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U.S. Department of Justice

Federal Bureau of Investigation
Washington, D.C. 20535

November 30, 2017

MR. JOHN GREENEWALD JR.
SUITE 1203
27305 WEST LIVE OAK ROAD
CASTAIC, CA 91384-4520

FOIPA Request No.: 1356840-000
Subject: LEBLANC, DUDLEY

Dear Mr. Greenewald:

The enclosed documents were reviewed under the Freedom of Information Act (FOIPA), Title 5, United States Code, Section 552. Below you will find check boxes under the appropriate statue headings which indicate the types of exemptions asserted to protect information which is exempt from disclosure. The appropriate exemptions are noted on the enclosed pages next to redacted information. In addition, a deleted page information sheet was inserted to indicate where pages were withheld entirely and identify which exemptions were applied. The checked exemptions boxes used to withhold information are further explained in the enclosed Explanation of Exemptions.

Section 552		**Section 552a**
☐ (b)(1)	☐ (b)(7)(A)	☐ (d)(5)
☐ (b)(2)	☐ (b)(7)(B)	☐ (j)(2)
☑ (b)(3)	☑ (b)(7)(C)	☐ (k)(1)
Rule 6(e), Federal Rules of	☑ (b)(7)(D)	☐ (k)(2)
Criminal Procedure	☐ (b)(7)(E)	☐ (k)(3)
	☐ (b)(7)(F)	☐ (k)(4)
☐ (b)(4)	☐ (b)(8)	☐ (k)(5)
☐ (b)(5)	☐ (b)(9)	☐ (k)(6)
☑ (b)(6)		☐ (k)(7)

316 pages were reviewed and 200 pages are being released.

Below you will also find additional informational paragraphs about your request. Where applicable, check boxes are used to provide you with more information about the processing of your request. Please read each item carefully.

☑ Document(s) were located which originated with, or contained information concerning, other Government Agency (ies) [OGA].

- ☑ This information has been referred to the OGA(s) for review and direct response to you.
- ☑ We are consulting with another agency. The FBI will correspond with you regarding this information when the consultation is completed.

☐ In accordance with standard FBI practice and pursuant to FOIA exemption (b)(7)(E) and Privacy Act exemption (j)(2) [5 U.S.C. § 552/552a (b)(7)(E)/(j)(2)], this response neither confirms nor denies the existence of your subject's name on any watch lists.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the Freedom of Information Act (FOIA). See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist. Enclosed for your information is a copy of the Explanation of Exemptions.

For questions regarding our determinations, visit the www.fbi.gov/foia website under "Contact Us." The FOIPA Request Number listed above has been assigned to your request. Please use this number in all correspondence concerning your request.

You may file an appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following website: https://foiaonline.regulations.gov/foia/action/public/home. Your appeal must be postmarked or electronically transmitted within ninety (90) days from the date of this letter in order to be considered timely. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so it may be easily identified.

You may seek dispute resolution services by contacting the Office of Government Information Services (OGIS) at 877-684-6448, or by emailing ogis@nara.gov. Alternatively, you may contact the FBI's FOIA Public Liaison by emailing foipaquestions@fbi.gov. If you submit your dispute resolution correspondence by email, the subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so it may be easily identified.

☐ The enclosed material is from the main investigative file(s), meaning the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown such additional references, if identified to the same subject of the main investigative file, usually contain information similar to the information processed in the main file(s). As such, we have given priority to processing only the main investigative file(s) given our significant backlog. If you would like to receive any references to the subject(s) of your request, please submit a separate request for the reference material in writing. The references will be reviewed at a later date, as time and resources permit.

☑ See additional information which follows.

Sincerely,

David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosure(s)

The enclosed documents represent the first interim release of information responsive to your Freedom of Information Act (FOIA) request.

As previously indicated, document(s) were located which originated with, or contained information concerning another agency (ies). We are consulting with the other agency (ies) and are awaiting their response. Our office has processed all other information currently in our possession. The FBI will correspond with you regarding those documents when the consultation is completed.

Inquiries regarding your OGA referral(s) designated within the release as "Referral/Direct" may be directed to the following agency(ies) at:

Ms. Deon Stearns
FOIA/PA Officer
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

A search of the FBI Headquarters electronic surveillance indices has been conducted, and no responsive record which indicates that Dudley LeBlanc has ever been the target of electronic surveillance was located.

This material is being provided to you at no charge.

To minimize costs to both you and the FBI, duplicate copies of the same document were not processed.

For your information, a search of the indices to our Central Records System reflected there were additional records potentially responsive to your FOIA request. We have attempted to obtain this material so it could be reviewed to determine whether it was responsive to your request. We were advised that the potentially responsive records were not in their expected location and could not be located after a reasonable search. Following a reasonable waiting period, another attempt was made to obtain this material. This search for the missing records also met with unsuccessful results.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

(b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;

(b)(2) related solely to the internal personnel rules and practices of an agency;

(b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

(b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;

(b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;

(b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;

(b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or

(b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

(d)(5) information compiled in reasonable anticipation of a civil action proceeding;

(j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;

(k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;

(k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;

(k)(4) required by statute to be maintained and used solely as statistical records;

(k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service he release of which would compromise the testing or examination process;

(k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1356840-0

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OCTOBER 24, 1952 AIR MAIL

SAC, NEW ORLEANS

THE LEBLANC CORPORATION; DUDLEY J. LEBLANC, ET AL DASH BRIBERY. REF NEW YORK MEMORANDUM TO BUREAU OCTOBER TWENTY ONE LAST. HOLD INVESTIGATION REQUESTED IN REF MEMORANDUM IN ABEYANCE. BULET FOLLOWS.

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EX-18

58-2808-

OCT 24 1952

Office Memorandum • UNITED STATES GOVERNMENT

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TO: Director, FBI

DATE: 10/21/52

FROM: SAC, New York (58-new)

SUBJECT: THE LE BLANC CORPORATION:
DUDLEY J. LE BLANC;
JAMES A. HORTON;
UNKNOWN SUBJECT,
RFC Employee,
New Orleans, Louisiana
BRIBERY

On 10/21/52 Mr. JEROME DOYLE, former Special Agent of the FBI and now with the law firm, Cahill, Gordon, Zachry and Reindel, 63 Wall Street, New York 5, New York, furnished the following information which was obtained by his firm acting as attorneys for the trustee, MILTON F. ROSENTHAL, in a 77B Reorganization filed in the Southern District of New York, October 1951, entitled "In the Matter of LeBlanc Corporation":

The LeBlanc Corporation (a Delaware corporation), together with the LeBlanc Corporation (a Louisiana corporation) is in the business of manufacturing and selling a patent medicine known as "HADACOL". In late August, 1951 the then principal stockholder of the Louisiana corporation, State Senator DUDLEY J. LeBLANC, sold the stock of the Louisiana corporation to a group of New Yorkers. Within a very short time they came to realize the corporation was not liquid and, as a consequence, petitioned the Southern District of New York under 77B of the National Bankruptcy Act.

Cahill, Gordon, Zachry and Reindel were appointed attorneys for the trustees in October, 1951.

In the course of carrying out their duties as attorneys, in August, 1952, JEROME DOYLE of that firm took the deposition of Senator DUDLEY J. LeBLANC at Lafayette, Louisiana, which is the residence of Senator LeBLANC. The deposition was taken from 8/25-27/52.

EXPEDITE PROCESSING

In the course of taking the deposition Senator LeBLANC gave certain answers to certain questions which indicated a probable commission of federal crimes.

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- New Orleans (Encls. 17)
- Washington Field (Encls. 24)

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The information does not indicate violations of the National Bankruptcy Act but rather crimes in the area of bribery of federal officers, etc.

The attorney for the trustee was interested at one point in the deposition in some $300,000.00 withdrawn from the corporation by Senator LeBLANC in 1950 and 1951 for "expenses". The books and records of the corporation failed to indicate any accounting by Senator LeBLANC for this money which he had so withdrawn.

The deposition indicates (pages 17-22, 32-36 and 69-92) that a large part of the $300,000.00 was purportedly passed by LeBLANC through an associate named MACK HEDRICK, now deceased, to an official or officials of the Federal Trade Commission at Washington, D.C. A copy of the entire deposition is being enclosed herewith to Washington Field.

Senator LeBLANC explained in his deposition that the advertising of the LeBlanc Corporation had met with the disapproval of the Federal Trade Commission and that that agency was about to take some sort of legal action against LeBLANC and his company unless they ceased the type of advertising they were then practicing. His deposition further indicates that the Senator believed it was vitally necessary for the existence of his corporation to prevent such federal legal action and, as a consequence, he claimed to have paid over these sums of money to his associate who in turn was supposed to have paid it to an official or officials of the Federal Trade Commission.

The Senator maintained throughout his deposition that he was never present at any time when the money was passed but that he believed HEDRICK to be telling him the truth when HEDRICK stated that he was paying it to officials of the Federal Trade Commission.

Certain documents were located in the files of the LeBlanc Corporation at Lafayette which indicated that Senator LeBLANC had been extremely interested in 1950 in bringing about the appointment of one JAMES A. BORTON to the post of

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Commissioner of the Federal Trade Commission. The Congressional Directory for 1950 indicates that JAMES A. HORTON was then the Director of the Bureau of Legal Investigations of the Federal Trade Commission.

LeBLANC's deposition indicates that the Senator was on extremely friendly terms with JAMES A. HORTON and believed if he had been promoted from the post just described to a commissioner, it would be of vast assistance to the Senator in so far as the activity of the Federal Trade Commission was concerned vis-a-vis LeBLANC's advertising.

In late February or early March, 1950 LeBLANC wrote some 15 odd letters to Senators and Congressmen petitioning them to aid in the promotion of HORTON to the post of Commissioner of the Federal Trade Commission. He sent copies of these letters to HORTON on 3/25/50 and in that letter counseled him, "after they have served the purpose, you may destroy them." A set of these documents furnished by DOYLE is being enclosed to Washington Field.

While LeBLANC professed no knowledge of the identity of the FTC officers receiving payments of money from HEDRICK, at one point in his deposition he gave an answer which would indicate he actually has that knowledge when he stated the reason he did not account for the expenditures of funds in Washington was that he did not want the names of federal officers to appear in the records of the LeBlanc Corporation.

In addition to the foregoing report relative to purported payments of monies to officers of the FTC, LeBLANC also testified that there were occasions when he entertained FTC employees in New York City stating that they "could not be seen in public with me in Washington". LeBLANC did not further identify these officials.

Letter to Director

NY 58-New

The Congressional Directories for 1951 and 1952 indicate that JAMES A. HORTON is now Director of the Bureau of Industry Cooperation of the Federal Trade Commission.

Elsewhere in the deposition (pages 256-271) Senator LE BLANC testified that he was able to buy a building owned by the Reconstruction Finance Corporation for $55,000.00 as a result of his obtaining information from a local official of the RFC in New Orleans as to the amount of the highest bid for that building. He further testified that he was ready to pay anywhere up to $100,000.00 for the building but that with the knowledge of the highest bid he only had to bid $1,000.00 more than that.

The building in question is located at 1217 Convent Avenue, Lafayette, Louisiana. It was purchased by LE BLANC for $55,000.00 in approximately October of 1949 and he later sold it to the LeBlanc Corporation for $225,000.00. It is still being used by the corporation. The name of the RFC employee was not given by the Senator in his deposition; however, he does identify him as "the person handling the bids for the RFC building at 1217 Convent Avenue, Lafayette, Louisiana, at the New Orleans Office of the Reconstruction Finance Corporation.

Photostatic copies of pages 256 to 271 are being enclosed for the New Orleans Office.

During the course of the deposition LE BLANC gave testimony relative to interviews he had with MICHAEL DI SALLE, then the head of the Office of Price Stabilization. His transactions with DI SALLE did not bring about the results he desired; however, there is mention of a lawyer from Cincinnati, Ohio, who was supposed to have acted as an intermediary. The latest search of the files of the LeBlanc Corporation reveals communication with one R. EDWARD TEPE of Cincinnati who is undoubtedly the "lawyer" referred to in the deposition.

58 2808- 2

Letter to Director

NY 58-New

Photostatic copies of this correspondence are being enclosed for the Washington Field Office.

There is no indication from the deposition or the documents that Mr. DI SALLE was improperly influenced by LE BLANC or TEPE but, in view of the mention of DI SALLE, for completeness sake, the attorneys for the trustee are turning over to the Bureau the letters between TEPE and LE BLANC.

No investigation concerning this allegation is being recommended at this time on the basis of information furnished by complainant DOYLE.

Elsewhere in his deposition LE BLANC spoke of the employment of a lawyer in Washington who was Assistant to the Chairman of the National Democratic Committee. LE BLANC was asked time and again the name of that lawyer but claimed he could not remember it. He stated that he had employed the lawyer to handle all his problems in Washington on the representation that the lawyer had influence in a variety of government agencies.

Thereafter two letters were found in the LE BLANC files which identified the lawyer connected with the National Democratic Committee as H. TURNEY GRATZ.

Photostatic copies of this correspondence are being enclosed for the Washington Field Office. It is being left to the discretion of the Washington Field Office as to what investigation, if any, is necessary as to this portion of DOYLE'S complaint.

The deposition was not transcribed and forwarded to Cahill, Gordon, Zachry & Reindel until late September, 1952. The reorganization is under the general supervision of U.S. District Judge WILLIAM BONDY. On September 2, 1952, Mr. DOYLE reported to Judge BONDY his recollections of the LE BLANC testimony and was of the belief that Judge BONDY did not want

58

him to take any action until the written transcript was made available. On October 14, 1952 the transcript was forwarded to Judge BONDY who stated, on October 17, 1952, in a letter that he did not want to read the transcript but repeated that, if there were any crimes probably committed, they should be reported to the proper authorities.

DOYLE advised that this matter is not being brought to the attention of the United States Attorney for the Southern District of New York as there appears to be no indication of any crime committed in this district.

New York Office indices are negative concerning the LeBlanc Corporation, DUDLEY J. LE BLANC and JAMES A. HORTON.

New Orleans, at Lafayette, Louisiana, will interview DUDLEY J. LE BLANC, concerning the details of all specific allegations contained in this complaint and will specifically endeavor to identify the Federal Trade Commission officials involved in this alleged bribery and the identity of the RFC official in New Orleans, together with all facts and circumstances surrounding payments thereto or entertainment thereof.

Washington Field will interview JAMES A. HORTON concerning the allegations contained herein and will endeavor to identify and interview investigators under HORTON's supervision to whom complaints concerning HADACOL were referred.

Washington Field will endeavor to ascertain the financial status of JAMES A. HORTON or other individuals possibly involved.

No investigation necessary at NYC at this time. RUC.

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SAC, Washington Field October 24, 1952

Director, FBI (58-)

58-2806

RECORDED - 51

EX-13

DUDLEY J. LE BLANC;
IR LE BLANC CORPORATION;
JAMES A. HORTON;
UNKNOWN SUBJECT, NEW YORK;
NEW ORLEANS, LOUISIANA
BRIBERY

Reference is made to New York memorandum to the Bureau dated October 21, 1952.

Washington Field is hereby designated origin in this case and is instructed to immediately prepare report summarizing the background of this situation and briefing where pertinent the deposition of Dudley J. LeBlanc. The documents referred to in referenced New York memorandum concerning LeBlanc's interest in behalf of James A. Horton should be fully described in the initial report.

Should any inference of improper activity by LeBlanc be contained in the material forwarded to Washington Field by New York relative to LeBlanc's approach of Michael DiBello through Attorney Edward Tepe or in connection with LeBlanc's association with Washington Attorney, Harney Kretz, such material should also be briefed in the initial report. It is not desired that the Federal Trade Commission or the Reconstruction Finance Corporation files be reviewed by the Washington Field Office at this time nor is it desired that Mr. James A. Horton be immediately interviewed as suggested in referenced memorandum. It is desired that the initial report by Washington Field be submitted by October 31, 1952. New Orleans is instructed to hold in abeyance pending receipt of the initial report from Washington Field the interview of Dudley LeBlanc. Therefore, New Orleans is instructed to review the records of the LeBlanc Corporation

cc: (2) New Orleans
(1) New York (for information) (58-)

JCS:jlt

58-2806

October 27, 1952

best copy available

as well as the records of the regional office of the Reconstruction Finance Corporation and to interview Dudley J. LeBlanc in light of the allegations in this case. If possible, LeBlanc should be interviewed under oath and efforts should be made to obtain a signed sworn statement from him. It is desired that New Orleans advise by November 14, 1952.

NOTE: ASAC Fletcher WFO telephonically advised by Pennington 10/24/52 to hold investigation in abeyance pending receipt of bulet.
New Orleans similarly advised by Air Gram 10/24/52.

FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

Transmit the following Teletype message to: FBI WASHINGTON 0711 - BY AMSD

FBI NEW ORLEANS 10-24-52

DIRECTOR, FBI

THE LE BLANC CORPORATION; DUDLEY J. LE BLANC; JAMES A. HORTON; UNKNOWN SUBJECT, RFC EMPLOYEE, NEW ORLEANS, LOUISIANA, BRIBERY. BUREAU AUTHORITY REQUESTED TO PROCEED WITH INVESTIGATION OUTLINED NEW YORK LETTER OCTOBER TWENTYONE, LAST.

LOPEZ

END

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Sent _____ M Per _____

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

DATE: October 24, 1952

FROM : Mr. Rosen

SUBJECT: DUDLEY J. LE BLANC, et al
BRIBERY

SYNOPSIS

Allegation received that Dudley J. LeBlanc, a Louisiana State Senator and former majority stockholder of the LeBlanc Corporation, a pharmaceutical concern, paid large sums of the firm's funds to unnamed officials of the Federal Trade Commission in an effort to forestall Federal Trade Commission action in opposition to his company's advertising program. Further alleged that LeBlanc purchased a building from the Reconstruction Finance Corporation on advantageous terms with the assistance of an unnamed Reconstruction Finance Corporation employee who advised him as to the amount offered by competing bidders. Instructions set forth for investigation with Washington Field as origin. Deadline October 31 for initial report.

PURPOSE:

To record the receipt of allegations to the effect that Dudley LeBlanc, a Louisiana State Senator, bribed Federal Trade Commission officials and obtained improper assistance from a Reconstruction Finance Corporation employee in the purchase of a Government-owned building.

BACKGROUND:

New York by letter dated October 21, 1952, advised that allegations had been received to the effect that LeBlanc, a Louisiana State Senator and former majority stockholder of the LeBlanc Corporation, a patent medicine manufacturing concern, in a deposition made by him in August, 1952, in an effort to explain the disappearance of some $300,000 of the firm's funds related that the vast portion of this money had been turned over by him to a former associate, Mack Hedrick (deceased), who gave the money to unnamed officials of the Federal Trade Commission, Washington, D. C. In his deposition

Attachment
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LeBlanc explained that the Federal Trade Commission had found his company's advertising objectionable and he stated that the funds were paid to the Government officials in an effort to forestall action by the Trade Commission in opposition to his company's advertising program. He denied knowing the names of the officials involved although he admitted entertaining numerous Federal Trade Commission officials and employees in New York City. According to the complainant former Special Agent Jerome Doyle, presently a practicing attorney, certain documents were found in the files of the corporation indicating that LeBlanc was friendly with James A. Horton, presently Director of the Bureau of Industry Cooperation of the Federal Trade Commission. It was also found by the complainant that LeBlanc had written numerous letters to members of Congress petitioning them to aid in the promotion of Horton to the post of Commissioner of the Federal Trade Commission.

Elsewhere in LeBlanc's deposition appeared testimony that he was able to buy a building from the Reconstruction Finance Corporation for $55,000, through the assistance of an unnamed Reconstruction Finance Corporation employee who advised him as to the amount offered for the building by competing bidders. LeBlanc testified that he was prepared to pay $100,000 for the building which he later sold for $225,000. Complainant further related that there was an indication that LeBlanc had been carrying on negotiations with Michael DiSalle, when head of the Office of Price Stabilization, through a Cincinnati attorney. There was no evidence, however, that LeBlanc had acted improperly in connection with his dealings with DiSalle nor was there evidence that any concession had been granted to his company by the Office of Price Stabilization. It further appears that LeBlanc employed the services of Washington [redacted] (subject of previous investigation arising out of the Grand Jury inquiry into the [redacted] to handle his Washington problems. b3

RECOMMENDATIONS:

It is recommended that this matter be referred to the Field with Washington as origin. There is attached for your approval a memorandum to Washington Field, copies to New Orleans and New York with instructions for the initial report to be submitted by Washington Field on October 31.

Expedite & send memo to [illegible]

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The Attorney General October 28, 1952

Director, FBI

THE LE BLANC CORPORATION;
DUDLEY J. LE BLANC;
JAMES A. HORTON;
UNKNOWN SUBJECT EMPLOYED BY
RECONSTRUCTION FINANCE CORPORATION,
NEW ORLEANS, LOUISIANA,
BRIBERY

RECORDED - 51

On October 21, 1952, Mr. Jerome [illegible], an attorney with the law firm of Cahill, Gordon, [illegible]ary and Reindel, New York City, furnished the following information to our New York Office:

The LeBlanc Corporation (a Delaware corporation), together with The LeBlanc Corporation (a Louisiana corporation), is in the business of manufacturing and selling a [illegible] medicine known as "Hadacol." In late August, 19[illegible], the then principal stockholder of the LeBlanc Corporation, Louisiana State Senator Dudley J. LeBlanc, sold the stock of the Louisiana corporation to a group of New Yorkers. Within a very short time the New York group realized the corporation was not liquid and filed a petition in the Southern District of New York for reorganization under section 77B of the National Bankruptcy Act.

Cahill, Gordon, Zachry and Rei[illegible] were appointed attorneys for the trustees in October, [illegible] the [illegible] of copying the [illegible] in this [illegible] deposition was taken by [illegible] Boyle from Senator D[illegible] LeBlanc, a resident of Lafayette, Louisiana, in [illegible].

This deposition concerned, [illegible] Senator [illegible] explanation of the withdrawal from [illegible]uration in [illegible] and 1951 of approximately [illegible],000 [illegible] adequate [illegible] had not been made in the [illegible] and [illegible] of the [illegible] Senator LeBlanc related [illegible] portion [illegible] was turned over by h[illegible] State, [illegible] now deceased, who gave [illegible] official or [illegible] of the Federal Trade Commission [illegible]ington, D. C. [illegible]

EFK [illegible]

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deposition, Senator LeBlanc explained that the Federal Trade Commission had found the advertising of the LeBlanc Corporation objectionable and these funds were paid to the Government officials in an effort to forestall action by that Commission in opposing the advertising program of this concern. He denied knowing the names of the officials involved although he admitted having entertained a number of Federal Trade Commission officials and employees in New York City. According to the complainant, certain documents were found in the files of the LeBlanc Corporation indicating that LeBlanc was friendly with James A. Horton, presently Director of the Bureau of Industry Cooperation of the Federal Trade Commission. It was also found by the complainant that Senator LeBlanc had written numerous letters to members of Congress petitioning them to aid in the promotion of Horton to the post of Commissioner of the Federal Trade Commission.

Elsewhere in LeBlanc's deposition appeared testimony that he was able to buy a building in Lafayette, Louisiana, from the Reconstruction Finance Corporation for the sum of $55,000, through the assistance of an unnamed employee of the Reconstruction Finance Corporation, New Orleans, Louisiana, who advised him of the amounts offered for the building by competing bidders. Senator LeBlanc related that he was prepared to pay $100,000 for the building which he purchased in approximately October, 1949, and which he later sold to the LeBlanc Corporation for $225,000.

