

The original documents are located in Box 37, folder “Personnel - Conflict of Interest: A-B” of the Philip Buchen Files at the Gerald R. Ford Presidential Library.

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Alexander
Donald
9/26/75

Press Release *by IRS*

Untrue and unfounded allegations have been made to the news media about inappropriate interference by IRS Commissioner Donald Alexander with tax investigations by IRS. The Commissioner categorically denied these allegations and called for a complete investigation of these accusations by the proper congressional oversight committees.

One of the allegations appears to refer to an information gathering operation called "Operation Tradewinds" and sometimes called "Project Haven." Several cases arising out of this investigation are presently under consideration for prosecution by attorneys of the Office of Chief Counsel and the Department of Justice. Other cases are under active audit and investigation in the field by the IRS. An internal audit made by IRS indicated that some improper investigative procedures may have been used in that operation. As a consequence, no new cases have been initiated pending a determination as to the effect, if any, on such cases of such improper procedures.

The Commissioner also categorically denied the allegation that he had planned to meet improperly, secretly or otherwise, with an individual involved in a tax case and that the internal security or any other branch of the IRS had informed him of any discovery of any such allegation.

Finally, the Commissioner categorically denied that he had any role in the dismissal of any Customs case.



DRAFT

RRAlbrecht:gs
9/26/75

STATEMENT BY THE SECRETARY OF THE TREASURY

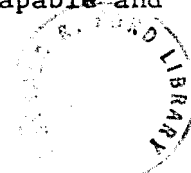
I have been informed that a Washington television station has reported that an investigation by the House Ways and Means Committee is underway into allegations made against Internal Revenue Commissioner Donald Alexander.

Earlier this year, when certain allegations against the Commissioner came to the attention of the Treasury Department, those allegations were investigated and were found to be without foundation. The file was reviewed by the Justice Department and they concurred that the charges were unfounded.

We were recently informed that similar allegations had come to the attention of staff investigators of the House Ways and Means Committee. The results of our investigation were promptly made available to the Committee, and we offered to cooperate with the Committee in any further action they deemed necessary.

When the Committee asked that further inquiries be made, we promptly consulted with the Justice Department, which is now consulting with the Committee and its staff. It would be inappropriate to comment on any specific allegations until that investigation has been pursued to a conclusion satisfactory to all concerned.

The Commissioner has categorically denied the allegations. I would like to reaffirm my belief in Commissioner Alexander as a capable and



dedicated public official who has worked conscientiously and untiringly to make the Internal Revenue Service an organization that is efficient, effective and deserving of public trust. I have complete confidence in the Commissioner and his integrity. It would be indeed a tragedy if unfounded allegations against the senior official in our tax administration system should in any way be permitted to detract from his fine record.



*Conflict of
Interest*

Alexander

Department
of the Treasury
to, Mr. Buchen
Office of the
room, _____ date, 9/26/75 General Counsel

General Counsel
Richard R. Albrecht
room 3000
ext. 2093



September 26, 1975

JAMES SNYDER
Vice President—News

Donald Alexander
Commissioner
Internal Revenue Service

Mr. Alexander:

We have received information that the House Ways and Means Committee is investigating you in connection with allegations that you sabotaged a tax investigation involving big corporations who allegedly concealed millions of dollars in the Bahamas' banks in an effort to avoid paying U.S. taxes...

We understand that the committee is also looking into an accusation that you were to meet secretly with a convicted securities swindler who had tax liens of more than \$100,000 against him, and that the Internal Security branch of your agency got word of the planned meeting, told you about their discovery, and that the meeting was canceled. We have been told by reliable sources that the House Ways and Means Committee is also interested in your activities regarding a customs case in Seattle that was dismissed and your role in it.

On Friday, September 26th and Saturday, September 27, we will run two stories based on the information we have received about the House Ways and Means investigation. We are anxious and willing to meet with you today or at some future time to get your reply to these allegations.

Sincerely,

James L. Snyder
James L. Snyder

JLS:sec



WITHDRAWAL ID 01451

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REASON FOR WITHDRAWAL . . . . Donor restriction

TYPE OF MATERIAL . . . . . Memo(s)

CREATOR'S NAME . . . . . Buchen, Philip
RECEIVER'S NAME . . . . . Connor, James

DESCRIPTION . . . . . Matter concerning David Anderson. With
                           attachments.

