

90TH CONGRESS }
1st Session }

SENATE

}
REPORT
No. 193

REPORT
OF THE
SELECT COMMITTEE ON
STANDARDS AND CONDUCT
UNITED STATES SENATE
ON THE
INVESTIGATION OF
SENATOR THOMAS J. DODD
OF CONNECTICUT
TO ACCOMPANY S. RES. 112

Under the Authority of
S. Res. 338
(88th Congress, Second Session)



APRIL 27, 1967.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1967

SELECT COMMITTEE ON STANDARDS AND CONDUCT

(Pursuant to S. Res. 338, 88th Cong.)

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Calendar No. 186

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INVESTIGATION OF SENATOR THOMAS J. DODD OF CONNECTICUT

APRIL 27, 1967.—Ordered to be printed

Mr. STENNIS, from the Select Committee on Standards and Conduct,
submitted the following

REPORT

[To accompany S. Res. 112]

The Select Committee on Standards and Conduct, under authority of Senate Resolution 338 (88th Cong., second sess.), reports the following findings of fact, conclusions with respect thereto, and recommendations to the Senate.

PART 1
RELATIONSHIP WITH JULIUS KLEIN

I. INTRODUCTION

A. ORIGIN AND DEVELOPMENT

About January 24, 1966, there began appearing in newspapers throughout the country a series of syndicated articles alleging that Senator Dodd engaged in certain activities of an ostensibly unethical character. On February 2, 1966, the Select Committee on Standards and Conduct took note of the charges, which up to that point had been limited to Senator Dodd's association with Julius Klein, a public relations representative of certain German interests. No formal investigation was started, but the Committee staff began accumulating background information on the source and extent of the allegations.

On February 18, 1966, the Committee staff made a preliminary report of the matter to the Chairman. Five days later, Senator Dodd formally requested the Committee to investigate the charges and allegations that had been made against him concerning his relationship with Klein.

Subsequent meetings were held by the Committee for the principal purposes of authorizing further investigation by and receiving reports from the Committee staff. In addition, the Chairman and Vice Chairman met with Senator Dodd on several occasions and requested him to furnish certain information and to answer interrogatories by the Committee. A Subcommittee took sworn testimony from several witnesses in executive sessions in order to determine whether there was sufficient cause for a formal investigation. After consideration of all the facts at hand, the Committee concluded that it would have to obtain complete facts from independent sources. It therefore authorized a continuing staff investigation into all allegations against Senator Dodd and ordered particular hearings on Senator Dodd's relationship with Julius Klein.

Public hearings were accordingly conducted by the Committee on June 22, 23, 24, and 27; and July 19, 1966, on Senator Dodd's relationship with Julius Klein. These hearings have been published as Part 1 of the Investigation of Senator Thomas J. Dodd. The public hearings were preceded by two days of closed hearings to explore preliminary matters which therefore were not made part of the printed hearings upon which the findings and conclusions of the Committee were based.

Further investigation of additional allegations continued and ultimately culminated in public hearings on "Political and Official Finances." These hearings have been published as Part 2 of the Investigation of Senator Thomas J. Dodd and are discussed in Part 2 of this report.

B. METHOD OF INVESTIGATION

Following the decision of the Committee to limit the initial hearings to the relationship of Senator Dodd with Julius Klein, the staff investigation was concentrated principally on the several charges concerning this relationship. During March, April, May and June, 1966, the

staff conducted about seventeen interviews and reviewed many documents furnished to the Committee by Senator Dodd and through the voluntary offer of various persons and organizations.

II. EVIDENCE AND FINDINGS OF FACT

Julius Klein, owner and managing director of a public relations firm based in Chicago, Illinois, registered with the U.S. Department of Justice under the Foreign Agents Registration Act, for various periods of time including 1964 (pp. 7, 8, 509 Hgs.). His clients included the Society for German-American Cooperation (Foerderkreis fuer Deutsch Amerikanische Zusammenarbeit) of Wiesbaden, Germany (p. 9, Hgs.). Klein's testimony before the Senate Foreign Relations Committee on May 14, 1963, indicated that the Federal Republic of Germany contributed financially to the Society (p. 14, Hgs.). Before the Select Committee on Standards and Conduct, Klein stated that the Society was interested in the political and economic "fate" of Germany and the United States, and acknowledged that he had previously provided Senator Dodd with information that the German Foreign Office subsidized or contributed heavily to the Wiesbaden group, and that there was a "strong likelihood" that the German government gave financial support to the Society (pp. 46, 509, 512, 513, Hgs.). Klein stated he would furnish the Committee with a list of the contributors to his Wiesbaden client, but has failed to do so (p. 516, Hgs.).

As a consequence of the hearings held by the Senate Foreign Relations Committee in 1963 on the activities of nondiplomatic representatives of foreign principals in the United States, Klein began to lose some of his German commercial clients and by February 1964 was especially worried about the most important one, the Foerderkreis (p. 39, Hgs.). Starting in December 1963, Klein began to address to Senator Dodd numerous letters, telephone calls, telegrams, and biographies, as well as visits from his employees, in a concerted effort to convince Senator Dodd to go to Germany to intervene on his behalf with German officials and clients (pp. 29-60, 196, 198, Hgs.). Klein insisted in his testimony that his purpose was to correct what he considered to be an unfair judgment of the Senate Foreign Relations Committee (p. 523, Hgs.).

Senator Dodd did make a trip to Germany in April 1964 (p. 469, Hgs.). He testified that it was not made to assist Julius Klein but was for the Subcommittee on Internal Security of which Senator Dodd was Vice Chairman, it being a subcommittee of the Senate Committee on the Judiciary, for the declared purpose of interviewing one Bogdan Stashynsky. Stashynsky was a Soviet citizen who had been convicted in the Federal Republic of Germany for murder and who was imprisoned at Karlsruhe (pp. 470, 473, 479-481, Hgs.). Senator Dodd testified that it was necessary to interview Stashynsky to expose a practice of murder as a Soviet instrument of international policy (pp. 470, 480, Hgs.). He further stated that the Subcommittee had planned for over a year to interview Stashynsky and that February 1964 was the first opportunity he had to make the trip (p. 470, Hgs.). In Germany, Senator Dodd interviewed Stashynsky (p. 471, Hgs.). With the exception of Senator Dodd's admission that he briefly mentioned Julius Klein to Chancellor Adenauer, there is

no direct evidence that Senator Dodd intervened with German officials or clients of Klein in Klein's behalf (pp. 454, 455, Hgs.).

