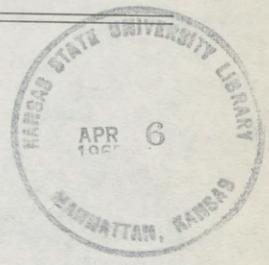


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Pt 5

**CONSTRUCTION OF THE DISTRICT OF COLUMBIA
STADIUM, AND MATTERS RELATED THERETO**

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D 63/PT. 5



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

PURSUANT TO

S. Res. 212 and S. Res. 367

RESOLUTIONS AUTHORIZING AN INVESTIGATION INTO THE
FINANCIAL, BUSINESS, OR OTHER INTERESTS OR ACTIVITIES
OF PRESENT OR FORMER MEMBERS, OFFICERS, OR EM-
PLOYEES OF THE SENATE, WITH PARTICULAR EMPHASIS ON
THE ALLEGATIONS RAISED IN CONNECTION WITH THE CON-
STRUCTION OF THE DISTRICT OF COLUMBIA STADIUM, AND
MATTERS RELATED THERETO

PART 5

DECEMBER 4, 1964

**Testimony of Paul Aguirre, Samuel J. Scott,
Milton Hauff, and Myron Weiner**

Printed for the use of the Committee on Rules and Administration



AY
R. 80/5
D 63/91.2

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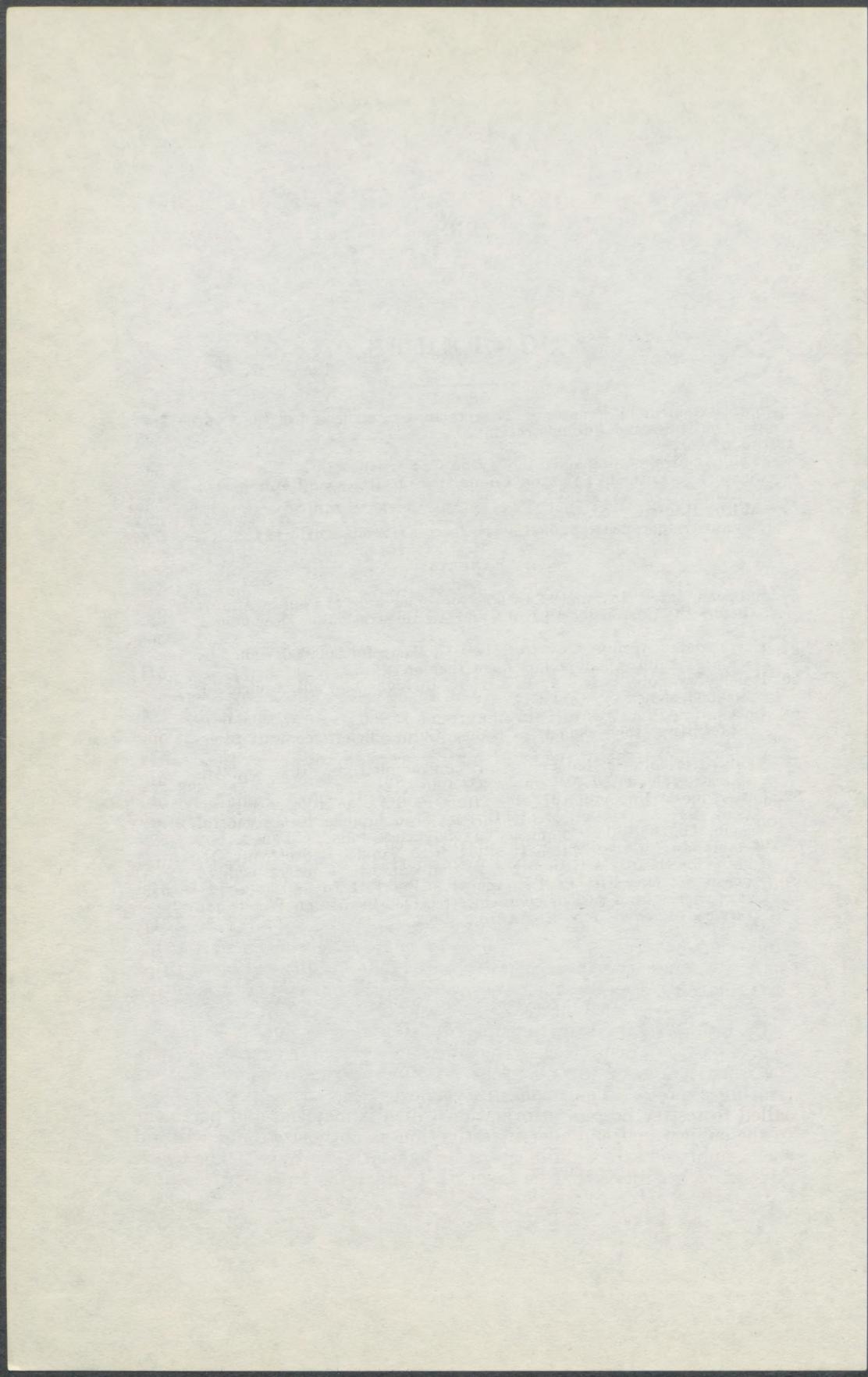
JAMES H. DUFFY, *Associate Counsel*

CONTENTS

Opening statement by Senator B. Everett Jordan, chairman of the Committee on Rules and Administration	Page 565
Testimony of:	
Paul Aguirre, accompanied by Myron G. Ehrlich	567
Samuel J. Scott, investigator, Committee on Rules and Administration	586
Milton Hauff	595
Myron Weiner, accompanied by F. Joseph Donohue, attorney	606

EXHIBITS

No.		
54.	Subpena, dated November 23, 1964, for appearance of Paul F. Aguirre before the Committee on Rules and Administration on December 1, 1964	569
55.	Check, dated April 4, 1964, to Robert G. Baker for \$60,000, signed by Paul F. Aguirre, and endorsement thereon	571
56.	Promissory note, dated April 4, 1964, in favor of Paul Aguirre for \$60,000, signed by Robert G. Baker	572
57.	Check, dated in 1964, to Paul Aguirre for \$1,950, from Mecklenburg Enterprises, Inc., signed by Nancy Carole Tyler, secretary-treasurer	574
58.	Affidavit of John D. Lane given to the Committee on Rules and Administration, dated November 27, 1964	583-584
59.	Letter, dated November 27, 1964, from Paul F. McArdle, vice president, Bar Association of the District of Columbia, to the general counsel of the Rules Committee in reference to John D. Lane	585
60.	Memorandum, dated March 10, 1964, from Samuel J. Scott, investigator for the Rules Committee, to the committee's general counsel on an interview with Paul F. Aguirre in Puerto Rico	590
61.	List of checks from various companies received by Myron Weiner for services rendered, deposited April 2, 1962	612



CONSTRUCTION OF THE DISTRICT OF COLUMBIA STADIUM, AND MATTERS RELATED THERETO

FRIDAY, DECEMBER 4, 1964

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

The committee met, pursuant to recess, at 9:55 a.m., in the caucus room, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Hayden, Pell, and Cooper.

Also present: Gordon F. Harrison, staff director; Hugh Q. Alexander, chief counsel; L. P. McLendon, general counsel; Burkett Van Kirk, associate counsel; James H. Duffy, associate counsel; William Ellis Meehan, investigator; Walter L. Mote, professional staff member; Samuel J. Scott, investigator; William B. Whitley, staff assistant to Senator Jordan; Edward T. Hugler, investigator; E. George Pazianos, associate counsel; and William R. Haley, staff assistant to Senator Cooper.

The CHAIRMAN. The committee will please come to order.

Mr. Aguirre, please come forward to the witness stand, sir. Mr. Aguirre, it is necessary that I read an opening statement to you in order that you and your attorney may know your rights before this committee. A quorum being present, the committee will please come to order. This committee is acting by direction and under the authority of Senate Resolution 367, agreed to on September 10, 1964, and Senate Resolution 212, agreed to on October 10, 1963. Senate Resolution 367 renews the powers authorized by Senate Resolution 212 and broadens the scope of jurisdiction conferred.

The Committee on Rules and Administration has now been granted the power to investigate all interests or activities of present or former Members, officers, or employees of the U.S. Senate for the purpose of determining whether such interests or activities have involved any violation of law or other impropriety or have reflected unfavorably upon the integrity of the Senate, and whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities.

The study and investigation authorized by this resolution is directed to give particular emphasis to the allegations raised in connection with the construction of the District of Columbia Stadium and matters relating thereto. The committee believes that witnesses who are called to testify possess information which is material and pertinent to the subject matter under investigation as authorized and will aid the committee in the fulfillment of its legislative purpose. The Chair advises each witness that he is entitled under the rules of procedure

adopted by the committee to retain and be accompanied by counsel who may advise the witness of his legal rights during the course of the inquiry but who shall not coach or answer for the witness. Should the witness not understand any question directed to him he may ask for clarification.

The committee will now proceed to hear the testimony of the witness present under subpoena by request. Would you rise and place your left hand on the Bible, sir, and raise your right hand? Do you solemnly swear that the evidence you are about to give before this committee, in the matter under investigation, is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. AGUIRRE. I do.

The CHAIRMAN. Thank you, sir. Please be seated.

Senator Pell, will you please assume the chair?

Mr. EHRLICH. Mr. Chairman, before you ask the witness any questions, may I be permitted to make a statement in behalf of the witness?

Mr. McLENDON. Yes, sir; go ahead.

Senator PELL. Go ahead.

Mr. EHRLICH. I was retained—I will wait until such time as the chairman is not otherwise occupied.

Mr. McLENDON. I am sorry; go ahead.

Mr. EHRLICH. I was retained in this case Monday evening by the witness who flew in here in answer to a subpoena duces tecum from San Juan, P.R. The subpoena requires him to bring with him and produce for the period of January 1, 1960, to date all the records including but not limited to all correspondence, memorandums, canceled checks, and so forth, that relate to any and all business and financial transactions with Robert G. and Dorothy C. Baker.

(Senator Jordan left the hearing room.)

Mr. EHRLICH. The witness did bring with him those records and, at the request of committee counsel, I accompanied the witness to the Senate Office Building here and he turned those records over to one of your staff members. The witness came fully intending to answer all questions that had to do with these transactions. However, I have learned that this witness would be asked questions the answers to which might form a link in the chain of testimony that would subject him to possible prosecution for improper association with others. In the light of that, I have advised him, because it is very difficult for a lawyer to understand when a question might tend to incriminate and when not to incriminate, I have advised him to refuse on constitutional grounds to answer all questions. I did that because the committee counsel—and he has been very fair to me in all of the associations I have had with him—would not assure me and would not assure the witness that any questions that were asked would not tend to incriminate the witness. So in view of that, and if the witness follows my advice, he will refuse on constitutional grounds to answer all questions propounded to him by members of the committee or the committee staff.

Senator PELL. Mr. Counsel, will you identify yourself with your name and address?

Mr. EHRLICH. Yes; my name is Myron G. Ehrlich. I am a lawyer in the District of Columbia and have been almost since time immemorial, I guess.

Senator PELL. Your address?

Mr. EHRLICH. My address is 401 Third Street NW.

Mr. McLENDON. Mr. Aguirre, will you state your name and address in the record?

TESTIMONY OF PAUL F. AGUIRRE, ACCOMPANIED BY MYRON G. EHRLICH

Mr. AGUIRRE. My name is Paul Aguirre. I live at 646 Concordia Street, Santurce, P.R.

Mr. McLENDON. The statement made by Mr. Ehrlich is in his capacity as your attorney on this occasion?

Mr. AGUIRRE. Yes, sir.

Mr. McLENDON. You acknowledge the subpoena to which your counsel referred was properly served on you, do you not?

Mr. AGUIRRE. Yes, sir.

Mr. McLENDON. And that you do have the records referred to in the subpoena?

Mr. AGUIRRE. I have turned the records over to your investigator, sir.

Mr. McLENDON. And you have no other records than the ones that you turned over to a member of the staff?

Mr. AGUIRRE. No others, sir.

Mr. McLENDON. Mr. Aguirre, how long have you been acquainted with Robert G. Baker?

Mr. AGUIRRE. First, on advice of my counsel, Mr. Ehrlich, I refuse to answer on constitutional grounds because I believe the subject matter is unrelated to any legislative purpose. It is beyond the inquiry powers conferred upon the Senate in the U.S. Constitution, and is, therefore, invalid and an unjustifiable encroachment upon my right of privacy. Secondly, and on further advice of my counsel, Mr. Ehrlich, I refuse to answer the question on the further constitutional ground that the answer to such question might tend to incriminate me.

Mr. McLENDON. I would like for you and your counsel to examine this copy of the subpoena so that you can identify it for the record.

Senator PELL. I would like to ask the counsel a point of law here. The first reason he gave; do you think that is correct? Don't we have the right to ask questions of anyone in connection with a Senate employee? In other words, shouldn't the witness be taking the grounds of not incriminating himself, and not saying it is not within the purview of our committee?