CREATION DATE . . . . . 02/06/1976

COLLECTION/SERIES/FOLDER ID . 001900423
COLLECTION TITLE . . . . . Philip W. Buchen Files
BOX NUMBER . . . . . 37
FOLDER TITLE . . . . . Personnel - Conflict of Interest, A-G

DATE WITHDRAWN . . . . . 08/24/1988
WITHDRAWING ARCHIVIST . . . . LET
  
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1. Mr. Buchen for information
2. For filing
3. For further

*talked to Bill Whyte
on 11/10/74 about this.
TR*



THE WHITE HOUSE
WASHINGTON

October 21, 1974

*Austin,
Gregory*

MEMORANDUM FOR: PHILIP BUCHEN
FROM: WILLIAM N. WALKER *W.N. Walker*
SUBJECT: H. Gregory Austin

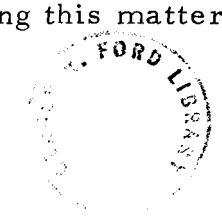
I have reviewed the case of Gregory Austin, brought to our attention in Donald C. McKinlay's letter to Bill Whyte who forwarded it to you. As you may recall, McKinlay contended that Austin (General Counsel at Small Business Administration--NEA, GS-18) was apparently hired in early 1973 without the Administration being aware of a \$100,000 fraud judgment against Austin and two clients. My review of the matter does not lend support to McKinlay's contention. While someone might fault SBA or White House judgment in hiring Austin, the fraud judgment and its circumstances were fully known to the investigators. SBA's Deputy Administrator, Louis Laun, who hired Austin with full knowledge of the case, reports that his performance has been excellent.

Austin was hired by SBA as General Counsel on April 9, 1973 following a complete field investigation by SBA's security and investigation people. They were fully aware of the civil action filed against Austin and clients with judgment entered on January 24, 1973.

SBA's security and investigation people talked to the judge in the civil action that was filed and also to the Blue brothers. Both parties felt that Austin had acted properly. In addition to this civil action, an "anonymous grievance" was filed against Austin in 1972. As I understand it, this is an independent action questioning the ethics of the entire joint venture transaction. The Ethics Committee section of the Colorado Bar hearing on this case is scheduled in January 1975. We will review the findings in this proceeding to see if further action is warranted.

Please let me know if I can be of further assistance regarding this matter.

cc: Donald Rumsfeld



THE WHITE HOUSE
WASHINGTON

10/3/74

Bill Walker

from.

17.

RECEIVED
OCT 10 1974

THE WHITE HOUSE

WASHINGTON

10/1/74

To: Don Rumsfeld

From: Phil Buchen *T.W.B.*

Subject: H. Gregory Austin

Enclosed is a copy of warning
letter on this man, turned over
to me by Bill Whyte. I won't
burden you with enclosures.

10/3

D.R.

*I recommend
referral to Walker.*

W. Jk

RECEIVED
DATE

SEP 23 1974

VICE PRESIDENT
WASHINGTON

DONALD C. MCKINLAY
1700 BROADWAY
DENVER, COLORADO 80202

September 20, 1974

Mr. William G. Whyte
United States Steel Corporation
1625 K Street, N.W.
Washington, D.C.

Dear Bill:

We enjoyed your letter and will plan to get together one of these days.

The newspapers indicate that there may be some changes on the White House staff and I would hope that the President would not consider H. Gregory Austin, presently general counsel of the Small Business Administration.

He is a very attractive, personable guy but apparently something is missing as you will see from the enclosed copies of Judge Winner's opinion and that of the Tenth Circuit affirming a fraud judgment of \$100,000 against Austin and his two clients, Linden and Neal Blue. Most lawyers here who know of the case were surprised that he obtained the appointment to the job he now has but apparently somebody missed during the investigation. I don't want to see the President embarrassed.

Best regards.

Sincerely,

Don McKinlay

DCM:jl

P.S. The Blues themselves have been politically active here and somehow have avoided unfavorable publicity, witness the article in last night's Denver Post.

...nally, with the mission to
north by a consultant firm
reduce the county's opera-
tional costs and increase ef-
ficiency.

That report suggested des-
troying some "dead files" to
increase usable office space,
updating organizational charts

...are mayor of
all 1 ... all the county. given

Reano has been a county resi-
dent for 20 years. He and his
wife, Roberta, have been mar-
ried for 25 years. They have
two sons that were graduated
from Highland High School.