There were other facts adduced of which the Committee took notice. Senator Dodd's report on the Stashynsky case was not made until eleven months after his trip to Germany and contained little information that was not available to him before the trip (pp. 326, 408, 409, 413, 419, 420, Hgs.). Testimony was given that Julius Klein provided Senator Dodd with background material on various German officials whom he asked Senator Dodd to see and suggested what Senator Dodd should say to them in Klein's behalf (pp. 44-54, Hgs.). Testimony was also given that these instructions were taken to Germany by Senator Dodd (pp. 197-199, Hgs.). Senator Dodd denied that he took the documents to Germany (p. 454, Hgs.). Evidence was also introduced that Julius Klein provided to Senator Dodd certain favors, but the Committee could not establish their validity with the exception of the repeated use of the Klein suite in the Essex House hotel in New York City (pp. 67, 211, 212, 228, Hgs.). The Committee heard evidence that Senator Dodd signed and sent two letters to Dr. Ludger Westrick, an official of the Federal Republic of Germany, five and eight months after Senator Dodd's return from Germany. The letters were almost verbatim copies of ones that Klein had provided and contained considerable praise for Klein (pp. 289-297, Hgs.). In addition, many of Klein's letters to Senator Dodd in 1963 and 1964 used presumptive, demanding, and disrespectful language, which should not have been countenanced by the Senator (e.g., pp. 273, 274, 284, 289, 290, Hgs.).

III. CONCLUSIONS

1. Senator Dodd traveled to Germany in April 1964 on Senate business under circumstances that suggest that he was also influenced to go by Julius Klein, owner of a public relations firm based in Chicago, Illinois. Klein sought to improve his image because he was losing his German clients.

2. Because a sovereign foreign Government was involved, the Committee was unable to obtain evidence to reveal whether Senator Dodd made any representations in Germany on behalf of Julius Klein, except in a brief conversation with the late Chancellor Adenauer. In view of these circumstances, the Committee could not pursue this phase of the case further.

IV. RECOMMENDATIONS TO THE SENATE

After drawing its conclusions, the Committee was of the opinion that the relationship of Senator Dodd with Julius Klein was indiscreet and beyond the responsibilities of a Senator to any citizen, but that there was not sufficient evidence of wrongdoing to warrant recommendation of disciplinary action by the Senate.

PART 2
POLITICAL AND OFFICIAL FINANCES

1

I. INTRODUCTION

A. ORIGIN AND DEVELOPMENT

The Investigation of Senator Dodd by the Select Committee on Standards and Conduct began formally in April 1966, although the interest of the Committee in the allegations that had been made against Senator Dodd had its antecedents in January and February of 1966, as described in more detail in Part 1 of this Report.

By March 1966, the syndicated newspapers articles concerning Senator Dodd's activities had extended beyond his relationship to Julius Klein. The Committee staff began to accumulate evidence relating to alleged financial improprieties and to other allegations. A very complex series of activities involving Senator Dodd was gradually reconstructed.

Before a decision was made to hold hearings, the Committee gave Senator Dodd the opportunity to submit a statement of fact and legal construction of the apparent financial improprieties that had been disclosed by the Committee staff investigation.

After Senator Dodd's refusal to provide such a statement, the Committee unanimously decided on June 9, 1966, that it had no alternative except to conduct hearings on the financial matters, and accordingly notified Senator Dodd on June 15, 1966. The Committee then continued to develop the evidence in detail.

On October 26, 1966, the Committee re-affirmed its intention to hold hearings. Such hearings, Senator Dodd was notified, would additionally inquire into the acceptance of certain Senate travel payments and the loan of automobiles.

Public hearings were conducted by the Committee from March 13 to 17, 1967, on the issues of which Senator Dodd had been given notice. These hearings have been published as Part 2 of the Investigation of Senator Thomas J. Dodd.

B. AUTHORITY OF SELECT COMMITTEE ON STANDARDS AND CONDUCT

The Constitution provides in Article 1 that "Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behaviour, and, with the Concurrence of two thirds, expel a Member." The Supreme Court in interpreting the provision has held that the power to punish necessarily involves the ascertainment of facts and application of appropriate rules of law. *Barry v. U.S. ex rel. Cunningham*, 279 U.S. 597 (1929).

That Constitutional authority was delegated to the Select Committee on Standards and Conduct by Section 2 (a)(1) of Senate Resolution 338 of the 88th Congress which states:

It shall be the duty of the Select Committee to—
receive complaints and investigate allegations of improper conduct which may reflect upon the Senate, vio-

lations of rules and regulations of the Senate, relating to the conduct of individuals in the performance of their duties as Members of the Senate, or as officers or employees of the Senate, and to make appropriate findings of fact and conclusions with respect thereto.

The Committee is further authorized by Section 3(a)(2) to "hold such hearings * * * as it deems advisable."

At their first meetings the Members reviewed the legislative history of the resolution which had established the Committee and observed that sufficient power had been conferred by the Senate to enable the Committee to undertake investigations of misconduct. The Committee's interpretation of its powers was enhanced by the fact that its membership included the author of the resolution.

Anticipating that it might someday require the opinion of outside counsel on legal problems that might arise, the Committee retained the services of former Supreme Court Justice Charles E. Whittaker as Consulting Counsel in April 1966.