The complainant related further that there was an indication that Senator LeBlanc had been carrying on negotiations with Michael V. DiSalle, then Director of the Office of Price Stabilization, Washington, D. C., through a Cincinnati attorney. There was no evidence, however, that LeBlanc had acted improperly in connection with his dealings with Mr. DiSalle nor was there any evidence that any concession had been granted to the LeBlanc Corporation by the Office of Price Stabilization.

In his deposition LeBlanc stated he had employed a lawyer in Washington, D. C., who was Assistant to the Chairman of the National Democratic Committee. He claimed he could not remember the name of this lawyer and said he had employed this attorney to handle all of his problems in Washington, D. C., on the representation that the lawyer had influence in various Government agencies. Two letters were located in the files of

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the LeBlanc Corporation which identified H. Turney Gratz as an attorney who had been connected formerly with the National Democratic Committee and it is thought he may be the person to whom LeBlanc referred.

We are instituting an immediate investigation concerning the possible payment of bribes by LeBlanc to James A. Horten and other unnamed officials of the Federal Trade Commission, Washington, D. C. Inquiries into the disclosure of information to Senator Eastland by the unidentified employee of the Reconstruction Finance Corporation, New Orleans, Louisiana, are also being made. Senator LeBlanc's deposition and other documents furnished by the complainant are being examined and if it appears there is any inference of improper activity concerning LeBlanc's dealings with Michael V. DiSalle or H. Turney Gratz such matters will receive investigative attention.

This investigation is going forward with all dispatch and copies of all reports will be furnished to the Records Administration Branch promptly upon their receipt and review in the Bureau.

cc: 1 - Assistant Attorney General
Charles H. Murray

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SAC, Washington Field

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October 28, 1952

BY SPECIAL MESSENGER

Director, FBI

DUDLEY J. LE BLANC, ET AL,
BRIBERY

Rebulet October 24, 1952.

It is absolutely essential that the deadlines set in relet be met by New Orleans and Washington Field Offices and sufficient personnel should be assigned to this case to insure that nothing is permitted to interfere with investigation of this case.

cc: 2 - New Orleans
cc: 1 - New York (for information)

EFK:js

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COMM - FBI
OCT 28 1952
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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: November 3, 1952

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY J. LeBLANC;
THE LeBLANC CORPORATION;
JAMES ALBERT HORTON;
UNKNOWN SUBJECT,
RFC EMPLOYEE,
New Orleans, Louisiana
BRIBERY

Reference is made to the report of Special Agent WILLIAM C. HIGGINS, dated October 31, 1952, at Washington, D. C., concerning captioned matter.

Enclosed herewith are corrected Pages 30, 31, and 44, of referenced report and the Bureau and those Offices receiving amended Pages are requested to make the appropriate changes.

These changes have been made in the Washington Field Office copies.

It is to be noted that no leads have been set out in referenced report to interview MICHAEL V. DiSALLE, *former Director, Office of Price Stabilization*, Washington, D. C., and R. EDWARD TEPE, Attorney, Cincinnati, Ohio, inasmuch as a review of the correspondence and LeBLANC'S deposition, as furnished by JEROME DOYLE, indicates the relationship between TEPE, on behalf of LeBLANC, and DiSALLE, in instant case, concerned only a price-fixing problem of the LeBlanc Corporation and fails to reflect any improper action on the part of DiSALLE.

If, upon receipt of information from other Offices having leads in this case, indications are that DiSALLE may have been influenced by TEPE or LeBLANC, he will be interviewed; however, no interview will be conducted with DiSALLE or TEPE at this time UACB.

WCH:DJM
Enclosures: 3

2 - New Orleans (Enclosures: 2) (AMSD)
2 - Chicago (Enclosures: 2)

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RECORDED

7 NOV

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
WASHINGTON, D. C.	10/31/52	10/30,31/52	WILLIAM C. HIGGINS RCN

TITLE	CHARACTER OF CASE
DUDLEY J. LE BLANC; The Le Blanc Corporation; JAMES ALBERT HORTON; UNKNOWN SUBJECT, RFC Employee, New Orleans, Louisiana	BRIBERY

SYNOPSIS OF FACTS:

Testimony of DUDLEY J. LE BLANC and Miss ONESTA MARTIN, former President and former Secretary of The Le Blanc Corporation, manufacturers of Hadacol, reviewed and pertinent portions set out. In addition, correspondence obtained from JEROME DOYLE of the law firm CAHILL, GORDON, ZACHRY and REINDEL summarized as it pertains to DUDLEY LE BLANC. Background information relative to JAMES ALBERT HORTON set out.

- P -

RAB

1 cc to Jamison Head 11/17 [illegible] sorted out to ad: Mess [illegible] of sept. & set to discon. [illegible] personnel. [illegible]

1 Photostat sent to R.F.C. 11-17-53 [illegible]

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
[illegible]		58-2808-6	SE-11

COPIES OF THIS REPORT
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- 3 - Washington Field (58-417)

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RECORDED - 59

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NOV 28 1952

★ U. S. GOVERNMENT PRINTING OFFICE 16—[illegible]-2

WFO 58-417
WCH:FCP

DETAILS: AT WASHINGTON, D. C.

The New York Office advised by letter that on October 21, 1952, Mr. JEROME DOYLE of the law firm of CAHILL, GORDON, ZACHRY and REINDEL, 63 Wall Street, New York 5, New York, had advised the New York Office that his law firm was acting as attorneys for the trustee, MILTON F. ROSENTHAL, in a 77B Reorganization filed in the Southern District of New York October, 1951, entitled "In The Matter Of: The LeBlanc Corporation".

Further, that DOYLE had advised that the LeBlanc Corporation (a Delaware corporation) togetherwith the Le Blanc Corporation (a Louisiana corporation) is engaged in the manufacturing and selling of a patented medicine known as "Hadacol". That in late August, 1951, State Senator DUDLEY J. Le BLANC, then principal stockholder of the Louisiana corporation, sold the stock of this Louisiana corporation to a group of New York purchasers, who, after finding this corporation was not liquid, petitioned the Southern District of New York under 77B of the National Bankruptcy Act.

Continuing, according to DOYLE, the above named law firm was appointed attorney for the trustees in October, 1951, and that in futherance of this duty DOYLE took the deposition of Senator Le BLANC at Lafayette, Louisiana, on October 25 through 27, 1952.

According to DOYLE, Le BLANC's deposition contains information which would indicate probable commission of Federal crimes involving the bribery of Federal Officers Statutes.

DOYLE furnished the New York Office with a copy of Le BLANC's deposition for a review of the information contained therein.

It was noted that this deposition was entitled "In The Matter Of: The Le Blanc Corporation", and consisted of three volumns dated consecutively from August 25 through 27, 1952, and concerning the depositions of DUDLEY J. LeBLANC and Miss ONESTA MARTIN.

It was further noted that the attorneys for trustees were JEROME DOYLE, Esquire and DETLEV F. VAGTS, Esquire, of the aforementioned law firm and that BENNETT J. VOORHIES, Esquire, of the law firm of VOORHIES and LABBE, 718 South Buchanan Street, Lafayette, Louisiana, represented Le BLANC. Upon direct examination, Le BLANC advised that he was born in Youngsville, Louisiana, August 16, 1894; that he finished high school in Lafayette, Louisiana, 1912; that after working as a salesman for several years he joined the Army in 1918, and was discharged while a candidate in Officers Training School at Haddock, Georgia; that he organized a Mutual Insurance Association in 1921 known as the T.B.A. Benevalent Association which he sold in 1935; that he formed the Happy Day Company which was incorporated June 27, 1938, and which company engaged in the manufacture and the sale of headache powders.

LeBLANC summarized his political activities in the State of Louisiana as follows:

1926 - elected to the Public Service Commission
1932 - unsuccessfully ran for Governor
1940 - elected to the State Senate
1940 - unsuccessfully ran for Governor
1948 - elected to the State Senate
1/1952 - unsuccessfully ran for Governor
7/1952 - unsuccessfully ran for Congress

LeBLANC advised that the business conducted by the Happy Day Company was a nominal one and that the company was afraid "because of the ingredients used in this manufacture that the Federal Government would prevent us from shipping merchandise interstate and we confined our activities within Louisiana because we had our preparation approved by the State Department of Health." He said that as a result the company endeavored to market other drugs because "the volumn of business of the Happy Day Company, since it was a ten-cent item, did not justify us to pay the salesmen the salaries that we felt they were entitled in order to successfully promote the product, and we were looking even then for something to add to the line."

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The following background information concerning the creation of the patented medicine known as "Hadacol" is quoted from pages 27 and 28. (Unless otherwise noted, any quotation hereinafter set forth refers to Le BLANC's testimony when prefixed by the letter A or refers to the question advanced by Mr. DOYLE when prefixed by the letter Q.)

"Q. Would you tell us when it was that you found this product and describe the product to us?

A. You are talking about Hadacol?

Q. I don't know, Senator. You are the witness.

A. It was about in 1945 or '46. I began to make a study of new drugs and I read, I suppose almost every book that was printed on the subject; not read them wholly, but I became interested in vitamins and minerals, Vitamin B particularly and it was about in the year 1946 or '47 that I assembled a preparation in a tonic with vitamins and minerals. It was about that time.

Q. Am I correct in understanding that you are the person who devised the original formula of this product later known as Hadacol or did you receive assistance?

A. No, sir. I think I devised, put it together from my own research work although I bought lot of other tonics from the merchant's shelf and made comparisons and that might have in itself given me some idea; but I had no outside assistance from chemist or druggist or anything like that.

Q. How was the name 'Hadacol' created?

A. The name came about this way. My idea was when I got this formula together and from the testimonials and literature on the subjects of vitamins and minerals, it seemed to do such wonders that I wanted a name that would denote strength and pep; so I went to our attorneys in Washington with a list of names that I thought might be appropriate for the preparation, such as 'Oxzone' and nine or ten others. Apparently none of them seemed to please any of these people, so they suggested that often times some of their clients abbreviate the name of their corporation and fabricated

"a name from that. So with this thought in mind, I took the name 'Happy Day Company' and I used 'H-A' from 'Happy,' 'D-A' for 'Day' and 'C-O' for 'Company' and that would have made 'Hadaco'. It didn't seem to rhyme so I added an 'L' and made it 'Hadacol'."

Le BLANC advised that Hadacol did not meet with immediate commercial success because the company had insufficient money to buy bottles and cartons and that "I was selling the preparation without the cartons, just in a plain, common bottle with a cheap label. Obviously it didn't meet with popular approval because of the fact that the package in itself was very unattractive."

In answer to DOYLE's query as to whether the company's name was changed from Happy Day Company to the Le Blanc Laboratories, Le BLANC replied as shown on page 30.

"Yes, sir. The Happy Day Company, the name 'Happy Day' did not have a serious sound and people who took medicine to gain either strength or health obviously was not impressed with the name 'Happy Day'; so I wanted a more serious name, so we called it the Le Blanc Laboratories. But even then I did not know that you had to have a flock of chemists to call a concern 'Le Blanc Laboratories' and that Food and Drug requested that I change the name because they sent an investigator here and found out that instead of a laboratory I had a few test tubes where we weighed and gauged the medicine and all that--the ingredients, you understand. But it was not a laboratory as elaborate as was required by Washington to be called 'laboratory'. Our doctor in Washington, however, had told me that it was permissible to call my concern a laboratory and that was where we had gotten the name.

Q. So that the record might be somewhat exact in this respect, I show you a document which is headed 'Amendment to the Charter of the Happy Day Incorporated.' It is dated June 30, 1948, and presumes to deal with the change of name and ask you to look at it."

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LE BLANC advised that based on this document the date of June 30, 1948, was the day on which the Le Blanc Laboratories came into existence.

"...Q. How long was it after you changed the name that the representatives of the Federal Trade Commission advised you that they were not satisfied with the [illegible] name?

A. Well, off hand, I [illegible] was; however, I had made a trip to Washington and we had discussed this matter. We had discussed this matter with these people and I had invited them to come and look at my shop and in the event that they were not satisfied with the way we were operating and if we were not conducting a business that justified us to calling the concern 'laboratory' I would be glad to change, because I didn't want to violate no laws. I was a law-abiding citizen, I explained to them, and they sent a man at my request.

Q. After he came here, did you then go back to Washington and learn the results of his investigation?

A. Off hand, I do not recall whether my visit was necessarily for that purpose, but I went back to Washington and I had a conference with my doctor who, incidentally, went over to the—I don't remember whether it was the Food and Drug or the other one, and the doctors among themselves discussed this phase of the business and they suggested to my doctor that the name be changed.

Q. Let me show you a minute from the corporate minute book dated October 20, 1948, and ask you to look at it first. (Document handed to witness.)

A. (Witness examined document.) Yes."

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"Q. Looking at Page II of that minute, Senator, is that your signature appearing above the typewritten line headed 'President'?

A. Yes.

Q. You recognize it as your signature?

A. That is right.

Q. Having seen that, can you now testify that these two [illegible] are official minutes of the LeBlanc Corporation?

A. They would appear to be, yes.

Q. That is deemed marked 'Trustee's Exhibit 1'.

Q. (Continuing.) Directing your attention to the first page of this minute, it states: 'Mr. DUDLEY J. LE BLANC, President, explained that he had gone to Washington, D. C., because of the type of advertising being conducted by the corporation as not being approved by the Federal Trade Commission and the Food and Drug Administration. Mr. DUDLEY J. LE BLANC explained that both departments had charges against the corporation and that he had remained in Washington for several days working hard in an effort to iron out these difficulties. The President explained to the Board that these trips were very expensive because of the difficulty in which the company finds itself.'

Directing your attention to the last sentence, could you tell us what you meant when you stated to the Board that the trips were very expensive because of the difficulties in which the company finds itself?

A. Yes. We had to do quite a great deal of entertaining to try to get these charges off of there and hire people to help us out.

Q. When you did entertaining, whom did you entertain, Senator?

A. People who were supposed to have a little influence in Washington.

Q. When you say 'people who were supposed to have influence,' were they persons who were officers or employees of the Federal Government?

A. Not necessarily so, but they had friends who were employees.

Q. Were the persons that you entertained attorneys or just persons?

A. They were both persons and attorneys.

Q. Were you entertaining them or did you retain them as your attorneys to represent you with either or both of these Government Agencies?
A. We entertained them and retained them, too.
Q. Do you recall the names of the persons that you retained on this occasion?
A. No, sir.
Q. Was there a firm named WILKINSON and MANNINGSKY?
A. I couldn't tell you.
Q. Did you retain anyone named MARKS and CLARK?
A. Off hand I couldn't tell you.
Q. I take it then that when you went there in the early fall of 1948, you incurred, as you stated, considerable expense both in entertaining and paying these people? Am I correct?
A. Yes sir.
Q. How did you meet the bills that you incurred in the early fall of 1948, Senator? By that I mean did you pay cash for them or did you pay them by corporate checks?
A. No. These bills — some of these people were paid with cash besides the entertainment you know.
Q. What was the amount of money that you were forced to expend in this respect, approximately?
A. I have no idea.
Q. Was it as much as $10,000.00?
A. You mean just one trip?
Q. On this particular trip, yes.
A. No. It couldn't have been that much.
Q. Was it about $5,000.00?
A. Off hand, I couldn't tell you.
Q. You have no recollection whatsoever as to whether it cost you $5,000.00 or $10,000.00?
A. No, it would not have been $10,000.00.
Q. Then your recollection is that it was less than $10,000.00?
A. That is right.
Q. Was it more than $1,000.00?
A. Must have been.
Q. Is it fair to state that it was somewhere in the neighborhood of $5,000.00?
A. I really couldn't say.
Q. Well, shall we leave it that it was between $1,000.00 and $5,000.00?
A. I couldn't say."

(Pages 31 - 36)

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Pages 50 and 51 disclose that LE BLANC advised that the stockholders for the Happy Day Company were Miss ONESTA MARTIN, Treasurer - Secretary; his brother, OLIVER LE BLANC, Vice President and Advertising Supervisor; and himself, President.

LE BLANC stated ". . . . . The reason for that was I didn't want to necessarily operate the business as an individual because of the fact that we were manufacturing medicine and there had been one or two cases here in this community or in this state that I had heard of, although I wasn't very familiar with them, where people had sued the factory for manufacturing a product that made them ill or made them sickly. I didn't want to conduct business manufacturing medicine on my name and by myself as an individual, so I wanted to organize a corporation; but I did not necessarily care to sell stock in any of my business and it required three in the state to organize a corporation, and I took those two because they had been connected with me."

LE BLANC also testified that after the LeBlanc Laboratories and then the LeBlanc Corporation had been formed, he had issued stock to DUDLEY and [redacted] LE BLANC [redacted] LE BLANC and Mrs. EVALYN H. LE BLANC and had also made these individuals members of the Board of Directors. LE BLANC also advised that a Mr. BROWN was Active Manager and a Mr. GLUECK was Advertising Manager.

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b7C

LE BLANC further testified that a MACK HEDRICK was also on the corporation's Advertising Staff and in answer to DOYLE's question as to whether HEDRICK was the first outside advertising agency the company used, LE BLANC testified as follows:

"A. No we had an agency — I forget the name, but it was not from Houston, Texas. There was a young man who came to me and told me — of course, I hate for it to go in the record, but I have to tell the truth — came to me and told me he had an associate and a friend who was an attorney who knew the law firm of one of the judges of the Supreme Court who at that time was Attorney General from Texas and that he could get by with the Federal Trade Commission and the Food and Drug; and if I would employ him as my advertising agency he would bring me to Dallas, Texas and let me talk to these people and he would convince me that they would pass on any reasonable plea or claim that we would have through the influence that he could exert through this law firm; so we hired this man.

Q. What was his name?

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A. I forget his name, a funny name. I can always think it, though. You know what I mean. I can always get it for you.

Q. Are there any records or any persons that you might check with that would be able to help you identify this person that you are telling us about?

A. You mean you want his name?

Q. Yes.

A. Leave the question mark there and I will give you the name any time you want. I have the name at the tip of my tongue and I can always get it from the office or here.

Q. Am I correct in understanding that this individual that you are speaking of had an agency in Dallas, Texas?

A. No, no in Houston.

Q. In Houston, Texas, and that he had these connections with a law firm in Dallas, Texas? Is that correct?

A. That is right.

Q. And that what he proposed to you was that through his connections the advertising that your company put out would be cleared by the Federal Trade Commission?

A. Yes, any reasonable advertising; any reasonable advertising. In other words, there was always in the minds of the people who supervised our advertising — so that you might know, there was always a doubt in my mind whether they would accept testimonial advertising; and without testimonial advertising I couldn't sell this thing. When we went there the first time they had a conference and it looked like they were not going to agree to permit me to use testimonial advertising and one of the gentlemen got up and he said that is ridiculous and he took my side of the story and finally persuaded these other gentlemen to permit us to use testimonial advertising until such time as they could rule on it or pass on it but I was ever so anxious to use the testimonial advertising and I was willing to do anything to get somebody to help me out, because I was afraid they were going to say, 'you can't use it;' and if I couldn't use it, I couldn't sell Hadacol.

Q. The persons or people of whom you speak are executives or agents or employees of the Federal Trade Commission? Is that correct, Senator?

A. And Food and Drug.

Q. Is it your present recollection that the Pure Food and Drug Administration exercised some power over your advertising?

A. Oh sure. In some; exercised quite a good deal.

Q. As well as the Federal Trade Commission?

A. That is right. That was the inconsistent part of the Federal Government where they had two departments supervising our business.

Q. And in an effort to aid and assist you along those lines you were persuaded to retain this man from Houston that had these connections in Dallas? Is that correct?

A. He had an advertising agency of his own. We did not retain him. We hired him. We employed him, you see, to write our advertising because of this fact, and I went to Dallas, Texas, and met the attorneys and we hired these attorneys. We paid them, retained them with the understanding that they told us that they could help us out.

Q. And thereafter did they go to Washington or did they represent you in Washington?

A. They represented me for a certain length of time so they said, and I don't know whether they did anything because — well, I don't want to cast any reflection on anything; don't misunderstand me, but the mission as you might understand was rather secret and they were supposed to do their work that way and permit us to continue this testimonial advertising and permit us to continue to make certain claims which we had been prohibited from doing.

Now, I don't know whether you want me to tell you about these claims, but later on whenever you care to I will be glad for the record to explain all that.

Q. You may go into it later. It is not necessary to go into it now, sir.

Does the name of the law firm in Dallas occur to you? Can you recall their name?

A. No, sir.

Q. Is there any record of the company or corporation which would reflect the names of the advertising agency and the Dallas law firm?

A. No, sir.

Q. Wouldn't the disbursements —

A. Yes. That would show that.

Q. — of the company show?

A. Correct. It would show the law firm and show the advertising agency.

Q. And am I correct in understanding that you retained them, they represented you for some period of time and did they succeed in getting the results you desired?

A. Well, yes and no. We were permitted to continue the testimonial advertising, but we were not permitted to make the claims which we would have liked to have made; but it appeared that they succeeded in getting our testimonial advertising approved.

Q. Well, they did half the job, is that correct?

A. I expect so.

Q. Were you dissatisfied with the results obtained by the Dallas law firm?

A. They had promised me more than they did and I had paid them quite a good deal of money. I don't remember off hand how much in both checks and my cash and I didn't re-employ them. But obviously later on — I might have been dissatisfied at that time — but later on I realized that they must have done something.

Q. That was of assistance to you and the company?

A. That is right. You see — of course, so you might understand. I don't mind telling you this. I am sure you are familiar with a lot of things I had to undertake to successfully promote this product that is certainly not to the best interest of a lot of people.

Q. That covers a great deal of ground, Senator. What people would it not be to the best interest of?

A. Well, I mean, for instance, the influence that I purchased in Washington to help me out.

Q. You feel definitely that you did get results along those lines?

A. Yes, certainly.

Q. Through the channel that you have just described?

A. Correct.

Q. Can you give us any idea in point of time when you got those results? Was it at or about the time that this corporate minute shows that I showed you this morning?

A. That is right, sure, at one time, but that was just one trip.

Q. See if we can start from there. I think that was in October, 1948. You may recall on October 20, 1948, you advised the Board of Directors that you had been in Washington for several days working hard in an effort to iron out your difficulties. The difficulties had been identified as those with the Federal Trade Commission and the Food and Drug Administration. Do you recall that, Senator?

A. Yes.

Q. And then you went on to explain that these trips were very expensive because of the difficulty in which the company found itself. Do you recall that?

A. Yes.

Q. Now, am I correct in understanding that it was beginning in October of 1948 that you found it necessary to make such expenditures?

A. That is right.

Q. And that from October, 1948 thereafter from time to time you had to make similar types of expenditures?

A. That is right.

Q. For how long a period was it necessary after October of 1948? Did it continue through the next two or three years?

A. It continued forever. So that you might get a perfect picture of this set up: you see, I didn't know anything about the Federal Trade Commission when I started this business, after I compounded this product from my studies. I didn't know there was a supervisory department on advertising and on drugs. I knew about the drugs, however, but not the Federal Trade. Don't misunderstand me. I knew of the Federal Trade, but I didn't know that they would supervise me, and I did not know even that when a person took my product and he gave me a testimonial that the responsibility was on me if I printed that testimonial, notwithstanding the fact that he himself had medical evidence that what he said was true. So I had gone to a place — Arnaudville was the name of the town. The man had written me there that his doctor had said that he had cancer of the stomach and that it was necessary for him to go to New Orleans to be operated on or he would die. The man couldn't speak English and he didn't want to go to New Orleans so he came back home and told his wife and his wife said, 'Why don't you buy some of this new preparation that you hear so much about on the radio.'