Linden Blue Named Fellow at Harvard

Denver City Councilman-at-
large Linden Blue has been
named a fellow in the Harvard
University Graduate School of
Business Administration ad-
vanced management program.

The 38-year-old councilman,
in the last year of his first
council term, will depart for
Harvard late this week to par-
ticipate in the 13-week pro-
gram.

The program, which has been
conducted annually since 1943,
admits only 160 top manage-
ment professionals each year.
Through class sessions, semi-
nars and case studies, the
group explores new concepts
and techniques in management
decision-making.

The program curriculum is
designed to help managers
assess their individual roles as
agents of economic change and
examine their responsibilities
within the institutional struc-
ture of society.

Blue, who will commute to
city council meetings as re-
quired from Cambridge, Mass.,
during the 13-week period, said
he believes the program will be
of "exceptional value" to him
in both his councilmanic duties
and his private business.

Blue, who holds a bachelors
degree from Yale University, is
a director of several real estate
investment groups and pres-
ident of the Range Livestock
Co., headquartered in Kremm-
ling, Colo.

As a councilman, he serves
on the budget and finance,
public works, urban design and
transportation committees.

He is chairman of the city's
Task Force on Youth Develop-
ment, the Denver Anti-Crime

Council and the Denver Housing
Task Force. He also is vice
chairman of the Denver Plan-
ning Board.

He is president of the Ameri-
can Council of Young Political
Leaders, serves on the transpor-
tation planning advisory com-
mittee of the state Air Pollution
Control Commission and is a
guest lecturer at the University
of Denver on urban government
and city planning.

In 1973, Blue was chairman of
the American delegation to the
first hemispheric conference of
Latin American young political
leaders at Oaxtepec, Mexico.

In 1972, he was one of four
American delegates to the Eu-
ropean Youth Security Con-
ference in Helsinki, Finland, and
in 1971 he was one of 12 young
political leaders sponsored by
the U.S. State Department for a
three-week study of the Soviet
political system in Moscow.

State Offices Relocated in Daly Building

Several divisions of the Colo-
rado secretary of state's office
have moved from the State
Capitol to the Daly Building,
1575 Sherman Street.

Making the move—but still us-
ing the same telephone numbers
—were the offices for informa-
tion, elections, campaign finan-
cial report, notary public, bonds,
oaths and lobbyist registration.

Remaining at the Capitol will
be Secretary of State Mary Es-
till Buchanan, her secretary, a
clerk and the budget control of-
fice. Their phone numbers also
remain the same.

A g
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pile
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fan

No
Febr
Easy

UNITED STATES COURT OF APPEALS

TENTH CIRCUIT

NOVEMBER TERM, 1973

M. RICHARD ANDREWS,

Plaintiff-Appellee and
Cross-Appellant.

v.

LINDEN BLUE, JAMES N.
BLUE, H. GREGORY
AUSTIN, et al.,

Defendants-Appellants.

[489 F(2) 367]

Nos. 73-1393
73-1394
(Consolidated cases)

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
(D.C. No. C-3555)

Robert C. Burnstein (Stephen T. Susman of Berenbaum,
Berenbaum & Susman, on the brief), for Appellants.

Wm. Rann Newcomb (Philip A. Rouse and J. Robert Fowler,
on the brief), for Plaintiff-Appellee and Cross-Appellant.

Before SETH and DOYLE, Circuit Judges, and TALBOT SMITH,
District Judge.

DOYLE, Circuit Judge.

Plaintiff-appellee obtained a judgment in the court
below amounting to \$100,973.10 from defendants-appellants
Linden Blue, James N. Blue and H. Gregory Austin. Several
theories were advanced. Claims under § 12 of the Securities

* Of the Eastern District of Michigan, sitting by
designation.

DO NOT REMOVE

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

JAN 24 1973

JAMES R. MANSPEAKER
BY _____
DEP. CLERK

M. RICHARD ANDREWS,

Plaintiff,

vs.

LINDEN BLUE, JAMES N. BLUE,
H. GREGORY AUSTIN, CHERRY CREEK
DRIVE, INC., a Colorado corporation,
COLORADO & WESTERN PROPERTIES
CORPORATION, a Colorado corporation,
JOHN M. BENNETT, JR., ARTHUR T.
COWPERTHWAIT, JIM D. COX, GARY L.
JACKSON and JACK M. MUSE,

Defendants.