Mr. McLENDON. I thought the statement he read did say that you thought the examination, any questions asked, would incriminate you, didn't you?

Senator PELL. The first reason he gave was that it was beyond the purview of the committee. This I would disagree with. The second I don't.

Mr. EHRLICH. Senator, you certainly have a right to disagree with him, but we have a right to make that statement.

Senator PELL. Absolutely.

Mr. EHRLICH. What is your question, Major?

Mr. McLendon. I want you to examine that copy and see if that is a copy of the subpoena served on your client.

Mr. EHRLICH. Yes; that is a copy of it.

Mr. McLendon. Hand it to the reporter there. Mr. Reporter, mark it as an exhibit.

(The document referred to is as follows:)

EXHIBIT 54

UNITED STATES OF AMERICA
Congress of the United States

To Paul F. Aguirre, individually, Paul F. Aguirre, Executive Vice-
President of James T. Barnes & Company of Puerto Rico, Inc., a corporation,
San Juan, Puerto Rico , Greeting:

Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to
appear before the _____ Committee on Rules and Administration
of the Senate of the United States, on December 1, _____, 1964,
at 10:00 o'clock a. m., at their committee room 305 Old Senate
Office Building, Washington, D. C. _____, then and there

to testify what you may know relative to the subject matters under con-
sideration by said committee, and to bring with you and produce for the
period of January 1, 1960, to date all the records, including but not
limited to all correspondence, memoranda, cancelled checks, and all other
office records including carbon and other copies relating to any and all
business and financial transactions with Robert G. and Dorothy C. Baker

Hereof fail not, as you will answer your default under the pains and pen-
alties in such cases made and provided.

To U. S. Marshall Santos Buxo, Jr., San Juan, Puerto Rico
to serve and return.

Given under my hand, by order of the committee, this
24th day of November _____, in the year of our
Lord one thousand nine hundred and sixty-four

Chairman, Committee on Rules and Administration
305 Old Senate Office Building, Washington, D. C.

Mr. McLendon. Mr. Aguirre, you furnished to the committee and the committee staff a copy of a check written by you April 4, 1964, payable to Robert G. Baker, in the amount of \$60,000. Will you look at this copy and state whether this is a correct copy of that check?

Mr. Ehrlich. Mr. Chairman, so that my client won't be forced and you won't be forced to hear a repetition of these two long statements, may he say in answer to each question that he gives the same reason for refusing to answer as he did the first question?

Senator Pell. I would like for the committee that we accept the statement because of the second paragraph in regard to self-incrimination, but not the first paragraph that this investigation is beyond the purview of this committee.

Senator Cooper. In response to the last question is the witness relying on the fifth amendment?

Mr. Ehrlich. Yes; that is one part of it, and he is also relying on the part that this committee is serving no legislative purpose.

Senator Pell. We have been directed to do this by the Senate.

Mr. Ehrlich. I understand that, sir, and I disagree with what the Senate has done as involving a legislative purpose. Now chances are that everybody will disagree with me, but I have a right as a lawyer to suggest that.

Senator Cooper. I would like to state for the record that I can accept his refusal to testify upon the grounds of the fifth amendment. I don't accept on the first grounds you mention.

Mr. Ehrlich. Senator, you are a lawyer?

Senator Cooper. I hope so.

Mr. Ehrlich. We have a right to put it in the record that way, don't we?

Senator Cooper. You have a right to put it in the record. I want to make clear that I don't accept it.

Senator Pell. In other words, the majority of the committee accepts the second ground, not the first.

Mr. Ehrlich. What was the last question?

Mr. McLendon. The question was whether Mr. Aguirre will identify that as a correct copy of the check shown to the staff.

Mr. Ehrlich. Now may he be permitted, if he desires, to say that he refuses to answer that question for the same reasons heretofore given?

Mr. McLendon. Yes; that is all right for the committee.

Mr. Aguirre. I refuse to answer that question for reasons heretofore given.

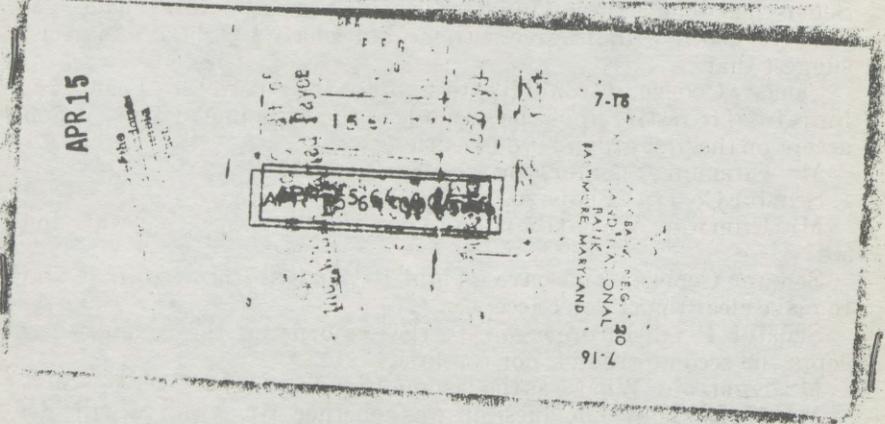
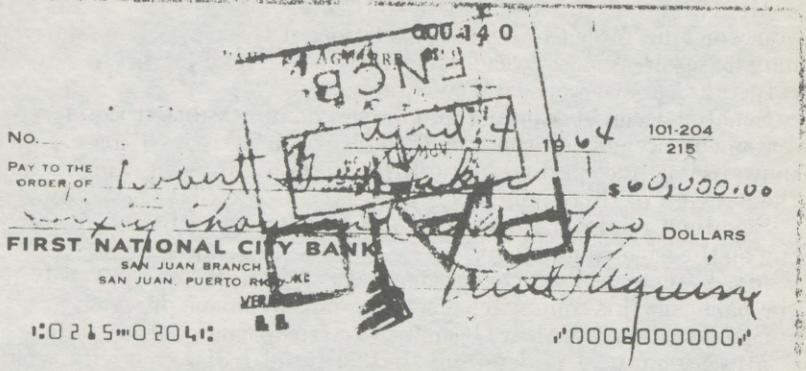
Mr. McLendon. And you have taken that position notwithstanding the fact that you furnished these documents to the staff anyway?

Mr. Aguirre. Yes.

Mr. McLendon. I ask you to look at this—mark that document there, Mr. Reporter, and give it the proper number.

(The document referred to is as follows:)

EXHIBIT 55



Mr. McLendon. I ask you to look at this document, dated April 4, 1964, purporting to be a note, a promissory note, for \$60,000 due in 365 days signed by Robert G. Baker, and I ask you whether that is a copy of the original note which you showed the staff? Are you making the same answer?

Mr. Aguirre. I am making the same answer, sir.

Mr. McLendon. You decline to identify that copy?

Mr. Aguirre. Yes.

Mr. McLendon. Mark that, Mr. Reporter.

(The document referred to is as follows:)

Mr. AGUIRRE. I refuse to answer for the same reasons as given before.

Mr. McLENDON. And you told the member of the staff who interviewed you as far back as February of this year that you made several trips with him, including one to the Pacific coast; you and he stopped in Houston, Tex., and looked at some land and discussed the possibility of buying it, did you not?

Mr. AGUIRRE. I refuse to answer on the same grounds as given before.

Mr. McLENDON. The evidence tends to show, Mr. Aguirre, that you and Robert Baker were two of a number of people who got together and organized a corporation known as the Pasantic; is that correct?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before.

Mr. McLENDON. Did you also make a business trip with him to New Orleans in May 1963?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. Is it not true on that occasion that you and Baker met with a man named Nick Popich and another man named Wilson Abraham for the purpose of discussing a housing development?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. I ask you if in May 1963—that same year—you didn't have a conference with Robert Baker in New Orleans when he was accompanied by Carole Tyler, who has testified in this case that she was secretary in his office as secretary to the majority, and a woman named Ellyn Rometsch?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. Did you have an arrangement or engagement to meet Baker and those two women prior to their arrival in New Orleans, or were you called to meet with them after they arrived?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. Did you ever visit the home of Carole Tyler in Washington?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. What is your hometown in Puerto Rico?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. You are not willing to give us your address down in Puerto Rico?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. Is it not a fact that Carole Tyler actually visited you in Puerto Rico?

Mr. AGUIRRE. I refuse to answer for the same reasons as given before, sir.

Mr. McLENDON. The committee has received evidence, Mr. Aguirre, that on one occasion you asked Baker for help in connection with the clearance of a loan through FHA on some property in which you were interested in Puerto Rico; is that correct?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. And did you not get the FHA persons who had responsibility in this connection to reconsider their first decision?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. Did you personally attend any conference in the FHA with respect to that property?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. What is your official connection with the Enterprise Hotel Corp.?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Haven't you actually been a vice president and treasurer of that company?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. And isn't that the same corporation that Mr. Hancock testified in this case that he was interested in and you and he and others had to get the gamblers out of it before any underwriter would undertake to underwrite the stock?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Will you tell the committee which gamblers were in it?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Suppose I eliminate the word "gamblers," will you answer the question as to who was connected with the hotel—I mean the Enterprise Hotel Corp.—in addition to yourself?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. Would you tell us whether Baker was interested in it?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Mr. Aguirre, when and where did you pay money to Robert Baker?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. And you refuse to answer that, even though the money may have been paid to him in his capacity as an individual rather than as secretary to the majority?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. How often did you call on him for help in connection with matters in Washington?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. I think originally when you were first interviewed that you stated, did you not, that you would voluntarily appear as a witness?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. But in this instance a subpoena was served on you.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. It is already in the record that the subpoena was served on you, so I guess that settles that one. Are you willing to give

this committee any information about your relations with Robert Baker prior to the time that he resigned his position as secretary to the majority?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. That is all.

Senator PELL. Mr. Aguirre, I am confused when you won't even give us your address. I guess there is a legal connection here, but are you being investigated by any other branch of the Federal Government? Is this the reason you are taking the fifth amendment?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Mr. Chairman, I would suggest that you let the record show that you as chairman of the committee have ordered the witness to answer each of these questions, and he has refused to answer.

Senator PELL. So be it. Senator Cooper.

Mr. McLENDON. Is that the correct pronunciation, Aguirre?

Mr. AGUIRRE. Aguirre.

Mr. McLENDON. That doesn't incriminate you, I am sure.

Senator COOPER. Mr. Aguirre, you have refused to testify upon several grounds, but one ground is that of claiming the protection of the fifth amendment against self-incrimination. I will ask you if it isn't a fact that in February of this year you did voluntarily make a statement to an investigator of this committee.

Mr. AGUIRRE. I refuse to answer.

Senator COOPER. Mr. Samuel J. Scott?

Mr. AGUIRRE. I refuse to answer on the same grounds as before.

Senator COOPER. At that time did you not say that you would appear voluntarily as a witness before the committee provided that you would be served with a subpoena upon arrival which would enable you to be reimbursed for the expenses of the trip?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Senator COOPER. The counsel has referred to several transactions between you and Mr. Baker. I want to ask you if in this statement that you made to Mr. Scott you did not enumerate the various transactions to which counsel referred?

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Senator PELL. Excuse me, Senator Cooper. I would like the record to show that the chairman orders the witness to answer these questions on the part of Senator Cooper.

Senator COOPER. That should be done with respect to each question. Didn't you say that you had a business deal with Mr. Baker concerning an organization called the Pasantic Corp.?

Senator PELL. The Chair orders that that question be answered.

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Senator COOPER. Will you tell the committee—

Senator PELL. Excuse me; the Chair orders you to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator COOPER. Will you tell the committee something about each of the following persons who you previously said were associated with you and Mr. Baker? I will name them. James T. Barnes, San Juan; Warren Neil, San Juan; Francis "Doc" Law, Washington, D.C.; Tom Webb, Washington, D.C.; Ed Bostick, Melpar, Washington, D.C.;

Bedford Wynne, Dallas, Tex.; Wilson Abraham, New Orleans; and Nick Popich, New Orleans, La.

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Senator PELL. As chairman I order you to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator COOPER. As referred to by the counsel, is it correct that you told the investigator of the committee at that time in February that you did go to Houston with Baker for the purpose of seeing if you could buy a 100-acre plot of land about three blocks south of the Shamrock Hotel, but you were told it would cost about \$45 million and you dropped the idea?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. I order you to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator COOPER. Isn't it true that you told the investigator that you went to New Orleans in May 1963 to talk to Mr. Baker about looking for a trailer park site and also a possible housing development there?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator COOPER. Isn't it correct that at that time you told the committee investigator that Mr. Baker met you in May 1963 and brought with him from Washington Carole Tyler and Ellyn Rometsch?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to answer.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator COOPER. Isn't it correct that you told the investigator that you knew Jose Benitez, who testified in this hearing that he had business dealings with Baker concerning a meat contract?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator COOPER. I don't think I have anything further.