He went to town and bought a bottle of Hadacol and drank ten or twelve bottles and now he was fit and fine and working in the field, and he had gone back to another doctor and the doctor said he had nothing wrong with him and much less his stomach.

I took his letter and he was willing to swear that the doctor told him he had cancer and I put that in the paper; and when the Food and Drug Administration and the Federal Trade Commission saw in the paper that I was saying about cancer being cured with Hadacol, they had a fit. So they used that, but I knew nothing about it. It was an honest mistake. I didn't put it in but one or two papers. It was not intended deliberately to violate any rules because I

knew of no rules existing and I did not want to promote the product dishonestly. I didn't want to do that, certainly that, and I used this testimony because I figured that whatever this man said, he was responsible for it, not me; and one of these advertising people had told me that.

So that when we got hold of this new man he told me that couldn't be done; and that in the meantime we had been called into Washington.

Q. You say 'the new man?'

A. This is Mr. HEDRICK I am talking about."

"Q. In other words, am I correct in understanding that the man from Houston, before you retained Mr. HEDRICK, led you to believe that there were certain things that you could put in advertising that you found thereafter the Federal Trade Commission said you could not put in?

"A. That is right. Pardon me. I want to again reiterate that he had told me that whatever the user of Radacol said in writing--however, I had to have it in writing--then I could reproduce that and I was safe.

"Q. And the Federal Trade Commission disagreed with this?

"A. Sure they disagreed, yes.

"Q. When they disagreed, did the Dallas law firm make representations to them in your behalf?

"A. No. The Dallas law firm as I explained to you, did not make any appearance in my behalf publicly.

"Q. Whatever the work they did for you was done in ways other than to appear before the Federal Trade Commission?

"A. That is right.

"Q. Did you have lawyers that appeared for you before the Federal Trade Commission?

"A. Yes. I had Mr. VOORHIES. I had who else?

"MR. VOORHIES: I wouldn't remember. The matter that I handled with the Federal Trade, I was lone, but you may have had others.

"BY MR. DOYLE:

"Q. At any rate, Senator, there came a time when you became dissatisfied with this first person from Houston and you thereafter retained Mr. HEDRICK?

"A. That is right. Now, this gentlem, another thing about him: Of course, he might have been telling me the truth that his associate or his friend's associate in Dallas was really the thing for me in Washington; but he, himself, couldn't write an ad, so I became dissatisfied with him. He couldn't write an ad like I wanted him to write an ad.

"Q. So from the point of view strictly of the advertising, itself, you became dissatisfied with the first individual. Has his name occurred to you yet, Senator?

"A. He has a radio station in New Orleans, the nigger station. I forgot now. I will get it after while.

"Q. So that actually you were paying him to write and place advertisements for you and at the same time you were paying the Dallas law firm to use whatever influence they could exert on the officials of the Federal Trade Commission to get as much advertising approved as possible?

"A. Exactly.

"Q. And then a time came when you first became dissatisfied with this man as an advertising man? Is that correct?

"A. Yes.

"Q. And you retained Mr. HEDRICKS?

"A. That is right.

"Q. Now, in a sentence, can you tell us the difference between Mr. HEDRICK and this previous person insofar as you were concerned?

"A. Well, insofar as I am concerned, Mr. HEDRICK had had, as I explained to you before, the experience in writing copy for the promotion of a product similar to Hadacol; that is, a tonic; in vitamins and minerals but not medicine. He had been a reporter on a newspaper and his use of words, his verbage and vocabulary was more elaborate and more--he used it more fluently than the other gentleman, and his use of words was more descriptive of the product and of the benefit that would accrue to a person who would take the product.

"Q. Would you say this is a fair summary of the situation as it existed after you retained Mr. HEDRICK, that you had the ideas and that he executed them for you? Is that correct?

"A. That is right.

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"Q. As best you can recall, when did this relationship between you and Mr. HEDRICK begin? Was it in 1949?

"A. It must have been somewhere in 1949 or the late 1948.

"Q. Now, did Mr. HEDRICK advise you with respect to the retaining of any representatives to assist you in Washington in official circles?

"A. Yes.

"Q. Was his advice of the same nature as the previous person?

"A. He did not have the connections, for instance, that the Dallas firm had, of course not; but his ability to get to people and to talk to them was--well, he was a wonder and--in other words, he danced where angels fear to tread and I used him for that purpose.

"Q. And where did he do his dance, Senator?

"A. He did his dancing in the offices of the higher ups.

"Q. In the higher ups of what?

"A. Well, in the Department that supervised our operations.

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"Q. You mean the Federal Trade Commission?

"A. Yes, and the other one, too, for that matter.

"Q. Is it a fact that after you retained Mr. HEDRICK that either he alone or you and he would go to Washington on these trips to try to get clearance for advertising?

"A. We always went to Washington together, but I never showed in the picture when we got to Washington. I wouldn't go and talk to people behind closed doors or anything like that. I used him for that. When I say I used him for that, he volunteered his services because, Mr. DOYLE, our account to him who had had the experience in promoting a production of this nature seemed to be growing; lucrative, rather. He picked it up when it was very small but he always contended that that product, the ingredients that I had was going to do something and it was something definitely new on the American market. There was nothing like that that he knew anything about; and from the testimonial he had read, he became immediately interested in the business.

"Q. And I take it from what you say that your account, as far as he was concerned, became more and more important every day and every week to him?

"A. That is correct.

"Q. Did you pay him fees over and above his regular advertising fee, whatever that was, for his assistance to you in Washington?

"A. Oh yes. Oftentimes I would pay him and oftentimes I would pay his expenses, personally. Other times I would permit him to charge his expenses with the Company, but the Company was a small concern and I was always making an effort to try to keep the expenses down; although I knew that unless we got behind this hurdle we would never succeed in promoting it anywhere and I was trying to keep the expenses down; so I would always invariably impress that on him. But I not only gave him the account as far as the 15 percent was concerned, because the amount of advertising I was giving him when we started, I couldn't have been justified.

"Q. But as you got going, as your business increased and multiplied isn't it a fact that your advertising expenditures increased and multiplied?

"A. That is right.

"Q. So that is it not correct to say that by the end of 1949 Mr. HEDRICK was making a considerable sum of money out of his 15 percent?

"A. No. I wouldn's say '49, but in '50.

"Q. He was really making money by 1950?

"A. That is right.

"Q. Did these trips to Washington continue through 1949 and 1950, Senator?

"A. That is right.

"Q. Was it ever necessary or did you ever feel that it was necessary to give Mr. HEDRICK a separate fee for going to Washington for you in addition to the expenses of those trips?

"A. Yes.

"Q. You did?

"A. Yes.

"Q. How did you charge those to your corporation?

"A. They were charged to my expenses, you see.

"Q. To your personal expenses?

"A. That is right.

"Q. In other words, you would take an advance of so much money from the corporation and out of that you would pay Mr. HEDRICK?

"A. That is right.

"Q. Now, I take it that those payments--were they by check or in cash?

"A. In cash. We were together and invariably occupied an adjoining room; and when he felt he needed a few dollars either for his own personal use or maybe for the use of someone else I would give him the cash.

"Q. Did Mr. HEDRICK make representations to you in 1949 and '50 that it was necessary for him to pay money to members of the Federal Trade Commission to get clearance?

"A. I wouldn't recall that entirely.

"Q. You used the expression 'you wouldn't recall.' Is it a fact that you do or don't recall it, Senator.

"A. Frankly, I don't recall it, because Mr. HEDRICK did not know as much about the Federal Trade Commission when he got to Washington as I did, because I had been there several times before him.

"Q. But as he contacted them and did this 'dancing' that you speaking of, did he not learn quickly?

"A. He was a very apt student.

"Q. What I am interested in, Senator, is: Did you advance funds to him for his use in obtaining results that you desired?

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"A. Mr. DOYLE, I will answer this question by saying this: That I advanced Mr. HEDRICK a great deal of money that he said was for the payment of influence to the higher ups; but I was never in the [illegible], as I said before, with him at any time when he was supposed to have given the money away.

"Q. As far as you know, you gave it to him for the purpose that he described to you?

"A. That is right, and we obtained results. Now, whether he used the money that way or not--but I gave him plenty, plenty money.

"Q. You used the expression, 'plenty and plenty of money.' Can you give us some general idea as to the amount?

"A. This morning you asked me whether it was $10,000.00 for one trip. It could not have been $10,000.00 for one trip, and I don't remember how much it was per trip, but we made, Mr. DOYLE, plenty trips.

"Q. Have you ever been able to figure out the average amount that it cost you on one of those trips?

"A. No. There would not have been no average amount because books on this matter was not kept, and I was eager to get out from under and to be able to successfully operate than the few thousands that it was costing us.

"Q. Well, you said just a few minutes ago, Senator, you paid him plenty and plenty of money. Now, I am only interested in a general picture as to how much money was involved.

Let me put it another way: The money that you paid him was advanced to you by the corporation? Is that correct?

"A. That is right.

"Q. So that you could not have paid him anymore money than was the amount advanced to you by the corporation? Is that correct?

"A. That is right.

"Q. So that at least that is the ceiling?

"A. That is correct.

"Q. Now, can you give us any idea as to the proportion of the amount that you got from the corporation that you passed on to him?

"A. No, except this: When the Corporation was in its infancy and I happened to go to Washington, I used my own money instead of the Corporation, for which I never charged the Corporation, because they had no money.

"Q. That is very interesting, but in 1949 and '50 the corporation was making a lot of money?

"A. That is correct.

"Q. And the records indicate?

"A. That is right.

"Q. There is no secret about it that you received large advances from the corporation and it is that amount that I am speaking of, Senator. Can you tell me or give us any idea as to the proportion of that that you passed on to Mr. HEDRICK for the purposes you have already stated?

"A. I couldn't very well determine that, because these trips were spasmodic, you see what I mean. They were one week and then maybe two or three weeks later; and in the meanwhile I might have been going on some other errands and it would be difficult for me to say off hand. I am not trying to say maybe 25 percent or maybe 50 percent. It would be difficult, really, for me to say; and frankly, I had hardly any regard for money when I realized that I was in this trouble and I was making a determined effort to get out.

"Q. Did you stay at the same hotel in Washington whenever you went there?

"A. Yes.

"Q. What was the hotel?

"A. Statler.

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"Q. You would stay at the Statler?

"A. Yes.

"Q. And would HEDRICK stay there also?

"A. Yes. He did stay there often, but sometimes he didn't stay there. Now, I say I stayed there all the time. I might have stayed at the Washington or the hotel across the street from it.

"Q. The Mayflower?

"A. I might have stayed at the Mayflower once or twice.

"Q. The Carlton?

"A. I might have stayed there, yes.

"Q. Is there any way that you can think of Senator that a proportionate amount of your expenses on these Washington trips could be figured as having been passed on to Mr. HEDRICK?

"A. The amount of dollars and cents on these trips that I gave HEDRICK would certainly average 100 percent what I drew from the Company.

"Q. I see. I was just going to work it backwards and you already answered it for me.

"A. Then, besides me, so that you can understand: Oftentimes I would leave with money of my own that I would spend that I would not charge; and when I would need some money, I would invariably telephone and the money was immediately wired to me to give to HEDRICK.

"Q. I see. Then this is practically the situation and I will have done with it: That whatever money you had when you went to Washington you used a small amount of it to pay your living expenses, your hotel, food and normal cost of living in Washington and practically the entire balance or of whatever it was you had, you had to pass on to HEDRICK for whatever use he wanted to make of it? Is that about right?

"A. I didn't pay my hotel bill. Nine times out of ten it was charged to the Corporation, too.

"Q. I see. For the record, Senator, could you tell us the date of Mr. HEDRICK's death?

"A. No. Really, I can't tell you. I know that it was before August of 1951.

"MR. VOORHIES: It was after. On August 23 he was living. I would say September.

"BY MR. DOYLE:

"Q. During 1951, up to the time of the sale, Senator, was it necessary for you and HEDRICK to continue your trips to Washington or had your problems been resolved?

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"A. Oh no. They never were solved.

"Q. Is it correct to state, then, that you continued to travel to Washington with HEDRICK prior to the sale of the company?

"A. Yes, sir.

"Q. Excuse me. Prior to the sale of the stock of the company?

"A. Yes.

"Q. I have before me a summary of the amount of money spent on advertising in 1950. In round figures it is $7,114,000.00. Is that in accord with your general recollection, sir?

"A. $7 million? No. I thought it was only about $5 million.

"Q. Senator, you would not dispute, would you, the fact that it could have been $7 million?

"A. No.

"Q. My next question is: Did Mr. HEDRICK get 15 percent of that $7 million?

"A. No, sir. Mr. HEDRICK received in his company, that is, he and his associates, only 15 percent of the advertising that went in the newspapers.

"Q. In other words, this $7 million covered all types of advertising?

"A. That is correct.

"Q. What, by the way, was the name of Mr. HEDRICK's company?

"A. Hedrick & Towner."

(Pages 72-93)

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WFO 58-417
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Page 102-105 disclose that the advertising agencies for the Hadacol Company were as follows:

Irwin-Wasey Company, Incorporated, New York City. This company handled radio and newspaper advertising.

Hedrick and Towner Company of Lafayette, Louisiana, later known as the Majestic Advertising Agency.

Ruthrauff and Ryan, Chicago, newspaper advertising.

Champlain Company, no headquarters city was noted for this company; however, it was employed to provide foreign language newspaper coverage for Hadacol.

In answer to Mr. DOYLE'S question as to why it was necessary that LE BLANC be given unlimited authority in the expenditure travel funds and expense account by the LE BLANC Corporation, LE BLANC testified as follows:

"A. Well, I think, Mr. DOYLE, we went into that this morning.

"Q. Am I correct, then, that your answer is that the only reason that you can attribute to it was the necessity of obtaining friendly action from government agencies? Is that correct?

"A. That is part of the deal, yes.

"Q. When you say 'that is part,' were there any other types of expenditures that necessitated this blanket authority?

"A. Well, like for instance, paying HEDRICK. Often times the man would run broke with me on trips and I felt I owed him, in a sense of justice, for the work that he was doing with me and for me, something. He was almost devoting his entire time, you see, and he was not on the company payroll, and I figured that I owed him something. Often times I would pay him that way, you see, and then a lot of times he would entertain people. That, I paid.

"Q. In other words, you felt that the needs of this business were of such a peculiar nature, that, as its chief executive, you had to have this sort of blank check, so to speak?

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"A. That is right.

"Q. And the other members of the Board of Directors did not dispute that?

"A. That is right. I think they were more or less familiar with it.

"Q. Was there any arbitrary amoun fixed that would fall into this category? In other words, did anybody say that you should make it $150,000.00 a year, $200,000.00 a year, or was there any ceiling fixed to that amount?

"A. Well, in the course of discussion after I explained to the Board exactly what the purpose of this money was for, certainly they had to permit me to use my discretion and there was a discussion of, let's say $100,000.00 or $150,000.00 as well as I remember; but then again, certainly I am not going to throw it away and I don't want to spend it unless I have to. You talk about $100,000.00; it may be $20,000.00.

"Q. You just wanted the blanket authority, if it was necessary, to use it?

"A. Yes.

"Q. How would you obtain that money for the company?

"A. Most of the time I would phone in for it or wire for it; or when I would leave here sometime I would take a check and take my money with me.

"Q. Senator, am I correct in understanding that most of this money that you speak of was necessarily spent in Washington or were there other sections of the country or places that you had the same type of expenses?

"A. Sometimes, for instance, we would meet these people elsewhere away from Washington. [illegible] I recall, I met one or two with HEDRICK [illegible] York.

"Q. And there you would entertain them, I [illegible]

"A. That is right. Some of these people [illegible] sometimes of being seen with us. We [illegible] outside of their office [illegible]; you [illegible] office hours.

"Q. You would meet and entertain them in New York City?

"A. That is right.

"Q. Senator, did you generally stay at the same hotel whenever you [illegible] in New York?

"A. [illegible] around [illegible] the New [illegible] them. [illegible] or twice [illegible] Lincoln [illegible]

"Q. I have before me the minutes for August 19, 1950, the second full paragraph of which reads: 'It was explained by the president that the company was about to embark on a much-publicized Hadacol good-will tour and that in all probability the total cost would exceed the original amount of $250,000.00; but that in view of the national recognition which would be accorded to the company, there would be no cut-back in expenditures necessary and incident to a highly successful, caravan.

'On motion duly made, seconded and unanimously carried,

'BE IT RESOLVED that the LE BLANC Corporation reimbursed DUDLEY J. LE BLANC for any and all expenses pertaining to any of his official acts and duties necessary and incident to the carrying on of the Hadacol good-will tour'.

Now, I read that to you, Senator, to see if that refreshes your recollection that other than this Washington type of expenditure that you have already described, it was necessary for you to spend substantial sums of money of a general type that we have been talking about.

"A. Mr. DOYLE, to answer your question as briefly as I can: When I organized this business, I owned this building here and I didn't have any money; but I mortgaged this building and I spent money out of my own pocket that I got from the mortgage of this building and I never charged the corporation because I always contended it was mine. So I went on like that and often times I spent thousands and thousands of dollars for the corporation without charging until it got a little bigger; by then, everyone of these minutes that you see where it says they would reimburse money, that is when I got tired of spending my own money and not getting it back from the corporation. Now, on that trip, particularly, I might have spent $10,000.00 or $11,000.00 or $12,000.00." (Pages 128-132)

On page 133 the following was noted:

"Q. Did you at any time after you advanced funds that had been advanced to you for the purposes you ha

already described, did you thereafter account in any specific way to the corporation for how you spent that money?

"A. That is what I should have done. Sometimes we did and sometimes we didn't.

"Q. And when you did, what form would that accounting take?

"A. I would just balk it expenses because I didn't want to divulge the people to whom I had paid the money in the first place. In the second place I was more or less negligent and should have accounted for everything and marked it down. But being that this was my business, you see, being that, I never figured that this would ever come up and I was ever-so-much enthused over promoting the thing, making it a success, that a few dollars meant nothing if we could make the thing good."

Pages 135-136

"Q. Since October of 1951, Senator, have you paid any bills incurred by you on trips prior to October of 1951? By that, I mean you may have incurred a bill in a hotel in New York or Washington which bill finally was brought to your attention and demand was made upon you to pay it, personally. Do you recall whether you paid such bills?

"A. Yes, we paid a bill. There was a bill that was given Gotham Hotel in New York and I was running for Congress and they threatened to sue me for this bill and it amounted to a little over $200.00. I was afraid of the unfavorable publicity that the suit might bring against me for not paying a hotel bill; it might have been misconstrued by the renting people, so I instructed my attorney to pay that and get it over with."

The following testimony as reflected on pages 149-153 is set forth:

"Q. Didn't there come a time, Senator, when the corporation made a gift of $50,000.00 to Northwestern University?

"A. Yes.

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"Q. Do you recall the check of $50,000.00 was dated December 30, 1950, at the very end of the year?

"A. I believe so, yes.

"Q. Do you recall where the check was passed over to the representative of Northwestern?

"A. I think it was given to Dr. SPIES in Havana, Cuba.

"Q. Well is it not a fact that the check was signed by MACK HEDRICK in behalf of the corporation?

"A. Yes. Well, I don't know whether it is a fact or not, but I assume it is correct, because we were looking for SPIES to give him a donation for his institution and for him to continue his research work. HEDRICK found out that he was in Havana and he is the type of a doctor that doesn't talk to anybody and finally HEDRICK got hold of him. I shouldn't say 'anybody'; I should say 'everybody'.

We tried to fly to Cuba to interview him with the understanding SPIES is a recognized authority on Vitamin B; and the officials of both Food and Drug and Federal Trade had told us that all of the claims that we were making for Hadacol -- if SPIES would substantiate these claims that it would be alright. All of the actions that they had against us would be dropped and from henceforth we could use whatever claims SPIES passed upon and permitted us to see or to use. So we were looking for this gentleman and we went there sort of in a rush or in a hurry. I don't remember whether the check was signed by HEDRICK; but as it was, then it became, of course, necessary to advise the bank to cash the [illegible] this was the reason [illegible] the check and MACK HEDRICK preceded me to [illegible] to close the deal with Dr. SPIES.

"Q. And do you recall whether or not there [illegible] corporate action by the Board of Dir[illegible] the LE BLANC Corporation approvin[illegible] place in Havana, Cuba?

"A. Off hand -- to know what I mean, [illegible] faintly; but I think the Board m[illegible] authorized Mr. HEDRICK and myself to make this [illegible] to Birmingham -- that is where the doctor lived -- to Birmingham and to offer to this doctor if he

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would agree to testify before the Federal Trade Commission and the Food and Drug in Washington to give him a liberal contribution. The amount may not have been necessarily specified, but at one time there was a question of giving him $100,000.00 if he would agree to what I say.

So that you might get a better picture, SPIES in all of his books, he writes and he quotes testimonials from people, from users of the Vitamin B and says the benefits that they obtain from the use of his vitamin which corresponded to exactly what we had been using and the Federal Trade did not want us to use it; so that we figure we could sell Hadacol a great deal more if we had been permitted to use the same testimonial that SPIES used, you see.

"Q. The only difference being that Dr. SPIES wasn't selling Hadacol?

"A. That is right.

"Q. Anyway it is your best recollection that some corporate approval was obtained to make this gift to Dr. SPIES?

"A. I remember that now. MACK HEDRICK had to make it appear that he was connected with the -- that is how he come to sign that check. He had to make it appear to SPIES that he was connected with the corporation. Voluntarily, of a big heart, if he was willing to do what we said, then he was going to give him this check. It became almost necessary after he wove himself into this weave that his signature appear on the check. He preceded me in Havana and that is how come I remember that he signed the check. I wasn't there and he had to make the presentation.

"Q. Was this good doctor being told that this presentation was being made to Northwestern because his words of wisdom would be used by Hadacol later?

"A. He might have been influenced not to do so, but he had definitely promised us and so advised, by the way, through another intermediary, a gentleman in the Federal Trade Commission who was supervising us in our advertising, and he had also advised our doctor in Washington that he would do that.

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"Q. It would appear from this incident in Havana, Cuba, that either immediately prior to or after the gift was made to this doctor that some corporate action was taken by the LE BLANC Corporation which also is in that period of time that the minutes are missing?

"A. No question, Mr. DOYLE, that there must have been some action."

The following testimony concerning JAMES A. HORTON as contained in Volume 2 of this deposition dated August 26, 1952, is set forth:

"Q. Yesterday, Senator LE BLANC, you testified with respect to certain contracts made by HEDRICK and/or yourself with representatives of the Federal Trade Commission in Washington. I ask you now: Was JAMES A. HORTON one of these representatives of the Federal Trade Commission that you approached?

"A. That I approached?

"Q. Or that Mr. HEDRICK approached?

"A. I couldn't say that. I never approached anybody.

"Q. Did you know JAMES A. HORTON?

"A. Yes. I know him well.

"Q. I show you a group of letters, carbon copies of letters, and ask that they be marked Trustee's Exhibit 2-a through whatever letter you finish with and ask you if you can identify those letters or copies of letters." (The letters referred to were marked "Trustee's Exhibits 2-a to 2-n," inclusive, for identification. Documents hand to witness.)

"A. Those are very good letters, huh?

"Q. Did you write them, Senator?

"A. Yes

"Q. Then that must be good?

"A. Yes

"Q. They also have been marked 'Trustee's [illegible] 2-a through 2-n,' Senator. Exhibit [illegible] is a letter from you to JAMES A. HO[illegible] Trade Commission, dated March [illegible], [illegible] not correct?

"A. That is right.

"Q. It is a carbon [illegible] -o, is a letter, is it not, written by you dated March 1, 1950, to the Honorable [illegible], member of Congress? Is that not correct.

