AS SHOWN ON SOCIAL SECURITY CARD	ENTER TOTAL EARNINGS FROM SELF-EMPLOYMENT SHOWN ON LINE 6 ABOVE..
5. PRINT OR TYPE HOME ADDRESS (number and street or rural route) (City or post office, postal zone number, State)	ENTER WAGES IF ANY SHOWN ON LINE 8 ABOVE.....
	ENTER AMOUNT SHOWN ON LINE 10 ABOVE

HUGLER EXHIBIT 5—Continued

1962-L

INSTRUCTIONS FOR SOCIAL SECURITY SELF-EMPLOYMENT TAX

In general, every individual deriving self-employment income during the taxable year of 1940, or more, from a trade or business carried on by him or from a partnership of which he is a member is subject to the self-employment tax. This computation is made on lines 1 through 5. This tax must be paid regardless of age and even though the individual is receiving social security benefits.

Ministers, members of religious orders, and Christian Science practitioners.—Duly ordained, commissioned, or licensed ministers of churches, members of religious orders (who have not taken a vow of poverty), and Christian Science practitioners are not automatically covered by the Social Security Act, but may elect to be covered by filing Form 2031. Copies are available in the office of any district director of Internal Revenue. The instructions on the form set out the provisions of the law which permit these forms under certain conditions to be filed to cover ministers, and others mentioned above. Do not delay filing your income tax return beyond the due date even though you have not obtained a Form 2031. In such case, complete this Schedule, file it with Form 1040, and then file Form 2031 as promptly as possible to make your election.

Ministers and members of religious orders who desire coverage shall in addition to their other items of income include for the purpose of determining net earnings from self-employment (but not for income tax purposes) the rental value of a parsonage or allowance for the rental value of the parsonage, and the value of meals and lodging furnished them for the convenience of their employers.

U. S. Citizens employed by foreign governments or international organizations.—A U. S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands by a foreign government, an instrumentality wholly owned by a foreign government, or an international organization which is organized under the International Organizations Immunities Act, is subject to the social security self-employment tax. These employees should report their income from such employment on line 5(e), of this Schedule, compute their self-employment tax, and file the schedule with their Form 1040. On line 2 of Schedule SE, enter "Employee of foreign government, etc."

Farm income.—Farmers report farm income and net earnings from farm self-employment on separate Schedules F and F-1 (Form 1040).

EXCLUSIONS

Income (or loss) from the following sources and deductions attributable thereto are not taken into account in figuring net earnings from self-employment. Use line 4 to exclude any such amounts reported on separate Schedules (Form 1040) that should not be taken into account in figuring your self-employment income.

Doctors of medicine.—Income from the performance of service as a doctor of medicine or income from the performance of such service by a partnership.

Christian Science practitioners.—Income from the performance of service as a Christian Science practitioner, unless such Christian Science practitioner elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Religious services.—Income from the performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order, unless such minister or member of a religious order elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Employees and public officials.—Income (fees, salaries, etc.) from the performance of service as:

- a public official, including a notary public;
- an employee or employee representative under the railroad retirement system; or
- an employee (except as indicated above).

Note.—The income of an employee over the age of 18 from the sale of newspapers or magazines to an ultimate consumer is subject to the self-employment tax if the income consists of retained profits from such sales.

Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or sharefarmer. These amounts should be reported in Part IV, Schedule B (Form 1040). However, rental income from a farm is not included if the rental arrangement provides for material participation, by the landlord and he does participate materially in the production or in the management of the production of one or more farm products on his land. Such income represents farm earnings and should be reported on separate Schedules F and F-1.

Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as rooms in hotels, boarding houses, apartment houses furnishing hotel services, tourist camps, or homes, or space in parking lots, warehouses, or storage garages do not constitute rentals from real estate and are included in determining net earnings from self-employment on this Schedule. Interest and dividends.—Dividends on shares of stock, and bonds, debentures, notes, certificates, or other evidences

of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or political subdivision thereof, unless received in the course of a trade or business as a dealer in stocks or securities. These amounts should be reported in Part I and II of Schedule B.

Property gains and losses.—Gain or loss: (a) from the sale or exchange of a capital asset; (b) to which sections 631 and 1231 are applicable; or (c) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (1) stock in trade or other property of a kind which would properly be includable in inventory if on hand at the close of the taxable year, nor (2) property held primarily for sale to customers in the ordinary course of the trade or business. These amounts should be reported on separate Schedule D (Form 1040).

Net operating losses.—No deduction for net operating losses of other years shall be allowed in determining the net earnings from self-employment. Such deduction should be entered on line 3, Part V of Schedule B.

No deductions for personal exemptions.—The deductions for personal exemptions are not allowable in determining net earnings from self-employment.

MORE THAN ONE TRADE OR BUSINESS

If an individual is engaged in more than one trade or business, his net earnings from self-employment are the combined net earnings from self-employment of all his trades or businesses. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. An individual shall fill in and file only one Schedule C-3, including Schedule SE, for any one year.

JOINT RETURNS

Where husband and wife file a joint income tax return, Schedule C-3 (Form 1040) should show the name of the one with self-employment income. Where husband and wife each have self-employment income, separate Schedules C and C-3 must be attached for each. In such cases the total of amounts shown on line 4(b) of each separate Schedule C should be entered on line 6, page 1, Form 1040, and the aggregate self-employment tax (line 11) Schedule C-3 should be entered on line 13, page 1, Form 1040.

COMMUNITY INCOME

For the purpose of computing net earnings from self-employment, if any of the income from a trade or business is community income, all the income from such trade or business is considered the income of the husband unless the wife exercises substantially all the management and control of the trade or business, in which case all of such income is considered the income of the wife. (Also see instructions on partnerships below.)

If separate income tax returns are filed by husband and wife, Schedules C and C-3 should be attached to the return of the one with self-employment income. Community income included on Schedule C must be allocated between the two returns (on line 6, page 1, Form 1040) on the basis of the community property laws.

PARTNERSHIPS

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be allocated to the partner's wife (or husband) even though the income may, under State law, be community income. In the case of a husband and wife partnership, like other partnerships, the distributive share of each should be entered in Part V of Schedule B (Form 1040), for income tax purposes. For self-employment tax purposes the distributive share of each partner should be entered on line 5(b), of this Schedule (except that farm partnership earnings are to be reported on line 1(b), Schedule F-1 (Form 1040) rather than on line 5(b) of this Schedule).

Note.—If a member of a continuing partnership dies, a portion of the deceased partner's distributive share of the partnership's ordinary income (or loss) for the taxable year of the partnership in which he died must be included in the partner's net earnings from self-employment. In such cases consult your nearest Internal Revenue Service office as to how to report.

SCHEDULE SE (Form 1040)

Schedule SE, which is the lower portion of this Schedule, provides the Social Security Administration with the information on self-employment income necessary for computing benefits.

To assure proper credit to your account, be sure to enter your name and social security account number on Schedule SE (Form 1040) exactly as they are shown on your social security card. If you do not have a social security account number, you must get one. These account numbers are obtainable from any social security district office. Your local post office will give you the address. Do not delay filing your return beyond the due date.