The Committee faced the first test of its jurisdiction when it contemplated holding public hearings on the financial aspects of the Investigation of Senator Dodd. On May 25, 1966, Senator Dodd's counsel presented an argument to the Chairman and the Vice Chairman that the Committee lacked jurisdiction over Senator Dodd's finances which, counsel maintained, were essentially tax matters. The Senators answered that the Committee had a responsibility to inquire into the ethical implications of Senator Dodd's conduct. Shortly thereafter, Senator Dodd's counsel requested that the Committee give further consideration to the prejudicial effect that hearings on finances might have on the determination by the Internal Revenue Service of Senator Dodd's Federal income tax liability.

On June 9, 1966, the full Committee considered the question of jurisdiction and unanimously agreed to hold hearings on the financial matters. Thereafter, Senator Dodd's counsel renewed his plea on several occasions that the Committee lacked jurisdiction over the finances. On January 30, 1967, the Committee granted a special hearing to Senator Dodd's counsel to receive his formal argument on the question. The Committee then considered the argument and ruled unanimously that the anticipated evidence fell within the Committee's jurisdiction.

Upon completion of hearings, the Committee met on March 21, 1967, and agreed unanimously that the evidence, as presented, related directly to Senator Dodd's conduct as a sitting Senator and was within the jurisdiction of the Committee.

C. METHOD OF INVESTIGATION

Although the Committee began collecting evidence of Senator Dodd's political and official finances in March 1966, the staff intensified its investigation of allegations relating to all apparent improprieties of Senator Dodd in June 1966. Because of the seriousness of the charges relating to the use of funds received by Senator Dodd or by persons and committees acting on his behalf and of the charges relating to the acceptance of payments from both the Senate and other sources for travel expenses, the major portion of the Committee staff's effort was directed to a review of these matters.

The Committee staff was compelled to reconstruct the events and financial transactions relating to the monies raised by the several events during the period 1961 through 1965 and during the 1964 campaign from interviews with the organizers of the events and other participants and from bank account records. The purposes of about 75 percent of the disbursements made from Senator Dodd's bank accounts were independently verified by correspondence with the various payees. In addition, 36 loans made to Senator Dodd by 22 lenders were analyzed.

Approximately eighty trips made by Senator Dodd during the period July 1960 through December 1965, for which reimbursement was received from the United States Senate or from other organizations, were reviewed by the staff for instances of reimbursement from more than one source.

The information and financial data developed by these investigative processes formed the basis for substantially all of the factual matters contained in the stipulations of March 11 and 13, 1967.

During the investigation of this phase by the Committee, 105 interviews were conducted, 106 subpoenas duces tecum were served, and documents and statements were received from 174 organizations and persons.

The investigation was conducted in Washington, D.C., New York, New York, Los Angeles, California, and at various locations in the state of Connecticut.

D. ORGANIZATION AND PROCEDURE OF HEARINGS

PROCEDURE

Establishing hearing procedure

The Constitution provides express authority for Congress to punish or to expel members for disorderly behavior, but it does not set forth procedural guidelines for conducting misconduct proceedings. Court decisions have established that the action of a House of Congress in judging the conduct of one of its Members is "judicial in nature," *Kilbourn v. Thompson*, 103 U.S. 168 (1880), and must be carried out in proceedings consistent with the due process of law requirement of the Fifth Amendment of the Constitution. *Barry v. U.S. ex rel Cunningham*, 279 U.S. at 620.

On February 2, 1966, the Committee adopted rules of procedure which were supplemented when the Committee held its first hearings. In complying with Constitutional requirements of due process of law, the Committee took into account as a general guide the practice and procedures of the Federal courts.

Burden of proceeding

The Committee assumed the burden of proceeding with the evidence and instructed its counsel to present all facts pertinent to the matter under investigation.

EVIDENCE

In general

In general the Committee was guided by the rules of evidence applicable to the Federal courts. All testimony from witnesses was taken under oath and by personal appearance. Hearsay evidence was limited and assigned appropriate probative value. Affidavits in

lieu of personal appearance by witnesses were admitted only on restricted matters or where the calling of witnesses was impractical or impossible. All documents and records were properly authenticated before being accepted by the Committee.

Documents taken from Senator Dodd's files

At Senator Dodd's request, in April and May 1966, the Committee obtained copies of several thousand documents taken from Senator Dodd's office by former staff members. (The removal of these documents is discussed in the Supplement to this Report.) Copies of the documents were given to Senator Dodd.

The Committee decided that it would be improper to use documents taken without consent from a Senator's office and therefore obtained all facts through its own independent investigation.

Stipulation

Soon after authorizing investigation into the financial matters, the Committee recognized the difficulty of presenting the facts in an understandable and concise manner. The Chairman and the Vice Chairman thereupon offered Senator Dodd an opportunity to furnish a statement of all financial facts to the Committee. After Senator Dodd advised the Committee that he would not do so, the Committee launched a thorough and independent fact-finding investigation.

By November 1, 1966, when the investigation was substantially complete, the staff offered to stipulate those facts which were apparently incontrovertible with Senator Dodd's counsel. No agreement was reached at that time. On January 30, 1967, the Chairman again suggested that a stipulation of fact would save a great deal of time and effort for all parties involved. The draft stipulation previously prepared by the Committee staff was revised and given in its entirety to Senator Dodd's counsel on February 2, 1967.

On February 23, 1967, Senator Dodd's counsel proposed a revised draft of the Committee stipulation which contained a substantial amount of opinion evidence and conclusions of law and fact. The staff refused to accept such opinion and conclusions and its decision was confirmed by the Committee on March 1, 1967.

On March 3, 1967, Senator Dodd's counsel agreed to accept the Committee stipulation of facts and to eliminate the opinion and conclusions. The stipulation was formally signed March 11, 1967, two days prior to opening hearings, and at the outset of the second phase of hearings was accepted in evidence by the Committee.