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"A. That is right.
"Q. Exhibits 2-c through 2-m are all letters written by you dated February 28, 1950, to various members of the House of Representatives in the United States Senate? Is that correct?
"A. That is right.
"Q. Is it also not correct that the body of the letters to everyone of these representatives or senators is identical?
"A. Correct
"Q. And that the contents of those letters is the same as the March 1st letter to Congressman EVINS? Is that not true?
"A. That is right.
"Q. On March 25, 1950, you advised Mr. HORTON that you had written quite a few letters in his behalf to various Congressmen and Senators and you enclosed copies of these letters to him? Is that not so?
"A. If that letter says so, it must be so.
"Q. Now, did you not also tell him that after the enclosed letters had served their purpose that Mr. HORTON could destroy them?
"A. Destroy the copies?
"Q. That you sent him?
"A. That is right.
"Q. Was Mr. HORTON appointed thereafter to any other position in the Federal Trade Commission?
"A. No sir.
"Q. Am I correct in understanding that at or about February or March, 1950, Mr. HORTON was interested in a promotion of some sort in the commission?
"A. Well, obviously so, because there was an opening, and this gentleman and I had met at a celebration when TRUMAN -- for the TRUMAN inaugeration. I had become rather close to him as a friend. One day he asked me if there was any way at all that I could help him. After talking to him, I told him that I knew one or two senators and one or two congressmen or a few and I would be glad to help him because of the fact that this man was more or less in sympathy with the findings of the experts who had discovered the Vitamin B, as I explained in these letters. This man knew whereof he spoke, but lot of these other people had never made studies of our product or of our advertising and

and I felt that he was more or less in sympathy with the people as a whole because there was always a raging fight between this setup, this concern, rather and this corporation, because we manufactured this medicinal product as against the organized medical organizations. There were people in the Federal Trade Commission who were in sympathy with the doctors and they were opposed to any people selling patent medicines; but this gentleman, as I said in these letters, was in sympathy with our cause and I would have loved to have had him at the head of the Federal Trade Commission, if possible, so that I could have furthered the interests of this business."

"Q. One last question on this, Senator: Is the Trustee's exhibit 2-m, being a letter of February 28, 1950, from you to Mr. HORTON, a letter wherein you told him that you had just returned to Louisiana, and that you were about to write these letters which you have already identified for us?

"A. That is correct. I explained to him that I would do so after realizing that this man was in sympathy with the sale of our product and with the claims that we were making because he had read Dr. SPIES' report and the findings of these various experts on the effects, on the constitutions of a person after taking the Vitamins B and he knew exactly -- in other words, he spoke my language and I was very interested in helping him to become one of the higher-ups in the Federal Trade Commission so that he could not only serve me and give my vitamins, but that the people of the United States, for that matter, could be properly served.

"Q. Other than Mr. HORTON on the Commission, did you at any time seek through intercession with members of the House or members of the Senate to assist any other persons working for that commission in being promoted within the Commission, itself?

"A. Yes, Mr. HOYLE, although I do not remember the names of the people who Mr. HEDRICK was working with, but Mr. HEDRICK told me at various intervals that there were several others who were in sympathy with the cause or with the cause that we represented and as against those who were against us. So he told me that he would work to promote these individuals, and who they were, I know not.

"Q. Did HEDRICK know Mr. HORTON?

"A. Very well.

"Q. Were there any persons in the Food and Drug Administration that you interceded for by way of trying to help them be promoted within their own administration?

"A. Yes.

"Q. Could you tell us the name or names of any of those?

"A. I forget the names, but Mr. DOYLE, the discovery of the vitamins is a recent discovery. It is a discovery that has come about possibly in the last fifteen or let us say sixteen or seventeen years, offhand, and the gentleman in charge of the Food and Drug in

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Washington was an elderly doctor. In my opinion, the man was around 75 years old, between 70 and 75 and he knew nothing about vitamins. He knew nothing about minerals. He did not know anything and he never read, for instance, the results of the SPIES' discovery and the experiments conducted by Dr. SPIES in hospitals on sick people with Vitamins B and the minerals; but there was a young man in this office who had made a study upon my recommendation. I furnished him the books and I told him where he could find them and I told him then that it was a great injustice to the people of this nation that we were being prevented by the Federal Government because of the fact that there was an organization set up known as the Medical Association who were fighting the sale of this meritorious product.

" I said, 'You are a young man and if you will make a study of this, you are going to amount to something; because this old doctor over here — he graduated forty or fifty years ago in medicine. He doesn't know of the recent discoveries in medicine. I had to make a study of the thing because I was sick. If it hadn't been for Hadacol, I would be dead.'

"I went on to tell him things and he listened to me. He became interested and he made a study of the thing. After he studied it and after he [illegible] the books I referred to him I [illegible] see that he had learned the new method and [illegible] on the telephone to Dr. [illegible] told [illegible] that what he had [illegible] was anxious for this [illegible] higher [illegible] because we [illegible] people who knew [illegible] and m[illegible] and these old doctors, I said, they had graduated years and years ago and they knew nothing about [illegible] meritorious product. So I was anxious for [illegible] after he had listened to my story and [illegible] went to work and dutifully read all those [illegible] about which I spoke [illegible] that day, I was anxious [illegible] him or anybody [illegible] head of a department [illegible] understand our problems.

"Q. Were you able to do anything to advance him?

"A. No, sir.

"Q. Did you try to do anything to advance him?

"A. No. That was in the hands of Mr. HEDRICK; however, I encouraged Mr. HEDRICK to make an effort to promote him.

"Q. Did there come a time, Senator, in the early part of 1951, when you found it necessary to intercede with officers of the Office of Price Stabilization in Washington.

"A. Yes. In an effort to improve my product I figured I had a very good product, but I kept on reading on the latest discoveries in medicine, that is, as far as nutrition is concerned, and I read about the latest discovery of the Vitamin B-12; so I wanted to add Vitamin B-12 to my preparation and to my formula. In order to add Vitamin B-12 -- I had made the fatal mistake when I started this business, not knowing any better, to sell this medicine at a tremendously low price from the retail standards. The medicine should have brought twice what I was asking for it.

"Then when I wanted to add Vitamin B-12, the new discovery in vitamins, I was compelled then in -- I did not want to increase the price, but I had to reduce the size of the bottle. Instead of an eight-ounce, I decided I was going to build rather a deceptive looking bottle that was tall but slender and make it a seven-ounce bottle and then I was going to add to that 'Improved Hadacol' and then come out with a new line of advertising and push Hadacol much further by saying that we had improved it to such an extent that we had even added this new discovery, Vitamin B-12 and then claim for Vitamin B-12 what the doctors who had experimented had claimed; and by that time it had become practicable knowledge or universal knowledge and I had to audit my bottles.

"I had fifteen carloads of bottles ready to go to work. I delayed for one thing and another. I had to go to Washington on other business and I had this fifteen carloads of bottles, and finally they installed this -- what was the name of that?

"Q. Office of Price Stabilization, OPS.

"A. -- OPS. So then when I found myself against the wall I went to him and I explained to him my story and I asked that I be permitted to use the seven-ounce bottle without having to reduce my price.

"Q. Did you go to them alone or did you have some one with you to help you?

"A. I had somebody to help me.

"Q. Was it an individual named TEPE, the first name? Is he a lawyer from Ohio?

"A. I don't remember him unless you mentioned his name, but I am sure that I had that lawyer; but I had more than one person.

"Q. Could you tell us who else was there to try and help you?

"A. We had hired the assistant to the Democratic National Committeeman.

"Q. What was his name?

"A. I forgot his name.

"Q. Was he a lawyer?

"A. I don't know, but obviously we were under the impression, Mr. HEDRICK and myself, that he wielded a great deal of influence.

"Q. And with the assistant to the National Democratic Chairman you then approached persons in the OPS? Is that correct?

"A. We approached the big man.

"Q. Mr. MICHAEL DiSALLE?

"A. Yes.

"Q. And did you have a conference with Mr. DiSALLE?

"A. Yes.

"Q. What was the result of that conference?

"A. He turned us down.

"Q. Would it then appear or did it then appear to you that the persons whom you had sought to help you in interceding with Mr. DiSALLE were not as influential as you thought they were?

"A. On the contrary, we always felt they were influential; and Mr. DiSALLE, I said turned us down. He did not turn me down on the first visit. He postponed his decision. He told me not to undertake to sell the seven-ounce bottle until I heard from him and we kept on working on him or through him, but we were never favored with a favorable answer.

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"Q. You never got approval from OPS?
"A. No, sir.
"Q. Did this particular intercession with the OPS cost money?
"A. Oh, it cost plenty.
"Q. Can you give us any idea of approximately the amount it cost?
"A. Well, offhand, no. I couldn't very well say that because besides the amount of money I paid Mr. HEDRICK to give to these people, he, himself, the gentlemen in question, handed an expense account one time that I refused to pay for the corporation and he made a trip here to Lafayette to finally get his expenses approved.
"Q. What gentlemen was that?
"A. I forgot his name. He was the gentlemen --
"Q. Is he the man that you referred to as the assistant to the Democratic National Chairman?
"A. That is right.
"Q. He handed you in Washington, was it, an expense account?
"A. No. He was supposed to open an office and to represent us and one or two other concerns.
"Q. But at that time, I think you told us Senator, he did present you with a bill of some sort.
"A. For his expenses.
"Q. Can you give us any idea of the approximate amount of that bill, which bill you said you refused to pay?
"A. It was for the leasing of an office and office equipment in the city of Washington, when at the time we were under the impression that being represented in Washington would have been helpful to the corporation and to the business as a whole; and I was under the impression after having made a study and after learning how they operated in Washington that I had to be represented; so I agreed to that. But he came with a bill for expenses, as well as I remember, around $10,000.00 or $12,000.00 and I turned it down. I said that I did not want no representation that would be that expensive.
"Q. Is this correct, Senator, that when this OPS problem arose you went to Washington and you met this individual whom you described? Do you recall how you met him, who introduced you to him?
"A. No offhand, I really couldn't say where I met him.

"Q. And that after you met him for the purpose of interceding with OPS you then decided that maybe you should have a washington representative for all sorts of problems with the Government?

"A. That is correct.

"Q. Not just the OPS problem?

"A. No. I am glad you say that, because now you refresh my memory. We were involved with the Agricultural Department because when I put him, my formula — and I am sure that you will understand that I was not a doctor; I was not a druggist, and I had to read up plenty to get to this formula. I had read that in Russia they used honey for the cure of ulcerated stomach and with favorable results; so I knew that in this country, the southern part of the United States we produced quite a good deal of honey; so I added honey to my formula to make it better. Then we read a pamphlet issued by the Agricultural Department. What is the man's name? He is still there. BRANNAN?

"Q. Secretary of Agriculture BRANNAN.

"A. Issued by him that if a concern used any amount of honey in the manufacture of a product more than they consumed the previous year or the year before then they would be entitled to a rebate. We claimed that the Agricultural Department owed us $32,000.00 on the strength of these pamphlets, but I could not go to BRANNAN by myself although I went to see him. I racked up enough nerve and I told him they owed me this much. He told me to give them time to think it over. Then I telephoned one or two of my senators and I asked them to work on BRANNAN, but with little or no results. Then I figured through this intermediary whose influence obviously was unquestionable that I could get my $32,000.00. That was one of the other reasons why we employed them, which was the paramount reason at that time. I wanted a Washington branch office to represent this concern.

"Q. And, as I gather from what you said that when you saw the price that this fellow wanted to charge you, you changed your mind?

"A. No. It was too much. He had told me that he was going to have associated with me another firm, another concern who wanted representation in Washington. Incidently, he had two besides myself and they were to share the expenses; so he presented me with a bill

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for $4800.00 or $4600.00, a little over $4000.00 for the furniture to establish his office, and I said, 'Where are these other people going to share?' He said, 'I decided you are going to pay all this, because you have more at stake than the others'; and I said, 'No soap'.

"He finally came here and I think the corporation paid him one-third of whatever the claim was; but I think that after I insisted that he bring the cost of the furniture, itemized, and I think that finally I wiggled him down to $3600.00 and I think we did pay him $1200.00 or $1500.00

"Q. Did you pay him by check?

"A. Yes, with the corporation's money; however, his salary and his supposed salary for influence was handled through Mr. HENDRICK.

"Q. That was a cash transaction from you to Mr. HENDRICK to this individual. Have spoken about him now for the last five or ten minutes, can you give us any idea of his name, sir?

"A. I try to think of his name often, but like last Christmas I wanted to send him a Christmas card and I could not think of his name."

(Pages 160-174)

The following testimony with reference to LaBLANC'S purchase of a building from the Reconstruction Finance Corporation is set out:

"Q. Do you recall signing a claim dated June 20, 1952, headed 'Original mortgagee of mortgage note of $191,250.00' and I will show you a photostat of that claim (document handed to witness).

"A. Yes. I signed that. That is my signature.

"Q. Now, is the mortgage note that is referred to in that claim a mortgage on a piece of property at 1217 Convent Avenue, Building Number 1, here in Lafayette?

"A. I believe that is the designation of that property.

"Q. Do you recall that you, personally, had purchased that property from the Reconstruction Finance Corporation?

"A. Yes.

"Q. Do you recall the approximate amount of money that you personally paid for that piece of property?

"A. No. Offhand it was offered to me at a price and then they went up, but I think that we finally closed the deal for around $55,000.00, as well as I remember.

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"Q. And did there come a time thereafter Senator, that you personally sold that piece of property, Building Number 1 at 1217 Convent Avenue, to the LaBLANC Corporation?

"A. Yes, sir.

"Q. And do you recall what the purchase price was that the corporation obligated itself to pay you?

"A. Yes, sir. I think it was around $190,000.00 or somewhere thereabout -- $200,000.00.

"Q. About $200,000.00? And on that occasion, did the corporation execute a mortgage note which obligated them to pay this from 190,000 - odd dollars?

"A. Yes, sir.

"Q. And it is that mortgage note for which you filed your claim for $191,250.00? Is that right?

"A. That is right.

"Q. Now, when the corporation purchased this piece of property from you for $200,000.00 or thereabouts, what was the physical condition of the building at 1217 Convent Avenue?

"A. The physical condition? Well, when I bought the building, the building in itself was just a naked structure and I made some improvements. How much, I don't remember, then before that, however, I had leased the building to the corporation for a I don't remember how much; and we decided that instead of just paying the lease, in view of the fact that I could not continue to make these repairs and the company was not at the time that I leased it able to make the repairs, themselves; but now that the company was able to continue to repair the building, itself, then I figured it was best to get rid of the building and sell it to them so that they in turn could repair the building to such an extent that it was necessary for the successful operation of the business. But in the meanwhile, I had repaired the building considerably, brought in engineers to tell me and to designate what was necessary and brought in people to tell me where the tank should be placed and where the filling operations of the bottles should be. They recommended where the laboratory should be installed and all of these and other expenses were incurred by myself. So then I called a meeting of the Board, and in the meanwhile things had gone up here considerably in this city. And there was a real estate boom, so I knew that the corporation did

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not have the money to pay me all in a lump sum, so the Board of Directors agreed to sell me the property on an installment basis, so much a year.

"Q. I think you made a mistake. The Board of Directors agreed to buy the property?

"A. I mean buy the property at so much a year.

"Q. Do you have anywhere or any place any records, Senator, which would reflect the amount of money spent by you in improving this building at 1217 Convent Avenue, before you sold it to the LeBLANC Corporation?

"A. Offhand, right now, I would not know where we could find that and I would not remember how much I spent or anything of that kind..."

A review of the deposition reflects subsequent testimony as follows:

"Q. Had the corporation ever considered, Senator, in 1949, purchasing the Building Number 1 directly from the RFC, itself?

"A. Yes.

"Q. And could you tell us what happened after it was initially considered?

"A. Well, the Board of Directors authorized me to buy this building from the RFC, and at that time I do not remember what they wanted for it, but they told me that they would not -- I had in the meantime become very friendly with the officers of the RFC in New Orleans. I knew the office building and they were my friends as far as acquaintance was concerned; so I handled the negotiation and I went to them several times; so they told me that I had to put in a bid.

"Well, I did not know how much to put in the bid. I knew that the building had cost $255,000.00 I had been told that by one of the officials underneath.

"They said, 'Now you can use your own judgment. That building, naked, cost us $255,000.00.'

"The Corporation was not in position at that time to buy any such building, so I decided to make a stab at the think. I put in my bid and I think it was $50,000.00 or $51,000.00.

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"So the man came back here and said, 'Well, we have to let Chicago know and we will let you know.'

"I come to my office and out of a clear sky one day I got a telephone call from some unknown party and said, 'Your bid up there is being shelved, pigeonholded; and unless you do something about it you are going to lose that building.'

"You see, we were operating and conducting the affairs of our business at that time in that little room next door and we had forty or fifty people here and it was sort of pell-mell.

"So, to make a long story short, I jumped in my automobile and went up there right away. I talked to the gentleman who had received the bid.

"He said, 'I am not in position to tell you anything.'

"I had left by myself with no checks from the corporation or anything.

"He said, 'I am not in position to tell you anything about this: that tomorrow we will decide on the bids that we have received.'

"I says, 'Well, you [illegible] me whether [illegible] will get it.'

"He says, 'I can't do that.'

"Very, very, nice gentleman, every[illegible].

"I says, 'I want to know, because [illegible] that my company will not buy th[illegible] did not matter to me.'

"If we had had the money, I [illegible] paid $150,000.00 for this building. We would have paid $200,000.00 for the building. There was no place in this town at that time with the shortage of steel and tin or the [illegible] constructing material [illegible] could have ever built a building to house that [illegible]oration and I had no place to go. I had look[illegible] all over town and found [illegible]

nothing and there was no place with a railroad siding. So I bought a little building on the adjoining side of it that was eighty feet long by about thirty feet wide and we were getting so that we could not unload our bottles. We had to put the bottles outside and one time two carloads of bottles got wet and we had to throw them away.

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To make a long story short, I was at a very great disadvantage and more or less regulations; so I went out with that gentleman one night and finally he told me, 'Your bid is way low'.

'Well,' I says, 'I don't know what we are going to do, but tomorrow I want that building.'

Finally, we went to bid and the next day I was there the first thing in the morning and I met him at his office and I said, 'I want you to tell me now'.

He insinuated to me how much it would take to buy the building. I wrote him my personal check and I said, 'I want the building' and I said, 'I will make $55,000.00 and I can't pass it up.'

That is why the corporation don't buy it, because I had to put him up my own personal money so as to make a fast deal, because if that $55,000.00 had been accepted - - - it was understood with he and I the night before that he would have told me how much was needed for me to put up. The corporation - - - I had no checks of the corporation and I had to make a fast deal; I couldn't get away from him.

"Q. Am I correct in understanding that whoever this person was in the RFC, that if you wrote out a check that was sufficiently higher, by his accepting it, you knew that you were the highest bidder?

"A. Yes, Mr. DOYLE. You have it exactly, except this way: Let me elaborate on it. Don't misunderstand me. I am not casting any reflection on him; but because of the fact that he told me, 'OK, I'll talk to Chicago.'

He at least gave me the lead to understand that that was somewhat more than his other bid. Obviously, and I gather from this - - - don't misunderstand me - - - not from him, but the people who had topped my bid had had the lead from somebody and that is how come they were going up there and bidding more than I had, because that building was cheap for $55,000.00.

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"Q. Am I Correct in understanding that when you made your original bid for $51,000.00 that someone close to you who knew about that informed someone else who then made a higher bid than $51,000.00?

"A. Correct.

"Q. Someone here in Lafayette that realized your dire need for the building?

"A. Correct.

"Q. And by your taking this trip which I understand to be to Chicago, am I correct - - -

"A. No, no. The gentleman, himself, was going to refer this offer to his superiors in Chicago. Me, I ran to New Orleans.

May I also say, Mr. DOYLE, for the benefit of the record: That we had been tipped off after the bid had been increased that the people who were buying it knew that we had to have this building and they had planned on buying it so as to soak us and ask us a quarter of a million dollars for it.

"Q. That is what I gathered was in the back of your mind, Senator?

"A. I left here that afternoon at 7:00 o'clock at night and I went on to that man's house to close that deal the next day, and so that is why I bought the building in my name: because I had no authority in the first place.

Suppose, and I merely use this as an illustration: if the gentleman had said $100,000.00 or if he had insinuated that the man's offer because I don't know how much the other people had offered. I don't know how much higher. We were willing to pay $100,000.00 for the building. We would have paid $200,000.00 for the building if we would have been able, don't misunderstand me. It so happened that I was making an effort to economize and I wrote my first check, $55,000.00. If he would have told me how much more you were, if he would have said $60,000.00 I would have wrote it. If he would have said 'No soap,' I would have given up to $75,000.00.

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He was trying to do the right thing with me by refusing my check; but the minute he took it, I had a chance to get it at that price, I left it that way, but it was with my check I bought it. Then, I don't have the minutes authorizing me to buy it; and when they made the papers the next day after they phoned Chicago - - - they made the minutes in my name and I had eaten breakfast and came back and the papers were made.

"Q. You held on to it for some months before it was sold?

"A. I figured I had made such a good deal and if somebody offered me a quarter of a million dollars I wasn't going to sell it. I wasn't going to sell it for no sum, under no circumstances for less than what I sold it to the corporation, but I made a special deal, because - - but that building there is worth ten times more than that little barn on the side that cost $88,000.00. That was nothing." (Pages 256 - 266)

In an effort to ascertain the location of minutes of the Le Blanc Corporation for December 1950 and for the first seven months of 1951, Mr. DOYLE took the deposition on August 27, 1952 of Miss [illegible]NETA MARTIN and which deposition appears in Volume III of the deposition entitled "In the Matter of: The Le Blanc Corporation".

Under questioning by Mr. DOYLE, Miss MARTIN identified herself as being Secretary of the Happy Day Company and the Le Blanc Laboratories and Le Blanc Corporation.

She testified that the minutes were prepared by herself or a Mr. LOWE, head of the Bookkeeping Department, or occasionally by the corporation's attorney, Mr. VOORHEES, and after they were signed by the President of the company, DUKKY LE BLANC, the minutes were placed in chronological order in the corporation's minute record book.

Miss MARTIN testified that she could not [illegible] minutes were not in the record book; however, she [illegible] believed the minute books were turned over to [illegible] York on the last trip or second last trip to the [illegible] just prior to the selling of the corporation.

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She said she gave Mr. LOWE permission to release the minute books to Lans and Lawn but that she was not cognizant as to whether the corporation obtained a receipt for the minute record books.

It was noted that the direct examination of Miss MARTIN appears on pages 343 - 360 of this deposition.

With reference to the missing minutes it was also noted on pages 142 - 143 in answer to Mr. DOYLE's question, "Do you know, Senator, when these minutes were turned over to the purchasing stockholders or to the Tobey Maltz Foundation in New York - - do you know who turned them over to them?", LE BLANC replied that he believed Mr. LOWE released the minute record books to the buyers.

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JEROME DOYLE, of the Law Firm of CAHILL, GORDON, ZACHRY AND REINDEL, 63 Wall Street, New York 5, New York, made available to the New York Office photostatic copies of documents located in the files of The LeBlanc Corporation at Lafayette, Louisiana. These documents included a letter dated February 28, 1950, which DUDLEY J. LeBLANC, as President of The LeBlanc Corporation, directed to a number of Congressmen. This letter reads:

"Dear _____:

"We are vitally interested in the members of the Federal Trade Commission. Those who are there now are working with us and understand our problems.

"Because of the fact that Vitamins and Minerals in combination dissolved in a liquid is somewhat new to the medical profession, you can easily understand that we have had a little difficulty in the past with the commission.