Regardless of whether joint or separate returns are filed by husband and wife, Schedule SE (Form 1040) must show only the name of the one with the self-employment income. However, if both had net earnings from self-employment, a separate Schedule SE must be filed by each.

1700 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

HUGLER EXHIBIT 5—Continued

1962-M

SCHEDULE D (Form 1040)	U.S. Treasury Department—Internal Revenue Service GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY Attach this Schedule to your income tax return, Form 1040	1961
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Name and address as shown on page 1 of Form 1040

Part I—CAPITAL ASSETS

Short-term capital gains and losses—assets held not more than 6 months

a. Kind of property (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price (contract price)	e. Description of property (for all sales) since acquisition of property, 1913 (see instructions)	f. Cost or other basis and cost of subsequent improvements (if not purchased, attach explanation)	g. Expense of sale	h. Gain or loss (if plus or loss f plus g)
1.							
2. Enter your share of net short-term gain (or loss) from partnerships and fiduciaries.....							
3. Enter unused capital loss carryover from 5 preceding taxable years (Attach statement).....							
4. Net short-term gain (or loss) from lines 1, 2, and 3.....							

Long-term capital gains and losses—assets held more than 6 months

5. <i>M.G.I.C.</i>	3/12/50	10/26/61	\$3,000.00	—	4,905.00	—	28,539.98
<i>T.D.S.</i>	4/18/50	10/26/61	15,500.00	—	69,871.72	—	14,471.98
6. Enter the full amount of your share of net long-term gain (or loss) from partnerships and fiduciaries.....							
7. Capital gain dividends.....							
8. Net long-term gain (or loss) from lines 5, 6, and 7.....							
9. Combine the amounts shown on lines 4 and 8, and enter the net gain (or loss) here.....							43,011.82
10a. If line 9 shows a GAIN—Enter 50% of line 9 (or 50% of line 8, whichever is smaller. (Enter zero if there is a loss or no entry on line 8.) (See reverse side for computation of alternative tax).....							21,505.91
10b. Subtract line 10a from line 9.....							
11. If line 9 shows a LOSS—Enter here the amount of the following: (a) the amount on line 9; (b) taxable income computed without regard to capital gains and losses; and (c) the deduction for exemptions; or (c) \$1,000.....							

Part II—ASSETS HELD MORE THAN 6 MONTHS

a. Kind of property (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price (contract price)	e. Description of property (for all sales) since acquisition of property, 1913 (see instructions)	f. Cost or other basis and cost of subsequent improvements (if not purchased, attach explanation)	g. Expense of sale	h. Gain or loss (if plus or loss f plus g)
12.							
13. Enter your share of non-capital gain (or loss) from partnerships and fiduciaries.....							
14. Net gain (or loss) from lines 12 and 13.....							
Part III—SALES OR EXCHANGES OF PROPERTY							
15. Net gain (or loss) from either line 9 or line 11.....							
16. Net gain (or loss) from line 14.....							
17. Total net gain (or loss), combine lines 15 and 16. Enter on line 7, page 1 of Form 1040.....							

HUGLER EXHIBIT 5—Continued

1962-N

COMPUTATION OF ALTERNATIVE TAX

Use only if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding \$18,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$36,000, or (c) as a head of household with taxable income exceeding \$24,000.

1. Enter the amount from line 11d, page 1 of Form 1040.....	
2. Enter amount from line 10a on reverse side.....	
3. Subtract line 2 from line 1.....	
4. Enter tax on amount on line 3 (use applicable tax rate schedule on page 9 of Form 1040 instructions).....	
5. Enter 50% of line 2.....	
6. Alternative tax (add lines 4 and 5). If smaller than the tax figured on the amount on line 11d, page 1 of Form 1040, enter this alternative tax on line 12, page 1 of Form 1040.....	

INSTRUCTIONS (Continued from reverse side of original)

attributable to construction during, plus the cost of land acquired within, the period beginning 1 year before the sale and ending 18 months after the sale equals or exceeds the adjusted sales price of the old residence. If the adjusted sales price of your old residence exceeds the cost of your new residence, the gain on the sale is taxable to the extent of such excess.

The adjusted sale price is the gross selling price less commissions, selling expenses, and the expenses for work performed on the residence in order to assist in its sale, such as redecorating expenses. Redecorating expenses must be for work performed during the 90-day period ending on the day on which a contract to sell is entered into, and must be paid no later than 30 days after date of sale.

If you have acquired your new residence and used it as your principal residence, enter in column (b) only the amount of taxable gain, if any, and attach statement showing the purchase price, date of purchase, and date of occupancy.

If you have decided to replace, but have not done so, or if you are undecided, you should enter "None" in column (b). When you do replace within the required period, you must advise the District Director, giving full details. When you decide not to replace, or the period has passed, you must file an amended return, if you previously filed a return. Since any additional tax due will bear interest from the due date of the original return until paid, it is advisable to file the amended return for the year of sale as promptly as possible. Form 2119 is available at any Internal Revenue Service office for reporting the sale or exchange of your residence or for figuring your new basis.

Losses on securities becoming worthless.—If (a) shares of stock become worthless during the year or (b) corporate securities with interest coupons or in registered form become worthless during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

Losses on small business stock.—If you had a loss on section 1244 stock which would (but for that section) be treated as a loss from the sale or exchange of a capital asset, it shall be treated as a loss from the sale or exchange of an asset which is not a capital asset to the extent provided in that section.

Nonbusiness debts.—If a debt, such as a personal loan, becomes totally worthless within the taxable year, the loss resulting therefrom shall be considered a loss from the sale or exchange, during the taxable year, of a capital asset held for not more than 6 months. Enter such loss in column (b) and describe in column (a) in the schedule of short-term capital gains and losses on other side. This

does not apply to (a) a debt evidenced by a corporate security with interest coupons or in registered form and (b) a debt acquired in your trade or business.

Limitation on allowable capital losses.—If line 9 shows a net loss, the loss shall be allowed as a deduction, only to the extent of the smaller of (1) taxable income of the current year (or adjusted gross income if tax table is used) or (2) \$1,000. For this purpose taxable income is computed without regard to capital gains or losses or the deduction for exemptions. The excess of such allowable loss over the lesser of items (1) and (2) above is called "capital loss carryover." The capital loss carryover of each year should be kept separate, since the law limits the use of such carryover to the five succeeding years. In offsetting your capital gain and income of 1961 by prior year loss carryovers, use any capital loss carryover from 1956 before using any such carryover from 1957 or subsequent years. Any 1956 carryover which cannot be used in 1961 must be excluded in determining total loss carryover to 1962 and subsequent years.

"Wash sales" losses.—Losses from the sale or other disposition of stocks or securities are not deductible (unless sustained in connection with the taxpayer's trade or business) if, within 30 days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option to acquire, substantially identical stock or securities.

Losses in transactions between certain persons.—No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (a) members of a family, (b) a corporation and an individual for a fiduciary owning more than 50 percent of the corporation's stock (liquidations excepted), (c) a grantor and fiduciary of any trust, (d) a fiduciary and a beneficiary of the same trust, (e) a fiduciary and a fiduciary or beneficiary of another trust created by the same grantor, or (f) an individual and a tax-exempt organization controlled by the individual or his family. Partners and partnerships see Section 707(b).