Affidavits of contributors

At the hearings, Senator Dodd offered about 400 affidavits as evidence of the intent of contributors to the fund-raising events. The affidavits were form language statements with blank spaces for the affiant to fill in his name and the dates of any fund-raising events he had attended for Senator Dodd. The remaining form language indicated that any contributions were given as a gift to Senator Dodd out of respect and admiration and not as political contributions. According to Senator Dodd's counsel, the language of the affidavit was prepared by his office. The forms were then given to Edward Sullivan, an employee of Senator Dodd, who distributed them to 21 individuals

who in turn attempted to obtain the signatures of persons whose names had been taken from printed programs of fund-raising affairs. Contact was made by letter, telephone, and personal visit. In total some 400 signatures were obtained.

At the time the affidavits were offered as evidence, the Committee had ruled out the use of testimony by affidavit; however, because of the unusual nature of the problem of taking the testimony of a large number of persons and the relevance of their testimony, the Committee did accept the documents for the record and did review and consider the documents in reaching its conclusions.

RIGHTS AND PRIVILEGES

Subject of hearing

Senator Dodd, as the subject of the Investigation, was afforded the opportunity to attend all hearings and to be accompanied and represented by counsel. He was given notice of the charges to be investigated and given time to prepare for hearings. He was also given the names of witnesses and a summary of their expected testimony prior to hearings. He and his counsel were permitted to cross-examine witnesses called by the Committee and to call and examine additional witnesses and to present additional evidence. The Committee did not call Senator Dodd as a witness, respecting his right to remain silent. He was however, offered the opportunity to testify and did, in fact, take the stand. At his request, Senator Dodd was examined by Members of the Committee, rather than by Committee counsel. In addition, Senator Dodd was given opportunity to raise, and be heard on, procedural and jurisdictional questions prior to and during hearings and to object and present argument on the admissibility of evidence.

Witnesses

All witnesses were advised of their right to be accompanied by legal counsel. Witnesses were permitted to examine their testimony following hearings. Any person named in public hearings was afforded opportunity to request to appear as a witness or to file a sworn statement relevant to the evidence. All witnesses were treated with respect.

Posthearing procedures

Following the hearings on Part II of the Investigation, the Committee held regular meetings to review the evidence taken at the hearings. All members participated fully in the Committee meetings and discussions.

The Committee carefully reviewed and exhaustively analyzed the expenditures from funds raised for Senator Dodd. This review and analysis resulted in the Committee's conclusions on amounts of funds expended for personal purposes.

In addition to the expenditures which were found to be clearly personal, the Committee regarded the evidence supporting the purpose of certain additional expenditures as inconclusive. Those expenditures were not included in the personal expenditures listed by the Committee in its conclusions.

II. EVIDENCE AND FINDINGS OF FACT

A. FUND-RAISING EVENTS

1. 1961 DINNER

A fund-raising dinner was held for Senator Thomas J. Dodd in Hartford, Connecticut, on November 20, 1961 (p. 853, Hgs.). The fifteen honorary guests were all prominent members of Senator Dodd's political party, including the then Vice President of the United States, Lyndon B. Johnson (pp. 873-876, Hgs.).

Matthew Moriarty, a businessman of Manchester, Connecticut, was the Chairman (p. 875, Hgs.). Arthur Powers, a businessman and First Selectman of Berlin, Connecticut, was the Treasurer (pp. 633, 875, Hgs.). Edward Sullivan, a member of Senator Dodd's Hartford office staff, was the business manager and handled the details of the dinner (p. 1120, Hgs.). Sullivan kept the funds and the financial accounts of the dinner (p. 854, Hgs.).

A letter of invitation to the dinner accompanied by a return address envelope soliciting contributions was prepared and mailed by Powers (pp. 635, 636, 885, 886, Hgs.). The return envelope was addressed to Senator Dodd's Hartford P.O. Box and all funds were collected by Sullivan (pp. 636, 886, Hgs.). Neither the letter nor the return envelope disclosed the intended use of the dinner proceeds (pp. 885, 886, Hgs.).

Moriarty, Powers and Sullivan testified that the dinner was organized to raise funds for Senator Dodd's personal use (pp. 619, 635, 1120, Hgs.), although Powers was quoted by the press at the time of the dinner as saying the proceeds were to be used to pay off campaign deficits (pp. 635, 892, Hgs.). James Boyd, a former Administrative Assistant to Senator Dodd, testified that Senator Dodd told him that the funds were to be used to retire the previous campaign deficit, and that he stated that purpose in arranging for Vice President Johnson's appearance (p. 601, Hgs.). Recently President Johnson stated publicly that he never knew that any dinner he attended was to raise funds for anyone's personal use (p. 893, Hgs.).

Five newspaper articles in Connecticut at the time of the dinner referred to it as a testimonial event without stating the purpose for the use of the proceeds (pp. 888-890, Hgs.). Two newspapers reported that the proceeds of the dinner were to be used to help clear up a deficit from the 1958 election campaign (pp. 891, 892, Hgs.). Form affidavits from about 123 persons attending the 1961 dinner indicated that they contributed money for Senator Dodd's personal use. Newspaper reports indicate 700 persons attended (pp. 889, 891, Hgs.). Boyd and O'Hare, former members of Senator Dodd's staff, testified that Senator Dodd, Sullivan and two other Senate staff employees, James Gartand and George Gildea, were the primary organizers of the dinner (pp. 601, 731, Hgs.). Moriarty stated he had nothing to do with arrangements for the dinner but tried to sell as many tickets as possible (p. 618, Hgs.). Powers testified that the dinner was organized by several friends of Senator Dodd and several staff members (p. 634, Hgs.). Although he was Treasurer, he testified that he did not handle funds or know how much money was raised (p. 637, Hgs.).

The gross receipts of the 1961 dinner were at least \$64,245, and the net receipts, after payment of expenses of the dinner were at least \$56,110 (p. 854, Hgs.). The net receipts were deposited in Senator Dodd's personal account in the Riggs National Bank in Washington, D.C., and mingled with his personal funds (p. 854, Hgs.). From these funds, Senator Dodd repaid \$23,000 on a loan from the Federation Bank and Trust Company, originally borrowed in December 1958 (p. 854, Hgs.). Senator Dodd stated that this and other loans were for "political-personal" purposes (p. 835, 836, Hgs.). O'Hare testified that the remaining funds, amounting to \$33,110, were used for general, household, and personal expenses (p. 732, 733, Hgs.). This testimony was not contradicted. Because records detailing the \$33,110 were not retained by the bank, the Committee could not trace these payments further.