Senator PELL. There are no further questions.

Mr. McLENDON. Mr. Aguirre, at the time you were interviewed in February 1964 by Mr. Samuel Scott, you did not ask him to treat your interview in confidence, did you?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Isn't it true that you voluntarily consented to be interviewed?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to answer that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before.

Mr. McLENDON. And isn't it true that you changed your mind between the time that you were interviewed by Mr. Scott and your appearance here today?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. EHRLICH. Of course, I think the record ought to show—pardon me, sir—I think the record ought to show that between the time he talked to Mr. Scott and until the time he appeared here today, he got himself a lawyer. That may be one of the reasons he changed his mind.

Senator PELL. You are ordered to reply to that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Since that point has been made, isn't it true that your lawyer was with you when you appeared up here the other day and talked to us and gave us these documents and you didn't interpose any objection then, did you?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to reply to that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. And isn't it true that in that interview you indicated that you might object to answering certain questions but not all questions?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to reply to that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. Can I repeat the general question I asked a while ago? Are you willing now to give this committee the benefit of any information you have in connection with business and financial transactions you have had either personally or indirectly or directly with Robert G. Baker?

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to reply to that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. I ask you the same question, limiting it to the time before Baker resigned as secretary to the majority.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Senator PELL. You are ordered to reply to that question.

Mr. AGUIRRE. I refuse to answer for the same reason as given before, sir.

Mr. McLENDON. That is all.

Mr. EHRlich. I might say, and I think the record ought to show, that the test of whether or not a man can refuse to answer is whether or not, considering the setting of the question, the setting in which it is asked and the general subject matter, whether or not he would tend to incriminate himself, and certainly from the questions that have been asked this witness, if I were in his place I would believe that I would tend to incriminate myself.

Mr. McLendon. I don't think you can do your thinking for him, though.

Mr. EHRlich. Well, I might be able to do it. I can't do the answering for him but I can do the thinking for him.

Mr. McLendon. Since you have raised that point, let me ask your client another question. Are you under investigation by the grand jury sitting in Washington, D.C., now?

Mr. Aguirre. I refuse to answer for the same reason as given before, sir.

Senator Pell. You are ordered to answer that question.

Mr. Aguirre. I refuse to answer for the same reason as given before.

Mr. EHRlich. I certainly question the pertinency of that.

Mr. McLendon. That would go to the question of whether or not he might incriminate himself, would it not?

Mr. EHRlich. You can incriminate yourself whether or not a grand jury is sitting.

Mr. McLendon. I am sure of that.

Mr. EHRlich. I think his knowledge of whether a grand jury is sitting is certainly not pertinent to the issues in this matter or the subject matter that the committee is investigating.

Mr. McLendon. I won't get into a legal debate with you.

Mr. EHRlich. No, sir.

Mr. McLendon. The Supreme Court has over and over indicated that such a circumstance is one to be seriously considered when this question is raised. After all, this business of whether a man answers any and every question that would tend to incriminate him involves at least good faith on the part of the witness.

Mr. EHRlich. Yes, but, Major, you asked this witness some questions that had to do with meeting women in New Orleans, and indulging in certain business transactions with Mr. Baker, and certainly a married man meeting women in New Orleans would tend to incriminate himself or he had better have a good explanation when he gets home; I'll tell you that.

Mr. McLendon. That is not the sort of incrimination that the Constitution is talking about. The fifth amendment is not designed to protect you and me and other men against incrimination with their wives.

Mr. EHRlich. I know; but it could be a criminal prosecution to have anything to do with transporting a woman from here to New Orleans, too, couldn't it?

Mr. McLendon. Under certain circumstances only.

Mr. EHRlich. Of course, I wouldn't do anything like that; but it has been done.

Mr. McLendon. There is no need of prolonging this argument, Mr. Chairman.

Senator PELL. The witness is dismissed. Forgive me, one more question.

Senator COOPER. Concerning the right of the witness to claim the fifth amendment with the possible exception of the trip to New Orleans with the women, and taking into account the statement you made to the committee's investigator and the questions that you have been asked, it seems to me that without other evidence the questions themselves would not incriminate him.

Mr. EHRLICH. They may be a link in the chain, Senator; yes.

Senator COOPER. These transactions with Baker, as stated, unless there are other facts which are to be disclosed, would not incriminate him.

Mr. EHRLICH. Senator, the questions asked this witness started off with knowing Baker, and sort of finished meeting him in New Orleans with a couple of women. Now, certainly, where do you stop and where do you begin? When do you waive your privilege and when don't you waive your privilege? No lawyer has ever been able to tell me when that happens, and no Supreme Court has.

Senator COOPER. I understand that, but I ask then if it isn't a true inference to be drawn from the answers that have been given to the question about facts and transactions, which on their face are themselves not criminal and would not incriminate him, that there are other facts which he is not willing to give this committee?

Mr. EHRLICH. I won't answer that, and I don't think he ought to answer that, because by giving an explanation of the reason that he is refusing to answer, I think dangerous disclosures may result, and I don't think that is a fair thing to ask him, sir.

Senator PELL. The witness is excused. The next witness will be Mr. Samuel Scott, the investigator for this committee.

Mr. McLendon. He is on the telephone at the moment, Mr. Chairman. Let me offer in evidence an affidavit of John D. Lane. This was his request, that this affidavit be accepted in evidence which was presented to the committee in executive session, and it was granted. I will read the affidavit before I put it in the record.

I, the undersigned, John D. Lane, being first duly sworn according to law, depose and say as follows:

I

That I have known Robert G. Baker for more than fifteen years; that to the best of my recollection, he called me around October 1961 and inquired if I would be willing to act as his nominee or agent in the purchase of 500 shares of stock of Mortgage Guaranty Insurance Corporation, which as I recall, he stated could be acquired from a New York underwriter, the name of which I believe was Bache & Company. I agreed to do so solely as such nominee or agent.

II

Mr. Baker caused a prospectus of the company and a subscription blank to be sent to my office; and upon receipt of same, I so advised Mr. Baker. Mr. Baker then delivered to me his personal check made payable to the underwriter covering the full subscription price for the aforesaid 500 shares of said company. I mailed the subscription blank which had been executed by me in my name together with the aforesaid check direct to the said underwriter.

III

Shortly thereafter, one certificate covering said 500 shares of stock of said company which had been issued in my name was received by me in my office, and I immediately signed my name to the blank form of assignment printed on the

back of the aforesaid certificate and delivered it to Mr. Baker. It is my best recollection that, in like manner, I handled a second certificate representing a stock dividend later received by me from said company.

IV

I have never had any financial interest in this matter whatsoever, direct or indirect, and I did not effect any loans or furnish any funds to Mr. Baker.

(S) John D. Lane
JOHN D. LANE.

Sworn to before me and subscribed in my presence this 27th day of November, 1964.

(S) MARTHA A. GOODALL,
Notary Public.

Senator PELL. That will be inserted in the record.

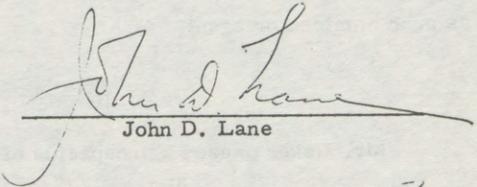
(The document referred to is as follows:)

III.

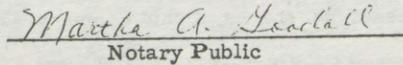
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John D. Lane

Sworn to before me and subscribed in my presence this 27th
day of November, 1964.


Notary Public

My Commission Expires June 30, 1966

Mr. McLendon. In connection with that, Mr. Chairman, I made inquiry of the Bar Association of the District of Columbia with respect to Mr. Lane, and I have a letter here from the vice president certifying that he is a man of good character and good standing at the bar.

(The document referred to is as follows:)

EXHIBIT 59

THE BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA,
Washington, D.C., November 27, 1964.

LENNOX P. MCLENDON, Esq.,
Chief Counsel, Senate Committee on Rules,
Old Senate Office Building, Washington, D.C.

DEAR MAJOR MCLENDON: John D. Lane, a member of the firm of Hedrick & Lane, 1001 Connecticut Avenue, Washington, D.C., asked me to write this letter in response to his conversation with you this morning.

I have known John for nearly 20 years. We graduated from Georgetown College and graduated in the same class from Georgetown Law School.

At present, I am the vice president of the Bar Association of the District of Columbia. I can state without reservation or equivocation that John Lane is in the active practice of law as that term is generally understood. As fully set forth in Martindale-Hubbell, John and his partners enjoy the highest legal rating. On several occasions his firm and our firm have represented codefendants in civil actions. His firm represented two of the major eastern railroads in an antitrust suit filed in the U.S. District Court for the District of Columbia.

Mr. Lane and the members of his firm are active in bar association activities, and I never hesitate to ask them for assistance as needed.

Based on my long association with Mr. Lane, I can assure you that you can rely on any statement he makes.

Please let me know if I can be of any further assistance.

Very truly yours,

PAUL F. MCARDLE.

Mr. McLendon. I think I ought to say that another reason why the committee agreed to let him use the affidavit rather than making a personal appearance is that at that time he was, as a matter of record, attorney for Baker in some tax litigation that was pending, and he was therefore in the position of invoking the attorney-client privilege if he were examined on anything other than this particular transaction, when he acted as nominee for this stock.

Mr. Chairman, I would like to make a statement about another aspect of this investigation which I hoped to be able to present to the committee this morning but I find I can't do it. We have had here physically present during these hearings in the last day or two Mr. Robert H. Berman and Mr. C. Franklin Daniels of the Federal Housing Administration, in connection with testimony concerning Maywood Boggs and the construction of a retirement home in the State of Mississippi for a labor union. Mr. Boggs couldn't be here. I was convinced that he had a perfectly good excuse for not being here. I don't think it would be fair to put on evidence concerning it without his presence nor would I recommend that it be disposed of on the affidavit of Mr. Boggs, although he has given us one. So with your permission, I just will not call any of that evidence today and let it go until some later hearing.

Senator COOPER. May I ask what the intention is as to when these further hearings will be held?

Senator PELL. This is an open question. I am not sure that I would completely agree with the suggestion because it may be indefinitely prolonged. You see no way, Mr. Counsel, that this matter could be acted on today by the witness with the affidavit?

Mr. McLENDON. I could use the affidavit of Mr. Boggs, but that is never a very satisfactory use.

Senator COOPER. I think we should have the witness in this case.

Senator PELL. You would?

Senator COOPER. Yes.

Senator PELL. We will not call them at this time. Is Mr. Scott here?

Mr. SCOTT. Yes.

Mr. McLENDON. Take the stand. Will you swear this witness?

Senator PELL. Will you put your left hand on the Bible and raise your right hand? Do you swear that all the statements you are about to make are true, so help you God?

Mr. SCOTT. I do.

Mr. McLENDON. Give your full name and address to the reporter.

TESTIMONY OF SAMUEL J. SCOTT, INVESTIGATOR, COMMITTEE ON RULES AND ADMINISTRATION

Mr. SCOTT. Samuel J. Scott, 5403 North Washington Boulevard, Arlington, Va.

Mr. McLENDON. Are you a member of the investigating staff of this committee?

Mr. SCOTT. I am.

Mr. McLENDON. And in that capacity as an investigator, did you interview Paul Aguirre first on or about February 26, 1964?

Mr. SCOTT. I did.

Mr. McLENDON. Where?

Mr. SCOTT. In San Juan, P.R.; a suburb called Santurce.

Mr. McLENDON. Will you tell the committee what you said to him before the interview began, what request you made of him?

Mr. SCOTT. I called Mr. Aguirre and got in touch with him on the morning of February 26, 1964, and made an appointment. It was early in the morning, and I arrived at his office at approximately 8:30 a.m. Upon arrival at the office I met Mr. Aguirre. I identified myself, presenting to him my committee credentials, and advised him of the nature of my visit, of the Baker investigation, and that information had been received by the committee that he had had certain business dealings with Mr. Baker.

Mr. McLENDON. Did he raise any objection to being interviewed?

Mr. SCOTT. No, sir.

Mr. McLENDON. Did you ask him questions, all questions you thought were pertinent to the investigation?

Mr. SCOTT. Yes, sir.

Mr. McLENDON. And did he answer them?

Mr. SCOTT. Yes, sir.

Mr. McLENDON. And did you make a recording promptly thereafter of what took place in the interview?

Mr. SCOTT. I made a recording of the course of the conversation and statements at the time of the interview, that is investigative notes, from which I prepared and dictated this memorandum dated March 10, 1964, after my arrival back in Washington, D.C.

Mr. McLENDON. Does the committee want to hear this report read now? I want to offer it in evidence, the whole report.

Senator PELL. I think most of it is in the record. I suggest that it be put in the record as written.