Long-term capital gains from regulated investment companies.—Include in income as a long-term capital gain the amount you are entitled on Form 2439 which constitutes your share of the undistributed capital gains of a regulated investment company. You are entitled to a credit of 25 percent of this amount which should be claimed on line 1, page 1, Form 1040. Enter such amount in column (b) and write "Credit from regulated investment company" in the "Where employed" column. The remaining 75 percent should be added to the basis of your stock.

Mr. McLENDON. Mr. Hugler, had you been permitted, as one of the persons designated in the request of the chairman—first made to the President and then to the Commissioner of Internal Revenue—for permission to inspect the tax records in the Commissioner's office, and were you given permission to examine these returns, inspect them—that is, the original returns—and to make your own copies of them?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. And did you make the pencil copy of the 1961 return as filed in the office?

Mr. HUGLER. Yes; I did.

Mr. McLENDON. Without asking you about any specific item in the returns, will you state whether or not Mr. Haft compared his work papers with the copy of the 1961 return which you had made?

Mr. HUGLER. Yes; although as a precautionary measure I did not permit Mr. Haft to examine the return in detail. We sat across the desk from each other and called back and forth the figures, he having his working papers with him, I having with me the return filed by Mr. Baker.

Mr. McLENDON. That is, your copy of the return filed by Mr. Baker?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Will you state what was the result of that comparison in dollars, if you can?

Mr. HUGLER. The working papers as prepared by Mr. Haft differed from the return filed by Mr. Baker in the total sum of \$51.35.

Mr. McLENDON. Could you tell how that difference was accounted for?

Mr. HUGLER. Yes, sir; I can.

Mr. McLENDON. Can you explain that?

Mr. HUGLER. On schedule B of the working papers prepared by Mr. Haft, he had originally entered as storm damage at the motel the sum of \$27,000, which was 50 percent of the total damage.

Mr. McLENDON. How did that differ from the return?

Mr. HUGLER. The return was increased by \$51.35.

Mr. McLENDON. Any other difference that you and he discovered?

Mr. HUGLER. No, sir; there were none, other than those that occurred because of this one change; that is to say, the loss figure reflected on schedule B is also shown again on the face of the 1040 and affects the additions and subtractions on that page by exactly \$51.35. This resulted in a refund to the taxpayer of approximately \$10 more than Mr. Haft had originally computed.

Mr. McLENDON. Ten dollars more than he had originally computed?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Otherwise, was the return prepared in part of Haft's working papers similar to the return—

Mr. HUGLER. Major, they were the same.

Mr. McLENDON. So, insofar as tax liability is concerned, then, the difference was how much?

Mr. HUGLER. In summary, the final return submitted by the taxpayer showed a loss expense of \$51.35 more than the draft return prepared by Mr. Haft. This resulted in the refund due the taxpayer being increased by approximately \$10.

Mr. McLENDON. Was the refund that you previously testified to and for which you have produced a check, was that in the amount as adjusted by this change?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Now, Mr. Hugler, have you been assigned by the committee to work with the Department of Internal Revenue in connection with Baker's income tax returns continuously since the time the committee received the notice that the Executive order had been issued permitting certain designated persons to have access to the returns?

Mr. HUGLER. Yes; I was.

Mr. McLENDON. Are you able to testify that you are one of the persons designated in the application for request to inspect the returns?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. I show you what purports to be a copy of a letter from Chairman Jordan with respect to this matter. To whom is it addressed?

Mr. HUGLER. This is addressed to the Honorable C. Douglas Dillon, the Secretary, Department of the Treasury.

Mr. McLENDON. Does it request permission to have representatives of the committee inspect the tax returns of Robert G. Baker?

Mr. HUGLER. Yes, sir; it does.

Mr. McLENDON. And related documents?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Is there an answer there attached to Senator Jordan's request?

Mr. HUGLER. Yes, sir; there is.

Mr. McLENDON. Is your name listed as one of the agents of the committee for whom the request was made?

Mr. HUGLER. Yes; it is.

Mr. McLENDON. And the answer—does this grant the request?

Mr. HUGLER. I would like to read this, Major. It is very short.

Mr. McLENDON. Read it, please.

Mr. HUGLER. This is addressed to the chairman, signed by the Commissioner of Internal Revenue:

The staff members of your committee, named in your letter of January 9, may inspect such of the income tax returns of Robert G. Baker, 5115 Van Ness Street, Washington, D.C., as are available.

Arrangements for the inspection may be made by your representatives by calling Mr. Selden S. Baker, Code 184, Extension 4443 or 3907.

Mr. McLENDON. Did you get in touch with Mr. Baker named in that communication?

Mr. HUGLER. Yes; I did.

Mr. McLENDON. Hand that to the reporter to be marked as an exhibit, please.

(The documents referred to were marked "Hugler Exhibit 6-A" and "Hugler Exhibit 6-B," and are as follows:)

HUGLER EXHIBIT 6-A

E. H. Hugler 6A
1966-A

B. EVERETT JORDAN, N.C., CHAIRMAN
CARL HAYDEN, ARIZ.
HOWARD W. CANNON, NEV.
CLAIBORNE PELL, R.I.
JOSEPH S. CLARK, PA.
ROBERT C. BYRD, W. VA.

CARL T. CURTIS, MISS.
JOHN SHERMAN COOPER, KY.
HUGH SCOTT, PA.

GORDON F. HARRISON, STAFF DIRECTOR
HUGH G. ALEXANDER, CHIEF COUNSEL

United States Senate

COMMITTEE ON
RULES AND ADMINISTRATION

January 9, 1964

The Honorable C. Douglas Dillon
The Secretary
Department of the Treasury
Washington 25, D. C.

My dear Mr. Secretary:

In connection with the official investigation being conducted by the Senate Committee on Rules and Administration with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate pursuant to Senate Resolution 212, 88th Congress, agreed to on October 10, 1963, it is requested that the Federal tax returns and other related documents in the files of the Internal Revenue Service of the Department of the Treasury with respect to the following named individual, for the years 1959 through 1963, be made available for inspection by duly authorized representatives of the Committee:

Robert C. Baker
5115 Van Ness Street, N. W.
Washington, D. C.

This request is made pursuant to the authority contained in Executive Order 11133, dated December 17, 1963, and Treasury Decision 6132, approved on May 3, 1955. A resolution was duly adopted by the Senate Committee on Rules and Administration on January 9, 1964, with respect to the inspection of the above tax returns.

I am submitting herewith a list of names of staff members of the above Committee who have been authorized to make reviews of the

HUGLER EXHIBIT 6-A—Continued

E. T. Hugler 6B
1966-B

Federal tax returns and related documents as above-requested:

W. Ellis Meehan
Lorin H. Drennan
Edward T. Hugler
Joseph S. Azarano

Your cooperation in this matter will be appreciated and with
all best regards,

Sincerely,

B. Everett Jordan
Chairman

BEJ:GFH:hs

HUGLER EXHIBIT 6-B

E. H. Hugler let
1966-C



U.S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

DO NOT REFER TO
CP:G:D

Honorable B. Everett Jordan
Chairman, Committee on Rules and
Administration
United States Senate
Washington, D. C.