CIVIL ACTION NO. C-3555

MEMORANDUM OPINION

WINNER, Judge

In this case in which there are eight claims for relief, the Court has jurisdiction of the first three claims under the provisions of 15 U.S.C. §77 l, and jurisdiction of the other five claims is pendent. United Mine Workers v. Gibbs, 383 U.S. 715. Exhaustive trial and post trial briefs have been filed, and the matter is ready for determination by this opinion which contains the findings and conclusions required by Rule 52.

On October 8, 1968, defendants Linden Blue, James N. Blue and H. Gregory Austin, describing themselves as "developers" entered into a written contract with plaintiff who was described therein as a "consultant." The contract provided, inter alia, that Andrews

Friday 8/22/75

Bakke
Karl

7:00 Mr. Hills:

Ken Lazarus will be on leave when you return.
He has discussed the attached with Mr. Buchen so you
will be both be aware of the status of Bakke's appointment.

After you have looked the file over, he would like you to
send it to Dudley, with whom he has discussed all the
possible problems.

Eva



THE WHITE HOUSE

WASHINGTON

August 22, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE FILE

FROM: KEN LAZARUS *el*

SUBJECT: Karl Bakke/Appointment to the Federal
Maritime Commission

About a week or so ago, this office began a review of Mr. Bakke's personal financial situation with a view toward his possible appointment for nomination as Chairman of the Federal Maritime Commission.

As our examination of the matter continued, it became clear that the conflict provision of title 18 posed no obstacle to Mr. Bakke's appointment. However, a question has developed in terms of the impact of 46 U.S.C. 1111(b) on the nomination.

Section 1111(b) was enacted into law in the 1930's and by virtue of several reorganization acts is now limited to the last sentence set forth in the unofficial version of the text which in pertinent part provides:

* * *

"It shall be unlawful for any member . . .
of the Federal Maritime Commission . . .
to have any pecuniary interests in . . .
any - - - corporation with whom the
Federal Maritime Commission may have
business relations". (emphasis supplied)

* * *

Mr. Bakke's wife holds title to a large block of Exxon stock (approximately \$300,000). In addition, Mr. Bakke holds some nominal amount of stock in the same corporation. Although

Section 1111 contains no imputation provision, FMC regulations do impute the ownership of any interest held by a wife or minor child.

The issue then is whether Exxon Corporation has "business relations" with the Commission within the terms of the statute.

Mr. Bakke has indicated that his first preference would be to have his wife retain her block of stock and only dispose of his own. Alternatively, he is ^{com}pletely amenable to the establishment of a "Packard-type" trust. If these alternatives are both unsatisfactory, Mr. Bakke and his wife will have no hesitation to disposing of their Exxon holdings.

In view of the fact that Mr. Bakke would incur capital gains tax in the neighborhood of \$40,000 if he is forced to divest himself of his holdings, this office has the responsibility to consider alternative remedies to any conflict which might arise.

I have spoken with Mr. Pimper, General Counsel of the Federal Maritime Commission, and raised the central issue without any reference to the individuals involved. In response to my inquiry -- Does Exxon Corporation have "business relations" with the Federal Maritime Commission as contemplated by Section 1111? -- Mr. Pimper's initial advice earlier this week was affirmative. Today, I again spoke with Mr. Pimper and pointed out the following:

(1) Section 311 of the Water Pollution Act requires that all oil tankers file a certificate of financial responsibility indicating their ability to purchase liability insurance or self-insurance to compensate for any damages that might result from a major oil spill. The language of Section 311 would suggest that on the part of the FMC this provision calls for only the performance of a ministerial duty, i. e. receipt of the certificate. Isn't it possible that this doesn't constitute a "business relation" within the meaning of Section 1111?

(2) Would the utilization of a "Packard-type" trust -- a blind trust with provision for charitable donation of all income from the trust ^{and} in an amount equal to any capital gained during the tenure of the appointment -- coupled with an agreement of disqualification with respect to Exxon matters coming before the Commission



overcome any hurdles which are raised by virtue of Section 1111?

Mr. Pimper found some tentative merit in the first point which is noted above. He also indicated preliminarily that a "Packard-type" trust -- which he had never heard of before -- seemed to be completely dispositive of the problem. He indicated that he would get back to me shortly in this regard.