Senator COOPER. It won't take but a few minutes. I suggest he read it.

Mr. McLendon. Will you read your report of this interview, Mr. Scott?

Mr. Scott. This report is dated March 10, 1964. It is a memorandum:

To Maj. L. P. McLendon, general counsel.

From Samuel J. Scott.

Subject: Interview with Paul F. Aguirre, executive vice president of James T. Barnes & Co., San Juan, P.R.

On February 26, 1964, I interviewed Mr. Paul F. Aguirre, executive vice president of the James T. Barnes & Co. of Puerto Rico, Inc., in his office in Room 238 of the Garcia Commercial Building, Todd Street 800, Santurce, P.R. (office phone: 724-6490; residence phone: xxxxxxxx).

Subsequently I have been advised his office phone has been changed to 725-1616.

Mr. Aguirre thinks he first met Robert G. Baker in Baker's office in the Capitol Building, Washington, D.C., approximately three or four years ago when he was introduced to Baker by Warren Neil at that time. At first Mr. Aguirre stated that he had never had any business deals with Baker but just knew Baker socially. However, subsequently in the course of the interview, Mr. Aguirre did state that he had had business discussions with Baker concerning the organization of the Pasantic Corp., which was a company to be organized for the purpose of operating Trailer Parks. Mr. Aguirre said originally the plan was to have ten members in the Pasantic Corp. From memory, he named the following:

James T. Barnes, San Juan, P.R.

Paul Aguirre, San Juan, P.R.

Warren Neil, San Juan, P.R.

Robert Baker, Washington, D.C.

Francis (Doc) Law, Washington, D.C.

Tom Webb, Washington, D.C.

Ed Bostick, Melpar, Washington, D.C.

Bedford Wynne, Dallas, Tex.

Wilson Abraham, New Orleans, La.

Nick Popich, New Orleans, La.

Each individual was to invest \$1,000 in the Pasantic Corp. Mr. Aguirre said he sent \$2,000 (\$1,000 each for him and Mr. Barnes) to Ernest Tucker, Washington, D.C. However, he said during the final stage of organization of the corporation in September or October of 1963, the Baker case broke and Robert Baker withdrew. Also, Mr. Aguirre states that subsequent to setting up the Pasantic Corp., he and some of the other members of the Pasantic Corp. discovered that Wilson Abraham and Nick Popich were hard to deal with and were not the type of individuals with whom they wanted to associate, business or otherwise, so the corporation refunded their money and eliminated them from the organization. Mr. Aguirre said the Pasantic Corp. had purchased 18 acres of land at Woodbridge, Va., and had an option to purchase an adjoining 180 acres.

When asked further about his association with Baker, Mr. Aguirre said that about 2 years ago, he came to Washington, D.C., and made a trip to the west coast with Baker. He said they went to Los Angeles, then he remained in Los Angeles while Baker went to Sacramento. When Baker came back to Los Angeles they went to Houston, Tex., where they split and each returned to his respective home. When asked if this was a business trip, Mr. Aguirre replied, "I don't know what it was. When we were in Baker's office, Baker said he had to go to California. I don't know the purpose of his trip. He merely asked me if I wanted to go along, and I said yes." However, Mr. Aguirre said he had been interested in a 100-acre plot of land about 3 blocks south of the Shamrock Hotel in Houston, Tex. He said he talked to Baker about his interest in this particular piece of land and Baker thought they could get it. So they stopped in Houston and contacted the owner, Mr. "Wes" West. Mr. Aguirre said West asked \$45 million for the property. Mr. Aguirre stated he told Baker, "Forget it."

Mr. Aguirre said he and Baker met by prearrangement in May 1963 in New Orleans to look for trailer park sites and also to meet with Nick Popich and Wilson Abraham. Mr. Aguirre said Wilson Abraham was a builder and developer in New Orleans and that he had a housing development under way. Aguirre said he and Baker discussed with Abraham the possibility of them getting into the deal with Abraham. However, Mr. Aguirre stated that the negotiations were never brought to fruition. Mr. Aguirre admitted that Baker brought Carole Tyler and Elli Rometsch with him from Washington to New Orleans on the May 1963 trip. Mr. Aguirre said he spent several days partying with them in New Orleans but denied going with them to Dallas and Miami. Mr. Aguirre said he knew Carole Tyler socially and had been to her house at 308 N Street SW., and had seen her many times in San Juan, P.R., with Bobby Baker. Mr. Aguirre stated that he and Baker were close personal friends and that he didn't want to discuss Baker's private life, saying, "I'm sure Baker is paying dearly at home now for this."

Mr. Aguirre reported that he and Warren Neil met Baker, Wilson Abraham, and Nick Popich in New Orleans in June 1963 and from there they went together to see the Patterson-Liston fight in Las Vegas. When asked about who paid the expenses, Mr. Aguirre said Baker picked up the check as often as any of the others of the group.

When asked further concerning Elli Rometsch, Carole Tyler, and the alleged "parties," Mr. Aguirre declined to discuss the matter further, stating, "if I'm asked by the Committee about this, I will deny it even if they have photographs. My wife is expecting a denial and she will get it. I'll take the First through the Twenty-eighth."

Mr. Aguirre said he thought he knew Bobby Baker pretty well but that he never knew Baker had any interest in MGIC or the Serv-U Corporation. He claimed Baker had never used his influence to help him. However, he advised that a Fred Epstein (one of the builders for the James T. Barnes & Co.) owned a one and one-half acre plot of property in a slum area of San Juan and wanted to erect a multiple dwelling (slum clearance project) on this piece of property. Mr. Aguirre said he went with Mr. Epstein to the local FHA office for a "220 Loan" (slum clearance). Then a proposed highway was supposed to go through this area. As a result of this highway development, Mr. Aguirre said they went back to FHA to get a "207 Loan," which is a loan for a higher grade development. However, FHA maintained it was still a slum area, according to Mr. Aguirre, and refused to approve the loan application. Then they took up the matter with FHA Director Wendell Edwards who okayed the application subject to the approval of Mr. Verne Anderson, Chief Underwriter for FHA. Mr. Aguirre said Anderson declined to approve the loan application so they asked his permission

to go to Washington with pictures and exhibits. When they arrived in Washington, they went to Baker's office. Baker called FHA and made an appointment for Aguirre and Epstein to see Frank Daniels and Robert Jones in the FHA offices in Washington. Mr. Aguirre said the FHA officials in Washington declined to approve the loan application stating the decision on the application was in the hands of the local underwriter in San Juan and they would not overrule him.

Mr. Aguirre advised that the James T. Barnes Co. and the James T. Barnes of Puerto Rico, Inc., are authorized mortgagees of FHA in Puerto Rico and that these two companies handled 25% to 50% of the FHA loans in Puerto Rico, but he claimed they had never received any assistance from Baker in their business operations.

Mr. Aguirre advised that he was the vice president and treasurer of the Enterprise Hotel Corporation, Inc., which owns the new Puerto Rico Sheraton Hotel. He said contrary to the newspaper reports, Baker did not own any interest in the Sheraton. Mr. Aguirre said as a matter of fact Baker usually stayed at the Caribe Hilton when he was in San Juan. He mentioned that when Baker with his wife, Dorothy Baker, spent a few days in San Juan around February 1963, they stayed at the Dorado Beach.

Mr. Aguirre said he only met Scott Peek once and that was when he was walking through the Capitol Building. He thought it was either Baker or Warren Neil who introduced Peek to him.

When asked concerning his acquaintance with Eugene Hancock, Mr. Aguirre advised that he had met Mr. Hancock once, that was when he was introduced to Hancock in Baker's office. When questioned about the following individuals, Mr. Aguirre stated he was not acquainted with nor had he met any of them:

Edward Levinson
Jack Cooper
Clifford Jones

Jacob Kozloff
Ben Sigelbaum
Edward Torres

When asked about Jose Benitez, Mr. Aguirre said he knew him well but was not knowledgeable of any of Benitez' dealings with Baker except what he had read in the newspaper articles about him in connection with the Baker hearings. Mr. Aguirre said Benitez was popularly known as "Chinchi" (bedbug). He described Benitez as being the town jester who was always involved in everything.

Mr. Aguirre said he would appear voluntarily as a witness before the committee provided he would be served with a subpoena upon arrival in order to enable him to be reimbursed for the expenses of his trip.

(The document referred to is as follows:)

EXHIBIT 60

B. EVERETT JORDAN, N.C., CHA
 CARL HAYDEN, ARIZ. CARL T. CURR
 HOWARD W. CANNON, NEV. JOHN SHERMAN COOPER, KY.
 CLAIBORNE PELL, R.I. HUGH SCOTT, PA.
 JOSEPH S. CLARK, PA.
 ROBERT C. BYRD, W. VA.

GORDON F. HARRISON, STAFF DIRECTOR
 HUGH G. ALEXANDER, CHIEF COUNSEL

United States Senate

COMMITTEE ON RULES AND ADMINISTRATION

March 10, 1964

Mem. 75

Copy to 725-1616

✓ MEMORANDUM

To: Major L. P. McLendon
 General Counsel

From: Samuel J. Scott *Sam Scott*

Subject: Interview with Paul F. Aguirre, Executive Vice
 President of James T. Barnes & Co., San Juan,
 Puerto Rico

On February 26, 1964, I interviewed Mr. Paul F. Aguirre, *
 Executive Vice President of the James T. Barnes & Company of Puerto
 Rico, Inc., in his office in Room 233 of the Garcia Commercial
 Building, Todd Street 800, Santurce, Puerto Rico. (Office phone:
 784-6490) Residence phone: XXXXXXXX ✓

✓ Mr. Aguirre thinks he first met Robert G. Baker in Baker's
 office in the Capitol Building, Washington, D. C., approximately
 three or four years ago when he was introduced to Baker by Warren
 Neil at that time. At first Mr. Aguirre stated that he had never
 had any business deals with Baker but just knew Baker socially. How-
 ever, subsequently in the course of the interview, Mr. Aguirre did
 state that he had had business discussions with Baker concerning the
 organization of the Pasentic Corporation, which was a company to be
 organized for the purpose of operating Trailer Parks. Mr. Aguirre
 said originally the plan was to have ten members in the Pasentic
 Corporation. From memory, he named the following:

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- Francis (Doc) Lee, Washington, D. C.
- Tom Cobb, Washington, D. C.
- Ed Bostick, Melpar, Washington, D. C.
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Mr. Aguirre said he would appear voluntarily as a witness before the Committee provided he would be served with a subpoena upon arrival in order to enable him to be reimbursed for the expenses of his trip.

Mr. McLendon. Did you subsequently interview him, Mr. Scott?

Mr. Scott. Yes, sir.

Mr. McLendon. Recently?

Mr. Scott. Yes, sir.

Mr. McLendon. Do you have a copy of that interview with you?

Mr. Scott. I do not have a copy of the interview, Major. That was taken during the course of this hearing this week. I have some investigative notes, but I can quote or relate to you the substance of that interview.

Mr. McLendon. Will you tell the committee the substance of what he said to you at that time? When was it, by the way?

Mr. Scott. It was at 4 p.m., December 2.

Mr. McLendon. Go ahead.

Mr. Scott. Pursuant to your request, I called Mr. Myron Ehrlich, the attorney, and asked if he could have Mr. Aguirre available for further questioning, which he agreed to do, and by arrangement they came to my office here in room 312 in the Old Senate Office Building at 4 p.m. on Wednesday, December 2, 1964, at which time Mr. Ehrlich introduced himself and advised that he was the attorney, and wanted to sit in on the interview, which I told him was perfectly all right. The substance of the interview was to obtain additional information concerning Mr. Aguirre's business activities or arrangements with Mr. Baker relative to a \$60,000 loan which had been reported that he had made in the spring of 1964 to Mr. Baker in connection with Mr. Baker redeeming some stock that he had placed as a collateral in the bank in Oklahoma. Mr. Aguirre said this was true, and he had with him the original check of \$60,000 which he wrote to Mr. Baker, of which a copy was made and has been introduced into the record. Also a copy—he had with him the original of the note that Mr. Baker gave him as evidence of the loan, a copy of which has been made and placed in the record.

Mr. McLendon. How about the check for payment of interest?

Mr. Scott. In addition, he had a photostatic copy of a check which he said was for \$1,950 in payment of interest to date. It was an interest payment on this loan, and he mentioned that this was for \$150 in excess of the actual amount of the interest, and he had called it to Mr. Baker's attention, I believe. They had agreed that this excess of \$150 was to be applied to the next interest payment.

Mr. McLendon. Did he make any explanation of why he made this loan to Baker?

Mr. Scott. He had received a call from Mr. Baker saying that the bank in Oklahoma had instituted foreclosure "proceedings," I believe is the word or the phrase that he used, and that it was necessary for him to obtain some money to redeem this; that he had made efforts to get a loan other places and had been unable to do so, and he was asking Mr. Aguirre if he would be willing to lend him \$60,000. Mr. Aguirre said that he did make the \$60,000 loan.