Dear Mr. Chairman:

The staff members of your Committee, named in your letter of January 9, may inspect such of the income tax returns of Robert G. Baker, 5215 Van Ness Street, N. W., Washington, D. C., as are available.

Arrangements for the inspection may be made by having your representatives call Mr. Selden S. Baker on Code 184, Extension 4443 or 3907.

With kind regards,

Sincerely,

Commissioner

Mr. McLENDON. Have you been continuously in touch with him and his designated representatives in the Bureau?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Have you from time to time been permitted to inspect all of the returns and the related papers concerning Robert G. Baker's tax returns for the years 1959, 1960, 1961, and 1962?

Mr. HUGLER. Yes, sir; the reason I hesitate here, Major, is if you will recall in the reply that we got from the Commissioner of Internal Revenue, he gives us permission to inspect the income tax returns. He does not use the language "other related documents" in his reply to us. I have examined the tax returns and I have seen some related documents, but I wanted to point out that the Commissioner did not give specific authority for the latter.

Mr. McLENDON. Did I state the years correctly—1959, 1960, 1961, and 1962?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. And have you and your assistants on the staff, your coworkers, collected all the information you could with respect to the income of Robert G. Baker for these years?

Mr. HUGLER. Yes, sir; we have.

Mr. McLENDON. And also with respect to his expenses when it was available to you?

Mr. HUGLER. Yes, sir; we have.

Mr. McLENDON. Will you tell the committee whether you have been able to ascertain whether any of these returns of Baker's for these years show any substantial amount of error with respect to either income or deductions?

Mr. HUGLER. No, sir; not what I call substantial amounts.

Mr. McLENDON. Would you comment on that, please?

Mr. HUGLER. Yes, sir; in making a review, an analysis of these returns, we found for the year 1961 that interest expense was overstated, in our opinion, in something over \$1,000.

Mr. McLENDON. Was overstated?

Mr. HUGLER. Yes, sir; interest expense. The amount that I termed as an overstatement is reconcilable, however. An example of that would be thus: Mr. Baker bought out Mr. Luther Hodges' share in the Howard Johnson enterprise in North Carolina. The agreement was that Mr. Hodges would be reimbursed for the amount of his investment, plus some interest on that investment. Mr. Baker chose not to include this in his return as part of the purchase price and therefore capitalizing it, as I would think it should be. He chose to show this amount as interest expense. So I say that the amount of the \$1,000 or so that appears to be overstated is reconcilable and it might be fair to say that they should have been placed or accounted for elsewhere in the return.

Mr. McLENDON. About how much is involved in that? How much money is involved?

Mr. HUGLER. About \$1,000.

Mr. McLENDON. Do you have another illustration you can give?

Mr. HUGLER. Yes, sir; in the 1962 return, it appears to us that the taxpayer failed to take an interest expense that we noted of approximately \$400.

Mr. McLENDON. Now, have you kept in touch with the Bureau and the representatives of the Bureau constantly in connection with information that would be usable in ascertaining Baker's tax liability for these years?

Mr. HUGLER. Yes, sir; we have been constantly so.

Mr. McLENDON. Have you and your associates furnished to the Bureau all of the information that we have collected—that is, the committee has collected?

Mr. HUGLER. Yes, sir; I think it would be fair to say that we have constantly compared notes and assisted one another.

Mr. McLENDON. Have they in turn given you information with respect to income and expenses that would affect the income tax returns?

Mr. HUGLER. They have been most helpful.

Mr. McLENDON. How much experience have you had, Mr. Hugler, as an auditor?

Mr. HUGLER. I have been with the General Accounting Office for 20 years.

Mr. McLENDON. During that time, have you been an accountant or auditor?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. What other members of the committee staff have worked with you in this connection?

Mr. HUGLER. Mr. Drennan and Mr. Azzarano.

Mr. McLENDON. Three of you?

Mr. HUGLER. Yes, sir.

Mr. McLENDON. Now, with reference to the item of approximately \$40,000 income appearing in the 1962 returns as prepared by Mr. Hautft, there have been a lot of reports and rumors to the effect that that may have been a gift, or maybe a fee paid by Senator Kerr. Have you or your associates been able to identify that figure anywhere?

Mr. HUGLER. No, sir; we have not.

Mr. McLENDON. Has the Bureau?

Mr. HUGLER. No, sir; they have not.

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

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Hugler, I am not sure that I understand the correct situation here now. I believe you testified that in the 1961 Carousel Motel partnership return, they had a storm loss of \$54,400; is that correct?

Mr. HUGLER. Yes, sir.

Senator CANNON. And based on Mr. Baker's one-half interest therein, would that have resulted, that figure alone, in a \$27,200 loss on his 1961 return?

Mr. HUGLER. Yes, sir.

Senator CANNON. And is that the figure that was shown on Mr. Hautft's worksheet?

Mr. HUGLER. Exactly; \$27,200.

Senator CANNON. Do I understand from your testimony that, in addition to this \$54,400 loss, the Carousel had an additional item of taxes in the sum of \$102.71?

Mr. HUGLER. Correct.

Senator CANNON. And would 50 percent of that amount have been creditable to Mr. Baker?

Mr. HUGLER. Yes, sir.

Senator CANNON. And would that 50 percent have been \$51.35?

Mr. HUGLER. Yes, sir.

Senator CANNON. And is that the difference in the figure between Mr. Hauff's worksheet and the 1961 return as it was filed?

Mr. HUGLER. Precisely.

Senator CANNON. That is the only difference?

Mr. HUGLER. Yes, sir.

Senator CANNON. From your examination of the 1961 Carousel return, is it your opinion that Mr. Baker was entitled to a loss credit of \$27,251.35?

Mr. HUGLER. Yes, sir.

Senator CANNON. And is that the amount that was actually taken by him on the original return that was filed with the Internal Revenue Service?

Mr. HUGLER. Yes.

Senator CANNON. Is that the figure that resulted in an additional \$10 refund to Mr. Baker over the amount originally computed?

Mr. HUGLER. Yes, sir.

Senator CANNON. So that the original return as filed with the Internal Revenue Service, which you have examined, is correct in accordance with your examination of the Carousel Motel return and the return and work papers of Mr. Hauff?

Mr. HUGLER. Yes, sir.

Senator CANNON. Now, I am not certain what you stated concerning Mr. Baker's 1962 return. Did you say he understated something there?

Mr. HUGLER. Yes, sir; in accordance with our examination, we found that Mr. Baker actually had interest expenses of around \$400 more than he actually claimed.

Senator CANNON. I see. So that on the basis of your review, based on your interpretation of the proper accounting practices, he included approximately \$1,000 in the 1961 return that should not have been accountable as interest and he failed to include approximately \$400 in the 1962 return that should have been accountable as interest?

Mr. HUGLER. That is correct.

Senator CANNON. Are those the sole discrepancies which you discovered in your review?

Mr. HUGLER. No, sir; there were some others. I was asked for examples and I gave those as examples. There were a few others.

Senator CANNON. Were they minor in nature?