2. 1963 D.C. RECEPTION

A fund-raising reception was held for Senator Thomas J. Dodd in Washington, D.C., on September 15, 1963 (p. 855, Hgs.). Former Postmaster General J. Edward Day was the Honorary Chairman (p. 648, Hgs.), and James Gartland, Administrative Assistant to Senator Dodd, was the Vice Chairman (pp. 650, 898, 899, Hgs.). Sanford Bomstein, a Washington businessman, was the Treasurer until the reception (p. 855, Hgs.). Michael V. O'Hare, Senator Dodd's bookkeeper, was the Treasurer following the reception (p. 855, Hgs.). Robert Shaine, a professional fund-raiser, from New Hampshire, was hired by Senator Dodd to solicit contributions to the reception (p. 855, Hgs.). Others involved in planning or conducting the reception were George Gildea, a member of the staff of the Subcommittee to Investigate Juvenile Delinquency (pp. 603, 648, Hgs.); James Boyd, Senator Dodd's Administrative Assistant (pp. 602, 669, Hgs.); Elizabeth McGill, a secretary on the staff of the Subcommittee to Investigate Juvenile Delinquency (p. 722, Hgs.); "Mattie" Matthews and Joe Mills, of the staff of the Democratic Senatorial Campaign Committee (pp. 649, 651, Hgs.); Joe Barr, Washington representative of United Aircraft Corporation (pp. 674, 675, Hgs.); and Jack Fleischer, a former member of Senator Dodd's staff (p. 669, Hgs.).

Boyd testified that Gartland was the principal staff man organizing the D.C. reception (p. 603, Hgs.). Boyd also testified that a few weeks before the D.C. reception Senator Dodd asked him to intervene in the organization of the reception to get it moving (p. 602, Hgs.). He stated he worked with Shaine in organizing the reception and provided Shaine with office space and secretarial help (p. 603, Hgs.). He attended a meeting at which Senator Dodd answered questions concerning who might be solicited for funds (p. 603, Hgs.).

Bomstein testified that he participated in the organization of the reception after being invited by George Gildea to attend a meeting (p. 648, Hgs.). Bomstein also stated that he thought the purpose of the reception was to raise funds for Senator Dodd to use in any way he wanted (p. 656, Hgs.). Bomstein acknowledged that two resolutions of the "D. C. Committee for Dodd" were passed by Gartland and Bomstein, acting as the Committee (p. 655, 656, 898, 899, Hgs.). One of the resolutions, dated September 24, 1963, after the funds had been transferred to O'Hare, authorized payment

of Senator Dodd's printing, travel, food and lodging expenses, as well as public relations expenses for Senator Dodd (p. 899, Hgs.). Bomstein stated this resolution was intended to express his own intent that the money could be used by Senator Dodd for any purpose (p. 656, Hgs.). Bomstein acknowledged Shaine worked on the reception and stated Gartland did as much of the organizing as anyone (p. 650, 652, Hgs.). Form affidavits from about 10 persons attending the reception indicated that they contributed money for Senator Dodd's personal use. Approximately 150 persons attended the reception.

Robert Shaine testified that he worked on the D. C. reception as a trial to obtain a contract for public relations work in the 1964 Connecticut election campaign (pp. 668, 674, Hgs.). Shaine stated that the purpose of the D. C. affair, was to raise money for Senator Dodd but that it was "not necessarily" for campaign purposes (p. 672, Hgs.). He received approximately \$900 as compensation for his work on the reception (p. 670, Hgs.). Shaine stated that his principal duty was solicitation of funds (pp. 672, 673, Hgs.).

Marjorie Carpenter and Terry Golden testified that they and other secretaries from Senator Dodd's office attended the reception as hostesses (pp. 641, 722, Hgs.).

O'Hare testified that he was not involved in organizing the D.C. reception and that he became Treasurer of the funds after the reception (p. 733, Hgs.). He stated Senator Dodd told him to use the funds to pay bills which could be related to the forthcoming campaign (p. 734, Hgs.).

Senator Dodd testified that he considered the reception proceeds to be his personal funds but acknowledged that he borrowed \$6,000 from the proceeds to pay his personal income tax and treated it as a loan from a campaign fund (pp. 825, 856, Hgs.). He later repaid the loan to another campaign fund and said he did so on his accountant's advice (pp. 825, 826, 858, Hgs.).

O'Hare testified that the proceeds of the reception were expended pursuant to Senator Dodd's direction (p. 734, Hgs.). O'Hare further testified that Senator Dodd did not want a number of bills paid by checks on a political account and therefore at O'Hare's suggestion Senator Dodd approved the purchase of money orders and treasurers checks to avoid disclosing the source of the funds (p. 734, Hgs.). Senator Dodd denied knowledge of the use of money orders (p. 841, Hgs.).

The gross proceeds of the D.C. reception were \$13,770 and the net proceeds were \$12,805 (p. 855, Hgs.). The use of the proceeds from the D.C. reception is set forth on pages 855, 856, and 897 of the printed hearings.

3. OCTOBER 1963 CONNECTICUT EVENTS

A series of four fund-raising events for Senator Dodd, consisting of a breakfast in Hartford, a luncheon in Woodbridge, a reception in Fairfield and a dinner in Bridgeport, were held in Connecticut on October 26, 1963 (p. 856, Hgs.). The four events were managed by different persons (pp. 605, 620, 681, 1124, 1125, Hgs.). The price of tickets to each event was \$100 per person (pp. 856, 909, 919, Hgs.).