Mr. McLendon. Do you recall whether he identified the stock that Baker was purchasing or redeeming?

Mr. Scott. I have it in my investigative notes in the desk here, Major, but to the best of my memory I believe it was MGIC stock.

Mr. McLendon. Rather than Serv-U stock?

Mr. SCOTT. I am not sure. This refreshes my memory. I recall now, without looking at the notes, that it was the Serv-U stock that I believe he, Mr. Baker, and Fred Black had pledged as collateral, and Mr. Baker was desiring to redeem this.

Mr. McLENDON. You heard Mr. Tucker testify yesterday that it was Serv-U stock that was redeemed?

Mr. SCOTT. Yes, sir.

Mr. McLENDON. Is that the substance of what he said in this interview?

Mr. SCOTT. Yes, sir.

Mr. McLENDON. That is all.

Senator PELL. Thank you, Mr. Scott.

Mr. McLENDON. Is Mr. Weiner in the room, and his counsel? Mr. Bromley; Mr. Hauff—Milton Hauff.

Senator PELL. Could you come forward please, Mr. Hauff? You have heard the statement read to other witnesses about your rights?

Mr. HAUFF. I have, sir.

Senator PELL. You have not been sworn under the new resolution. Would you stand and put your left hand on the Bible and raise your right hand? Do you swear that the statements you are about to make are true, so help you God?

Mr. HAUFF. I do.

Mr. McLENDON. Give your name and address to the reporter.

TESTIMONY OF MILTON L. HAUFF

Mr. HAUFF. My name is Milton L. Hauff, 3801 Archer Place, Kensington, Md.

Mr. McLENDON. Mr. Hauff, you have testified on two previous occasions before this committee, have you not?

Mr. HAUFF. I have, sir.

Mr. McLENDON. I believe you testified that you were employed by Don Reynolds Associates to prepare that corporation's income tax returns?

Mr. HAUFF. That is correct, sir.

Mr. McLENDON. For the period of the fall of 1960, when would the return be filed?

Mr. HAUFF. That would be filed at the end of the fiscal year which would be ending June 23, 1961, sir.

Mr. McLENDON. What was the fiscal year of the corporation at that time?

Mr. HAUFF. June 23—June 22 of the subsequent year, sir.

Mr. McLENDON. And at the time you prepared the return, did you prepare the return for the corporation for that fiscal year?

Mr. HAUFF. I did, sir.

Mr. McLENDON. At the time you prepared the return, did you have in your possession books, records, and data from which you could compute the income of Don Reynolds Associates, Inc.?

Mr. HAUFF. Those books which were available; yes, sir.

Mr. McLENDON. And did you have similar records from which you could compute the expenses?

Mr. HAUFF. Yes, sir.

Mr. McLENDON. Were there any records relating either to income or expenses that you knew about but did not have possession of?

Mr. HAUFT. No, sir.

Mr. McLENDON. As far as you know, you had them all.

Mr. HAUFT. To the best of my knowledge; yes, sir.

Mr. McLENDON. According to your recent interview, you stated that after September 1964 you were visited by Internal Revenue Service agents in connection with the Reynolds Associates tax return; is that correct?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. And you communicated with Reynolds thereafter?

Mr. HAUFT. I first communicated with Mr. Reynolds—I was unable to communicate with Mr. Reynolds directly. I didn't know where he was, sir. So I made communications first with his attorney, Mr. FitzGerald.

Mr. McLENDON. Did you later communicate with Reynolds?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. And were you instructed by Reynolds at that time to destroy all tax records in your possession relating to his income and expenses for the fiscal year ending in July 1961?

Mr. HAUFT. Yes, sir. This was premised first upon a question on my part, sir, advising him that the internal revenue agents were there, that I had certain records. I wanted to know—these being his records, I asked his authority as to what disposition should be made of them, sir.

Mr. McLENDON. What did he say?

Mr. HAUFT. Mr. Reynolds' indication was on those returns on which the statute of limitations had tolled, and inasmuch as the Internal Revenue Service had already had possession of these records for some time before returning them once before, that he saw no reason that I should retain them. I asked if he wanted them. He said "No." And in view of this, he said also he saw no reason they should not be thrown away.

Mr. McLENDON. So you did destroy them?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. And that was after you had been interviewed by the IRS with respect to them?

Mr. HAUFT. Only—yes; yes, sir, based on the interview.

Mr. McLENDON. Had you been interviewed prior to that time by anyone representing this committee?

Mr. HAUFT. Prior to that time? No, sir.

Mr. McLENDON. So, when Mr. Hugler came to see you about these records, they were not available. These records which you destroyed were not available then?

Mr. HAUFT. That is correct, sir.

Mr. McLENDON. Did you send some records to Mr. Reynolds by parcel post?

Mr. HAUFT. I sent some through the parcel post; yes, sir.

Mr. McLENDON. The subpoena directed you to produce and have with you at this hearing any proof of that, such as a post office receipt or anything.

Mr. HAUFT. Well, I had no post office receipt, sir. It was an uninsured parcel and went through the regular mails; there is no receipt, only an indication of payment as applied to the stamp affixed to the material.

Mr. McLENDON. Now were these records that you mailed to Reynolds selected; were they selected by you or by Reynolds?

Mr. HAFT. They were records indicating to me that Mr. Reynolds wanted to review pertaining to the years in question, and these were records indicating income from various insurance companies he represented so that he could verify them against statements which the insurance companies were going to present him.

Mr. McLENDON. Did he select them?

Mr. HAFT. No, sir; based on his request these are the materials I selected from those papers I had and mailed to him.

Mr. McLENDON. What became of them then, if you know?

Mr. HAFT. I have no idea, sir.

Mr. McLENDON. Did he ever return them to you?

Mr. HAFT. No, sir.

Mr. McLENDON. I believe at the same time you advised our investigator that you had returned some old books, like an old ledger for 1955, which had no relation to the income tax returns, did you not?

Mr. HAFT. That is right, sir.

Mr. McLENDON. Did you get any sort of receipt from Mr. Reynolds for that parcel post package?

Mr. HAFT. I did not, sir.

Mr. McLENDON. Did he acknowledge that he had received it in conversation with you?

Mr. HAFT. I think he did, sir.

Mr. McLENDON. Are you sure about that?

Mr. HAFT. I am fairly sure he did.

Mr. McLENDON. Did he ask that any other records be returned to him?

Mr. HAFT. No, sir.

Mr. McLENDON. How about the tax returns themselves, the retained copies of the tax returns?

Mr. HAFT. The retained copies I had which were my working copies for the year in question, which was those years on which the statute of limitations had tolled, were part of the records that I threw away, sir.

Mr. McLENDON. Let me see if I understand that. At that time you had in your possession as part of your working papers as auditor a copy of the tax return as filed?

Mr. HAFT. Yes, sir.

Mr. McLENDON. And when you had this conversation with Mr. Reynolds, you destroyed—you returned those returns to him or destroyed them?

Mr. HAFT. I threw those returns away, sir.

Mr. McLENDON. You destroyed them?

Mr. HAFT. Yes, sir.

Mr. McLENDON. And that was notwithstanding that it was part of your work papers?

Mr. HAFT. That is right, sir. I had no further use for them because the statute of limitations had tolled. Internal Revenue had had possession of all of this material for some time, and had initially returned—and then returned it.

Mr. McLENDON. Wasn't that after Mr. Hugler, representing this committee, had talked with you about these records and expressed the interest of the committee in it?

Mr. HAUFT. No, sir; this was before that.

Mr. McLENDON. Are you sure of that?

Mr. HAUFT. Yes, sir.

Mr. McLENDON. Do you have any independent recollection of two checks from Mr. John L. McMillan to Don Reynolds in that year, that tax year, 1961?

Mr. HAUFT. No, sir; I have no record of it.

Mr. McLENDON. You have no independent recollection of that?

Mr. HAUFT. No, sir.

Mr. McLENDON. Do you have any recollection of a check for \$5,000 from Roberts Associates or Myron Weiner?

Mr. HAUFT. No, sir.

Mr. McLENDON. Had you heard of it in any way?

Mr. HAUFT. No, sir.

Mr. McLENDON. So far as you can recollect now, there was no income reported during that period as having been received from Weiner?

Mr. HAUFT. I have no way of knowing whether there was income from Weiner, sir.

Mr. McLENDON. Well, I am basing my question on the fact that you did have as part of your work papers records, data, memorandums, some from books and some, I assume, that Mr. Reynolds gave you, as most taxpayers do?

Mr. HAUFT. Maybe I can qualify this to some extent, sir. The materials I usually procured from Mr. Reynolds were canceled checks indicating disbursement. Other materials consisted of statements from insurance corporations indicating his net commissions on policies sold or, in addition to that, to those computations, that is to arrive at income, any other statement relative to income Mr. Reynolds would give me.

Mr. McLENDON. Can you—

Mr. HAUFT. I am sorry, sir.

Mr. McLENDON. Did I interrupt you?

Mr. HAUFT. Primarily, the main interest I had was in canceled checks indicating disbursements. I was—the taxpayer or in this case Mr. Reynolds himself would indicate to me primarily the total income he had received for the year, that is for the corporation.

Mr. McLENDON. Do you have any recollection as to whether Mr. Reynolds furnished you as a part of the working papers from which you prepared this tax return for this fiscal year any statements or data of any sort showing the amount of commissions collected by him on a performance bond for McCloskey & Co. in connection with the construction of the stadium?

Mr. HAUFT. I have no personal knowledge of this, sir, or any knowledge whatsoever of this. In the one particular year, and I think this is the fiscal year ending June of 1962, I do recall Mr. Reynolds giving me a figure in addition to the computed income of \$10,000 to be included with the other income.

Mr. McLENDON. But that was in the following year, 1962?

Mr. HAUFT. It was either in the year—sir, he was on a fiscal year basis so this would have been earnings from June 24, 1961, through June 23, 1962.

Mr. McLENDON. Yes; did he identify the source of the \$10,000 you are talking about?

Mr. HAFT. No, sir.

Mr. McLENDON. Do you have any independent memory of additional income in connection with the stadium, a second \$10,000 or approximately?

Mr. HAFT. No, sir; I had no particular information on that, sir. In fact, I have no—

Mr. McLENDON. You can't recall it?

Mr. HAFT. I have no knowledge of it.

Mr. McLENDON. You have no knowledge of it. Did you have knowledge of it at the time you prepared the returns for those 2 years?

Mr. HAFT. I have no knowledge of any income from a specific person, sir. Only that knowledge given me by Mr. Reynolds saying "Include or increase the net commissions earned from various sources by \$10,000."

Mr. McLENDON. Was that the largest item that you can recall that he gave you showing income?

Mr. HAFT. Yes, sir.

Mr. McLENDON. And you have no recollection of a second item of approximately the same amount?

Mr. HAFT. No, sir.

Mr. McLENDON. In either year?

Mr. HAFT. In either year.

Mr. McLENDON. Did you personally make any examination of any bank accounts of Mr. Reynolds—I am talking about Reynolds Associates when I say Mr. Reynolds in this connection—did you personally examine any of the bank accounts of that corporation?

Mr. HAFT. No, sir.

Mr. McLENDON. Ever at any time?

Mr. HAFT. No, sir.

Mr. McLENDON. And you have no knowledge, based upon the records, as to how the item of \$109,000 was handled in the bank?

Mr. HAFT. I have no knowledge, sir.

Mr. McLENDON. Nor do you have any knowledge of how it was disbursed?

Mr. HAFT. No, sir.

Mr. McLENDON. In connection with the preparation of the corporation's tax returns, did you have access to the original books, and by original books I mean books of account?

Mr. HAFT. No, sir.

Mr. McLENDON. Where the income and expenses would be recorded?

Mr. HAFT. No, sir. When you say—let me qualify that, sir; when you say the books we referred to for expenses would not be books as such, sir, merely canceled checks.

Mr. McLENDON. There were no books actually kept on the premises?

Mr. HAFT. No, sir.

Mr. McLENDON. How about on income; were there any books kept on income?

Mr. HAFT. No, sir; none at all.

Mr. McLENDON. None at all. So you had to rely on memorandum or word of mouth from him?

Mr. HAFT. That is correct.

Mr. McLENDON. I believe you previously testified—and if I am in error about this you correct me—that the item of \$4,000 paid by Reynolds Associates to Robert G. Baker in connection with the writing of

the bond, performance bond on the District of Columbia Stadium, was not used as a deductible expense in his return?

Mr. HAFT. I will qualify that, sir; you say the \$4,000 paid to him relative to the performance bond. I had no reason to know why he paid him \$4,000. I don't think I testified it was in connection with a performance bond.

Mr. McLENDON. I think you are probably correct on that. The check is dated October 15, 1960, and from Reynolds Associates to Robert G. Baker, and it was introduced in evidence before the committee on January 9, 1964. Am I correct in stating that you testified that that item was not used as a deductible expense?