Should Bakke's nomination go to the Senate, it would be placed before the Commerce Committee. Customarily, in cases of nominations to the Federal regulatory commissions, Mike Pertschuk, Chief Counsel of the Committee, has required a legal opinion in writing from the regulatory agency and from the Office of Legal Counsel at the Department of Justice approving the conflicts plan which is adopted by the nominee.

Upon hearing from Pimper we should:

- (1) Advise Mr. Bakke accordingly;
- (2) Contact Mark Grunwald (187-3712) at OLC to advise him of the opinion of Mr. Pimper. It should be noted that in earlier discussions with Mark it was clear that either of the two remedies referred to above would be acceptable to him.
- (3) The remedy which is agreed to should be cleared with Mike Pertschuk of the Commerce Committee staff.

Upon completion of these matters, we can release the nomination.

My feeling at this point in time is that Mr. Pimper is likely to suggest that the "Packard trust" is the proper solution to the problem and this is completely acceptable to Mr. Bakke.

February 25, 1975

Barabba,
Vincent

Dear Tony:

In accordance with our telephone conversation, I have enclosed copies of the allegations against Census Bureau Director Vincent Barabba along with Mr. Barabba's point-by-point refutation of these allegations. As I indicated during our conversation, I have no independent knowledge of these allegations which are referred to your office for a preliminary review and recommendation for any additional action that might be warranted.

Your cooperation is appreciated.

Sincerely,

Kenneth A. Lazarus
Associate Counsel
to the President

Mr. Anthony L. Mondello
General Counsel
Civil Service Commission
1900 E Street, N. W.
Washington, D. C. 20415

Enclosures

bcc: Philip W. Buchen ✓



Barbara,
Vincent

Monday 2/17/75

10:05 You'll want to call Ken Lazarus.

Have complete
file delivered to
Ken who will
select material to
go to Council of
CSC

Only a portion
of the material



THE WHITE HOUSE

WASHINGTON

February 12, 1975

MEMORANDUM FOR: PHIL BUCHEN

FROM: KEN LAZARUS *KL*

I have reviewed the memorandum from Friedersdorf to Rumsfeld with attachments. I still see no need for the White House to become involved in this matter. It should be referred to Tony Mondello at the Civil Service Commission.

February 17, 1975

To: Ron Nessen

From: Phil Buchen



Q. and A. on Vincent Barabba

Question

What has the White House done about the alleged charges against Vincent Barabba, Director of the Census?

Answer

The White House is referring the matter to the proper authorities.

Question

To whom have you referred it?

Answer

To the General Counsel's Office of the Civil Service Commission for a preliminary check.



THE WHITE HOUSE

WASHINGTON

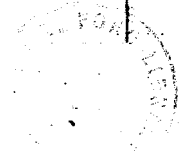
February 14, 1975

MEMORANDUM FOR PHIL BUCHEN
RON NESSEN

FROM: DICK CHENEY

Phil, you need to work up some Q's&A's for Ron Nessen to handle in his Press Briefings on Barabba concerning the Census Bureau.

cc: Jerry Jones



THE WHITE HOUSE

WASHINGTON

February 11, 1975

*Admin - Marking
DHH 6/9/88*
CONFIDENTIAL

MEMORANDUM FOR: PHIL BUCHEN

FROM: KEN LAZARUS *KL*

SUBJECT: Allegations Against Census Bureau
Director (Vincent P. Barabba)

This is to outline for your information certain developments relating to the referenced subject.

1. On January 27, Bill Walker called me to ask that I get in touch with Karl Bakke, General Counsel at Commerce, relative to some allegations of impropriety against Census Director Barabba that were being looked into by an investigative reporter for The Federal Times (a magazine).
2. My phone call to Bakke on the same day revealed that he had been approached by the reporter relative to a "White House memo" in his (the reporter's) possession which related certain instances of misconduct by Barabba and recommended that his resignation be obtained. Bakke wanted to know if I could confirm or deny the existence of such a memo.
3. I subsequently made inquiries in our office, with Paul Theis (Barabba had implied to Bakke that John Casserly, a new speech writer, might have written such a memo), and with Dick Cheney. No one had any knowledge of such a memo, and I passed this information on to Bakke.
4. On January 31, Barabba called me to assert his innocence of charges being made against him. No discussion was had with respect to the substance of any particular allegation.