Mr. HUGLER. We found in the reporting of long-term gains some discrepancies with the figures we had at hand as compared with Mr. Baker's returns. For example, we found in the year 1960 that Mr. Baker apparently understated his long-term capital gains by some \$1,400. We think we know why or how this came about. It appears that Mr. Baker and Mr. Tucker jointly bought some MGIC stock. When it was sold during 1960, Mr. Baker, in computing his long-term gain, properly showed the amount of the sales price. However, in showing the amount of the acquisition cost, he put in the total cost of

the stock that was shared by Mr. Baker and Mr. Tucker rather than putting in half of the acquisition cost.

Senator CANNON. So this would have resulted in an accounting adjustment in the auditing for return; is that correct?

Mr. HUGLER. It would have increased his long-term capital gain by approximately \$1,400.

Senator CANNON. And were there other discrepancies that you discovered?

Mr. HUGLER. There was one additional one. In 1962, Mrs. Novak sold some 200 shares of MGIC stock in which Mr. Baker owned a one-half interest. The proceeds of this sale were deposited to the Carousel account of the partners. We see no indication in Mr. Baker's 1962 personal return that he reported his share of the profits as a capital gain.

Senator CANNON. And the proceeds went to the Carousel Motel account; is that right?

Mr. HUGLER. Yes, sir. For disbursement purposes.

Senator CANNON. But it should have been accounted for as a capital gain item?

Mr. HUGLER. The profit; yes, sir.

Senator CANNON. Are there any other discrepancies that you discovered in the review of his return?

Mr. HUGLER. No, sir.

Senator CANNON. That is all I have, Mr. Chairman.

The CHAIRMAN. Senator Pell?

Senator PELL. To revert to one question of the general counsel as to your relations with the Bureau of Internal Revenue, where I understand you exchanged information fairly freely and fully as you worked—

Mr. HUGLER. Yes, sir.

Senator PELL. Within the committee staff itself, was ample access to all your records made available to all the other investigators and members of the staff, or was there any attempt at monopolization?

Mr. HUGLER. Senator Pell, the permission we received from the Commissioner of Internal Revenue limited the examination of the income tax returns that we have here to four members of the staff and no one else. For that reason, we took right good care of them.

Senator PELL. Who were the four members?

Mr. HUGLER. Mr. Meehan, Mr. Drennan, Mr. Azzarano, and myself.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. What were the related documents that were not covered in the Commissioner's letter that you wanted to see?

Mr. HUGLER. Senator, the request to the Bureau of Internal Revenue included the language:

It is requested that the Federal tax returns and other related documents in the files of the Internal Revenue Service * * * be made available to the following named individuals.

I pointed out in my reading of the reply that it left off the language, "other related documents." I do not know the significance of this. I merely pointed it out.

Senator CURTIS. What could they be, from your knowledge as an accountant? Office memorandums, perhaps?

Mr. HUGLER. No, sir; I would think that the only documents that would be pertinent, important, would be the schedules attached to the individual returns, or the letters that I read previously.

Senator CURTIS. Will you define schedules for the purpose of the record?

Mr. HUGLER. Yes, sir. Frequently, the tax forms do not supply sufficient room for a taxpayer to list all of the items he wants to list. He normally notes in the space provided, "See schedule attached."

Senator CURTIS. But you don't know whether there were any schedules you did not see?

Mr. HUGLER. Oh, no, sir; I am quite sure I saw all of them.

Senator CURTIS. Well, now, in determining whether or not Baker reported fully, were you able to go completely beyond the tax returns themselves?

Mr. HUGLER. One of our primary sources of information was a detailed analysis of the various bank accounts in which we attempted to identify deposits, etc.

Senator CURTIS. How about cash income, if any? Could you trace that?

Mr. HUGLER. No, sir; we found that impossible.

Senator CURTIS. For instance, Mrs. Novak testified to receiving sums in cash. I do not recall the total amount. I have in mind \$12,000 on one occasion. I do not want to overstate it. Were you able to ascertain where Baker obtained that \$12,000 or whether or not it was reported in this income?

Mr. HUGLER. No, sir; not always. We could see patterns sometimes; that is, there were frequent loans made to Mr. Baker. Sometimes we could tell from the amount of the loan made and the timing of the loan; where other cash deposits were made in a similar or identical amount, we were quite sure this was the proceeds of the loan. But many, many times we could find no source.

Senator CURTIS. Did you find any loans where he borrowed money and took it out of the bank in cash?

Mr. HUGLER. The bank records do not reflect whether it was in check form or cash.

Senator CURTIS. Well, then you are limited to what you find out in that way?

Mr. HUGLER. To that extent; yes, sir.

The CHAIRMAN. May I ask a question at that point?

Senator CURTIS. Surely.

The CHAIRMAN. Where there is a deposit made in cash, it does show a cash deposit; is that correct?

Mr. HUGLER. The deposit slip so signifies.

The CHAIRMAN. We have deposit slips—Mrs. Novak, for instance, said she got, say \$12,000 or whatever it was, from Baker's office and the deposit slip shows she did deposit that money in the bank. So that was verified.

Mr. HUGLER. Yes, sir.

Senator CURTIS. But it would not show where the money came from; whether it was a gift or income?

Mr. HUGLER. No, sir.

Senator CURTIS. And if it were income, it would not show whether a tax has been paid on it.

Mr. HUGLER. Not in the bank records; no, sir.

Senator CURTIS. Well, in any information available to you?

Mr. HUGLER. I wonder if you would rephrase that question for me?

Senator CURTIS. Were you able to secure information to enable you to determine the source of cash handled by Mr. Baker in order to ascertain whether or not it was income and then whether or not it was reported for taxation?

Mr. HUGLER. No, sir; we were given an explanation by Mr. Tucker at one time, if you will recall, that to the best of his knowledge, both Mr. and Mrs. Baker took their Senate salary in cash and whether they deposited it or not, of course, we have no way of knowing.

Senator CURTIS. Do you know whether or not in the original investment for the Carousel Motel any part of that was made in cash?

Mr. HUGLER. No, sir; I do not know.

Senator CURTIS. You do not know either way, whether it was or was not?

Mr. HUGLER. That is right.

Senator CURTIS. I prefer to leave it that you do not know. Now, have you worked on the matter of ascertaining the amount or increase of net worth of Baker?

Mr. HUGLER. I have not, personally; no, sir, Senator.

Senator CURTIS. During the time he served as secretary of the majority?

Mr. HUGLER. Not personally.

Senator CURTIS. Has anyone on the staff done so?

Mr. HUGLER. I believe one of the other members has made efforts in this direction.

Senator CURTIS. I won't try to interrogate you about it. Do you know whether it is completed?

Mr. HUGLER. I am not sure, Senator.

Mr. McLENDON. I can answer that. I was informed today that it was completed with the exception of two banks. It was believed to be rather minor, but other than that, as far as we know, we have all the information in that area; that is, borrowing, deposits, and purchases.

Senator CURTIS. What I am getting at is: We have had before us financial statements by Baker showing us various net worths. I think one was \$2.3 million; something like that. Have you worked on the thing to ascertain the correctness of that?

Mr. HUGLER. Not personally, Senator.

Senator CURTIS. By correctness, I mean the value at the time this investigation started. Have you worked on anything to determine his net worth when he took the position?