Mr. HAFT. Yes, sir, as I was advised this was a loan which was supported by a note, sir. It would have been an account receivable as far as Mr. Reynolds was concerned and Mr. Reynolds was on a cash basis so a receivable would not be considered in the preparation of the return.

Mr. McLENDON. Exactly. And I believe you testified that you went to Ernest Tucker's office and you saw this note there.

Mr. HAFT. That is correct, sir.

Mr. McLENDON. And the note for the \$4,000 from Baker?

Mr. HAFT. Right, sir.

Mr. McLENDON. And at that time in the fall of 1963, after this matter had received some publicity, a new note was executed by Baker to Reynolds?

Mr. HAFT. That is correct, sir.

Mr. McLENDON. Including the \$4,000 and certain other items?

Mr. HAFT. Yes, sir.

Mr. McLENDON. Was any explanation made to you why that was done?

Mr. HAFT. Only to update the note, sir, and bring the accrued interest up to date and I was only there as a witness to this fact, sir.

Mr. McLENDON. And you gave it as your opinion as a tax expert or auditor that since he held a note for the \$4,000 he couldn't deduct it as an expense?

Mr. HAFT. That is correct, sir.

Mr. McLENDON. Now, what treatment was given to the two checks given by Reynolds Associates to McLeod—William N. McLeod? Do you remember those?

Mr. HAFT. Yes, sir; there were two checks, one I think in the amount of \$1,000 and one in the amount of \$500. They were identified to me as legal fees and were deducted as such.

Mr. McLENDON. I believe they were given in different years. One check was in one year and the other the following year. Do you remember that?

Mr. HAFT. I am not sure, sir, whether they were both in the same year or in 2 different fiscal years.

Mr. McLENDON. Let's be sure about that. I think I am right. The first check is January 4, 1961.

Mr. HAFT. Right, sir.

Mr. McLENDON. So that would go in the 1961 fiscal year return.

Mr. HAFT. Right, sir; fiscal year ending June 1962, sir.

Mr. McLENDON. Yes; June 1962.

Mr. HAFT. Yes, sir.

Mr. McLENDON. And the second check was dated July 24, 1961, for \$500, and that would go in the—

Mr. HAUFT. 1962 year, fiscal year 1962, ending June 1963. Or that is where they should have gone, sir.

Mr. McLENDON. Well, it is 1 day after the end of your fiscal year, I notice. It is dated July 24, and your fiscal year ended on July 23, didn't it?

Mr. HAUFT. I think so, sir. It is pretty—

Mr. McLENDON. June, Mr. Hugler says; June 23.

Mr. HAUFT. June 23.

Mr. McLENDON. So this check on July 24, 1961, necessarily would fall in the year beginning June 23.

Mr. HAUFT. That is right, sir.

Mr. McLENDON. And the other one would fall in the year ending June 23, 1961.

Mr. HAUFT. Right, sir.

Mr. McLENDON. You think both of those checks were deducted as expenses in the tax return?

Mr. HAUFT. To the best of my knowledge, sir, I handled them both as legal fees; yes, sir.

Mr. McLENDON. Mr. Haft, at any time, while you were preparing these returns and conferring with your client in connection with them, did Mr. Reynolds make any statement to you in connection with the premiums that he had earned or money he had earned from the sale of or acting as broker for the performance bonds on the stadium?

Mr. HAUFT. No, sir; I have no knowledge of it.

Mr. McLENDON. No knowledge of it at any time?

Mr. HAUFT. No, sir.

Mr. McLENDON. Mr. Hugler reminded me that you referred to the fact that the IRS had some of these documents in their possession. I ask you if that wasn't at a time before the disclosure was made by Reynolds that he had collected approximately \$35,000 or \$36,000 more than the true amount due on the bill for the performance bond?

Mr. HAUFT. I don't know when he made that disclosure, sir; I think this goes back to the original—when the original case first started.

Mr. McLENDON. That is right.

Mr. HAUFT. Mr. Reynolds was visited by a Mr. Rosetti of the Internal Revenue Service and, at that time, I was requested to turn over all documents in my possession. I did this, sir, and this was everything I had. At a later date—I think some 6 weeks later—these materials were all returned to me after Internal Revenue had had them. This included that material which was later thrown away after the statute of limitations had tolled. Subsequent to that, Internal Revenue again called for these same papers.

Mr. McLENDON. Let me interrupt you. That was after the disclosure about the \$109,000 check; wasn't it?

Mr. HAUFT. I think so, sir.

Mr. McLENDON. In the meantime, you had destroyed all the records. Let me qualify that. I don't mean to ask you more than the facts are. In the meantime, you had destroyed the records relating to the income and expenses for that year?

Mr. HAUFT. Well, this was premised on the advice of Mr. Reynolds and only for those records ending July—June 1961.

Mr. McLENDON. I understand.

Mr. HAFT. Where the statute of limitations had tolled.

Mr. McLENDON. And when the revenue people came back a second time they wanted the records for that year, did they not?

Mr. HAFT. They wanted all of the records I had in my possession, sir. I had no authority to give them to them. I made the check at this point; this is when I referred to Mr. FitzGerald, who informed me that I should give them nothing without Mr. Reynolds' permission.

Mr. McLENDON. Let's get that straight. You were subpoenaed, were you, by the Internal Revenue?

Mr. HAFT. Not at that time, sir. They had come out and I had told them what material I had.

Mr. McLENDON. And they told you they would subpoena you, did they not?

Mr. HAFT. They didn't mention subpoena at that time, sir.

Mr. McLENDON. Why did you consult Mr. Reynolds' counsel?

Mr. HAFT. Because I was Mr. Reynolds' accountant, sir, and I didn't know what to do with them. I had to have someone's advice who was in a little higher authority than I was.

Mr. McLENDON. Anyway, whatever the motive was, you were told by Mr. Reynolds and his counsel not to give them the records?

Mr. HAFT. Right, sir.

Mr. McLENDON. And you refused to give them to them?

Mr. HAFT. That is right, sir.

Mr. McLENDON. Following that, a subpoena was issued for them?

Mr. HAFT. About 10—12 days later, sir.

Mr. McLENDON. And then you turned over such records as you had?

Mr. HAFT. Right, sir.

Mr. McLENDON. And only such as you had, because you had disposed of some?

Mr. HAFT. Right. I retained all records for all years which were still open on the statute of limitations.

Mr. McLENDON. But not barred by the 3-year statute?

Mr. HAFT. That is right.

Mr. McLENDON. OK.

Senator PELL. Mr. Haft, when you stated you threw away or destroyed the records or the—or rather counsel stated you destroyed them and you said you threw them away, I recollect, which did you do?

Mr. HAFT. I threw them away, sir; I just threw them in the trash with all the other trash I had.

Senator PELL. Right. Am I correct in saying when it comes to fraud the statute of limitations goes more than 3 years; isn't that correct?

Mr. HAFT. If there is an indication of fraud, sir. At this point Internal Revenue had already had these records and it was my understanding from Mr. FitzGerald that Internal Revenue in exchange of an affidavit from Mr. Reynolds had reviewed these returns and said they had found no discrepancies and that there was nothing wrong with them.

Senator PELL. This was your understanding, but not your knowledge.

Mr. HAFT. If I recall, sir, I was present at a meeting where Mr. Rosetti gave this statement to Mr. FitzGerald, that these returns had

been reviewed and Internal Revenue was satisfied with them and at that time they stated, or my understanding was, that they would present an affidavit to this effect.

Senator PELL. Mr. Rosetti being the Internal Revenue Service?

Mr. HAFT. Yes, sir.

Senator PELL. Did you know at that time there was a criminal investigation underway or not? That Mr. Reynolds was being investigated by various organs of the Government?

Mr. HAFT. Yes, sir.

Senator PELL. In connection with the \$1,500 that Mr. McLeod states he treated as a gift, do you recall if this was treated by Mr. Reynolds as a gift?

Mr. HAFT. No, sir. We treated it as a legal expense and deducted it as such, sir.

Senator PELL. As a legal expense. I was fascinated with Mr. Reynolds' practice, or the practice he stated he had, of overpaying his income tax and understating his expenses. Was this, to your knowledge, his practice?

Mr. HAFT. Well, let's qualify that a little bit, sir. Some of the deductions taken by Mr. Reynolds or itemized by Mr. Reynolds I disputed, and would not permit as a tax deduction rather than have questions raised relative to them. So we would deliberately delete these, although they were legal, legitimate expenses; this, in effect, is understating exempt deductions and overstating on income; yes, sir.

Senator PELL. But, to your knowledge, did he ever overstate income, too, or not?

Mr. HAFT. It is entirely possible that the figure he gave me could have been an overstatement of income; yes, sir.

Senator PELL. Another question, going back to your preparation of Mr. Baker's returns. If my recollection is correct, the signatures on the returns, the personal returns, of Mr. Baker that we have discussed in this committee which bore your name were not in fact your signature, were your forged name. Is that correct?

Mr. HAFT. That is correct, sir.

Senator PELL. Do you have any thought as to why a man would forge your name and, as I understand it, make a net gain of about \$15?

Mr. HAFT. I think as I testified earlier, sir, it could only have been, and I think it was possibly, only a matter of convenience on Mr. Baker's part. Rather than call me, the amount of the change being nominal, rather than bothering me, he just signed my name to the return. I can think of no other reason, sir.

Senator PELL. I can't, either; a very strange thing to do.

Mr. HAFT. I don't think my name is that important, either, sir.

Senator PELL. Thank you. Senator Cooper?

Senator COOPER. You are aware of the testimony given that on October 17, 1960, McCloskey & Co. paid by check to Don Reynolds Associates \$109,205.60.

Mr. HAFT. I have heard this, sir.

Senator COOPER. Later, on November 4, 1960, Reynolds—Don B. Reynolds Associates—paid by check \$63,599.72 to Hutchinson, Rivinus & Co.

Mr. HAFT. I have heard this, sir.

Senator COOPER. What year would Mr. Reynolds have been required to account for these transactions?

Mr. HAFT. What are the dates, sir, of the transactions?

Senator COOPER. The first check is October 17, 1960. The second, November 4, 1960.

Mr. HAFT. They would both have been reflected in the corporate return ending June 23, 1961, sir.

Senator COOPER. Did you prepare his income tax return for that fiscal year?

Mr. HAFT. We are still talking of corporate returns, sir?

Senator COOPER. What?

Mr. HAFT. Yes, sir.

Senator COOPER. Do you have any independent recollection concerning the accounting for these two checks?

Mr. HAFT. No, sir. I don't have.

Senator COOPER. \$109,205.60 is a pretty big check.

Mr. HAFT. I have never seen that check, sir, other than as published.

Senator COOPER. Then you haven't seen it?

Mr. HAFT. No, sir.

Senator COOPER. According to your recollection, did Mr. Reynolds account for any income received by him as commissions for insurance written for McCloskey & Co. on a performance bond or general liability insurance?

Mr. HAFT. I had no personal or particular knowledge of that, sir. The only thing, as I stated earlier, Mr. Reynolds did inform me in that particular year that I had developed the income from the other insurance companies he represented as a direct agent, I then was told to increase this figure by an amount of \$10,000. The source or where this \$10,000 came from I didn't ask questions about it, sir. When a man is increasing his income I am not going to question it in preparing a return.

Senator COOPER. He didn't indicate that it was a commission for a performance bond?

Mr. HAFT. I had no knowledge upon what it was, sir.

Senator COOPER. On that same return I think you said that he did account for \$1,500 paid to McLeod.

Mr. HAFT. As I said, sir, this \$1,500 may have gone into 2 separate years, a thousand as a legal expense in one year and 500 as another. I am not sure of that, sir.

Senator COOPER. He never claimed a deduction of \$4,000 he paid Baker?

Mr. HAFT. That was represented by a note, sir, so there would be no deduction.

Senator COOPER. Mr. McLendon asked you a while ago about a meeting held in Tucker's office—I think after this investigation started—when a renewal note was prepared for \$4,000.

Mr. HAFT. I don't think it was after the investigation started.

Senator COOPER. It was December 1963. I think you have stated that you met in Baker's office and a renewal of the note was prepared.

Mr. HAFT. No; I think there are two things involved there, sir. On one occasion, I think it was back in March of 1963, I witnessed the renewal of some notes. In December of 1963, after the investigation started I think I testified that Mr. Baker called me at my office

and brought me an envelope containing updated notes. These were two separate occasions involved here, sir.

Senator COOPER. All right. The last occasion was after the investigation started, and concerned a renewal note or a note increased by the amount of interest due?

Mr. HAFT. I think these notes, as Mr. Baker reflected them to me were—are updating the notes that Mr. Reynolds has. I didn't even look through them. It was merely an envelope given to me to transmit to Mr. Reynolds.

