

United States Senate  
COMMITTEE ON THE JUDICIARY  
WASHINGTON, D.C. 20510

March 6, 1972

Honorable James O. Eastland  
Chairman  
Committee on the Judiciary  
United States Senate  
Washington, D.C.

Dear Mr. Chairman:

The supplementary hearing on the nomination of Richard Kleindienst to be Attorney General has obviously raised many serious questions which should be resolved by the Committee to the fullest extent possible. The nominee himself has agreed that it would be best to attempt to remove the cloud under which his nomination has been placed. The national prominence which these questions have assumed only underlines our obligation to obtain all the available information pertinent to the events surrounding the settlement of the ITT antitrust litigation.

At the hearing last Thursday, Mr. Rohatyn demurred to an inquiry by Senator Tunney regarding alleged insider trading in ITT securities prior to the announcement of the settlement. There is certainly reason to believe that the current investigation of that matter by the Securities and Exchange Commission would have developed some crucial information, not otherwise available to the Committee, which is relevant to the central questions in this hearing.

For example, at what points did any corporate insiders affiliated with ITT believe or know that a settlement agreement would be worked out with the Department of Justice? What facts and circumstances did any of them believe or know would facilitate the effort to obtain a settlement? Certainly, if ITT was attempting improperly to influence the litigation, it is reasonable to conclude that the SEC inquiry would have developed evidence indicating that insiders were aware of efforts to utilize the ITT pledge to the Republican Convention in order to effect a satisfactory settlement. This Committee should, of course, have the benefit of any such evidence in our deliberations.

We recognize that the SEC investigation might culminate in a criminal proceeding, and that therefore any information obtained by the Committee from SEC files would have to be handled with that factor in mind. Upon all of the foregoing, it would seem appropriate therefore for the Committee to obtain from the SEC, and to inspect as in Executive Session, all the files relating to that investigation. Alternatively, it is requested that members of our staffs be permitted to inspect those files at the SEC, with a view toward their preparing a confidential report to the Committee reflecting the particular facts and materials which are relevant to the Committee's consideration.

We are aware of your desire that this matter be developed fully with due regard to the interests of all parties concerned, and we appreciate your cooperation.

Sincerely,

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