"The purpose of this letter, therefore, is to respectfully request that you do all you possibly can for the appointment to the Federal Trade Commission of the Honorable James A. Horton.

"Mr. Horton is presently connected with the commission and has worked for the commission for several years. He is familiar with all phases of commission activities. He has made a study of the Vitamin and Mineral business. If you are successful in having him appointed commissioner, we feel that we will owe you an everlasting debt of gratitude.

"On the other hand, if we can ever be of any service to you in any way, please do not hesitate to command us.

"With the writer's kindest personal regards, we are

Very truly yours,

THE LEBLANC CORPORATION"

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This letter bears the dictation initials "DJL/mar". It was directed to the following:

Hon. PETER W. RODINO, JR., M.C.
House of Representatives

Senator ALLEN J. ELLENDER
House of Senate

Senator RUSSELL B. LONG
House of Senate

Hon. F. EDWARD HEBERT, M.C.
House of Representatives

Hon. HALE BOGGS, M.C.
House of Representatives

Hon. EDWIN E. WILLIS, M.C.
House of Representatives

Hon. OVERTON BROOKS, M.C.
House of Representatives

Hon. OTTO E. PASSMAN, M.C.
House of Representatives

Hon. JAMES H. MORRISON, M.C.
House of Representatives

Hon. HENRY D. LARCADE, JR., M.C.
House of Representatives

Hon. A. LEONARD ALLEN, M.C.
House of Representatives

Hon. JOE L. EVINS, M.C.
House of Representatives

The letter to Congressman EVINS was dated March 1, 1950.

On February 28, 1950, LeBLANC directed the following letter to JAMES A. HORTON:

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"Dear Jim:

"We have returned back to our office and I want to certainly thank you for your many courtesies while we were in Washington.

"I am writing today a letter to every member of Congress with whom I am acquainted as well as the Senators respectfully requesting that they put their shoulders to the wheel.

"With the kindest personal regards, I am

Very truly yours,

DUDLEY J. LEBLANC

"DJL:S"

In a letter dated March 25, 1950, directed to "Hon. James A. Horton, Federal Trade Commission, Washington, D. C.", LeBLANC wrote:

"Dear Friend James:

"On my return from the Jackson Day dinner, after I got settled I wrote letters to a good many of our friends in Washington on your behalf. The enclosed letters are self-explanatory and after they have served the purpose, you may destroy them.

"If at any time you feel I can be of any assistance to you in any way, do not hesitate to write me.

Very truly yours,

DUDLEY J. LEBLANC

"DJL/mar

"Encls. 7"

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The "enclosed letters" to which LeBLANC makes reference, are the letters dated February 28, 1950, directed to members of Congress as set forth above.

The Congressional Directory for 1950 indicates that JAMES A. HORTON was then the Director of the Bureau of Legal Investigations of the Federal Trade Commission. The Congressional Directories for 1951 and 1952 indicate that JAMES A. HORTON is now Director of the Bureau of Industry Cooperation, Federal Trade Commission.

Mr. BOYLE also made available photostatic copies of correspondence between The LeBlanc Corporation, Lafayette, Louisiana, and Attorney R. EDWARD TEPE, 1315 First National Bank Building, Cincinnati, Ohio.

In a letter dated April 19, 1951, TEPE informs The LeBlanc Corporation he had met the previous day, Wednesday, April 18, with Price Stabilization Director MICHAEL V. DiSALLE in his office at Washington relative to the Hadacol price problem. The letter sets forth the problems being faced by TEPE in an effort to have the "price problem" solved to the benefit of The LeBlanc Corporation.

In a letter dated May 8, 1951, TEPE writes The LeBlanc Corporation, in part:

> "Since my employment by you on February 28th, to attempt to work out a regulation or other relief of your price dilemma, your Company has also referred to me problems of free gift allowances and problems concerning the sale of the smaller sizes.
>
> "To date, I have expended in travel for your Company to Washington, Toledo, LaFayette, etc., approximately $700.00 in phones, wires, etc., approximately $100.00, and other expenses of $500.00, and have used up ten full working days in addition to office time, etc.
>
> "I, therefore feel that a further retainer would be in order at this time of $5,000.00."

DUDLEY J. LeBLANC replied to TEPE's letter under date of May 22, 1951, in part:

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WEF/adg

"I am under the impression that you overlooked the arrangements that you and I made on your first visit and to refresh your memory, we gave you a check for $1,500 or $2,000 to start out with and the understanding was that if you got our 7 oz. and 20 oz. bottles approved, we would then pay you $5,000, but we owe you nothing until you have obtained the approval of the O.P.A. for our new sizes.

"There never was any question about giving you a retainer unless you accomplished something.

"The fact that you were recommended to us so highly by one of our mutual friends certainly leaves me to believe that you had forgotten about this arrangement."

TEPE, by letter dated May 23, 1951, to The LeBlanc Corporation, states, in part:

"My letter of May 8th stated to you my understanding of the terms of my employment by you, namely that I was to attempt to work out a regulation or other relief for the shortening-of-size dilemma in which you found yourself because of price controls. For this you paid me a retainer of $2000.00, (incidentally telling me to be sure that $500.00 was paid to the Washington advocate- hence your recollection of $1500.00). If successful, I was to bill you a further additional amount.

"I succeeded in having written into #22 the language, which, in my opinion, would have solved your problem, only, as you are aware, to have 'proprietary drugs" excluded from the regulation in an eleventh hour amendment. In this effort, as I have already advised you, I spent $1300.00 and used up a great deal of time.

"In the interim, in addition to what you and I had discussed, your company referred to me problems of free-gift allowances and problems concerning the merchandising of the smaller sizes. In consequence

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"of this, I was instructed by Richard Brown to confer with him and you in LaFayette on May 3, 1951. In travel and conference time with Miss Martin, Mr. Brown, Mr. Montgomery et al, I again consumed three full working days and incurred additional expense.

* * * * * * * * * * * * * * *

"I regret your opinion that 'there never was any any question about giving you a retainer unless you accomplished something,' and I believe that it is founded upon a lack of understanding of the depth of the problem confronting you and the volume of work required in its solution.

"My recommendation to you, I trust, was of the plane upon which I normally do business and I appreciate the kind referral to you. However, I had not and do not now forget the arrangement for my employment, as I have set forth explicitly herein.

* * * * * * * * * * * * * * *

"I am unwilling to undertake further responsibility for the items listed herein or for the further advancement of your position, either in the Drug Advisory Committee or in a 'cure-all' application to Administrator DiSalle, without assurances, by way of the desired retainer, that my efforts are being expended as we agreed, according to my understanding of the work referred.

"Your company, thus far, has received better and more careful representation before O.P.S., in my humble opinion, as evidenced by past happenings and reports, than you could obtain elsewhere. Should you disagree, as is certainly your right, please so advise me. Should you agree, and desire my further efforts in your behalf, kindly send me the requested retainer to cover the necessary and essential expense and time involved."

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Mr. JEROME DOYLE also made available photostatic copies of two letters reflecting an exchange of correspondence between DUDLEY J. LeBLANC, as President of The LeBlanc Corporation, and H. TURNEY GRATZ, Suite 500, 917 15th Street, Washington, D. C.

A letter dated March 6, 1951, from H. TURNEY GRATZ, Washington, D. C., to Senator DUDLEY J. LeBLANC, President of The LeBlanc Corporation, Lafayette, Louisiana, reads:

"Dear Dudley:

"This will acknowledge your letter of March 3 and thank you for sending me the congratulatory letter which you received from the business people in Kansas City.

"I am a bit concerned over your comment that you have not heard from me since you left Washington. I have talked over the telephone either to you or Miss Martin nearly every day since you left, and in addition, during the past several days, I have written several letters to your people there.

"With reference to your comment about my deciding whether or not to work for you, I can assure you there is no question whatsoever about the decision. My acceptance of your firm offer to become Vice President of the LeBlanc Corporation in charge of Exports was not taken lightly, and our understanding was reached only after many discussions, and was finally determined in a conference with you, Chairman Boyle and myself. From that moment it has been a firm, final and absolute commitment, and once I have made a commitment, I never deviate from it.

"I am bound to fulfill all of my commitments with you because it would be a matter of grave concern to the Chairman of the Party for a person in my position (as that of the second man in the National Party, having relinquished that position in consideration for the offer and acceptance of the Vice Presidency of your Corporation) not to complete the commitment. Moreover, there could be no turning back once the Chairman, after being authorized by

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"you, released the national publicity that the Executive Assistant Chairman of the Party was resigning in order to become Vice President for Export for the LeBlanc Corporation, manufacturers of HADACOL.

"I realize the matters you have pending in Washington are of great concern to you, and because they are, I am also acutely concerned with them. Furthermore, I can see how difficult it is for any business man to understand the delays that we all have to put up with in dealing with government departments. That is why I have said, from time to time, that relations with government departments must be constantly developed in order to build good will and mutual respect. No one can accomplish the ends they desire by pressure or nearly as soon as one has a right to reasonably expect. I have spent ten years closely observing the operations of these departments. I feel that I not only know more people in Washington than perhaps anyone else does, but that I also am more conversant with the operations of the departments. Very few people realize that under the Civil Service system, the departments are staffed by Republicans as well as Democrats, and there is a third class, which for want of a better name, should be called Bureaucrats. They owe allegiance to no political party, but call themselves experts. It seems that the Bureaucrats go out of their way to delay decisions on even the most simple matters. In many cases the department heads are prisoners of these Bureaucrats because by the time a case reaches the chief for a decision, the fellows down below have documented the matter where it is not only hard to decide, but many times impossible to decide in favor of the person who is appearing before the department. I have been able to build a reputation for never requesting a department head to do anything that was not right and proper or, as you say about HADACOL "meritorius." Such a reputation is not easily built in this town and, under no circumstances, do I intend to jeopardize it. That is my greatest value to you, to your corporation, and to your product. That is why, in my handling of your affairs, neither my name nor yours will ever be the cause of any Congressional investigation, or will ever be criticized.

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"On the other hand, while we may not get action as quickly as we both would like, in the long run, we will get fair consideration and just treatment in every matter in which you are interested.

"Since the public announcement of my going with you, I have had many officials tell me in person and over the telephone that they will be happy to cooperate with us. As soon as Jim Mead, Chairman of the Federal Trade Commission, returned from Florida, we had a long talk in which he said he was delighted to have such a close personal friend in a position where the differences which have, from time to time, developed between his agency and our corporation, could now be handled between personal friends for the best interests of the government and the corporation.

"I had a long talk with the people at Agriculture yesterday, and I believe this is another one of those cases where the department heads are at the mercy of the Bureaucrats. They tell me they very much want to pay you the honey subsidy, but that up to now they had been unable to overcome the documentation which had been prepared by the Bureaucrats down below. I believe that we can make more progress with this honey question by getting Senators Ellender and Byrd to take a personal interest in it. Even so, it will be necessary for us to develop documentary proof to offset the paper file that the Bureaucrats have built up in this matter. If the Secretary of Agriculture decides the honey question in our favor, he will have to have a record built up in the department to justify his decision; otherwise some political enemy such as the American Medical Association might use this one little point as a wedge to force a Congressional investigation which would damage the reputation of our product. I had planned to see Senators Ellender and Byrd today, but since our telephone conversation yesterday, where it was planned that I come to Lafayette within the next few days, I will postpone seeing the Senators until after you and I have had a chance to talk over the whole problem personally.

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"I know that you realize from the many telephone conversations that I have had with you and Miss Martin that I have been concerning myself on a twenty-four hour a day basis with the bottle question. As I told you, I met Mr. DiSalle one morning before breakfast and stayed with him several hours going into the whole matter. Again last Sunday, I met him and I am sure that he is doing everything that he can appropriately do to settle this matter as soon as possible in order to save us further delay and expense. I am meeting again with him today, and will call you just as soon as I have anything to report.

"I am looking forward to the pleasure of being with you all within the next few days.

Sincerely,

TURNEY GRATZ

"Senator Dudley J. LeBlanc
President
The LeBlanc Corporation
Lafayette, Louisiana"

A letter dated April 13, 1951, reads:

"Mr. Turney Gratz
Suite 500
917 - 15th Street
Washington, D. C.

"Dear Turney:

"The last time you were in my office, it was clearly understood that I pay you $20,000 a year and that is all I am obligated for. You are supposed to run the office and all expenses attached thereto.

"I told you I would, of course, pay your expenses coming to Louisiana and I am, therefore, instructing my auditor to send you a check for $263.98, which you claim you spent.

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"Mr. Hedrick is not authorized to contract for or in behalf of this Corporation as he is not even employed by us. Mr. Hedrick merely represents an advertising agency with whom we do business.

"I hope and trust that our business relationships will forever continue to be very pleasant and I say this very sincerely. But, I also want to say that I am very disappointed in the work that you have accomplished in our behalf up to this time.

"If you recall, my visit to Washington was to employ Clark Clifford. You suggested that we employ you and assured us that you would perform and if at any time we were not satisfied, we could discontinue our business relationship. I believed then and I believe now that Clark Clifford could have obtained for us our honey rebate. You told me you could do that.

"We felt positive too, according to what you told us about your giving Mr. DeSalle his job, that you could get from the O.P.A. the necessary authority for us to continue operations that had been started by us a year ago. You have failed to secure that for us and, frankly, we are in a hell of a fix.

"You told me how close you were to the President. I explained to you that a photograph of me with the President would be of a lot of value to me. You told me you could fix that. You failed again!

"Now, we need some steel to complete two buildings which we started last year, and I want a permit for a television station in New Orleans. I respectfully request that you devote your time and attention to obtaining these for me.

"As I stated above, I am your friend and I want to remain so but with me it is strictly a business proposition. I'm willing to pay for what I get but I am not willing to pay for something I am unable to obtain.

"I hope that you will understand my position in this matter and please accept this letter in the spirit in which it is written.

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"With kindest personal regards and best wishes, I am

Very truly yours,

THE LEBLANC CORPORATION

DUDLEY J. LEBLANC
PRESIDENT

"DJL/mar"

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BACKGROUND OF JAMES ALBERT HORTON

During an applicant type investigation concerning HORTON by the Federal Bureau of Investigation in December 1942 - January 1943, personnel records of the Post Office Department, reviewed by SA WILLIAM W. FAIR, reflected JAMES ALBERT HORTON was employed as a Clerk in the Post Office Department between March 1, 1917, and June 30, 1919, when he was dropped from the rolls because of a cut in appropriation. Between July 1, 1919, and December 31, 1920, according to the personnel records of the Department of Justice, HORTON was employed as a Special Investigator of the Bureau of Investigation, Department of Justice. He resigned from this position. Personnel records of the Federal Trade Commission, reviewed by SA FAIR, indicate HORTON was appointed an Assistant Chief Examiner for the Federal Trade Commission on March 28, 1921. At the time of the applicant type investigation, HORTON held the position of Chief Examiner, Federal Trade Commission. These personnel records reflected HORTON's date of birth as June 18, 1886, Youngstown, Ohio.

References, who were Commissioners of the Federal Trade Commission, and an attorney-at-law described HORTON as a very capable and exceptionally industrious executive who had an ambitious energy which sometimes drove HORTON and his subordinates to the limit. One individual, who requested his identity not be divulged, stated HORTON was a person of willful prejudices and exceptionally strong likes and dislikes which HORTON on some instances allowed to bias his opinions. This individual also reported HORTON was obsessed with the importance of his own position and was extremely unpopular with the members of his staff although he maintained excellent discipline among them. Neighbors reported favorably concerning HORTON. HORTON was the father of two boys and a girl by his first wife who died some years ago. HORTON reared his children strictly and at the time of the investigation, the two boys were in the armed services and the girl was married. HORTON had married GENEVIEVE F. SMITH, a former secretary at the Federal Trade Commission, in June 1939.

Records of the Metropolitan Police Department, Washington, D. C., reflected one JAMES ALBERT HORTON, age 41, was arrested on a charge of disorderly conduct on July 5, 1928. This HORTON's profession was listed as lawyer. The location of the arresting officer in this case at the time of the applicant investigation could not be determined in an effort to further identify this JAMES ALBERT HORTON. Traffic records reflected a JAMES ALBERT HORTON was arrested for fast driving, 38 miles per hour, on September 10, 1933, and also paid a $3 fine on a parking violation on April 26, 1942.

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ADMINISTRATIVE PAGE

LEADS

THE NEW ORLEANS OFFICE

AT NEW ORLEANS, LOUISIANA

Will contact JUSTIN GREEN, Manager, RFC, 348 Baronne Street, New Orleans 12, Louisiana, Regional Office of the RFC, and arrange to review RFC records as they pertain to the Happy Day Company, Le Blanc Laboratories and the Le Blanc Corporation.

In this connection, names of all RFC officials and employees having contact with DUDLEY LE BLANC, MACK HEDRICK or any other officials of the Le Blanc Corporation should be obtained and the basis of this contact set out.

AT LAFAYETTE, LOUISIANA

Will review the records of the Le Blanc Corporation and will interview DUDLEY J. LE BLANC pursuant to instructions contained in reference Bulet dated October 24, 1952.

Will interview BENNETT J. VOORHIES, Attorney with the law firm VOORHIES and LABBE, 718 South Buchanan Street, Lafayette, Louisiana, Attorney for DUDLEY J. LE BLANC. It should be ascertained from VOORHIES whether he has any knowledge of contacts made by LE BLANC, MACK HEDRICK or any other representatives of the Le Blanc Corporation with officials of the Federal Trade Commission or the RFC where these officials were given moneys, gifts or gratuities by LE BLANC or his associates. The possibility exists that VOORHIES will claim privilege as Attorney for LE BLANC.

It should be ascertained from VOORHIES the identity of the doctor who represented LE BLANC in Washington, D. C., before the Federal Trade Commission. In this regard it is to be noted that this doctor has not been identified in the testimony of LE BLANC.

Will determine from VOORHIES whether he has any knowledge of LE BLANC's efforts to have JAMES A. HORTON made Commissioner of the Federal Trade Commission.

Will ascertain from VOORHIES whether LE BLANC had received promises of cooperation from HORTON on behalf of his product Hadacol in return for pressure LE BLANC might have exercised on behalf of HORTON.

Will ascertain who LE BLANC contacted at RFC, New Orleans, relative to his obtaining the building mentioned in details of this report. It is believed VOORHIES will have knowledge of the name of this individual

Will interview Miss ONESTA MARTIN, former Secretary, Le Blanc Corporation. It should be ascertained from Miss MARTIN whether she has any knowledge of payments of moneys, gifts or gratuities by DUDLEY J. LE BLANC, MACK HEDRICK or any other official of the Le Blanc Corporation to representatives of the Federal Trade Commission or the RFC.

It should also be ascertained the identity of the doctor who represented LE BLANC before the Federal Trade Commission in Washington, D. C.

Will determine from Miss MARTIN whether she has any knowledge of LE BLANC's efforts to have JAMES A. HORTON made Commissioner of the Federal Trade Commission.

Will ascertain from Miss MARTIN whether LE BLANC had received promises of cooperation from HORTON on behalf of his product Hadacol in return for pressure LE BLANC might have exercised on behalf of HORTON.

Will ascertain who LE BLANC contacted at RFC, New Orleans, relative to his obtaining the building mentioned in details of this report. It is believed Miss MARTIN will have knowledge of the name of this individual.

Will verify the death of MACK HEDRICK. It has been testified that HEDRICK died sometime in September, 1951.

THE CHICAGO OFFICE

AT EVANSTON, ILLINOIS

Will interview Dr. SPIES, Northwestern University, with reference to the $50,000.00 check he received from MACK HEDRICK in Cuba, Georgia, in return for an appearance before the Federal Trade Commission and the Food and Drug Administration in Washington.

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THE WASHINGTON FIELD OFFICE

AT WASHINGTON, D. C.

Will, upon receipt of initial report from New Orleans, interview TURNEY GRATZ, Attorney, Washington, D. C., and former Representative of the Democratic National Committee, Washington, D. C., relative to his representation of DUDLEY J. LE BLANC.

Will ascertain from GRATZ if he has any knowledge of the payment of moneys, gifts or gratuities to representatives of the Federal Trade Commission or the RFC. In this regard it is to be noted that GRATZ in a letter dated March 6, 1951, addressed to LE BLANC commented upon contacts with representatives of the Federal Trade Commission.

Will ascertain the extent of HEDRICK's representation of LE BLANC in Washington, D. C., from GRATZ.

Will determine whether LE BLANC has ever admitted to GRATZ that he had given HEDRICK money to pay for influence at the Federal Trade Commission or the RFC.

Will obtain detailed background information relative to the representation of LE BLANC by GRATZ.

Will determine from GRATZ whether he has any knowledge of LE BLANC's contact with MICHAEL DI SALLE, former Head of OPS in Washington, D. C. Determine whether GRATZ ever accompanied LE BLANC to the offices of DI SALLE relative to a price problem that LE BLANC was experiencing with Madacol.

Will also conduct any other additional investigation deemed pertinent upon receipt of New Orleans report.

TO ALL OFFICES EXCEPT NEW ORLEANS

ALL LEADS ARE TO BE HELD IN ABEYANCE PENDING RECEIPT OF INVESTIGATION BY NEW ORLEANS OFFICE.

REFERENCE: Bureau letter dated October 24, 1952.

58 2808

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NOVEMBER 28, 1952 AIRTEL

SAC, CHICAGO

DUDLEY J. LE BLANC, ET AL, BRIBERY. REREPS WILLIAM C. HIGGINS OCTOBER THIRTYONE LAST AT WASHINGTON AND LAURENCE J. FRANK, JR. NOVEMBER FOURTEEN LAST AT NEW ORLEANS. ADVISE DATE REPORT SUBMITTED AND NAME OF SUBMITTING AGENT.

HOOVER

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12-2-52

WASHINGTON AND CHICAGO FROM WASH FIELD 2 6:30 P.M.

DIRECTOR AND SAC DEFERRED

DUDLEY JOSEPH LE BLANC, ET AL, BRIBERY. REREP SA WILLIAM C. HIGGINS OCTOBER THIRTYONE LAST AT WFO. PLEASE EXPEDITE COVERAGE LEAD YOUR DIVISION.

HOOD

WCH:SCB

58-417

AIR-TEL

CLR 3

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DEC 11 1952

FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

December 2, 1952
Chicago, Illinois

Transmit the following Teletype message to: AIRTEL

DIRECTOR, FBI, SAC WASHINGTON FIELD OFFICE, SAC BIRMINGHAM

DUDLEY JOSEPH LE BLANC; THE LE BLANC CORPORATION; JAMES ALBERT HORTON; UNSUB, RFC EMPLOYEE, NEW ORLEANS, LA., BRIBERY.

DR. TOM D. SPIES TRAVELING AND UNAVAILABLE FOR INTERVIEW UNTIL DEC. THREE NEXT. MISS JO GILLEY, NORTHWESTERN UNIVERSITY MEDICAL SCHOOL, NUTRITION DEPARTMENT, ADVISED SPIES ARRIVING BIRMINGHAM, ALABAMA, DEC. THREE. ADDRESS WILL BE CARE OF NUTRITION CLINIC, HILLMAN HOSPITAL, TELEPHONE BIRMINGHAM SEVEN ONE SIX TWO TWO. BIRMINGHAM COVER CHICAGO LEAD ENCLOSED REPORT SA WILLIAM C. HIGGINS, DATED OCT. THIRTYONE LAST, WFO. REPORT SA LAURENCE J. FRANK ENCLOSED FOR BIRMINGHAM INFORMATION. R

KRS/hms
58-267

MALONE

Enc.: BIRMINGHAM ONE COPY EACH OF TWO REPORTS

AMSD

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10 DEC 3 1952

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[redacted]

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

DEC 15 1952

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
PHILADELPHIA	11/21/52	11/19/52	CLAUDE M. PENNINGTON (THM)

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC; THE LeBLANC CORPORATION; JAMES ALBERT HORTON; UNKNOWN SUBJECT, RFC EMPLOYEE	BRIBERY

SYNOPSIS OF FACTS: Records, Fairmount Farms, Hospital for Treatment of Nervous and Mental Disorders, reflect MAC D. HEDRICK died on 8/29/51.