5. On February 4, Dave Hoopes sent me the attached memo which he received from Barabba. Dave also told me that Barabba has prepared a memo refuting the charges which also may have been forwarded here -- however, I have never seen it.
6. On February 6, after discussing this matter with Phil Areeda, I concluded that the entire matter should be referred to Tony Mondello, General Counsel at the CSC, for a preliminary review and in order to determine whether it should properly be placed before the Department of Justice.
7. On February 7, Dave Hoopes called to indicate that Don Rumsfeld and Ron Nessen had requested a memo from him on the subject. He indicated that he would include my views in his memo but suggested that I not refer the matter to CSC until Don had the opportunity to review it.

THE WHITE HOUSE

WASHINGTON

Date: 1/14/75

TO: MR. BUCHEN

FROM: DAVID C. HOOPES

FYI: []

Comment:

As you requested.

THE WHITE HOUSE
WASHINGTON

February 6, 1975

MEMORANDUM FOR: DONALD RUMSFELD
FROM: JERRY H. JONES
SUBJECT: Vincent P. Barabba

The Barabba matter was brought to our attention several days ago, and Richard Cheney and Kenneth A. Lazarus both spoke to him about the Draft January 21, 1974 memorandum which was alleged to have been written to Donald Rumsfeld at your request. (Memo at Tab A, but the names are blocked out.)

Several observations about the memorandum:

- It is typed on a selectric typewriter, and there are few selectric typewriters in the White House Complex. The type face is unique--most selectric "balls" at the White House are not that type face.
- The format is not "White House format", i. e. , "From:" should be in all caps, the subject, name from and name to should be lined up in the center of the page, and there is no space for "Approve" "Disapprove" at the bottom of the memorandum
- Factual information in the memorandum suggests that most of the information had to come from someone close to the Census Bureau, not necessarily the White House. The White House would not normally know about the minute details contained in the memorandum, although the "episode" about Les Arends and the "invitation to you" suggests that you requested the investigation (see page 2)

Kenneth Lazarus reports that he has made some inquiries about the memorandum following his receipt thereof. He checked

everyone in the Counsel's office who might logically have been tasked with such a recommendation, and found nothing. He asked Paul Theis about the memorandum, since there is a suggestion that Jack Casserly, who was one of those individuals referred to on page 4 (the "speechwriter here at the White House"), and found that Jack Casserly had nothing to do with the memorandum. Kenneth Lazarus also asked Dick Cheney, and Cheney reported that you did not accept the Les Arends map/chart invitation because you did not have time. While Kenneth Lazarus did not investigate all people in the Presidential Personnel Office, he felt he did not have to because several hours before he discussed the matter with Mr. Barabba, someone from Bill Walker's office called Ken inquiring about what he knew about the memorandum (he knew nothing until he talked with Mr. Barabba that afternoon).

Kenneth Lazarus summarizes the view that Mr. Nessen's position should be that "after making reasonable inquiries throughout the White House, we have no reason to believe that the memorandum at Tab A is one written by a member of the White House Staff, or for a member of the White House by someone else."

Now on the merits, if any number of the allegations are true, there is, indeed, criminal conduct, but Ken Lazarus feels that to send it immediately to the Department of Justice would probably blow it way out of proportion with a big investigation. He thought, therefore, that the Tab A memo should be sent to Mr. Toni Mandello, General Counsel, Civil Service Commission, for preliminary review, and he could then submit it to Justice if he feels it should be.

Mr. Barabba's point by point refutation of the allegations is at Tab B for your information.

FEB 11 1975

THE WHITE HOUSE
WASHINGTON

February 10, 1975

MEMORANDUM FOR: DONALD RUMSFELD

FROM: MAX FRIEDERSDORF *mf*

SUBJECT: CENSUS BUREAU

I am sending along the material discussed this morning during our meeting with the President pertaining to the Census Bureau.



UNITED STATES DEPARTMENT OF COMMERCE
Social and Economic Statistics Administration
BUREAU OF THE CENSUS
Washington, D.C. 20233

OFFICE OF THE DIRECTOR

February 6, 1975

The Federal Times
Washington, D. C.

Gentlemen:

You have apprised me of serious allegations concerning my conduct as a public official. The allegations consist of gross inaccuracies and grave distortions of fact. The enclosed material thoroughly refutes these charges. Your statements of allegations are clearly not authentic and are not inspired by honest differences among reasonable people.