Hartford breakfast

The business manager of the Hartford breakfast was Edward Sullivan, of Senator Dodd's Hartford office staff (p. 1120, Hgs.). Matthew Moriarty was the Treasurer of the breakfast (pp. 620, 904, Hgs.). Both Moriarty and Sullivan testified that the funds were raised for Senator Dodd's personal use (pp. 621, 1127, Hgs.). A solicitation letter for the breakfast over Moriarty's signature was mailed with a return address envelope enclosed (pp. 909, 910, Hgs.). Neither the letter nor the envelope stated the intended purpose for which the funds were to be used (pp. 909, 910, Hgs.). The return envelopes were addressed to Senator Dodd's Hartford office Post Office Box (pp. 621, 909, Hgs.). Although Moriarty was the Treasurer, all receipts were received and handled by Sullivan (pp. 621, 857, Hgs.). The honorary guests at the breakfast were all prominent members of Senator Dodd's political party (p. 902, Hgs.). \$31,040 from the proceeds of the Hartford breakfast and the Woodbridge luncheon were deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" bank account (p. 857, Hgs.).

The Woodbridge luncheon

The Woodbridge luncheon was held at the home of Connecticut State Senator Gloria Schaeffer (p. 856, Hgs.). James Gartland of Senator Dodd's staff was in charge of arrangements for the luncheon (p. 605, Hgs.). The net proceeds of the luncheon were sent to Sullivan who deposited them in the "Testimonial for U.S. Senator Thomas J. Dodd" account (p. 857, Hgs.).

The Fairfield reception and the Bridgeport dinner

The Fairfield reception was held at the home of Archie Perry, a resident of Fairfield, Connecticut (p. 856, Hgs.). The Bridgeport dinner was held at the Stratfield Motor Inn (pp. 856, 913, Hgs.).

Paul McNamara, a lawyer and 1958 election campaign manager for Senator Dodd, managed both of these events (pp. 681, 682, Hgs.). McNamara did not recall who recruited him to act as manager but stated he was in touch with Senator Dodd's office and Sullivan regularly (p. 681, Hgs.). McNamara testified of his concern for Senator Dodd's personal financial problems and stated that the events were intended to raise funds for Senator Dodd's personal use. McNamara did not know the nature or the extent of Senator Dodd's indebtedness (pp. 676-679, Hgs.). Two letters of solicitation were written by McNamara and both specifically requested contributions for Senator Dodd's 1964 campaign (pp. 911, 912, Hgs.). McNamara acknowledged the letters and stated he made additional solicitations by phone and always spoke of Senator Dodd's dire financial problems (pp. 682, 683, Hgs.). McNamara handled all of the funds for these two affairs and after paying \$4,886 for the dinner expenses, forwarded proceeds amounting to \$10,069 to Senator Dodd (pp. 682, 857, Hgs.). The proceeds were then deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" account (p. 857, Hgs.). McNamara retained about \$750 in cash from the contributions to the dinner at Senator Dodd's direction as repayment, in part, of a loan from McNamara to Senator Dodd in about September 1958 (p. 857, Hgs.).

General

The then Vice President of the United States, Lyndon B. Johnson, was the featured guest at each of the four foregoing events (pp. 903, 913, 917-927, Hgs.). Newspaper reports in Connecticut and New York at the time of the October 1963 Connecticut events uniformly reported that their purpose was to raise funds for Senator Dodd's 1964 reelection campaign (pp. 917-927, Hgs.).

James Boyd testified that he was involved in negotiating Vice President Johnson's appearance at the October 1963 Connecticut events (pp. 604, 605, Hgs.). He testified further that in dealing with Ivan Sinclair on Vice President Johnson's staff, he was asked for the purpose of the dinner and that he therefore asked Senator Dodd for a reply (p. 605, Hgs.). Boyd testified that Senator Dodd was upset with the question but told Boyd to tell Sinclair that the events were to raise money for Senator Dodd's campaign starting the next fall (p. 605, Hgs.). Boyd gave that information to Sinclair and said he believed that a letter confirming the conversation was written for Senator Dodd's signature (p. 605, Hgs.).

Ivan Sinclair testified that he recalled conversations with Boyd concerning then Vice President Johnson's attendance at the October 1963 Connecticut events but did not recall whether the purpose of the fund-raising events was for Senator Dodd's 1964 political campaign (pp. 703, 704, Hgs.). An affidavit of Sinclair, dated February 21, 1967, stated that on the basis of conversations with two members of Senator Dodd's staff and from the circumstances of the events, the "declared purpose of Dodd Day was to raise funds for Senator Dodd's forthcoming 1964 campaign for reelection to the Senate" (p. 1034, Hgs.). Sinclair testified that his affidavit was signed without duress and that it was in his possession for six weeks before he signed it but that he had not studied it as closely as he should have (p. 704, Hgs.). He further stated that he did not deny that he had a conversation with Boyd about the purpose of the fund-raising events, but that his honest present recollection was that he could not recall if he discussed the purpose with Boyd (pp. 704, 706, Hgs.).

President Johnson recently stated publicly that he never knew that any dinner he attended was to raise funds for anyone's personal use (p. 893, Hgs.).

Form affidavits of about 117 persons who attended the 1963 Connecticut events indicated that their contributions were intended for Senator Dodd's personal use. Approximately 600 persons attended the four October 1963 events, according to newspaper reports (pp. 917-927 Hgs.).

The gross receipts of the four October 1963 Connecticut events were at least \$46,745 (p. 857, Hgs.). Proceeds of the four October 1963 Connecticut events, amounting to at least \$41,109, were deposited by Sullivan in the "Testimonial for U.S. Senator Thomas J. Dodd" account in Hartford and later mingled with campaign contributions and the proceeds of the 1965 dinner (pp. 857, 861, Hgs.). The disposition of these funds is described on pages 22 and 23 below.