Mr. HUGLER. Not personally, Senator.

Senator CURTIS. That is one of the procedures the income tax people have used, is it not?

Mr. HUGLER. I understand that is true.

Senator CURTIS. Where they cannot trace transactions, they do what they call a net worth, ascertain what the individual is worth at the beginning of the period and then at the end of a period.

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

Senator CURTIS. And let the taxpayer worry about the explanation; is that right?

Mr. HUGLER. Yes, sir.

Senator CURTIS. That is all.

The CHAIRMAN. Senator Cannon?

Senator CANNON. Mr. Chairman, one other question.

Mr. Hugler, you referred to this \$40,000 fee that Mr. Haft said was added on in the 1962 return. Did you attempt to ascertain whether that \$40,000 was accounted for in any of the bank accounts?

Mr. HUGLER. Yes, sir; we did; and with no success.

Senator CANNON. With no success. So that if such a fee were received, would that indicate to you that it might have been received in cash?

Mr. HUGLER. Conceivably.

Senator CANNON. But at least it did not show in any of the various bank accounts which you checked?

Mr. HUGLER. No, sir.

Senator CANNON. That is all I have.

Senator CURTIS. One more question. Then there is no way, by a postaudit, that you could ascertain whether the \$40,000 was correct?

Mr. HUGLER. There is no way that I know of.

Senator CURTIS. That is all.

The CHAIRMAN. Mr. Hugler, I want to ask just one question. Are not our records almost absolutely correct and complete in all of the income that Mr. Baker had that appeared that we have been checking? In other words, we had all the information on the commission he got on meats, all the other commissions he got from operations that Tucker said he paid to him and the Capitol Vending Company, yes; and the commissions which he got on which he gave dividends. We have all those, do we not?

Mr. HUGLER. Yes, sir.

The CHAIRMAN. So we know within a few dollars how much money he actually got from every source from the time we started checking up to now, do we not?

Mr. HUGLER. Yes, sir.

The CHAIRMAN. We know there is \$40,000 or more which he paid income tax on that he got from any source.

Mr. HUGLER. Yes, sir.

The CHAIRMAN. So that is the \$40,000. But he did pay income tax on it, but we do not know where it came from. Is that correct?

Mr. HUGLER. Yes, sir.

The CHAIRMAN. Thank you.

Senator CURTIS. That is based upon the written record that you have been able to reconstruct?

Mr. HUGLER. Yes; and, in addition, Senator, whenever testimony has been given by any of the witnesses appearing before this committee, if any additional financial-type information were disclosed, we always utilized it, checked it out.

Senator CURTIS. If he made a profit on a transaction that was entirely in cash, cash that he was handling for any purpose, business or political or anything else, you could not trace that?

Mr. HUGLER. Not to the extent it was not reflected in the records; no, sir.

Senator CURTIS. That is right.

The CHAIRMAN. That is all, I believe.

Mr. McLENDON. Mr. Chairman and gentlemen of the committee, I asked Mr. Alfred Plitt to come here this afternoon. He is here. He is the assistant chief collector of the Baltimore office. The only reason I asked him to come was that he might describe to the committee if you are interested the methods and procedures used in the office to protect against the possibility of a loss of an income tax return once it is filed or the substitution of one return for another.

Senator CURTIS. It is a general statement?

Mr. McLENDON. Yes, sir: it describes the precautions that are taken. It will not take very long if you would like to hear him.

Senator CURTIS. It can be submitted.

The CHAIRMAN. I think it would be a good idea to have him testify, because there has been some loose talk going about, whether loose or otherwise, that these tax returns might have been substituted. I think it would be a good idea to have the Bureau testimony.

Place your hand on the Bible, please, your left hand, and raise your right. Do you solemnly swear that the evidence you are about to give before this committee in the matter under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PLITT. I do.

Mr. McLENDON. Give your name and title, sir.

TESTIMONY OF ALFRED C. PLITT

Mr. PLITT. Alfred C. Plitt, Assistant Chief of the Collection Division in the Baltimore district, Internal Revenue. I have with me Mr. Lester Stein, who has previously identified himself. This was the purpose of his visit, but he got called on previously.

Mr. McLENDON. Mr. Plitt, how many years' service have you had with the Bureau?

Mr. PLITT. Eighteen years' service, sir, all in the Baltimore office.

Mr. McLENDON. Is the Baltimore office the place in which the tax returns are filed by people who live in the District of Columbia?

Mr. PLITT. That is correct, sir.

Mr. McLENDON. And are you familiar with the processes through which income tax returns are handled in the office?

Mr. PLITT. I am, sir.

Mr. McLENDON. It appears evident from the testimony of Mr. Hugler, for instance, that this return of 1961, the personal return of Mr. Baker, bears a number on the right-hand column, right-hand corner of the return.

Mr. PLITT. That is correct.

Mr. McLENDON. Will you just in your own words describe to the committee what the procedures are, particularly with respect to the significance of this number?

Mr. PLITT. Our entire procedure, of course, is to establish an accounting control and a definite procedure for handling all types of income tax returns. From the time the return is received—that is, from the time it is taken out of its envelope and started through certain processes—there are certain identifying codes put on the return. It reaches the point to which you referred, to a number in the upper right-hand corner. This is known as our document locator number.

It is a number that is imprinted with a mechanical numbering device. This numbering device is in the custody of the people who do this specific job. These numbering devices are not available to other people within the office. The key to every return—our only means of locating a return is through the document locator number that you referred to in the upper right-hand corner of a return. That number, coupled with an index register, an alpha index number, can lead me to that return.

Mr. McLENDON. Is it possible that two separate returns could bear the same code number?

Mr. PLITT. No, sir.

Mr. McLENDON. How soon is this code number placed on a return after it is filed, approximately?

Mr. PLITT. This could vary from a few days to a week or 10 days, depending on the volume of our work and the time it takes us to get this return through the initial processes. That is, the process where a tax examiner would merely review the return to see that the name and address are complete, check off the W-2's and to code the return. But as it goes through this process, this examiner indicates through a designated initial that she or he is the person who has done this portion. Now, the return goes through—depending upon the type of return, goes through various stages. So when you ask a question, how long can it take until the return is received from the point where this number is applied, it could vary, but it would run from a few days to a week or 10 days.

Mr. McLENDON. Is it correct to say that the first thing that is done with the return when it is received is that it is reviewed for completeness; that is, to see if it is completely filled out?

Mr. PLITT. That is correct. It is reviewed to the extent to see that the name and address are there, the W-2's are there, that the supporting schedules, that the figures on those schedules have been brought over to the face of the return properly; depending upon the kind of return and the size of the income, it goes through a math verification, not to the extent of questioning any of the deductions but a mathematical verification of the tax computation.

Mr. McLENDON. Once it is ascertained that it is complete or appears to be complete, is it divided into classes, showing that a refund is due? Would it be put into a certain class or group?

Mr. PLITT. Yes, sir; that would be one of our preliminary sorts. We would sort the return to those that show a refund and those that show a taxable balance due.

Mr. McLENDON. Is it correct that you folks are under command from Congress that you must pay refunds as quickly as you can?

Mr. PLITT. That is correct, sir.