- RUC -

DETAILS: At Philadelphia, Pa.

The following investigation was conducted by SA ROBERT V. HANCOCK.

Mrs. L. M. LIGGETT, Superintendent of the Fairmount Farms, a private psychiatric hospital for the treatment of nervous and mental diseases, located at 6725 Ridge Avenue, advised that her records reflect that MAC D. HEDRICK was admitted to that hospital on August 24, 1951, and was pronounced dead on August 29, 1951, by the Medical Director Dr. WILLIAM WILSON. The records did not reflect the diagnosis of the illness for which HEDRICK had entered the hospital.

These records indicate that HEDRICK was thirty-nine years of age; that his home was in Houston, Texas, where he was stated to have been associated with the Majestic Advertising Company with a Mr. TOWNER as co-owner.

The hospital sent the bill for collection of amounts due them to HEDRICK's aunt, a Mrs. BLANCHE H. CHESTNUT, 5406 Central Avenue, Tampa, Florida.

- REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN -

APPROVED AND FORWARDED: RJH tmf — SPECIAL AGENT IN CHARGE

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ADMINISTRATIVE PAGE

REFERENCE: Report, SA LAURENCE J. FRANK, JR., dated 11/14/52, at New Orleans, La.

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
This case originated at WASHINGTON FIELD

Report made at	Date when made	Period for which made	Report made by
BIRMINGHAM	12/5/52	12/5/52	W. HERBERT OSBORNE IFI

Title	Character of case
DUDLEY J. LE BLANC; The Le Blanc Corporation; JAMES ALBERT HORTON; UNKNOWN SUBJECT, RFC Employee, New Orleans, Louisiana	BRIBERY

SYNOPSIS OF FACTS:

Dr. TOM D. SPIES, Professor of Medicine, Northwestern University, and visiting Professor of Medicine, University of Alabama Medical School, Birmingham, advised DUDLEY J. LE BLANC of Le Blanc Corporation, through MACK HEDRICK, donated $50,000.00 to Northwestern University December 30, 1950. Donation received to be placed in Spies Committee Fund for Clinical Research and received with no strings attached and with understanding no publicity be given. No mention made that Dr. SPIES was expected to testify before any governmental body or issue any statement relative to Le Blanc Corporation or their product, Hadacol.

G. I. R. -3

- RUC -

DETAILS: AT BIRMINGHAM, ALABAMA

The following is a joint investigation of Special Agents JOHN C. SEATON and W. HERBERT OSBORNE:

Dr. TOM D. SPIES, Professor of Medicine, Northwestern University, Chicago, Illinois, and a visiting Professor of Medicine at the University of Alabama Medical School, Birmingham, Alabama, stated he had received from the Le Blanc Corporation a donation of $50,000.00 on December 30, 1950, and that the check representing

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58-2808

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the donation had been delivered to him by a Mr. MACK HEDRICK as the representative of DUDLEY J. LE BLANC and the Le Blanc Corporation. Dr. SPIES stated at the time this check was received, it was made plain to Mr. HEDRICK that there was to be no publicity concerning the fact that either Mr. LE BLANC or his corporation had made the donation and there was to be no future publicity in any shape, form or fashion relative to this donation. Dr. SPIES stated there was no agreement, nor mention to him by Mr. HEDRICK, of the fact that he was expected to appear before any governmental agency and testify on behalf of the Le Blanc Corporation. Dr. SPIES advised if there had been any such strings, or any other strings, tied to the gift, then it would not have been accepted.

In support of his statement, Dr. SPIES made available a copy of a letter dated January 3, 1951, which is directed to Senator DUDLEY J. LE BLANC, The Le Blanc Corporation, Lafayette, Louisiana which reads as follows:

"Mr. Mac Hedrick has presented us with a check dated December 30, 1950 and drawn in favor of Northwestern University for the amount of $50,000. Mr. Hedrick has made it plain that this is entirely a philanthropic act and that neither The Le Blanc Corporation nor you personally nor any of the members of the Corporation will now or in the future publicize in any shape, form, or fashion this donation. Furthermore, Mr. Hedrick made it clear that no one expected or wished us to work directly or indirectly on Hadacol. Mr. Hedrick also made it clear that he had sought us out on your instructions because you realized that the success of your product had, from a scientific point of view, been dependent upon our researches.

"This donation will enable us to accomplish more speedily our researches in nutrition. As you know, the science of nutrition is young and vigorous and, like all young things, requires much nourishment.

"Perhaps I may say in passing that Mr. Hedrick very favorably impressed not only myself but also my associates with your and his sincerity and, in addition, the famous writer, Dr. Paul de Kruif, independently arrived at the same conclusion that both you and Mr. Hedrick were determined to help this young science grow into a more mature science that would more widely benefit humanity.

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"I have not talked with Dr. de Kruif this morning but I am sure that he, like my associates and myself, wishes you a very Happy New Year.

"Sincerely yours,

"Tom D. Spies, M.D."

Dr. SPIES stated his statement as set forth in this letter represents the true facts concerning the circumstances surrounding the acceptance of the $50,000.00 donation which he received on December 30, 1950, at Havana, Cuba.

Dr. SPIES furnished a copy of a letter dated January 4, 1951, which is addressed to Mr. HARRY L. WELLS, Vice President and Business Manager, Northwestern University, Evanston, Illinois, which reads as follows:

"Enclosed is a check for $50,000 payable to Northwestern University and signed by the Le Blanc Corporation. This money is given without any restrictions whatsoever. The check was brought to me, and I was told to write whatever acceptance I might see fit. I wrote to DUDLEY J. LE BLANC, the Le Blanc Corporation at Lafayette, Louisiana, as follows:

"'Mr. Mac Hedrick has presented us with a check dated December 30, 1950 and drawn in favor of Northwestern University for the amount of $50,000. Mr. Hedrick has made it plain that this is entirely a philanthropic act and that neither The Le Blanc Corporation nor you personally nor any of the members of the Corporation will now or in the future publicize in any shape, form, or fashion this donation. Furthermore, Mr. Hedrick made it clear that no one expected or wished us to work directly or indirectly on Hadacol. Mr. Hedrick also made it clear that he had sought us out on your instructions because you realized that the success of your product had, from a scientific point of view, been dependent upon our researches.

"'This donation will enable us to accomplish more speedily our researches in nutrition. As you know,

the science of nutrition is young and vigorous and, like all young things, requires much nourishment.

"'Perhaps I may say in passing that Mr. Hedrick very favorably impressed not only myself but also my associates with your and his sincerity and, in addition, the famous science writer, Dr. Paul de Kruif, independently arrived at the same conclusion that both you and Mr. Hedrick were determined to help this young science grow into a more mature science that would more widely benefit humanity.

"'I have not talked with Dr. de Kruif this morning but I am sure that he, like my associates and myself, wishes you a very Happy New Year.'

"I made it so clear to these people that there would be no publicity of any kind that I would prefer that this contribution be listed as an anonymous gift. It should be put into the general Spies Committee Fund for Clinical Research -- not for the Chicago development. Since it is a southern corporation, The Le Blanc Corporation prefers that the funds be used in the South, although there are no strings attached.

"I am still hoping that you will be able to come down to our conference on the 13th. I am enclosing a couple of clippings about it.

"Sincerely yours,

"Tom D. Spies, M.D."

Dr. SPIES advised that it was his understanding that Mr. HEDRICK had come to Birmingham during the latter part of December 1950, seeking an audience with him for the purpose of making a donation to his research work in nutrition, but that he, Dr. SPIES, was then in Havana, Cuba conducting certain experimental work with respect to certain tropical diseases that were believed to be produced as a result of malnutrition. Dr. SPIES stated HEDRICK came to Havana and contacted him and presented him with the $50,000.00 check referred to above under the circumstances as set forth in the above letters.

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ADMINISTRATIVE PAGE

Dr. TOM D. SPIES is a Professor of Medicine at Northwestern University, Chicago, Illinois and for the past 15 or 16 years has been a visiting Professor at the University of Alabama Medical School, which is presently located at Birmingham, Alabama and associated with the Jefferson-Hillman Hospital which is now a part of the University of Alabama Medical School. During the past 15 or 16 years, Dr. SPIES has been conducting research into such diseases as Scurvy, Beri-beri, Pellagra, Pernicious Anemia, Sprue, Rickets and many other types of diseases which he believes to have their origin in malnutrition.

As a result of the experimental work which has been carried on under Dr. SPIES' direction, he has gained a worldwide reputation in this field. He is generally considered to be one of the world's outstanding men in the field of nutrition and, therefore, is very highly respected both in the medical profession and outside the medical profession. His experiments with respect to Pellagra and Rickets have resulted in the development of a treatment for these diseases which, according to Dr. SPIES, have practically made this disease a rarity, whereas a few years ago it was a rather commonplace disease in the South.

The above limited amount of background information concerning Dr. SPIES is set forth in order that it will be understood that he is not in a position to accept donations to his work and at the same time use his position for the furtherance of an individual or an individual corporation. If this policy was followed, as pointed out by Dr. SPIES, it would result in other individuals refraining from making donations.

A copy of this report is being forwarded to the Chicago Office for its information in view of the fact that Dr. SPIES spends a portion of his time in Chicago and as it is possible that the Office of Origin may desire further investigation in Chicago.

A copy of this report is forwarded to New Orleans in view of the fact that DUDLEY F. LE BLANC resides in the territory covered by the New Orleans Office and the results of the interview with Dr. SPIES may be of material assistance to them in any future interviews with LE BLANC.

REFERENCE: Report of Special Agent WILLIAM C. HIGGINS, Washington, D. C., dated October 31, 1952.

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REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
[illegible], LOUISIANA	11-14-52	11-5,6,7,10, 12-52	[illegible]
TITLE: DUDLEY JOSEPH LeBLANC; THE LeBLANC CORPORATION; [illegible]; [illegible] SUBJECT, RFC EMPLOYEE,			CHARACTER OF CASE: [illegible]

SYNOPSIS OF FACTS: [illegible]

DUDLEY J. LeBLANC interviewed and he made statement denies ever giving or offering money to any Government official or employee to influence them in the performance of their duty. Admits large expenditures for entertainment in Washington, D.C., and claims expenditures primarily for political connections through them he hoped to get to meet Food and Drug Administration and Federal Trade Commission officials so that they would understand his company in connection with his product. Claims recommendation of [illegible] for Commissioner, Federal Trade Commission, made on friendly basis rather than seeking any favors. Reports met Federal Trade Commission employee accidentally in lobby of [illegible] Barker Hotel, New York City, on one occasion but nothing out of the way took place and this only occasion ever met any Government employee in New York City. Denies any irregularities in connection with purchase of property from RFC. Miss [illegible], Secretary, LeBlanc Corporation, and [illegible] W. [illegible], Jr., attorney, LeBlanc Corporation, interviewed and deny knowledge of any irregularities. Examination of LeBlanc Corporation files [illegible] and results set out. Review of RFC records, New Orleans, re sale of land and building to DUDLEY J. LeBLANC indicate sale handled on "negotiated sale" basis and not under sealed bid. Officials RFC claim that under "negotiated sale" basis attempted to get as much as possible out of property for Government. Details of RFC file review set out.

Crosby advised 11/18 1:20 P.M. that she was [illegible] to Supt. FTC [illegible] 57-2807-

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
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DETAILS: The title of this case is changed to reflect the full name of DUDLEY JOSEPH LeBLANC.

The following investigation was conducted by SA JOHN B. HONEYCUTT and the writer:

AT LAFAYETTE, LOUISIANA

Mr. DUDLEY JOSEPH LeBLANC was interviewed on November 6 and 7, 1952, at his place of business 242 East Vermillion Street, Lafayette, Louisiana, and on November 7, 1952, he furnished the following sworn statement:

"Lafayette, Louisiana
November 7, 1952

"I, DUDLEY JOSEPH LeBLANC, Abbeville, Louisiana, do make the following voluntary statement under oath to JOHN B. HONEYCUTT and LAURENCE J. [illegible], Jr., who have identified themselves as Special Agents of the Federal Bureau of Investigation. No threats or promises have been made me to give this statement and I have been informed that any statement I make may be used against me in a court of law. I understand that I have the right to have my attorney present if I so desire.

"About 1935 I founded the Happy Day Company which primarily produced and sold a headache powder known as Happy Day. We also made a cough syrup. Approximately in 1946 the name of the company was changed to the LeBlanc Laboratories. The Federal Security Administration, Food & Drug Division objected to the use of the word 'Laboratories' in the title of the company. I was told that my equipment was not elaborate enough to justify the use of the name 'Laboratories.' About this same time I had compiled a book containing abstracts from books of the American Medical Association and other authorities on vitamins. This book was prepared for nation wide distribution. The book contained a good many testimonials too and I was called to Washington about it. About this same time I employed MAC D. HEDRICK's Advertising firm to represent my company. Mr. HEDRICK had had experience in promoting a patent medicine and was familiar with matters in Washington as they pertained to my product. Together we went to Washington and we

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"learned that Dr. GEORGE HOOVER had formerly been head of the Food & Drug Administration and so we consulted him with the problem. He at first refused to take our case, he was an old man and claimed he didn't want any more business. He did allow me a few minutes to explain my problem and after I finished he said 'Young man, I'll take your case.' Dr. HOOVER was a consultant and advisor and registered as such.

"The three of us went to the Food & Drug Administration. As Dr. call we were received by Dr. DUNBAR and his assistant. They had been pretty bitter toward me before, but after Dr. HOOVER explained the problem and circumstances to them and they seemed to understand our problem and said that no charges would be brought against me or my company if we desisted in the distribution of the book I mentioned containing the testimonials they objected to. Dr. HOOVER explained to Dr. DUNBAR and his associate that he had made a study of Hadacol and found that I was justified to make the claim I had made and he could cite authorities on vitamins and minerals that would confirm it. The name of the company had been changed to Happy Day Co. although Dr. HOOVER told me that I would be justified in calling the company LeBlanc Laboratories since we did have a part-time laboratory. Later changed to LeBlanc Corporation. At this time, we didn't have any attorneys in Washington representing the company. VOORHIES & LABBE, Lafayette attorneys were representing us.

"Dr. HOOVER in his capacity as consultant for my firm also represented us before the Federal Trade Commission and explained to them the basis for my advertisement of Hadacol. Apparently the doctor at the Federal Trade Commission in charge of the drug section was not fully conversant with the new discoveries of vitamins and minerals for they continued to nag at my company about our advertisements. I mentioned on one occasion to my Board of Directors that these trip to Washington were very expensive and by that I meant that the entertainment costs were heavy. I had no influence in Washington other than my political connections and when I was in Washington I entertained them. I always invited the heads of the Food and Drug Administration and Federal Trade Commission but none of them ever accepted my invitation. As I recall on one occasion Mr. KELLS,

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"Chief Counsel and Mr. ROY, his assistant came to a dinner I gave. I think they came because they were close friends of either Congressman BOGGS or HEBERT from New Orleans. The congressman invited these people not I. I was trying to get to know these people so they would understand my sincerity. I was not a law breaker. I was a law maker and I wanted them to understand me. I did send some Xmas gifts to some of the officials of Food & Drug Administration and the Federal Trade Commission but they always turned them down. Other than this, I never spent any money on anyone in Washington. I did give $5,000 to the Democratic National Committee. After I had given the money, I got to meet BILL BOYLE and other executives of the National Committee. I told them what my problems were and they agreed to help me but they never did anything.

"One of Mr. BOYLES assistants left the Democratic National Committee and set up a business of his own as a representative of such men as I was. I don't recall his name, but I engaged him to see if he could get $32,000 from the Government as a subsidy the Dept. of Agriculture offered to firms using honey. I paid him $5,000 or $10,000 and he was unsuccessful so I severed my relationship.

"Other than the above, I never spent or offered any money to anyone for any influence or favors from any Government official. I never dreamed of offering anyone any money. I wanted to make them my friends and I thought that friendship would go much further than money. I recall at one time I had lunch at the White House with General LANDRY, pilot for the President, and General VAUGHAN. On this occasion General VAUGHAN after hearing my problems agreed to call Secy. BRANNON about the subsidy. He did and told me to go see Secy. BRANNON and I did, but he never did anything for me. He told me that the publication about the subsidy was a mistake. At this lunch the President came down the hall and I was introduced to him. Gen. VAUGHAN told him I had made a donation of $5,000 and President TRUMAN thanked me. I remember now that BILL BOYLE's assistant was TURNEY GRATZ.

"During the time that I was going to Washington HEDRICK went with me. I turned over to him thousands of dollars which he

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"said he was using for entertainment of people that would help the company get the right to use testimonials that Hadacol would benefit rheumatism and arthritis. He gave Dr. SPIES a check for $50,000 which I believe will confirm my statement that I made that HEDRICK cost me a lot of money. I believe now that HEDRICK pocketed a lot of the money I gave him. He was an alcoholic and I know on one occasion he offered a bellhop in a local hotel $6,000 for a quart of liquor.

"On one occasion I met an employee of the Federal Trade Commission accidentally in the lobby of the New Yorker Hotel, New York. I don't recall his name but he had been photographed with HEDRICK in some barroom and after the picture was shown to him, he got scared because he knew HEDRICK was representing me. This was the only occasion that I recall of meeting anyone in New York, and nothing out of the way took place on this occasion that I met this man.

"My mention of the fact that I didn't account for money I advanced HEDRICK because I didn't want their names on my books was because I didn't know who he entertained. On one occasion HEDRICK told me he was going to entertain MEAD, head of the Federal Trade Commission. HEDRICK told me that I should give him plenty of money. I gave him $10,000 and told him to bring me the change. He came back about 4 days later and gave me $102.00. I think he had been on a drunk and doubt that he ever saw MEAD. How could I put that on my books?

"JAMES A. HORTON was in the Federal Trade Commission as a supervisor or consultant with the doctor who passed on advertisement when it became questionable. I have known him for a good many years and I knew his wife quite well. He was the man who recommended filing complaints against people he thought had erroneous advertisements. Mr. HORTON, I think, was responsible for filing a complaint against me. My recommendation of Mr. HORTON was on a friendly basis rather than seeking any favors from him because of his connection in the Federal Trade Commission.

"Sometimes during the growth of my business, I began looking around for a warehouse. I saw that the building at 1217 Convent

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"Avenue was up for sale by the R.F.C. and I submitted a bid of either $50,000or $51,000. Sometime after this I received an anonymous call from New Orleans telling me that my bid was not high enough. It was a woman's voice and she told me my bid was out of line and I better do something about it. I asked how she knew this and she hung up. I went to New Orleans and contacted the man who was in charge of selling this building. I think he was a bachelor and lived in an apartment. I don't recall where. He told me that he would rather discuss the matter during office hours. I told him that political enemies of mine were trying to buy the building and hold me up for it. The next morning I was at his office at 9:00 AM and wrote out a check for $52,000. I asked if that was enough and he said well no. I took the and tore it up and wrote a check for $55,000. I put on quite an act about my political enemies trying to hold me up. The people I dealt with at the R.F.C. were the acme of perfection and would have kicked me out of the office if I had made any offer of dollars and cents. They were trying to get all they could for the Government, knowing that the Government was selling at a sacrifice. I have since learned that JULIE PARKS, President of First National Bank was going to loan the money to DAN OLIVER, Chevrolet dealer, to buy it and then hold me up for it, since they knew I had to have the building.

"I have never made anyone an offer of money or thing of value to influence them in anyway in the performance of their duty as a Government official or employee.

"I have read the above statement consisting of this and fourteen other pages and it is true and correct to the best of my knowledge and belief.

/s/ DUDLEY J. LeBLANC

"Sworn to before me this the 7th day of November, 1952.
/s/ L. J. [illegible], Jr., Special Agent, FBI, New Orleans
/s/ JOHN [illegible] McILYCHTT, Special Agent, FBI New Orleans, La."

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In addition to the above information Mr. LeBLANC advised that all of the records pertaining to the LeBlanc Corporation were in the possession of Mr. HARRY GOLDSMITH, who is presently conducting the affairs of the LeBlanc Corporation for the present owners. He stated that he had no personal or confidential records relating to the affairs of the corporation and indicated that he understood that the minute book of the corporation was in the possession of the trustee for the receivers in New York City.

Mr. LeBLANC stated that during the entire time that he was conducting his business producing the tonic Hadrcol, he felt certain that the medical profession was out to get him because of the miraculous success he had had with the tonic. He stated that he, on several occasions, tried to make appointments with various officials in the Pure Food and Drug Administration and also tried to see Mr. [illegible], who was the Director of the Federal Trade Commission. However, he claimed that he could never see any of these people and apparently they did not want to allow him the opportunity to explain his product to them. He claimed that they were constantly putting obstructions in his path which kept him from achieving greater success with his Hadrcol tonic. He claimed that they wanted him to tone down his advertising and at first agreed to let him say the tonic was good for rheumatism. Then they withdrew this and said that he would have to state that his tonic was good for arthritis. They then revoked this authority and stated that he would have to say that his tonic was good for neuralgia and then later that he could only say that his tonic was good for muscular aches and pains. According to Mr. LeBLANC the authorities in Washington who placed these restrictions on him were not fully conversant with the accomplishment of Vitamin B and he, in order to have them informed, prevailed upon Dr. TOM SPIES to give a testimonial which he planned to present to the officials of the Pure Food and Drug Administration and the Federal Trade Commission. Mr. LeBLANC stated that for this service he donated $50,000 to Dr. SPIES to be used in connection with research. He claimed that after this donation was made, Dr. SPIES agreed to testify before the Federal Trade Commission and the Pure Food and Drug Administration but that these Government agencies decided that they did not want to hear him.

Mr. LeBLANC stated that he had nothing to hide in connection with his activities and that all of his records would be open for examination. He claimed that he did not need any attorneys present during

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the interview because he had done nothing wrong. He stated that "You can be sure if I was involved in anything I would have a whole battery of attorneys present as I have six on annual retainer."

Mr. LeBLANC complained that the whole investigation was instituted by the firm to whom he had sold the LeBlanc Corporation and he stated that they had milked the company to the point where they were not financially able to keep it operating and it was his opinion that they were being vindictive and revengeful because it had not run by itself.

Mr. LeBLANC stated that the Mr. KELLEY and MCY whom he mentioned above in his statement were with the Federal Trade Commission.

He further stated that with respect to the information concerning the LFC negotiation he found that the people competing against him for the purchase of this land and building had obtained information from a source in LeBLANC's office as to what his bid was and had subsequently submitted a slightly higher bid. He stated that he had received information as to their bid from a lady friend of his who was employed in the First National Bank at Lafayette. He indicated that he did not want to identify her at this time.

Mr. LeBLANC further stated that he did not recall any contact with MICHAEL DISALLE of the Office of Price Stabilization; however, he did go to Mr. DISALLE's office on one occasion with his attorney, Mr. BENNETT J. VOORHIES, Sr., and they discussed their problem of reducing the size of the bottle in which Hadacol is contained with the enforcement officer of the OPS. He stated that they were not successful, however, in obtaining authority to reduce the size of the bottle.