The dissemination or publication of stories relating to these unfounded allegations, or even headlines or summaries thereof, could do serious injury to the reputation and good standing of the Bureau of the Census as well as its Director. Therefore, we urge great prudence on the part of anyone weighing the truth of the allegations with a view toward circulating them publicly.

It is especially difficult to be placed on the defensive by answering these false allegations when the past two years have been characterized by significant accomplishments, and energetic and conscientious efforts by the entire staff of the Census Bureau. Highlights of these accomplishments are enclosed. Should you desire to review or investigate any of the Bureau's activities in greater detail, I will be most pleased to accommodate you.

Sincerely,

VINCENT P. BARABBA
Director
Bureau of the Census

Enclosures



HIGHLIGHTS OF 1974 ACCOMPLISHMENTS BY
THE BUREAU OF THE CENSUS

Calendar year 1974 was especially notable for several major innovations in survey work, the acceleration of release of several important statistical series, and intensified efforts to communicate with users of the Bureau's products regarding the utility of census and survey data.

A major portion of the results of the 1972 Economic Censuses have been released to the public at least a year earlier than for the 1967 Economic Censuses.

The research staff completed a major undertaking to set standards for the discussion and presentation of errors in published reports; this effort culminated in a highly-regarded technical publication of the Bureau (Technical Paper No. 32).

An extensive series of conferences with data users was initiated to demonstrate potential uses of information from the 1972 Economic Censuses, with approximately 20 conferences during the year.

The first major survey of the costs of air and water pollution abatement by manufacturers was completed, with initial results scheduled for publication in March 1975.

The first of a new series of data was issued on new construction of townhouses and condominium housing units.

At the request of the Federal Energy Administration, a new monthly survey of gallons of gasoline sold by type of gasoline station, was instituted in the fall.

Several feasibility studies were undertaken on the problems of measuring business and manufacturers' inventories and inventory valuation methods.

At the onset of the critical gasoline shortage in the fall of 1973, a computer carpool program was released ("CARPOL"). More than 4,000 copies of a user's manual have been distributed, and many local governments and private firms have used the program to encourage fuel conservation by employees.

The Bureau's foreign trade statistics on imports are now compiled and published in terms of free alongside ship-foreign port of exportation, and cost, insurance, and freight-U.S. port of entry valuation methods, in addition to the traditional Customs valuation. This accomplishment in 1974 meets a long-standing objective of the Congress.

The release of annual governmental statistics on public finance and public employment was accelerated by one to three months over previous schedules.

After several years of development work, the Bureau has achieved a methodology for preparing population and per capita income estimates for approximately 38,000 governmental units. These intercensal estimates will have wide application, not only for the distribution of General Revenue Sharing funds, but other Federal programs involving the distribution of funds to State and local governments.

Plans were developed, and approved, by the Office of Management and Budget, for the expansion of the Current Population Survey (approximately 50,000 households) by approximately 13,000 households. Implementation will provide for the first time from the household survey, average annual estimates of employment and unemployment for each of the 50 States and the District of Columbia.

The Consumer Expenditure and Point-of-Purchase Surveys for the Bureau of Labor Statistics, Department of Labor, were completed within budget and on or ahead of schedule. The results of these activities will permit the BLS to complete necessary revisions of the Consumer Price Indices.

The Bureau has undertaken extensive planning work for the 1980 Decennial Census of Population and Housing, with two major initial thrusts: 1) a series of public meetings throughout the country to elicit comments, criticisms, and recommendations on the next census from government and private users of census data and from the general public; and 2) an intensive effort to obtain input from minority groups well in advance of setting specific objectives for reducing the estimated undercount of such groups.

In view of budgetary and other resource limitations during the year, these accomplishments reflect the sustained efforts of a highly dedicated professional and technical staff.



OFFICE OF
THE ATTORNEY GENERAL



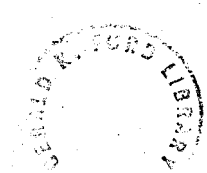
5/30/75

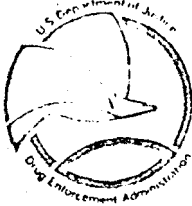
The Attorney General asked me
to be sure that you received
copies of the attached.