Senator COOPER. Was it your purpose to accept it and to deliver it on behalf of Mr. Reynolds?

Mr. HAFT. Mr. Baker called me to handle it in this manner; yes, sir.

Senator COOPER. I want to get this clear. After the investigation started Mr. Baker did bring you a note which had been updated, and increased by the amount of interest due?

Mr. HAFT. That is correct, sir.

Senator COOPER. You said that Mr. Reynolds never claimed that this represented an actual debt to him, I think.

Mr. HAFT. I didn't say that, sir. Mr. Reynolds said that.

Senator COOPER. He said it?

Mr. HAFT. I can only give my opinion.

Senator COOPER. Did Mr. Baker make any statement as to whether this note was actually due Reynolds?

Mr. HAFT. No, sir. Mr. Baker called me and said, "I am bringing you an envelope updating the notes due Mr. Reynolds."

Senator COOPER. He never made a statement to you as to whether or not he actually owed the note?

Mr. HAFT. He owed the note, sir?

Senator COOPER. Yes.

Mr. HAFT. The only indication I had on that, sir, was Mr. Reynolds' advice that he had given Mr. Baker this money, that these notes were due and that he had—these were legitimate notes.

Senator COOPER. You said at one point that the records of Mr. Reynolds were turned over to IRS?

Mr. HAFT. On two different occasions, sir.

Senator COOPER. Did Mr. Reynolds consent that they be turned over to the IRS?

Mr. HAFT. Yes, sir.

Senator COOPER. There was no effort on his part to withhold them?

Mr. HAFT. No, sir; his advice to me was to give everything I had, sir.

Senator COOPER. It was after they were returned from IRS that certain records were withdrawn or thrown away?

Mr. HAFT. Yes, sir. After they had been returned by the Internal Revenue Service.

Senator COOPER. Do you remember anything about those particular records that were thrown away?

Mr. HAFT. They were just work papers, copies, income statements from various insurance companies, canceled checks supporting deductions and that material which was reflected or had to be reflected as income and expenses in these particular corporate returns.

Senator COOPER. Has any question been raised about the destruction of these records by the IRS?

Mr. HAFT. Not as yet, sir.

Senator COOPER. That is all.

Mr. McLENDON. Mr. Haft, the law requires the taxpayer to report the income in the year in which he received it, does it not?

Mr. HAFT. Yes, sir.

Mr. McLENDON. He can't receive income in one year and report part of it and then postpone some of the rest of it the next year without violating the law, can he?

Mr. HAFT. It should be—my understanding and from what I have learned, income earned is reportable in the year in which earned.

Mr. McLENDON. Because if he is permitted to distribute it over a period of years he could thereby reduce his tax liability, could he not?

Mr. HAFT. Yes, sir.

Mr. McLENDON. That is all, sir.

Senator PELL. No further questions. Thank you very much.

Mr. McLENDON. Mr. Weiner. Isn't he in the audience? His counsel? We are calling Mr. Weiner, Mr. Donohue.

Mr. DONOHUE. Major, I called him just as I left the courthouse and I am sure he is on his way here by taxicab.

Mr. McLENDON. I thought I saw him out there in the audience.

Mr. DONOHUE. He is on his way here by cab.

Senator PELL. Is Mr. Bromley in the audience? Is his attorney in the audience? The committee is compelled to take a recess until the appearance of Mr. Weiner or Mr. Bromley.

(Short recess.)

Senator PELL. The committee will resume its session. We welcome Mr. Weiner and his counsel. Mr. Weiner has already been sworn and there is no necessity for swearing him again. Carry on.

Mr. McLENDON. Mr. Weiner, the file that you left with us on yesterday has been examined and I want to ask you a few questions about some documents we found in it. I find in the file a list of "checks received from the following and deposited April 2, 1962." That would be within 1 year after you gave Baker the \$5,000 check, would it not?

TESTIMONY OF MYRON WEINER, ACCOMPANIED BY F. JOSEPH DONOHUE, ATTORNEY

Mr. WEINER. Sir, I do not know the document you are referring to.

Mr. McLENDON. I am sorry.

Mr. WEINER. Yes, sir.

Mr. McLENDON. You gave Baker the check in the fall of 1961, you testified.

Mr. WEINER. Yes, sir.

Mr. McLENDON. And it was for a retainer for the following year—12-month period beginning at the time you delivered the check?

Mr. WEINER. Sir, I am sorry.

Mr. McLENDON. The check was for a retainer, according to your testimony, for services to be rendered during the year following the date of the check.

Mr. WEINER. That is correct, sir.

Mr. McLENDON. And this list of clients, apparently a list of clients, shows payments during that year to you.

Mr. WEINER. Yes, sir.

Mr. McLendon. The total on that sheet is \$9,500, is it not?

Mr. Weiner. Yes, sir.

Mr. McLendon. Can you tell the committee what the nature of the business of each one of those was during that year?

Mr. Weiner. Yes, sir; these are all people in the freight forwarding business. Once again, as Mr. Barr testified yesterday, many of these people I do not know. The committee handled the fees and they were turned over to me for the fees I was to receive for work that I was doing for the industry, sir.

Mr. McLendon. Did you—excuse me; go ahead.

Mr. Weiner. And they requested that since the committee was ad hoc—an ad hoc committee that had employed me—that we send, where possible, receipts to the individual firms who had contributed to the fees, many of whom I had never met, receipts for the funds.

Mr. McLendon. Why is that dated 1962?

Mr. Weiner. I cannot explain that, sir. I am trying to recollect. I do not wish to make any statements that I am not sure of the absolute truth.

Mr. McLendon. Are those items listed on that sheet which came out of your file, are they items of money paid to you?

Mr. Weiner. Yes, sir.

Mr. McLendon. And the date; all of those were paid within the calendar year 1962?

Mr. Weiner. I assume from reading this that they did. I am not trying to evade the answer.

Mr. McLendon. I understand that.

Mr. Weiner. I just don't recall exactly.

Mr. McLendon. I am just trying to get your explanation, Mr. Weiner.

Mr. Weiner. Well, needless to say, Major, I am only attempting to tell you exactly what I recall. The legend says deposited April 2, 1962, so I have to assume it was. Until I check the books and records I would not be able to—

Mr. McLendon. What is your explanation of the fact that the legislation was all passed and your clients had won a great victory and went home happy and then the very next year you collected \$9,500 from a group of these people who were in the same business?

Mr. Weiner. Sir, they have had a continuing problem, not affecting legislation, but rules.

Mr. McLendon. Rules?

Mr. Weiner. Being promulgated by the Maritime Commission.

Mr. McLendon. Yes.

Mr. Weiner. And it is purely, if I recall, additional fees that I received for additional work that they wished me to do. It had nothing to do with legislation but merely the rules.

Mr. McLendon. I see. Then your explanation is that this particular group of forwarders paid you the amounts of money indicated there for your services not in connection with the legislation, because that was all passed, but for your services in connection with the Maritime Commission?

Mr. Weiner. To the best of my recollection, sir.

Mr. McLendon. Do you remember who the Chairman of the Maritime Commission was at that time in 1962?

Mr. Weiner. No, sir; never met him.

Mr. McLendon. Did you ever appear before him?

Mr. Weiner. No, sir.

Mr. McLendon. What did you do? What kind of services did you render?

Mr. Weiner. Well, Major, obviously these people respected my legal opinion because they felt I had given them proper advice before. And in the promulgation of rules, regulations they just felt that I could give them advice whereby they might be able to get rules that were more satisfactory to them. I have never spoken during this entire period to any member of, or Commissioner of, the Federal Maritime Board.

Mr. McLendon. Well, Mr. Weiner, can't you help the committee by simply explaining what sort of service you rendered for the amount of money indicated on that sheet of paper?

Mr. Weiner. Yes, sir; I would investigate these various matters as an attorney would.

Mr. McLendon. Don't talk about various matters. Tell us specifically what you did.

Mr. Weiner. Yes, sir; concerning the rules and regulations in this instance.

Mr. McLendon. Can you give us an illustration of any rule and regulation?

Mr. Weiner. Yes, sir. Can I, sir?

Mr. McLendon. Yes, sir.

Mr. Weiner. I believe in the file that you have seen there, there are memorandums of rules and regulations and exactly what the forwarding industry or how they would like to have them changed so that they feel they can operate within them. Legally—

Mr. McLendon. Go right ahead.

Mr. Weiner. My opinion, what I felt would be acceptable to the Commission, what changes or possible changes could be made to make the rules agreeable to both the Commission and to the industry.

Mr. McLendon. Did that continue on into the next year, 1963?

Mr. Weiner. Yes, sir.

Mr. McLendon. So for both 1962 and 1963 you were still rendering services to some of these people in connection with the Maritime Commission?

Mr. Weiner. Sir, when you say some of the people, I was still rendering services to the same, as far as I was concerned to the same committee. These individuals who contributed to the committee, as I say, most of them I never met.

Mr. McLendon. I find one document in your file dated October 23, 1961, which would be almost within 30 days after the passage of the legislation, to Karr, Ellis & Co., Inc., 17 Battery Place, New York 4. "Receipt for legal services rendered is hereby acknowledged, \$2,500." What was that for?

Mr. Weiner. Sir, I never met these people. I was informed by Mr. Barr they were one of the folks who had contributed toward these fees and it was requested of me that I send them a paid bill for purposes of Internal Revenue examination that they were undergoing and I was informed they were one of the people contributing, and I had no objection to sending a bill for moneys, fees that I had been paid.

Mr. McLendon. I see. What you were doing here, you were mailing a bill to the people who contributed to the \$50,000; is that right?

Mr. Weiner. Yes, sir.

Mr. McLendon. And they wanted something from you to indicate that they had paid that for that tax purpose?

Mr. Weiner. Yes, sir.

Mr. McLendon. That would explain that one, wouldn't it?

Mr. Weiner. Yes, sir.

Senator Pell. Doesn't this bring up a question of law that it is a legitimate deductible expense if it is legal services, but if it is paid to the trade association for the influence of legislation that is not a deductible expense?

Mr. Weiner. That is correct, sir; therefore, I must refer back to Mr. Barr's testimony yesterday, Senator, when he told the committee this was an ad hoc committee that was formed for the purposes of, well, attempting to see what they could do on the legislation, and they retained my services for advice and for the work that I did for them.

Senator Pell. Would this not seem an improper device?

Mr. Weiner. Sir, I did not consider it a device because as I testified yesterday, Senator, my job was not lobbying. It was strictly legal advice that I was giving them and I felt that there was absolutely nothing improper as long as they were only receiving legal advice to give them a paid receipt for a fee—

Senator Pell. But the \$50,000 was not for advice but for the influence of legislation.

Mr. Weiner. No, sir; I did not influence any legislation. I did not, as I say, to the best of my recollection; I don't think that I attempted to or I know I didn't attempt to sway anybody's vote, to influence the legislation, and while this may sound difficult to believe they did pay me this fee, and I cannot make more out of it than it is, Senator.

Mr. McLendon. How long did you continue to collect fees from members of the association as indicated there on the sheet of paper you have before you?

Mr. Weiner. As indicated here, sir?

Mr. McLendon. Well, from those people listed there, concerns or forwarders. What I mean by my question is did you collect from them in 1962? In 1963?

Mr. Weiner. No, sir.

Mr. McLendon. You did in 1962?

Mr. Weiner. Yes, sir.

Mr. McLendon. What happened after 1962? Were your services ended at that time?

Mr. Weiner. Yes. As a matter of fact, there was a lawsuit that was, I understand, just in the process of being brought in the courts of the United States that I did not handle on the effect of these very rules and regulations where I felt that the position of the Federal Maritime Commission was correct and that I could not help these people and so informed them, and that their only available—their only way of correcting it would be to go to the courts where they did—a case in which I have not participated—

Mr. McLendon. But you are not responsible for that.

Mr. Weiner. No, sir.

Mr. McLendon. Mr. Weiner, isn't it obvious that, when you gave your check for \$5,000 to Robert Baker in the fall of 1961, you knew

at that time that some of these people were going to retain you or had already retained you for the following year and you were employing Baker to be of service in connection with these clients that you have?

Mr. WEINER. No, sir; that is absolutely untrue. As a matter of fact, the situation concerning the rules, the situation whereby they again retained me, concerning the rules and the advice that I could give them on it, was well after it, as you could see, sir. In the meantime what had been attempted is the formation of a national association instead of all of the loosely jointed associations in the various ports around the United States and that was completely unsuccessful. It was impossible to get the various organizations together, and when that proved to be impossible the entire—my interest in the matter at that time was ended. I did everything I could and it was just something that could not be accomplished.

Mr. McLENDON. Mr. Weiner, the committee is concerned about this simple question: You either gave Bobby Baker that check for \$5,000 for services already rendered or you gave it to him for services to be rendered, and yesterday I understood you to say very distinctly in answer to a question asked by some of us—

Senator COOPER. I asked it.