Mr. LeBLANC could not recall the name of the advertising agency in Texas with whom he first did business, nor was he able to recall the name of the individual representing this advertising firm. He stated the only recollection he has of this agency was that the owners now own a "Negro radio station in New Orleans located near the Court of Two Sisters on Royal Street." (It is to be noted that the only radio station in this vicinity is WDSU, NBC, which is owned by EDGAR STERN.)

According to Mr. LeBLANC, MAC D. HEDRICK, whose advertising firm represented him in the promotion of Hadacol, was originally from

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Tampa, Florida. He stated that HEDRICK died in Philadelphia, Pennsylvania, sometime in August or September, 1951, after having been treated for acute alcoholism. He stated that he and HEDRICK on this occasion had been visiting a Mr. SULLIVAN who was President of the Market Street National Bank in Philadelphia.

Miss C[illegible] MARTIN, 409 East Main Street, advised that she had been associated with Senator LeBLANC since 1933, and had been connected with the LeBlanc Corporation since its inception. She claimed that she started out with the Happy Day Company in 1936 and after that company went into bankruptcy she worked for a short time with the First National Bank in Lafayette and also for a short time with an oil company in Houston, Texas, but she did not recall the name. She stated that other than this brief interval, she had been working with Mr. LeBLANC since the date mentioned above.

Miss MARTIN claimed that the incorporators of the LeBlanc Corporation included DUDLEY J. LeBLANC, who owned approximately 87,000 shares; OLIVER J. LeBLANC, 1,000 shares; and herself, 1,000 shares. She stated she was made secretary of the LeBlanc Corporation about 1942 or 1944 but she was not certain about the date.

Miss MARTIN advised that Mr. MAC D. HEDRICK, who was an advertising man, operating out of Houston, Texas, under the name Hedrick and Tanner, called on them sometime shortly after the LeBlanc Corporation was organized and solicited advertising business. She stated thereafter he was employed and as she recalled worked as an advertising promotion man for the LeBlanc Corporation from that time until his death in Philadelphia, Pennsylvania, sometime during August or September, 1951.

Miss MARTIN related that as the business grew she took over the buying department and was actively engaged in that capacity until the time the corporation was sold. She did remember that at one time she had charge of disbursing the company's funds. However, this later was turned over to Mr. CARL LOME, who came to work for the corporation as an auditor in about 1948. She stated that even though he disbursed the funds, the checks were signed by Mr. LeBLANC and herself, and as she recalled there were signature plates that were used in signing these checks.

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Miss MARTIN denied any knowledge of any payment of money, gifts or other gratuities to any Federal Trade Commission, Pure Food and Drug Administration, or RFC official or employee. She indicated that she was not familiar with the disbursement of these funds although she admitted previously that her signature was on all the checks except of them. She stated that she did know that Mr. LeBLANC and Mr. HEDRICK made many trips to Washington, D.C., and according to her information, these trips were made for the purpose of having conferences with Pure Food and Drug Administration and Federal Trade Commission officials regarding the stipulations that the corporation had to adhere to in connection with their advertising program. She recalled that these trips were necessary frequently because the Government would amend its own stipulations, and that Mr. LeBLANC and Mr. HEDRICK would have to go to confer with them about these amendments. She claimed that she had no knowledge that any favors were extended to Mr. LeBLANC or the corporation on any of these trips by any Government official or employee. She denied that she was ever told that any money had to be spent to obtain any influence or favors in connection with the manufacture and sale of Hadacol. She admitted, however, that Mr. LeBLANC had complete authority to make whatever expenditures were necessary for the promotion of the product and anything he did or wanted to do was agreeable with the other officials of the corporation.

She stated that as she recalled, a Dr. HOOVER in Washington, D.C., was employed in the capacity of consultant for the company. She recalled that at the time he was employed, he was an elderly man and he died a year or so after he had been retained as a consultant, and then his son, who was also a Doctor, succeeded him and carried on his business. She thought that Dr. HOOVER had been consulted with respect to the various lables used on the Hadacol product and in connection with advertising. She denies any knowledge as to any advice or recommendations Dr. HOOVER might have made with respect to the formula.

Miss MARTIN claimed that she was not acquainted with Mr. JAMES A. HORTON personally, although she had heard his name mentioned on occasions, but she was unable to recall the circumstances under which Mr. HORTON had been discussed, and she was not familiar with his official capacity in the Federal Trade Commission. She denied knowledge of any interest Senator LeBLANC had in making HORTON a Commissioner in the Federal Trade Commission and she did not know of any promise HORTON might have made to LeBLANC for any pressure or influence the Senator might exert in his behalf.

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With respect to the purchase of the building and land from the RFC in New Orleans, she recalled that Mr. LeBLANC made several telephone calls either to Chicago or New Orleans concerning this building. She was not familiar, however, with Senator LeBLANC's role in this connection, that is, whether he was acting in behalf of himself or in behalf of the corporation. She recalled that according to the minutes of the corporation, the Senator bought the building in his name although he was authorized according to her recollection to buy in the name of the corporation. She claimed, however, that she never questioned what he did or what profit he might have made by reselling this building to the corporation. She stated that none of them in the corporation would have gotten anywhere without the Senator's leadership and whatever success they did enjoy was because of him and his ability.

Miss SMITH stated that with the expanding of the business she more or less lost contact with the activities of Mr. LeBLANC insofar as his trips to Washington were concerned, but she did know that he and Mr. HAWICK and Mr. RICHARD L. BROWN, who was formerly Vice President and General Manager, did make various trips to Washington for the express purpose of obtaining information concerning the limitations which might be placed on them insofar as their advertising was concerned. She stated Mr. BROWN was no longer with the company and his last known address was Dallas, Texas. He stated he did live at 1217 Myrtle Place, Lafayette, prior to going to Dallas.

She recalled that each year the corporation prepared a Christmas list and they sent gifts to various contacts who were wholesalers or advertising people, but she did not recall any gifts being sent to anyone in Washington. She stated, however, that she did not make up the list and only provided one or two names of people with whom she had dealt in connection with her buying activities.

With respect to the mortgage which Mr. LeBLANC held on the LeBlanc Corporation building and which he sold to Mr. LOVELACE L. HEBERT, she stated that she bought this mortgage from HEBERT after he had told her that he was interested in getting his money out of the mortgage. She stated that at the time she did not know whether Senator LeBLANC knew that she was buying this mortgage or not, but she thought it would be a good gamble for her and she might make a profit out of it from the receivership. She recalled that she paid

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either $12,000 or $12,500 for this mortgage and issued her personal check on the Guaranty Bank and Trust Company. She was unable to recall the date of this purchase but thought it was during 1951. She stated that subsequently she turned this note and mortgage over to Senator LeBLANC and gave him authority to use it as collateral at the Whitney National Bank in New Orleans. She was of the opinion that Senator LeBLANC still owed her $3,000 or $4,000 on this collateral that she had turned over to him.

Miss MARTIN stated that Mr. HEBERT is a very wealthy man and he travels for the Paper-mate Pen Company out of New York City selling ball-point fountain pens.

Mr. BARNETT J. VOORHIES, Sr., attorney, Voorhies and Labbe, stated that he started representing DUDLEY J. LeBLANC in 1929 and had continued to represent him and his corporation from that time until the present with the exception of 1940 when he did not represent him. He claimed that he is retained on an annual basis and handles most of the Senator's local work in the State of Louisiana and such other matters as might be referred to him outside of the state.

Mr. VOORHIES stated that he had no knowledge of any contacts with Government officials or employees on the part of Senator LeBLANC or anyone in his employ where gifts of money had been offered to such Government official or employee to influence his opinion in any way. He stated that the only contact that he had had with the Federal Trade Commission in behalf of the LeBlanc Corporation was after a complaint had been filed against the LeBlanc Corporation, which alleged that the corporation had falsely advertised the merit of its product claiming for it many advantages which it did not possess. The Government in this complaint listed all of the advertisement which it was complaining of and the corporation was ruled into court at Opelousas and ordered to desist from such further advertising. Mr. VOORHIES stated that he had answered the complaint and the matter was still pending although the complaint was filed about one year prior to the time the business was sold. He stated that he was contacted in connection with the RFC sale of land and building to Mr. LeBLANC, however, his contact on this matter was confined to his opinion on the title to the land and building and he had had no correspondence directly with the RFC and had no idea who Mr. LeBLANC might have contacted in the RFC in New Orleans.

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Mr. VOGELS denied that he was acquainted with any doctor in Washington, D. C., with whom Mr. LeBLANC had done business and he further had no knowledge of Mr. LeBLANC's efforts to have JAMES A. HORTON made a Commissioner in the Federal Trade Commission.

Mr. VOGELS advised that on one occasion he accompanied Mr. LeBLANC on a trip to Washington, D. C., and had contacted the Office of Price Stabilization with reference to obtaining authority to use a smaller bottle in which Hadacol was sold. He stated they were supposed to see Mr. MICHAEL DISALLE; however, instead, they saw the Chief of the Enforcement Bureau, but he was unable to recall his name. He claimed that Mr. HEDRICK, Mr. LeBLANC and a man who had at one time been assistant to the Democratic Executive Committee and himself were present on this occasion. He could not recall the name of this other party. He stated that they were in conference for approximately 10 minutes with the Chief of the Enforcement Bureau, that nothing improper occurred at all during this conference, and they left without any satisfaction and were told they would have to continue using the same bottle they had been using in the past. He stated on this occasion he also saw Secretary BRANNON of the Department of Agriculture and he went there with Mr. LeBLANC about a subsidy that the corporation felt it was entitled to by virtue of the fact that it was the largest single user of honey in the United States. He remembered that on this occasion Miss MARTIN was also present and he stated that after a conference with Secretary BRANNON during which nothing improper occurred in any way, that they returned to Louisiana and were unsuccessful in getting the desired subsidy.

Mr. HARRY E. GOLDSMITH, President and General Manager, The LeBlanc Corporation, made available the correspondence files of the LeBlanc Corporation and same were reviewed by SA JOHN B. MCLEYCOTT and the writer. Mr. GOLDSMITH stated that Mr. DETLEV F. VAGTS had reviewed all of these files and had pulled quite a bit of correspondence from them which he had taken to New York. He stated the only reference he had to this material was a letter from Mr. VAGTS dated September 22, 1952, in which the correspondence was identified. The following is a list of the correspondence:

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From	To	Date
JOHN JOHNSTON	LeBLANC	April 25, 1951
TOM SPIES	"	January 3, 1951
LeBLANC	TOM SPIES	April 11, 1951
HARRY WELLS	LeBLANC	January 11, 1951
TURNEY GRATZ	"	March 26, 1951
LeBLANC	GRATZ	April 25, 1951
GRATZ	LeBLANC	March 6, 1951
HARLEY SADLER	"	April 30, 1951
O. F. BLACKEY	"	July 27, 1951
JOSEPH McCARTHY	"	May 25, 1951
THEODORE KUPFERER	"	June 11, 1951
"SOPHIE"	"	March 28, 1950
EDWARD TEPE	"	April 19, 1951
"	"	May 23, 1951
LeBLANC	GRATZ	April 13, 1951
LONE	BENCHER	February 26, 1951
JOHN McMILLAN	LeBLANC	April 20, 1951
LeBLANC	O. N. MOOLMAN	March 2, 1951
List of people to be invited to testimonial dinner		

Photostatic copies of the correspondence reviewed by SA HONEYCUTT and the writer were obtained and are being forwarded to the Washington Field Office.

Exhibit #1 contains correspondence with ROBERT ELLIOTT FREER whose card announcing the opening of his office on January 1, 1949, was apparently sent to the LeBlanc Corporation by Mr. MAC MEDRICK at the suggestion of Congressman JOE L. EVINS. According to this announcement Mr. FREER was formerly Commissioner and Chairman of the Federal Trade Commission, was Special Counsel United States Senate, was a member of the Committee on Interstate Commerce, and attorney for the Interstate Commerce Commission.

The correspondence with FREER indicated that Mr. LeBLANC wrote to him on October 29, 1949, inquiring if he would represent the LeBlanc Corporation.

He subsequently wrote to Mr. FREER again on November 2, 1949, enclosing a check for $900 which was to cover the retainer fee for six months. According to the letter, this had been arranged by Mr. MAC MEDRICK.

best copy available

On November 3, 1949, Mr. FREER wrote to Mr. LeBLANC acknowledging the receipt of the retainer fee and referring to Mr. McCARRICK as "our mutual friend."

On November 18, 1949, Mr. LeBLANC wrote to Mr. FREER informing him that he was gathering information on matters in which he desired Mr. FREER to represent him on in Washington.

On November 30, 1949, Mr. FREER acknowledged this letter.

On April 6, 1950, Mr. P. B. MOREHOUSE wrote to Mr. FREER advising that Mr. DUDLEY LeBLANC had informed him that Mr. FREER had been retained as counsel for LeBLANC. Mr. MOREHOUSE, who was Director, Bureau of Stipulations, Federal Trade Commission, requested that Mr. FREER either confirm or otherwise explain this matter.

On April 7, 1950, Mr. FREER wrote to Mr. MOREHOUSE informing that Senator DUDLEY J. LeBLANC, President of the LeBlanc Corporation of Lafayette, Louisiana, had engaged his services as attorney for the company on November 1, 1949, on an annual retainer basis.

On April 7, 1950, Mr. FREER wrote to Mr. LeBLANC as follows: "My friend to whom the enclosed is addressed (apparently referring to letter of April 7, 1950, to Mr. MOREHOUSE) told me that your statement referred to in his letter to me regarding my connection with you had great weight with him in the matter of recommending of acceptance of the results of your negotiations last week and that he wanted someway to get that connection of record where it might buttress his recommendation for acceptance. As he did not consider your visit a formal conference (representatives of the Investigational Division attend those) he was sending the agreement forward as if negotiated by mail without conference...."

By letter dated April 12, 1950, Mr. LeBLANC wrote to Mr. FREER acknowledging his letter of the 7th wherein he outlined the reason for employing Mr. FREER.

This letter was acknowledged by FREER on April 25, 1950. Included in this letter a reference was made to the "confidential letter" in which FREER stated that LeBLANC's wishes would govern. He stated

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that his feeling was that certain confidential information having come to him personally concerning an old case of his client's in which he had not been the attorney, might well be passed along to the client by him personally rather than "in his capacity as an attorney retained for other matters." Mr. FREER stated that his reply to Director CAMHOUSE's request for verification of his connection with the LeBlanc Corporation referred only to his employment by the corporation as attorney on an annual retainer basis and no reference was made therein to the pending case although it was his understanding that this reply was to be used to bring to the attention of the Commission the fact that FREER was employed by the LeBlanc Corporation.

Exhibit #2 contains a letter dated December 30, 1948, written by Dr. F. D. DUNBAR, Commissioner of Food and Drugs, Federal Security Agency, Food and Drug Administration, to Mr. DUDLEY LeBLANC expressing his thanks for the Christmas greetings and the box of fruit and other delicacies which were forwarded to him. Dr. DUNBAR expressed his appreciation for the spirit in which this was sent, but stated that since his agency was engaged in law enforcement, they had an invariable rule declining personal gifts of this kind and, accordingly, the box of food products was being delivered to the Children's Hospital in Washington.

On May 27, 1949, Mr. LeBLANC wrote to Dr. DUNBAR setting forth a list of clinics and universities that were conducting clinical tests with Hadacol.

Exhibit #3 contains a letter dated January 7, 1949, from Mr. GEORGE P. LARRICK, Associate Commissioner of Food and Drugs, Federal Security Agency, Food and Drug Administration, to Mr. LeBLANC expressing thanks for the Christmas greetings and box of fruit and other delicacies. This letter points out that for many years the employees of this agency had adopted the principle that they should not accept for their personal use gifts of this kind and he consequently had taken the liberty of sending the box to the Children's Hospital in Washington, D. C.

A similar letter was written on January 9, 1950, by Mr. LARRICK to Mr. LeBLANC wherein a Christmas gift was sent to the Children's Hospital in Washington, D. C.

best copy available

On January 14, 1950, Mr. LeBLANC spoke to Mr. LARRICK stating that he was disappointed that Mr. LARRICK did not take a glance at the contents of the last package that he sent to him and Dr. DUNBAR, but in any event he hoped the children in the hospital enjoyed the contents. Mr. LeBLANC stated that he had heard a rumor Mr. LARRICK was planning on leaving the Food and Drug Administration to go into business for himself and he would appreciate confirmation.

On January 23, 1950, Mr. LARRICK wrote to Mr. LeBLANC thanking him for his letter of January 14 and stating that while he understood LeBLANC's suggestion of a dinner invitation extends from genuine southern hospitality, the policy with regard to gifts in LARRICK's letter of January 9 also extends for such invitations. Further, that the rumor that LARRICK planned to leave the Food and Drug Administration had no basis.

Exhibit #4 contains a letter dated December 29, 1949, from Mr. J. T. KELLEY, Office of General Counsel, Federal Trade Commission, to Mr. LeBLANC expressing his appreciation for the Christmas gift of fruit and candies.

Exhibit #5 contains a letter dated January 17, 1950, from JAMES M. HORTON, Director, Bureau of Legal Investigation, Federal Trade Commission, to Mr. LeBLANC thanking him for the Christmas remembrance.

Exhibit #6 contains a letter from Dr. GEORGE M. HOOVER, formerly Chief, Drug Control, U. S. Department of Agriculture, dated December 30, 1949, to Mr. LeBLANC thanking him for the Christmas gift.

Exhibit #7 contains a letter dated November 29, 1948, written by the LeBlanc Corporation to CLARK, COON, HOLT and FLOHER, 1918 Republic Bank Building, Dallas, Texas, in which the above law firm was retained by the LeBlanc Corporation to represent them at a conference with the Food and Drug Administration in Washington, D. C., on December 9. This letter states that if they were successful in stopping the Food and Drug Administration from ordering that the concern change the name of Hadacol, that in addition to the $1500 retainer the firm would be given $3500.

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By letter dated March 8, 1949, Mr. PAT COON of the above mentioned law firm wrote to Mr. LeBLANC stating that events had prevented his presence in Washington and he regretted his inability to be there and confer with Mr. LeBLANC, BILL GOLDBERG and LESTER [illegible]. However, Mr. COON stated that he was arranging with Mr. GOLDBERG to make appropriate appointments at the Federal Trade Commission or elsewhere through his lawyer friend in Washington which should suffice LeBLANC's purpose to ascertain every limitation in connection with his advertising.

From other correspondence in the files, it was determined that [illegible] HEDRICK had died at Fairmont Farms, 6725 Ridge Avenue, Roxborough, Philadelphia, Pennsylvania. His residence address was given as 7307 Central Avenue, Tampa, Florida, where his mother, Mrs. I. G. HEDRICK, resides. The name of HEDRICK's advertising firm was known as HEDRICK and TOWNER Advertising Agency, 305 Southland Building, Houston, Texas.

The following investigation was conducted by the writer:

AT NEW ORLEANS, LOUISIANA

Mr. F. L. [illegible], Assistant Manager, Reconstruction Finance Corporation, 510 Delta Building, made available his files with respect to the sale of assets owned by the American Foods, Inc., Lafayette, Louisiana.

A review of these files consisting of some 11 volumes indicates that certain real and personal property in Lafayette, Louisiana, was made security for a loan of $170,000 to the American Foods, Inc., Buffalo, New York, by the Marine Trust Company of Buffalo, which was subsequently transferred to the RFC. The borrower filed a voluntary petition in bankruptcy on February 21, 1947, and thereafter the RFC proceeded to liquidate the assets of the bankrupt. The property involved in this case was serviced by the Chicago, Illinois, Loan Agency of the RFC.

A review of these files indicates that the land and building located in Lafayette, Louisiana, and all machinery items had originally been offered for sale on September 27, 1948, to B. F. Trappey's Sons, Inc., New Iberia, Louisiana, for $115,000 and it was also offered about this

best copy available

same time to Duclouet Brothers, Lafayette, Louisiana. The file indicates that Mr. MARIS HEARLINGTON, Chief, Liquidation Section, was negotiating for the sale of this property. The file indicates that by letter dated October 11, 1948, Mr. DUDLEY J. LeBLANC submitted an offer of $60,000 cash for the land, building, switch track and oil storage tank located on the property. The file indicates this offer was referred to Mr. A. F. WESTLEHUT, Assistant Chief, Negotiation Section, Chicago Loan Agency, RFC, and subsequently Mr. LeBLANC amended his offer by stating that after conferring with his engineer, he felt that the three boilers on the property formed a part of the real estate and should be included in the sale. In reply to the above mentioned letter, Mr. WESTLEHUT suggested that the best trade possible be worked out with LeBLANC and it would be O.K. to let the boilers go for as low as $1500. WESTLEHUT suggested that efforts be made to get an amended offer from LeBLANC and an appointment was arranged with him for 9:00 A.M. on October 14, 1948; however, he failed to appear. Subsequently, on October 15, 1948, he did amend his offer to include the three boilers for the $60,000 previously offered.

On January 18, 1949, LeBLANC wrote to the RFC advising that he had been ill and inquiring about the status of the building. He stated that the Government had requested that they tone down their advertising and that nothing was very certain about their future.

A memorandum in the file dated January 20, 1949, made reference to Mr. LeBLANC's letter of January 18, 1949, and quoted Mr. WESTLEHUT as suggesting that it be made plain to LeBLANC that they intended to call on him to perform under his offer.

The file reflects a Western Union telegram dated January 24, 1949, from the LeBlanc Corporation submitting an offer for $50,000 for the above mentioned property. The above offer was forwarded on January 24, 1949, by Mr. F. L. MILES, Chief, Loans Division, RFC, to the Chicago Loan Agency of the RFC. The file also contains an offer made on January 13, 1949, by Mr. CLARES GUIDRY, proprietor, Lafayette Sheet Metal Works, who offered $65,000 for the above described property, which would be payable $10,000 down and $5500 per year for 10 years plus interest. On February 2, 1949, a telegram was received from Mr. GUIDRY cancelling his offer.

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By letter dated January 28, 1949, the LeBlanc Corporation, MIDLEY J. LeBLANC, President, offered the RFC $62,500 for the land, building, oil storage tank, three boilers, two boiler pumps, and all laboratory equipment located in Lafayette, Louisiana. This was referred to the Chicago Office on January 28, 1949. On February 9, 1949, Mr. LeBLANC contacted RFC at HEADLINGTON inquiring about any claims that might have been received concerning his offer; however, at that time nothing had been received.

Other information in the file indicated that on February 23, 1949, T. H. DeFe, President, Southern Steel and Hardware Supply Company, Inc., Lafayette, Louisiana, offered $37,500 for the above mentioned property. According to this memorandum, it was suggested that the New Orleans Office proceed immediately to get LeBLANC to formally execute the $62,500 offer which he had previously made. It is to be noted that a deposit of $1,000 had been submitted with the offer of $62,500 made by LeBLANC on January 23.

A copy of a letter dated March 29, 1949, to MIDLEY J. LeBLANC confirms conversation between LeBLANC and Mr. HEADLINGTON and states that "for certain stated reasons, your corporation would be unable to take title pursuant to its accepted offer and that you supposed your corporation would just have to forfeit its cash deposit of $1,000..." Subsequently a letter was written to Mr. S. C. BARTLEY, Chief, Loans Division, RFC, Chicago, Illinois, dated March 29, 1949, from Mr. F. L. [illegible], stating that LeBLANC had told a local RFC representative that the 9 veterans had practically stopped him cold in connection with his medicine business and under the circumstances he did not believe he would be able to go through with the proposed purchase of the building.

On [illegible] 19, 1949, Mr. HEADLINGTON wrote to LeBLANC asking him to renew his offer for the building.