Mr. McLENDON. So they are given particular attention, are they?

Mr. PLITT. Yes, sir; refunds are given priority.

Mr. McLENDON. I suppose taxpayers are anxious to get them, too?

Mr. PLITT. That is right.

Mr. McLENDON. When this return was filed, would it be the normal procedure to put it in the group or classification of "refunds"?

Mr. PLITT. That is right; that return would have been sorted into a "refund" category and the identifying number that is associated

with it is related to the fact that this is a refundable return of a certain category.

The CHAIRMAN. Is it not a fact that if you do not make a refund within a certain length of time, you have to pay the taxpayer interest on it?

Mr. PLITT. That is right; after May 31.

The CHAIRMAN. It is to your interest that you refund it as quickly as possible so you will not have to pay interest on it? And that interest is 6 percent?

Mr. PLITT. That is right.

Mr. McLENDON. This stamp and the check which has been offered in evidence showing the refund show that the refund was paid about 30 days after the return was filed. Would you comment on that as to whether or not that is normal or abnormal?

Mr. PLITT. Well, depending on the type of return, and here again, I do not speak specifically of a certain return, but all refunds over a certain amount are referred to what we call our audit classifying, so any refund return would have been referred to another procedure which would require an audit, an employee assigned to the Audit Division to make a preliminary review of this return to determine whether it should be refunded prior to audit examination or whether it is acceptable that the refund should be expedited. This could have added some time to this particular thing.

Mr. McLENDON. Does your office pay the refund or do you certify to some other office for payment?

Mr. PLITT. The Baltimore office does not, in effect, issue the refund check. We put the refunds through a control system, an accounting control system that in the ultimate results in a refund schedule being sent to a fiscal disbursing officer.

Mr. McLENDON. Is that in the Treasury Department?

Mr. PLITT. Yes, sir; from it, a check is reproduced, a refund check.

Mr. McLENDON. Now, are there any other precautions that are used, Mr. Plitt, that you think would protect the tax returns from being withdrawn or substitute returns filed or substituted?

Mr. PLITT. Well, first of all, as a return is processed, when it reaches its final completion, the return itself is filed in a unit in a designated area, a returns and index files unit, which is a safeguarded area. There are only designated employees who are allowed in this area. In other words, any employee in the Baltimore office cannot walk into the returns files and withdraw or examine or look at returns. There are only certain designated employees.

Mr. McLENDON. Have you ever had the experience of having one return substituted for another since you have had your 18 years' experience?

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

Mr. McLENDON. Do you have any reason to believe that this particular return of Robert G. Baker's could have been, the one on file now could have been, substituted for a prior return?

Mr. PLITT. I have no personal knowledge of the Baker return, but I do not know of any reason how this could have been done or has been done; yes, sir.

Mr. McLENDON. Anything else you think you could help the committee on at this point, sir?

Mr. PLITT. I think that it is important to know that once a return is filed, once that document locator number is assigned, right then and there it is under some pretty strict control; that when the return itself is finally processed, we have established a pretty elaborate accounting trail; that is, to predetermine totals of how much our refund should come to, and so forth. This return has ended up on some accounting records that are a permanent part of the Internal Revenue's records, so that the settlement data that is shown on a return becomes a permanent record. If you were to substitute a return—I do not know how you could change all these subsidiary records. If a return were substituted and the settlement data was not the same, it could easily be detected if it came to light. It would be just a matter of identifying or comparing the return with the subsidiary records and it just would not reconcile.

Mr. McLENDON. What you are saying is that, in order to substitute it, you not only have to get this same code number but you have to obliterate or do away with some other records?

Mr. PLITT. That is correct, sir; or to substitute, you would have to have a complete knowledge of our returns process; you would have to have access to the return files; you would have to have access to the numbering device; you would have to duplicate or show on the face of the return certain codes that have been put on there by maybe three or four tax examiners, and each of these examiners has, in their own handwriting, indicated either their initials or a designated numeral which associates them with that portion of the return that they process.

Mr. McLENDON. Thank you, sir.

The CHAIRMAN. Senator Cannon?

Senator CANNON. No questions.

Senator PELL. I have no questions; just to comment for posterity, I think it is of interest to note that we started out with a full room of spectators; that the hearing has apparently not been too stimulating, because we now have 4 spectators and 24 press.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. I think the press make pretty good spectators. Just one thing about the problems of refunds. Do they send out the refunds before they cash the checks that are coming in? I am being facetious.

Mr. PLITT. The checks that come in, the people who owe us a balance and—this even gets a higher priority than the refunds.

Senator CURTIS. I see. So it is dispatched quickly; you also cash the checks quickly.

Mr. PLITT. That is correct.

Senator CURTIS. Well, that is good.

Mr. McLENDON. Mr. Chairman, last week, a request was made by members of the committee to obtain from the office of the financial clerk of the U.S. Senate a list of all the employees employed in the office of the secretary of the majority during the term of Robert G. Baker, together with the dates of employment, the dates of departure, and the salaries. We have this here with a letter from Mr. Brenkworth. I would like to put that in the record.

The CHAIRMAN. It is so ordered that it be put in the record.

(The material referred to follows:)

1718 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1

1792-A

ROBERT A. BRENKWORTH
FINANCIAL CLERK

United States Senate

DISBURSING OFFICE
WASHINGTON

March 18, 1964

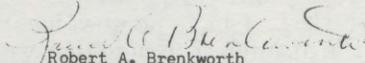
Honorable B. Everett Jordan, Chairman
Committee on Rules and Administration
United States Senate

Dear Senator Jordan:

In response to your letter of March 17, I attach herewith certified records of the service of all individuals employed in the office of the Secretary for the Majority while that office was held by Robert G. Baker.

The last known addresses of all such individuals who are no longer with the Senate are indicated at the bottom of these records.

Respectfully,



Robert A. Brenkworth
Financial Clerk, United States Senate

Enc.

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Robert G. Baker

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
1-5-55	Elected	Secretary for the Majority	\$ 11,667.50
3-1-55	Pay Ad		12,542.56
8-1-55	Pay Ad		14,800.00
7-1-56	Pay Ad		15,500.00
1-1-58	Pay Ad		17,050.00
7-1-60	Pay Ad		18,328.75
10-16-62	Pay Ad		19,611.76
10-7-63	Resigned		
		Certified Correct: <i>Robert A. Brenkworth</i> Robert A. Brenkworth Financial Clerk United States Senate 3-17-64	

Last known address: 5115 Van Ness St., N. W.
Washington, D. C.

1720 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

James B. Barrett

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
8-1-55 12-31-56	Appt Term	Telephone Page for the Majority Certified Correct: <i>Robert A. Brenkworth</i> Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	\$ 4,398.73

Last known address: 10403 Armory Ave.
Kensington, Md.

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1721

COMMITTEE EXHIBIT 1—Continued

United States Senate

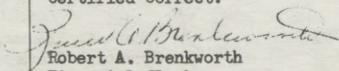
DISBURSING OFFICE

SERVICE RECORD OF

James W. Daniel

in the Office of the Secretary for the Majority

32714 GPO

DATE	ACTION	POSITION	SALARY
1-3-57	Appt	Telephone Page for Majority	\$ 4,398.73
1-1-58	Pay Ad		4,838.60
11-15-58	Term		
		Certified Correct:  Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	

Last address known: 413 A St., S. E.
Washington, D. C.