4. 1964 POLITICAL CAMPAIGN

Receipts and expenditures

During his 1964 campaign for reelection to the Senate, Senator Dodd and committees working on his behalf received at least \$246,290 in campaign contributions as follows (pp. 857-860, Hgs.):

Dodd for Senator Committee.....	\$124, 275
Dollars for Dodd Committee.....	9, 400
National Non-Partisan Committee for Reelection of U.S. Senator Thomas J. Dodd.....	11, 935
Citizens Committee for Dodd.....	2, 909
Contributions deposited in "Testimonial for U.S. Senator Thomas J. Dodd" bank account.....	85, 818
Cash (not deposited).....	11, 953

The campaign contributions deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" account, amounting to \$85,818, were mingled with the proceeds of the October 1963 Connecticut events and the 1965 dinner (p. 861, Hgs.). The disposition of these funds is described on pages 22 and 23 below. The remaining campaign contributions, amounting to \$160,472, were transferred or disbursed as described in testimony and on pages 857-859, 938, 939, and 951-957 of the printed hearings.

Financial reports

Election campaign financial reports filed with the Secretary of State of Connecticut between November 20, 1964, and December 3, 1964, listed the following campaign receipts:

Matthew Moriarty, Political Agent for Senator Dodd (p. 928, Hgs.)..	\$11, 891. 60
Dodd for Senator Committee (pp. 940-950, Hgs.).....	167, 497. 67
Dollars for Dodd Committee (p. 937, Hgs.).....	7, 953. 20
Citizens Committee for Dodd (p. 958, Hgs.).....	7, 559. 26

An election campaign financial report, filed with the State of New York, on November 10, 1964, listed the following campaign receipts:

National Non-Partisan Committee for the Reelection of United States Senator Thomas J. Dodd (pp. 959-968, Hgs.).....	\$11, 934. 25
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An election campaign financial report filed with the United States Senate on December 4, 1964, listed the following campaign receipts:

Thomas J. Dodd of Connecticut (pp. 929-932, Hgs.).....	\$11, 891. 60
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5. 1965 DINNER

A fund-raising dinner was held for Senator Dodd in Hartford, Connecticut, on March 6, 1965 (p. 860, Hgs.). The honored guests were all prominent members of Senator Dodd's political party (p. 981, Hgs.). Arthur Barbieri, Democratic Town Chairman for New Haven was the Chairman (p. 976, Hgs.). Matthew Moriarty, a businessman of Manchester, Connecticut, was the Treasurer (p. 976, Hgs.). Edward Sullivan of Senator Dodd's Hartford office handled all of the finances for the dinner (p. 861, Hgs.). Vice President Hubert H. Humphrey was the featured speaker at the dinner (p. 982, Hgs.). A payment of \$7,500 was made to the Democratic National Committee from the dinner proceeds for his appearance (p. 993, Hgs.).

Barbieri testified that the dinner grew out of a conversation between Barbieri and James Gartland, Senator Dodd's Administrative Assistant (p. 689, Hgs.). Barbieri said the idea was conceived in mid-

December 1964, and he then invited persons to attend a meeting at the Statler Hilton in Hartford, where he was selected Chairman (p. 689, Hgs.). The meeting to organize the dinner was held on Dec. 19, 1964, at the Statler Hilton, and at that time the decision was made to hold a dinner for Senator Dodd (pp. 689, 1144, 1151, Hgs.).

Sullivan, Moriarty, and Barbieri all testified that the dinner was for the purpose of raising funds for Senator Dodd's personal use (pp. 624, 631, 697, 1137, Hgs.).

Two solicitation letters from Barbieri for funds for the dinner were introduced in evidence (pp. 970, 1118, Hgs.). Another letter, dated December 30, 1964, was sent by Barbieri as a political leader to members of his political party requesting them to serve on the dinner committee (p. 969, Hgs.). The first solicitation letter, dated February 3, 1965, was sent to a "great number" of persons throughout Connecticut requesting their participation in the 1965 dinner and stating that the dinner was to "assist in meeting the campaign deficit" (pp. 691, 970, Hgs.). A return envelope was attached to the letter with the return address of Senator Dodd's Hartford office (p. 972, Hgs.). A follow up solicitation letter from Barbieri was mailed on February 25, 1965, and referred to his earlier letter but did not state the purpose for which the funds were to be used (p. 1118).

Newspapers in Connecticut at the time of the event uniformly reported the purpose of the dinner was to pay off Senator Dodd's 1964 campaign deficit (pp. 990-992, Hgs.).

Form affidavits of about 300 persons who attended the 1965 dinner indicated that they contributed money for Senator Dodd's personal use. Approximately 1,000 persons attended the dinner, according to newspaper reports (pp. 991, 992, Hgs.).

Moriarty, the dinner Treasurer, testified he did not handle funds nor know the amount of money raised nor how it was spent (p. 624, Hgs.). Sullivan received and controlled all funds for the dinner (p. 861, Hgs.).

The proceeds from the 1965 dinner, amounting to \$79,223, were deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" account and mingled with the proceeds of the October 1963 Connecticut events and 1964 campaign contributions (p. 861, Hgs.). The disposition of these funds is described on pages 22 and 23 below.

6. INTERNATIONAL LATEX CORPORATION CONTRIBUTION

During the hearing, three former employees of Senator Dodd testified that in October 1964 during the Connecticut election campaign, Irving Ferman, a vice president and Washington representative of International Latex Corporation, visited Connecticut and met with Senator Dodd and with David Martin, a member of the staff of the Senate Internal Security Subcommittee, who was working in Senator Dodd's campaign. They further testified that Martin told them, on the evening of Ferman's visit, that Ferman had agreed to give \$10,000 from International Latex Corporation to Senator Dodd's campaign in return for Senator Dodd's help in obtaining an ambassadorship for A. N. Spanel, the chairman of the board of International Latex Corporation (pp. 607, 608, 642, 643, 738, Hgs.).

Ferman testified that in August 1964 he spoke with David Martin, of the Internal Security Subcommittee staff, who asked him to raise

\$10,000 for Senator Dodd's 1964 campaign (p. 709, Hgs.). Ferman told Martin at that time that he would do his best to raise the money (p. 709, Hgs.). Ferman later went to Connecticut, about two weeks before the 1964 election, at Martin's request, and again discussed the possibility of raising \$10,000 (pp. 712, 713, Hgs.). Ferman stated to Martin at that time that he would try to raise the money although he had not yet been able to do so (p. 713, Hgs.). During his trip to Connecticut, Ferman also saw Senator Dodd for a short visit during a campaign appearance (pp. 712, 713, Hgs.).