Mr. McLENDON. I believe Senator Cooper asked the question and I understood you to answer that the check was given to him for services to be rendered.

Mr. WEINER. That is correct, sir; that was my answer. To be rendered to the corporation in a general manner as a firm of attorneys.

Mr. McLENDON. To be rendered to the corporation?

Mr. WEINER. To be rendered to the public relations corporation.

Mr. McLENDON. That was your public relations corporation?

Mr. WEINER. Yes, sir. As I felt the need to call upon the services of the law firm to render such advice.

Mr. McLENDON. All right. Now, you have nailed that one down. Let me ask one more question.

Mr. WEINER. May I—

Mr. McLENDON. Just tell us what he did; just a little bit.

Mr. WEINER. Major, I did a very foolish thing in the retention. I am not attempting because of this hearing to create sympathy or to create the effect that I am naive. I did retain the law firm, as silly as it may look in retrospect, and regardless of how it may look to the committee, I could—I can only testify to exactly what occurred, the reasons for it and what happened, and I will not perjure myself for any reason to try to justify what I did. The motives were absolutely pure, in spite of what interpretation various people may want to put on it; this, of course, I cannot help.

Mr. McLENDON. Mr. Weiner, as far as this committee is concerned they are not wanting to put any interpretation on it.

Mr. WEINER. No, sir; I didn't mean by you directly.

Mr. McLENDON. We are trying to find out what your interpretation is.

Mr. WEINER. Yes, sir; and I am trying—

Mr. McLENDON. Let me direct your attention for just a moment. I think Senator Cooper, who has had a long, distinguished career as a lawyer, and I, both, will say we have never been paid a retainer without rendering services for it or be at least on a standby basis to render service.

Mr. WEINER. That is exactly what it was, sir; to be on a standby basis to render services. Perhaps I did not express it in exactly those words, but I have attempted in my own way to tell the committee that is exactly what it was.

Mr. McLENDON. All right. That is the best answer you can make?

Mr. WEINER. Well, sir, it is not a question of making the best answer; it is a question of telling this committee the absolute truth.

Mr. McLENDON. And you are unable to tell us a thing you did?

Mr. WEINER. Senator, I can—pardon me, Senator [laughter], the only explanation—

Senator COOPER. He doesn't like to be called that.

Senator PELL. I think he would rather be called Major.

Mr. McLENDON. At this moment at least you had better address me as Major. [Laughter.]

Mr. WEINER. Major, I did not find, as I testified yesterday, the opportunity to use this firm at all. I realize that the testimony could be interpreted in any way that the newspapers saw fit to describe it.

However, I am thankful that I was called back this morning because of the publicity that occurred. I would like to merely make this statement to the committee, and the public. I am an attorney. I am not naive and I do not consider myself ignorant. If I felt that I had anything to hide, as other witnesses have done, if I felt anything improper had been done, I would have taken the amendments. I did not, sir, realizing that as a lawyer that the only person that can put you in trouble is yourself.

Now, I did not, Major, because I felt that I wanted to tell the truth, that I had nothing to hide, that my motives regardless of how they were interpreted and the events were absolutely correct. That there was no attempt in any manner to do anything improper nor was anything improper done. Under the light of the sun, and in light of these hearings, I can very well understand how people might misinterpret what occurred because of the general atmosphere and all the other testimony that has been brought out. And, Major, I wish to assure yourself and the committee, that all of these things were taken into consideration before I did appear here yesterday and took the position that I did opening myself up to the type of publicity which could very well cost me a great deal financially in the form of clients and other things but I feel it my duty to this committee, and the United States comes first, to tell the truth regardless of the fact that it may sound foolish, embarrass me, and that there is not an explanation that is documented, and I, therefore, Major, this is all I can tell you, exactly what occurred.

Mr. McLENDON. All right. Now, the committee has information that you purchased a very expensive fur coat for Mr. Baker or some relative of his. Will you tell us about that?

Mr. WEINER. This is an absolute lie. I have never heard of anything like that, sir. I know of nothing like this, and I cannot answer a question like that that I have no knowledge of.

Mr. McLENDON. Could it be confused with a fur coat that you might have bought for someone else?

Mr. WEINER. I have never bought a fur coat, Major.

Mr. McLENDON. You never have. All right.

Senator PELL. Senator Cooper?

Senator COOPER. Yes.

Mr. McLendon. Mark that list. Give it to the reporter. Give it a number.

(The list of checks referred to is as follows:)

EXHIBIT 61

Checks received from the following; deposited Apr. 2, 1962:

Cosmos Shipping Co., customs brokers, 8-10 Bridge Street, New York, N.Y.-----	\$1,000
Pitt & Scott Corp., 51 Broadway, New York, N.Y.-----	1,000
American Union Transport, Inc., 17 Battery Place, New York, N.Y.---	1,000
United Forwarders Service Inc., 51 Beaver Street, New York, N.Y.---	1,000
Fred P. Gaskell Co., Inc., 1 Broadway, New York, N.Y.-----	1,000
Milton Snedeker Corp., 44 Whitehall Street, New York, N.Y.-----	1,000
Arncam Shipping Co., Inc., 11 Broadway, New York, N.Y.-----	1,000
Copeland Shipping, Inc., 11 Broadway, New York, N.Y.-----	1,000
Schaefer & Krebs, Inc., 25 Broadway, New York, N.Y.-----	750
Maron Shipping Agency, Inc., 11 Broadway, New York, N.Y.-----	750
Total-----	9,500

Senator COOPER. Mr. Weiner, yesterday I asked you that in the year following the payment of this check to Tucker & Baker if you had any business clients and I think you said you did have a client, Otis Elevator Co. I want to ask you this: Do these checks paid to you in the following year totaling \$9,500 represent payments to you for services rendered by you in the year following the issuance of the checks?

Mr. WEINER. Yes, sir; they do, sir, and as I told you yesterday, I would be delighted to furnish the committee with a list of clients. I just did not recall.

Senator COOPER. Then they were clients additional to Otis Elevator Co.?

Mr. WEINER. Yes, sir.

Senator COOPER. Was the business of these clients similar to the type of business you had conducted the year before in representing the freight forwarders?

Mr. WEINER. No, sir.

Senator COOPER. They were freight forwarders, weren't they?

Mr. WEINER. Perhaps I misunderstood the question.

Senator COOPER. I say these clients were freight forwarders.

Mr. WEINER. These particular ones were; yes.

Senator COOPER. And they were the same people that you represented before?

Mr. WEINER. Yes, sir.

Senator COOPER. Part of the same people?

Mr. WEINER. Yes, sir.

Senator COOPER. You did not then find it necessary to call on Baker or Tucker for advice in that following year?

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

Senator COOPER. Because of the curious nature of this transaction, I have another question to ask. Did you actually make the contract to pay Baker & Tucker for services to be rendered in the future as a device for payment for services rendered in the past by Baker & Tucker?

Mr. WEINER. Senator, no, I did not.

Senator COOPER. What?

Mr. WEINER. No, sir.

Senator COOPER. That question hasn't been asked you. You stated that you did not pay them for past services.

Mr. WEINER. Senator—

Senator COOPER. But we do know and you know as a lawyer that at times a device like this is used.

Mr. WEINER. Senator, just for the record, may I make an unequivocal statement?

Senator COOPER. You could be making a very honest statement as to the procedure by saying that "Yes; I paid \$5,000 for services to be rendered in the future." But actually the purpose was to pay for services rendered in the past.

Mr. WEINER. No, sir.

Senator COOPER. What?

Mr. WEINER. I will make a statement for the record and I am under oath. Mr. Robert Baker nor Mr. Ernest Tucker did anything in any way to aid me in the freight forwarder legislation. They were not requested for help. They did perform nothing to aid me or the industry. There were no services rendered by them prior to this day of any kind.

Senator COOPER. What was it then about the firm which recommended itself to provide services to you in the future?

Mr. WEINER. Several things, sir.

Senator COOPER. What?

Mr. WEINER. No. 1, Mr. Baker's reputation himself, his position, the fact that I, wherever I went, I was told how adequate and capable they were. The fact that I felt that the combination of both ability and position could be most helpful.

Senator COOPER. Influence you mean.

Mr. WEINER. Yes, influence, if necessary, which was not used nor requested. But the fact that they were good attorneys, and could advise me properly. However, sir, there was nothing done. I did enter into this retainer agreement. I regretted it afterward, not for the purpose of this committee hearing but for the fact I wasted the money and had no use for it. The fact that the truth here is so simple that it might not be fully believed, and I assure you that if I wanted to concoct a story to make it more believable, Senator, I would but this is the bald truth. I cannot change it.

Senator COOPER. I will ask you again. In the period of 4 or 5 months in 1961, when you represented the freight forwarders in connection with this legislation, I think you testified that you were not expert in this field. You couldn't advise your clients concerning details of the legislation and you did not testify before congressional committees.

Mr. WEINER. No, sir.

Senator COOPER. You say you did not lobby any Member of Congress or committee?

Mr. WEINER. I say, sir, when I say I did not lobby, I did not attempt to get any Senator or Congressman to change their vote, and I think, sir, that the history of this should be brought out so that there are no illusions as to what occurred because I think this is the problem in answer to some of the questions, Senator; there are unanswered questions and I think background would clear it up.

Senator COOPER. You really were paid \$50,000 because you were able to convince the freight forwarders that you were actually helping them. According to your own testimony, however, you didn't do anything.

Mr. WEINER. I didn't do that much.

Senator COOPER. Yes; I must say I don't doubt there are a lot of persons paying fees here to people who convinced them they are doing something for them and they are not or cannot. Did Mr. Baker ever call any members of the committees or Senate into his office and introduce them to you?

Mr. WEINER. What was that, sir?

Senator COOPER. Did Mr. Baker ever call any members of the Senate or legislative committees handling this legislation into his office to introduce them to you?

Mr. WEINER. To help me with this?

Senator COOPER. Introduce them to you.

Mr. WEINER. He never called anybody just to introduce them to me; no, sir.

Senator COOPER. All right.

Mr. McLENDON. That is all.

Senator PELL. No further questions. Thank you very much, Mr. Weiner.

Mr. DONOHUE. Are we finally excused?

Mr. WEINER. Gentlemen, may I thank you for your courteous treatment.

Senator PELL. Is Mr. Bromley in the room? The committee will recess until 2 o'clock.

(Whereupon, at 12:05 p.m., the committee recessed, to reconvene at 2 p.m. the same day.)

AFTERNOON SESSION

Senator COOPER. I will repeat what I said. I think it is agreed that we will meet next week. I ask that we meet next week.

In addition to Bromley there are three other persons who were named as witnesses who have not testified: Robert H. Berman, C. Franklin Daniels, and Maywood Boggs. Also I would ask counsel to see if it is possible at the meeting next week to produce additional evidence on the Reynolds-McCloskey matter. Although it is difficult from the testimony we have had to secure the records of Mr. Baker, I suggest that we secure the records of Mr. Reynolds and the bank records of Mr. Baker, to see if there are five withdrawals in amounts of \$5,000 before the election in 1960, and afterward. This would provide the committee with a basis for deciding whether Reynolds' statement can be substantiated.

I would also ask that counsel get in touch with the officials of McCloskey & Co. who have the authority and who can testify with accuracy concerning certain facts. I would ask that such officials or employees be asked to appear if they can secure the evidence in sufficient time, first to tell this committee during the term of the general liability insurance contract which is in evidence, whether there were other brokers who participated in general liability insurance contracts other than the District of Columbia Stadium contract. If there were

such other brokers, to give their names, their residences, contracts, the amounts involved, and whether in those cases there were double payments as claimed in the case of the District of Columbia Stadium. I would also ask if, during the term of the District of Columbia Stadium contract, there were yearly audits of the McCloskey operation, and, if so, that these audits be produced together with persons who are qualified to speak with knowledge of the facts concerning the payment to Reynolds of \$109,000, and the quarterly premium adjustments.

The reason I ask is that if the audit did disclose a payment to Reynolds at the same time continuing payments to Aetna upon the same account, it would seem to me that somebody in the company should have been informed that there had been a double payment.

You will remember that we have had no testimony from the auditing and accounting departments of McCloskey & Co.

Let me make one final statement. There are other witnesses. There has been testimony given in executive session on the first day of the hearings. I was not present at the time. I would like to read that testimony and decide for myself in consultation with my colleagues what witnesses we would ask the committee to call.

The CHAIRMAN. Senator Pell, do you have any remarks you wish to make?

Senator PELL. No. I think thought should be given to the idea of asking General Persons to at least file a statement with us as to the extent of his correspondence and conversations with Mr. Baker concerning the passage of the stadium bill.

Senator COOPER. I may say I have no objection to anybody you want to call.

The CHAIRMAN. The committee will stand adjourned until call from the Chair, whatever date we start back.

(Whereupon, at 3:10 p.m., the committee was adjourned, subject to the call of the Chair.)