1722 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Patrick B. Hynes

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
6-18-63 Still serving	Apt in above position:	Telephone Page for Majority Certified Correct: <i>James C. Henderson</i> Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	\$ 5,825.64

COMMITTEE EXHIBIT 1—Continued

United States Senate

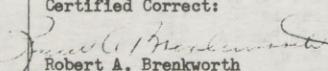
DISBURSING OFFICE

SERVICE RECORD OF

Rein J. Vander Zee

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
1-9-62	Appt	Assistant Secretary for the Majority	\$ 14,064.24
10-16-62	Pay Ad		15,048.73
4-1-63	Adm Pay Inc		17,530.97
Still serving	in position above:	Certified Correct:  Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	

1724 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

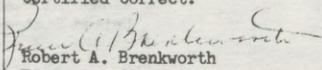
United States Senate
DISBURSING OFFICE

SERVICE RECORD OF

Jessop I. McDonnell

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
1-5-55	Appt	Chief Telephone Page for Majority	\$ 5,143.38
3-1-55	Chg Des	Assistant Secretary for Majority	9,604.88
8-1-55	Pay Ad		10,021.02
7-1-56	Pay Ad		11,091.10
1-1-58	Pay Ad		12,200.21
7-1-59	Adm Pay Inc		14,260.11
7-1-60	Pay Ad		15,329.61
9-22-61	Adm Pay Inc		16,384.09
11-1-61	Term		
		Certified Correct:  Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	

Last known address: 800 4th St., S. W., #207N
Washington, D. C.

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1725

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Margaret W. Tucker

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
1-5-55	Appt	Clerk to Secretary for Majority	\$ 5,525.75
3-1-55	Pay Ad		5,940.18
8-1-55	Pay Ad		6,556.74
1-1-58	Pay Ad		7,212.41
7-1-60	Pay Ad		7,753.34
1-31-61	Term		
		Certified Correct: <i>Robert A. Brenkworth</i> Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	

Last known address: 3925 Fulton St., N. W.
Washington, D. C.

1726 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

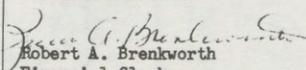
United States Senate

DISBURSING OFFICE

SERVICE RECORD OF
Walter J. Stewart

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
3-1-55	Appt	Chief Telephone Page for Majority	\$ 4,912.54
12-1-55	Adm Pay Inc		5,529.13
1-1-58	Pay Ad		6,082.04
7-1-58	Adm Pay Inc		7,212.41
7-1-60	Pay Ad		8,360.93
9-12-60	Term		
9-14-60	Appt	Chief Telephone Page for Majority	8,360.93
9-30-61	Term		
8-24-62	Appt	Chief Telephone Page for Majority	8,360.93
10-16-62	Pay Ad		8,946.19
8-1-63	Pay Ad		9,336.25
Still serving in last position shown:			
Certified Correct:			
 Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64			

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1727

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Richard C. Darling

in the Office of the Secretary for the Majority

33714 GPO

DATE	ACTION	POSITION	SALARY
8-1-55	Appt	Telephone Page for Majority	\$ 4,398.73
1-1-58	Pay Ad		4,838.60
7-1-58	Adm Pay Inc		5,516.84
7-1-60	Pay Ad		6,538.19
2-1-61	Chg Des	Clerk to Secretary for Majority	7,753.34
10-1-61	Chg Des	Chief Telephone Page for Majority	8,360.93
2-22-62	Term		
2-24-62	Appt	Chief Telephone Page for Majority	8,360.93
8-24-62	Chg Des	Telephone Page for Majority	6,538.19
10-1-62	Pay Ad		6,902.74
10-16-62	Pay Ad		7,385.93
Still serving in last position shown:			
Certified Correct:			
<i>Robert A. Brenkworth</i>			
Robert A. Brenkworth			
Financial Clerk			
United States Senate, 3-17-64			

1728 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Anthony C. Gray

in the Office of the Secretary for the Majority

30714 GPO

DATE	ACTION	POSITION	SALARY
10-1-61 8-23-62	Appt Term	Telephone Page for Majority Certified Correct: <i>James A. Brenkworth</i> Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	\$ 6,538.19

Last known address: 2 Chesapeake St., S. W.
Washington, D. C.

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Boyd L. Richie

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
1-1-62 6-20-62	Appt Term	Telephone Page for Majority Certified Correct: <i>Robert A. Brankworth</i> Robert A. Brankworth Financial Clerk United States Senate, 3-17-64	\$ 5,809.07

Last address known: 404 East Capitol St.
Washington, D. C.

1730 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

Edward E. Horgan, Jr.

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
11-16-58	Appt	Telephone Page for Majority	\$ 4,838.60
7-1-60	Pay Ad		5,809.07
12-31-61	Term		
6-21-62	Appt	Telephone Page for Majority	5,809.07
10-16-62	Pay Ad		6,215.70
6-16-63	Term		
		Certified Correct:	
		<i>Robert A. Brenkworth</i>	
		Robert A. Brenkworth	
		Financial Clerk	
		United States Senate, 3-17-64	

Last known address: 8503 Burning Tree Road
Bethesda, Md.

COMMITTEE EXHIBIT 1—Continued

United States Senate

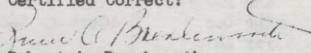
DISBURSING OFFICE

SERVICE RECORD OF

Robert Keith Linden

in the Office of the Secretary for the Majority

28714 GPO

DATE	ACTION	POSITION	SALARY
2-8-61 2-15-61	Appt Term	Telephone Page for Majority Certified Correct:  Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	\$ 6,538.19

Last known address: 7906 Chelton Road
Bethesda, Md.

1732 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

COMMITTEE EXHIBIT 1—Continued

United States Senate

DISBURSING OFFICE

SERVICE RECORD OF

N. C. Tyler

in the Office of the Secretary for the Majority

38714 GPO

DATE	ACTION	POSITION	SALARY
2-16-61	Appt	Telephone Page for Majority	\$ 5,687.56
4-18-61	Adm Pay Inc		6,052.11
8-28-61	Adm Pay Inc		6,538.19
10-1-61	Chg Des	Clerk to Secretary for Majority	7,753.34
10-16-62	Pay Ad		8,296.07
11-8-63	Resigned	Certified Correct: <i>James A. Brenkworth</i> Robert A. Brenkworth Financial Clerk United States Senate, 3-17-64	

Last known address: 308 N St., S. W.
Washington, D. C.

Senator PELL. I thought there was some discussion of the secretary of the minority, when we start writing the rules, that we be in consultation with him and know how his office is set up, too.

The CHAIRMAN. This is just a list of the salaries that have been paid to employees.

Senator PELL. I think it would be in order, in order to work out a guideline, that we get the views of both the majority and the minority.

The CHAIRMAN. Thank you very much. We appreciate your coming. We are sorry we kept you so long.

We are recessed, at the call of the Chair.

(Whereupon, at 5:55 p.m., the committee adjourned, subject to the call of the Chair.)





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