Douglas R. Marvin

Confidential
Bartels, John

File





THE ADMINISTRATOR
DRUG ENFORCEMENT ADMINISTRATION
UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20537

May 30, 1975

The President
The White House
Washington, D. C. 20500

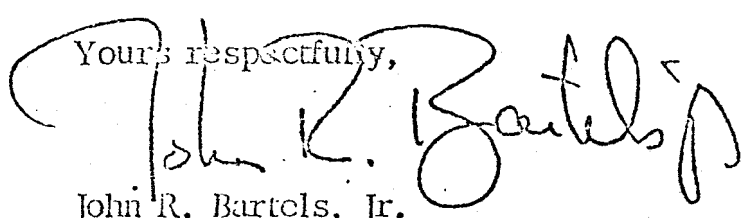
Dear Mr. President:

Pursuant to the request of the Attorney General yesterday, I hereby submit my resignation as the Administrator of the Drug Enforcement Administration to be effective upon your acceptance.

The challenge of stopping the flow of drugs to our youth will continue to require high-level support by all Americans. The Drug Enforcement Administration sought to meet this challenge through the merger of Treasury and Justice drug abuse enforcement agencies into one effective effort to combat drug abuse at home and abroad. I know we have come a long way toward achieving the goals of that merger including the total cooperation of many foreign countries, such as Mexico, which now have the institutions and capability to reduce the world-wide traffic. We have also made great progress working with many dedicated state and local police forces to prevent interstate traffic.

I appreciate the opportunity to serve you and the American people and extend my sincere hopes for the future of this Agency and its dedicated Agents.

Yours respectfully,


John R. Bartels, Jr.

UNITED STATES GOVERNMENT

Memorandum

TO : All DEA Employees

DATE: May 30, 1975

FROM : John R. Bartels, Jr.
Administrator

SUBJECT:

Today, at the request of the Attorney General, I have submitted my resignation to The President.

In leaving DEA, I wish to express to each of you my pride in the accomplishments of this young agency in its first 22-months of operation. Your professionalism and dedication have made this possible.

I commend you for the job you have done and accept, more easily, this decision which I truly regret, because I know you will continue the proud record of DEA.

The high degree of effectiveness you are achieving both domestically and overseas has been made possible by the cooperation accorded DEA by police agencies around the world. Of this, I am also proud.

I believe DEA will receive the support needed to continue to accomplish the effectiveness made possible by Reorganization Plan Number Two.

I am sorry to leave you but I take with me the satisfaction of knowing that the job is being done. I wish you well and look forward to seeing you in the months and years to come.



5010-108



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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 01452

REASON FOR WITHDRAWAL Donor restriction

TYPE OF MATERIAL Memo(s)

CREATOR'S NAME Buchen, Philip

RECEIVER'S NAME Cannon, James

DESCRIPTION Conflict of interest matter concerning
the Federal Railroad Administration.,
With attachments.

CREATION DATE 06/20/1975

COLLECTION/SERIES/FOLDER ID . 001900423

COLLECTION TITLE Philip W. Buchen Files

BOX NUMBER 37

FOLDER TITLE Personnel - Conflict of Interest, A-G

DATE WITHDRAWN 08/24/1988

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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
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WITHDRAWAL ID 01453

REASON FOR WITHDRAWAL Donor restriction

TYPE OF MATERIAL Memo(s)

CREATOR'S NAME Walker, William

RECEIVER'S NAME Buchen, Philip

DESCRIPTION Matter concerning Thomas R. Blacka.
With attachments.

CREATION DATE 02/07/1975

COLLECTION/SERIES/FOLDER ID . 001900423

COLLECTION TITLE Philip W. Buchen Files

BOX NUMBER 37

FOLDER TITLE Personnel - Conflict of Interest, A-G

DATE WITHDRAWN 08/24/1988

WITHDRAWING ARCHIVIST LET

2/6/76

Butz, Earl

The item reported in this morning's Washington Post regarding Secretary Butz and the South Carolina Club maintained by the Southern Railway Company has been reviewed by the Office of the General Counsel at the Department of Agriculture and a determination has been made to take corrective measures consistent with the applicable policies of the Department. All further questions should be referred to the Department.

NOTE: If asked, you may also indicate that the White House Counsel's Office (a member of Mr. Buchen's staff) was the recipient of this information from the Counsel's Office at Agriculture.