During the campaign Ferman and Spanel contributed a total of \$2,150 to Senator Dodd's campaign (pp. 709, 718, Hgs.). The campaign reports filed with the State of Connecticut list \$2,150 in contributions from Spanel (pp. 948, 958, Hgs.).

Ferman testified further that at the end of November 1964, he learned of a testimonial dinner for Senator Dodd to be given in Connecticut although he did not recall specifically who informed him (p. 714, Hgs.). He stated that he then went to W. O. Heinze, the President of International Latex Corporation, who authorized \$8,000 from the corporation funds as a contribution to the dinner (pp. 714, 715, Hgs.). Ferman received the \$8,000 in cash by executing a petty cash voucher charged to "Industrial Relations Expense" on December 3, 1964 (pp. 715, 1035, Hgs.). He took the money to Senator Dodd's office and gave it to the Senator "one or two" weeks after he got the money (p. 716, Hgs.). He told Senator Dodd that the money was from his "people" as an expression of support (p. 716, Hgs.).

Ferman testified that he had discussed an ambassadorship for Spanel with Senator Dodd, probably in 1961 (p. 717, Hgs.). He also stated he may have also discussed it with David Martin (p. 717, Hgs.). He stated he did not recall whether he discussed it with Martin during his trip to Connecticut in late 1964 (p. 717, Hgs.). Ferman stated that the \$8,000 contribution was not related to any attempt to obtain an ambassadorship for Spanel (p. 718, Hgs.).

Ferman stated that none of the officials of the corporation nor the corporation itself have any domiciliary ties with Connecticut (p. 716, Hgs.).

Terry Golden, a former employee of Senator Dodd, testified that she typed a letter to the President dictated by Martin recommending Spanel for an ambassadorship to France after the election in 1964 (p. 723, Hgs.). She stated she had no knowledge whether the letter was actually signed by Senator Dodd or sent (p. 723, Hgs.). Another letter, with a memorandum from Ferman, was written by Senator Dodd to the President in January 1965 but was marked "not sent" (pp. 725, 1036, Hgs.). Golden stated the January letter was not the one that she typed but that the memorandum may have been the basis for some of the information in the letter recommending Spanel for an ambassadorship (pp. 725, 726, Hgs.).

Senator Dodd testified that he first heard of Ferman's \$8,000 contribution in December 1964 or January 1965 (p. 826, Hgs.). He acknowledged that Ferman gave him the money "from a group of his friends" (p. 827, Hgs.). Senator Dodd said Ferman told him he did not want the contribution made public because "they were in business," but never mentioned International Latex Corporation (pp. 827, 828,

Hqs.). Senator Dodd said he accepted the money for the 1965 dinner (p. 827, Hgs.).

Senator Dodd stated that he turned the money over to Sullivan to use for 1965 dinner expenses and that Sullivan returned the remainder to him after the dinner (p. 827, Hgs.). He stated he used \$3,500 to pay a loan from McNamara but did not explain the use of the remainder (p. 827, Hgs.).

Sullivan testified that Senator Dodd gave him the \$8,000 from Ferman in January 1965 and that he used \$1,000 to \$1,500 for dinner expenses and returned the remaining sum to Senator Dodd the day after the 1965 dinner (pp. 1133, 1134, Hgs.). Sullivan also testified that the 1965 dinner was not decided upon until December 19, 1964, at a dinner meeting at the Statler Hilton Hotel in Hartford, Connecticut (p. 1144, Hgs.). This statement was corroborated by Barbieri in his testimony (pp. 689, 701, Hgs.).

7. "TESTIMONIAL FOR U.S. SENATOR THOMAS J. DODD" BANK ACCOUNT

The "Testimonial for U.S. Senator Thomas J. Dodd" bank account was opened in about October 1963 by Edward Sullivan. The account was closed in June 1965 (p. 857, Hgs.).

Sullivan testified that he used the Testimonial account for testimonial and campaign money and did not distinguish between deposits of campaign receipts or fund-raising proceeds (pp. 1129, 1136, Hgs.).

Between October 1963 and February 1964, \$41,109 from the proceeds of the four October 1963 Connecticut events were deposited in the account (p. 857, Hgs.); between March 1964 and January 1965, \$85,818 from contributions to Senator Dodd's 1964 reelection campaign were deposited in the account (p. 861, Hgs.); between January 1965 and April 1965, \$79,223 from the contributions to the 1965 dinner were deposited in the account (p. 861, Hgs.); between October and December 1964, \$22,593 in net transfers from campaign funds were deposited in the account (p. 861, Hgs.); and in December 1963, \$1,567 from the proceeds of the D.C. reception were deposited in the account (pp. 856, 861, Hgs.). All of these funds were mingled in the account and were spent without differentiating between personal and political expenses (pp. 1129, 1136, Hgs.).

From this composite fund, totaling \$230,310, the amount of \$94,870 was transferred to Senator Dodd's personal account at the Federation Bank and Trust Company in New York, New York, and used to repay loans and for other purposes disclosed by the evidence (pp. 861-863, Hgs.).

It was admitted by Senator Dodd that \$9,480 from these funds was used for improvements to Senator Dodd's home in North Stonington, Connecticut, and \$4,900 was transferred to his son, Jeremy (p. 862, Hgs.).

It was further stipulated that \$28,588 of loans which were originally used directly or indirectly to pay personal income tax for Senator Dodd were repaid from these funds (pp. 862, 863, Hgs.).

Senator Dodd testified that an additional \$5,000 from the funds in the Federation account was used to repay a loan taken out during the 1958 campaign and used for political purposes (p. 821, Hgs.). An additional loan, originally taken out in 1964, which was repaid from