On [illegible] 24, 1949, an offer of $50,000 was submitted by Messrs. [illegible], J. D. PARKERSON, and R. DUFUIS, all of Lafayette. Mr. [illegible] was identified with this offer as being director of the First National Bank of Lafayette, and stated that he had agreed to provide [illegible] with $20,000 as equity provided he could buy the land and building portion of the property for $50,000. They were told that their price was too low and it was suggested that they raise it to $65,000. However, according to this memorandum, prepared by Mr. HEADLINGTON, these men would not raise the offer and thought that

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best copy available

the property was worth no more than $50,000 to them, but at one point indicated they might pay $55,000.

By letter dated September 14, 1949, to Mr. WESTLEHUT, Mr. NORRIS HAMILTON wrote that Mr. LeBLANC of Lafayette had called on September 14, 1949, and asked if the plant in Lafayette was still for sale. He continued by stating that his medicine merchandising business had been pretty well straightened out with the Government and he was going to Washington during the following week to clear up all details in connection with that, and since it appeared that he was now ready to go back into the medicine business on a full-fledged basis, he planned to reopen negotiations for the purchase of the plant.

Mr. MILTON VOORHIES, according to the information in the file, was interested on September 22, 1949, in submitting a bid for the plant and land at Lafayette. By letter dated September 23, 1949, Mr. LeBLANC renewed his offer and made an offer of $50,000. He enclosed his personal check of $3,000 and requested that he be allowed credit for the $1,000 which he had previously forfeited and claimed that the balance of $46,000 would be paid upon delivery of the deed to the property.

By letter dated September 26, 1949, Mr. MILTON A. VOORHIES of New Iberia Auto Company, New Iberia, Louisiana, offered $52,500 for the above mentioned property and claimed that he was associated in this purchase with Mr. DAN J. OLIVIER. On September 27, 1949, Mr. AUSTIN GREEN, Assistant Manager, RFC, wrote to Messrs. P. H. and THOMAS A. DECLOUET requesting that they submit their best offer for the land and building and informing them that they had two offers on hand for consideration at the present.

By letter dated October 4, 1949, to Mr. DUDLEY LeBLANC, Mr. M. C. HOEL, Manager, Loan Agency of the RFC, Chicago, Illinois, wrote making reference to LeBLANC's offer and advising him that the New Orleans Loan Agency had submitted for consideration a higher offer than the one made by him on September 23, 1949, and under the circumstances his offer was being declined and his $3,000 personal check returned. This letter stated that as this increased offer must be acted upon promptly, it was suggested that in the event LeBLANC was interested in increasing his offer, that he immediately submit to the Chicago or New Orleans Loan Agency his highest and best offer accompanied by an earnest deposit of at least 10 per cent.

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There is contained in the file a memorandum dated October 25, 1949, written by Mr. HOWARD HERRINGTON, stating that Senator DUDLEY J. LeBLANC called on the telephone concerning his negotiations for the land and building portion of questioned property. According to this memorandum Mr. LeBLANC wanted Mr. HERRINGTON to let him know as soon as he had received an answer from Chicago concerning his latest offer. A few minutes later LeBLANC called back and inquired if any other bids had been submitted for the plant, and he was advised in the affirmative. LeBLANC then wanted to know how much the bid was, but according to Mr. HERRINGTON, he was advised that HERRINGTON did not feel it was proper for the RFC to give him any information. LeBLANC indicated that he would send in another bid.

Other information in the file indicates that shortly after the conversation, LeBLANC called Messrs. LAWRENCE and THOMPSON, attorneys of the Chicago Agency, and submitted an offer of $55,010 which he said was his last and best offer for the property. According to the information in the file, Mr. LAWRENCE told Mr. LeBLANC that the corporation would have to advise Mr. VOORHIES that VOORHIES's offer was being rejected because a better offer had been received. Mr. LAWRENCE agreed, however, that VOORHIES would not be asked to submit another offer but if he made a better offer on his own volition, it would have to be entertained. According to this memorandum, Senator LeBLANC told Mr. LAWRENCE that he would go to New Orleans on October 7, 1949, and submit his offer in writing and make a $5500 deposit.

By letter dated October 11, 1949, Mr. M. O. HOEL wrote to MILTON A. VOORHIES and DAN J. OLIVIER and advised as follows: "We are in receipt of a higher offer than the one made by you on October 3, 1949. Under the circumstances we must and do hereby decline your offer."

By letter dated October 21, 1949, Senator DUDLEY J. LeBLANC was advised by Mr. M. O. HOEL that his offer of October 7, 1949, for $55,010 was being accepted.

Mr. JUSTIN GREEN, manager, New Orleans Loan Agency, RFC, advised that prior to the time that Mr. SYMINGTON took over the RFC that it had been a practice to liquidate assets on the basis of negotiated sales, and it was necessary in order to get the most money for the Government to try to get interested purchasers to raise their bid if someone had offered more money than they had offered. He stated,

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however, that after Mr. SYMINGTON took over sometime in 1951, that specific instructions were issued that all property which was being liquidated would be sold at public auction or under sealed bid. He stated this was not the case, however, at the time the property was sold to LeBLANC and the various negotiations in this connection amounted to what he described as "horse trading." Mr. GRIFFIN volunteered that Mr. NORTHINGTON had handled most of the transaction involving the property sold to LeBLANC and called Mr. HEARTHINGTON into his office. He volunteered that Mr. HEARTHINGTON was a bachelor but stated he did not know where he lived in New Orleans.

Mr. NORTHINGTON, Head, Liquidation Section, RFC, advised that he resides at 1220 2nd Street and his telephone number is CHestnut 2561. He claimed he was not listed in the telephone directory and the phone is listed in the name of HENRY DRUEHING, who is HEARTHINGTON's landlord. Mr. HEARTHINGTON denied that he had ever been contacted in the evening after working hours by Mr. LeBLANC and to his knowledge, he never had dinner or any other meal with Mr. LeBLANC during the time they were negotiating for the sale of the American Foods, Inc., property at Lafayette. He stated he did not know anyone by the name of MAC MARCICK and had never heard his name mentioned. He claimed that substantially all of the negotiations with Mr. LeBLANC had been handled by him and stated that these negotiations were handled in accordance with established practice at that time and LeBLANC was not given any special consideration in connection with the sale of this land.

A description of Mr. LeBLANC as obtained from interrogation and observation is as follows:

Name	DUDLEY JOSEPH LeBLANC
Residence	Abbeville, La.
Race	White
Sex	Male
Age	58
Born	8-16-94, Lafayette, La.
Height	5'10"
Weight	180 lbs.
Eyes	Blue
Hair	Dark brown
Marital status	Married
Build	Stocky
Occupation	Farmer

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Mr. F[illegible] DELHOMME, Delhomme Funeral Company, Lafayette, Louisiana, was contacted with negative results.

ENCLOSURE: TO WASHINGTON FIELD

Exhibit #1: Correspondence of ROBERT ELLIOTT FREER
Exhibit #2: Correspondence of Dr. F. B. DUNBAR
Exhibit #3: Correspondence of GEORGE P. LARRICK
Exhibit #4: Correspondence of W. T. KELLEY
Exhibit #5: Correspondence of JAMES M. HORTON
Exhibit #6: Correspondence of Dr. GEORGE W. HOOVER
Exhibit #7: Correspondence of CLARK, COON, HOLT and FISHER

---- R U C ----

NO #58-91

11-14-52 [illegible]

best copy available

ADMINISTRATIVE

No leads are being set out in this report to conduct investigation at Dallas or Houston, Texas, in view of the information developed concerning the allegations in referenced report. However, New York and Chicago are being furnished with a copy of instant report for information since Chicago has a lead outstanding and the information contained herein may be of assistance in connection with the coverage of that lead and further, the Washington Field Office may desire the New York Division to review the correspondence which had been removed from the LeBlanc Corporation files by Mr. DETLEV F. VOGTS of the law firm Cahill, Gordon, Zachry and Reindel, 63 Wall Street, New York City. This however is being left to the discretion of the Washington Field Office.

LEADS

THE PHILADELPHIA DIVISION

At Philadelphia, Pennsylvania:

Will contact appropriate official, Fairmont Farms, 6725 Ridge Avenue, Roxborough, and verify the death of MAC D. HEDRICK sometime during August or September, 1951.

REFERENCE

Report of SA WILLIAM C. HIGGINS dated 10-31-52 at Washington.

SAC, Washington Field (58-417)

December 18, 1952

RECORDED - 113

BY SPECIAL MESSENGER

Director, FBI (58-2808)

DUDLEY JOSEPH LE BLANC, ET AL
BRIBERY

Reurmemo 12/15/52.

Your office as origin in this case is instructed to immediately review this matter and to set forth all leads necessary to the proper completion of this investigation.

The deadline for the completion of all investigation herein is January 9, 1953, by which date all reports are to reach the Bureau.

You are to advise all auxiliary offices of the Bureau deadline for the completion of this investigation.

JCS:mte

COMM — FBI
DEC 18 1952
MAILED 27

58 2808- 19

68 JAN 5 1953

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI DATE: 12/22/52

FROM : SAC, WFO (58-4017)

SUBJECT: DUDLEY JOSEPH LeBLANC et al
BRIBERY

6-1
1-1
5-1
21

ReBulet to WFO dated 12/18/52.

For the information of the offices receiving copies of this letter but not in receipt of previous reports concerning this matter, the following background information is set out:

In August 1951 State Senator DUDLEY J. LeBLANC, principal stockholder of the LeBlanc Corporation, which was engaged in the manufacture and sale of a patented medicine known as "Hadocol", sold the stock of the Louisiana Corporation to a group of New York purchasers, who, after finding this corporation was not liquid, petitioned the SDNY under 77B of the National Bankruptcy Act.

On 10/21/52 Mr. JEROME DOYLE of the New York law firm Cahill, Gordon, Zachry, and Reindel, attorneys for the trustee, advised the New York Office that the deposition he had taken from LeBLANC at Lafayette, Louisiana on 10/25-27/52 contained certain information which seemed to indicate the probable commission of Federal crimes involving the bribery of Federal officer statutes.

Certain unidentified Federal Trade Commission and Food and Drug Administration officials in Washington, D. C. and New York City were alleged to have been lavishly entertained by LeBLANC and MAC D. HEDRICK, President and Advertising Agent, respectively, of the LeBlanc Corporation. Further, that RICHARD L. BROWN, former vice-president and general manager of the LeBlanc Corporation, is alleged to have occasionally accompanied HEDRICK, now deceased, to Washington, D. C. It has also been alleged that LeBLANC received information from some unidentified RFC official at Lafayette, Louisiana, concerning the amounts of his competitors' bids on a building which LeBLANC purchased in October 1945.

WCH:sjr

RECORDED-140 58-2808-23
DEC 23 1952

2-New York (AMSD)
2-New Orleans (58-91)(AMSD)
2-Dallas (AMSD)
2-Houston (AMSD)
2-Chicago (58-267)(AMSD)

58 2808-23

JAN 13 1953

WFO 58-4017

NEW YORK OFFICE

AT NEW YORK, NEW YORK

Will, if feasible, check the records from June 1949 to October 1951 of the Hotels New Yorker, Gotham, Lincoln and Roosevelt to determine whether any records exist which would indicate the identities of individuals entertained or banqueted by LeBLANC, HEDRICK or BROWN.

Will, if any identity is obtained, determine whether the individual is or was employed by the FTC or the FDA, and, if so employed, will interview him regarding the circumstances surrounding his presence at the hotel, and will ascertain whether the employee received any gifts, rewards, gratuities or services from the LeBLANC Corporation. In this connection, it is to be noted that LeBLANC in his deposition given to DOYLE advised he had paid a $200.00 bill at the Gotham Hotel for certain services which had occurred prior to October 1951.

Will review the records of the FTC in an attempt to ascertain the identities of employees with whom HEDRICK and/or LeBLANC made contact. It is to be noted that LeBLANC in the sworn statement he furnished Bureau agents at Lafayette, Louisiana, stated that he had met an FTC employee accidentally in the lobby of the New Yorker Hotel and that although he does not recall the name of this employee, he did state, "I don't recall his name but he had been photographed with HEDRICK in some barroom and after the picture was shown to him, he got scared because he knew HEDRICK was representing me."

Will review the minutes of the LeBlanc Corporation which are believed to be in the custody of the trustee's attorneys, Cahill, Gordon, Zachry and Reindel, 63 Wall Street, New York 5, New York.

In this connection it is to be noted that Mr. DETLEV F. VAGTS, attorney for trustee, allegedly reviewed the LeBlanc Corporation files and removed certain documents to New York. It is to be noted that in this connection Mr. HARRY B. GOLDSMITH, President and General Manager of the LeBlanc Corporation at Lafayette, Louisiana, advised that VAGTS had advised him by letter dated 9/22/52 of the identities of the correspondence VAGTS had removed from the LeBlanc Corporation files and had taken to New York and that among this correspondence was a "list of people to be invited to testimonial dinner".

NEW ORLEANS OFFICE

AT LAFAYETTE, LOUISIANA

Will attempt to ascertain present whereabouts of RICHARD L. BROWN, former vice-president and general manager of the LeBlanc Corporation, who allegedly accompanied HEDRICK on several occasions to Washington, D. C., and whose former address was 1217 Myrtle Place, Lafayette, Louisiana.

Will question BROWN in great detail concerning the trips he is alleged to have made with HEDRICK to Washington, D. C.

DALLAS OFFICE

AT DALLAS, TEXAS

Will interview Mr. PAT COON of the law firm Clark, Coon, Holt and Fisher, 1918 Republic Bank Building, Dallas (probably the former law firm of Supreme Court Justice TOM C. CLARK), and determine the identities and present whereabouts of BILL GOLDBERG, LESTER KENIM, and COON's "lawyer friend" in Washington, D. C.

In this connection it is to be noted that by letter dated 3/8/49 Mr. PAT COON wrote to LeBLANC stating that events had prevented his presence in Washington, and he regretted his inability to be there and confer with LeBLANC, BILL GOLDBERG and LESTER KENIM. Mr. COON stated that he was arriving with Mr. GOLDBERG to make appropriate appointments at the FTC or elsewhere through his lawyer friend in Washington which should suffice LeBLANC's purpose to ascertain every limitation in connection with his advertising.

Will question COON concerning the arrangements he made for contacting FTC officials in Washington, D. C., and the identities of these FTC employees.

Will attempt to locate and interview Mr. RICHARD L. BROWN, questioning him in great detail. Mr. BROWN's last known address is alleged to have been Dallas, Texas. Will obtain all information concerning the trips he made with HEDRICK to Washington, D. C.

HOUSTON OFFICE

AT HOUSTON, TEXAS

Will review the records of the Majestic Advertising Agency, formerly known as the Hedrick and Towner Advertising Agency, 305 Southland Building, Houston, for any pertinent information regarding the activities of HEDRICK in Washington, D. C. on behalf of the LeBlanc Corporation concerning the receipt of monies from LeBLANC and the identities of HEDRICK's contacts with FTC and FDA officials in New York and Washington, D. C.

Will attempt to locate and review any diary or personal files maintained by HEDRICK.

Will interview TOWNER, co-owner of Hedrick and Towner Advertising Agency, for any pertinent information concerning HEDRICK's numerous trips to Washington, D. C.

WFO 58-4017

CHICAGO OFFICE

AT CHICAGO, ILLINOIS

Will interview appropriate officials at the RFC to determine whether government property was being sold under a policy of negotiated bid or under sealed bid during the time LeBLANC was negotiating for the building he purchased from the RFC in October 1949

Will review New Orleans report dated 11/14/52, pages 18-23, concerning this matter prior to interviewing RFC officials.

By referenced Bulet the Bureau has advised that the deadline for the completion of all investigation herein set out is January 9, 1953, by which date all reports are to reach the Bureau.

WFO is origin.

58 2808- 23

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

December 5, 1952

Honorable J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington, D. C.

Dear Mr. Hoover:

Re: American Foods, Inc.

Mr. Dudley J. LeBlanc, a former Senator in the Louisiana legislature, apparently testified in a receivership proceeding in Lafayette, Louisiana, to the effect that he had inside information as to the highest bid which the RFC had under consideration for a certain property, which enabled Mr. LeBlanc to top the bid.

I understand that the FBI is investigating this matter, and since the charge made by Mr. LeBlanc would conceivably involve an employee, or employees, of the RFC, I would appreciate being informed of the results of your investigation.

Thanking you for your kind cooperation, I am

Very truly yours,

J. Walter Yeagley

J. Walter Yeagley
Associate General Counsel
Compliance & Investigation Division

RECORDED-120
INDEXED-120

EX. - 107

58 2008-

8 JAN 13 1953

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Laughlin
Mr. Mohr
Mr. Winterrowd
Tele Rm. 4:00
Miss Holloman
Miss Gandy

1/6/53

6 106

WASH FROM WASH FIELD

DIRECTOR AND SAC HOUSTON URGENT

DUDLEY JOSEPH LEBLANC, ETAL, BRIBERY. RE WFO LET TO DIRECTOR DEC. TWENTYTWO, LAST, AND DALLAS REPORT DEC. THIRTY, LAST. INTERVIEW GOLDBERG AND KAMIN RE THEIR CONNECTIONS WITH HADACOL AND THEIR KNOWLEDGE ANY EFFORTS ON PART OF HADACOL OFFICIALS TO EXERT PRESSURE OR INFLUENCE IN WASH. ASCERTAIN IDENTITIES FTC AND FDA OFFICIALS THEY CONTACTED IN WASH., AND IDENTITY COON'S QUOTE LAWYER FRIEND UNQUOTE IN WASH.

HOOD

WCH:AM
58-417

G.I.R.

RECORDED-141 58-2808

JAN 7 1953

58 2808-

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 12/31/52

FROM : SAC, NEW ORLEANS (58-91)

SUBJECT: DUDLEY JOSEPH LE BLANC, et al
BRIBERY

b 6-1
b 1-1

Reference is made to letter from Washington Field Office dated 12/22/52, wherein a lead was set out for the New Orleans Office to interview RICHARD L. BROWN, former vice-president and general manager of the LeBlanc Corporation.

It has been determined that RICHARD L. BROWN has moved to Dallas, Texas, where he is connected with the Big Twelve Corporation, a distributor of patent medicine, 5008 Grenville Street, Dallas, Texas.

The Dallas Office will cover the lead set out for the New Orleans Office in referenced letter. A copy of the report of SA LAURENCE J. FRANK, JR., dated 11/14/52, New Orleans, is being enclosed for the Dallas Office.

RUC

1 cc - WASHINGTON FIELD (58-417)
1 cc - DALLAS AMSD

JBH:tp

I.R.-8

RECORDED - 63 | 58-2808
EX-112
30 JAN 1953

58 2808-276

JAN 14 1953

FEDERAL BUREAU OF INVESTIGATION

No. 1
CASE ORIGINATED AT WASHINGTON FIELD FILE NO.

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
DALLAS	12/30/52	12/29/52	MANNING C. CLEMENTS mjc

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC, et al	BRIBERY

SYNOPSIS OF FACTS:

PAT COON, Dallas, Texas attorney, identifies LESTER KAMIN as head of Kamin Advertising Co., Houston, Texas, and BILL GOLDBERG as BILLIE B. GOLDBERG, Houston attorney; states he is not acquainted with RICHARD L. BROWN and has no information as to his whereabouts. COON states he, KAMIN and GOLDBERG own certain radio stations in State of Louisiana. COON advises GOLDBERG once contacted him relative to some difficulties he, as attorney for LeBLANC, was having with a Government Agency relative to advertising. COON had planned to be in Washington, D.C. where he agreed to confer with LeBLANC, GOLDBERG and KAMIN, the latter being interested at the time in securing advertising contracts with LeBLANC. COON was unable to meet with others named, and states he recalls GOLDBERG later advised him matters had been straightened out with government agencies, making any possible assistance COON might have otherwise rendered unnecessary.

- R U C -

DETAILS: AT DALLAS, TEXAS

Mr. PAT COON, attorney, CLARK, COON, HOLT and WISHER, 1918 Republic Bank Building, advised that LESTER KAMIN (not KENEM) is head of Kamin Advertising Agency, located on South Main Street in Houston, Texas. He stated BILLIE B. (BILL) GOLDBERG is an attorney with offices in the Melrose Building, Houston. Mr. COON related that he and GOLDBERG were first associated when both were assistants in the office of former

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1 - New York (info.)
3 - Washington Field (58-417)
2 - Dallas (58-99)

58-2808-2 27

RECORDED - 126

JAN 6 1953

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Texas State Attorney General GERALD B. MANN. Mr. COON stated that he, COON, was an attorney in the War Frauds Unit, U. S. Department of Justice during the years 1942-45, most of his duties being in connection with cases away from Washington, D.C. Mr. COON further stated that he, KAMIN and GOLDBERG jointly own controlling interests in certain radio stations in the State of Louisiana.

According to Mr. COON, he has met DUDLEY JOSEPH LeBLANC on only one occasion, the circumstances not being presently recalled. He stated that he at one time received a telephone call or other communication from BILLIE B. GOLDBERG who stated that he, as LeBLANC's attorney, was having some difficulties with a Government agency, recalled by COON as Food and Drug Administration, with respect to the advertising program of LeBLANC Corporation. GOLDBERG, knowing that COON had spent some years in Government service partly in Washington, D.C., considered the possibility COON might be of assistance in arriving at agreements with the Government agency involved. Mr. COON stated that he by coincidence had intended a trip to Washington, and agreed to meet with LeBLANC, GOLDBERG and KAMIN, the latter being involved in negotiations at the time to handle the "Hadacol" advertising program or a part thereof. Mr. COON related that other matters prevented his going to Washington and he so advised LeBLANC by letter. He stated it had been his intention to go to Washington at a later date with GOLDBERG, however, he stated, GOLDBERG advised him in the meantime that matters had been straightened out and that the Washington trip would not be required.

Mr. COON professed not to recall to whom he had reference in speaking of his "lawyer friend" in Washington. He stated he was not in contact with any representatives of Food and Drug Administration, Federal Trade Commission or other Government agencies with respect to the LeBLANC Corporation, and has no knowledge of identities of representatives of such agencies who were contacted by GOLDBERG and LeBLANC.

Mr. COON stated he is not acquainted with RICHARD L. BROWN, reportedly formerly connected with LeBLANC Corporation, and accordingly knows nothing of his present whereabouts. Two persons listed in current Dallas directories as RICHARD L. BROWN were eliminated as being identical with the person in question.

ADMINISTRATIVE PAGE

Mr. PAT COON, quoted herein, is a member of the firm with which Associate Justice TOM C. CLARK was formerly connected. The CLARK currently connected with the firm is a brother of the Justice.

Copies of this report are furnished to New York, New Orleans and Houston for information and possible assistance in identifying persons whose names appear in referenced letter. The Office of Origin should instruct the Houston Office if interviews with BILLIE B. GOLDBERG, attorney, and LESTER KAMIN are desired. New Orleans advise Dallas if RICHARD L. BROWN is found to be residing in Dallas, Texas.

REFERENCE: WFO letter to Director, 12/22/52.

AIR-TEL
FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

NEW YORK
1/7/53

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Tele. Room
Mr. Holloman
Mr. Sizoo
Miss Gandy

Transmit the following Teletype message to: BUREAU

DUDLEY JOSEPH LE BLANC, ET AL; BRIBERY. JEROME DOYLE IN CHARGE OF LE BLANC CORP. MATTER AT TRUSTEE'S ATTORNEYS, CAHILL, GORDON, ZACHRY, AND REINDEL, NYC, OUT OF TOWN, EXPECTED TO RETURN FRIDAY, JANUARY, NINE. NYO WILL SUBMIT REPORT IMMEDIATELY UPON COMPLETION OF INVESTIGATION AT DOYLE'S OFFICE.

BOARDMAN

3 - Bureau (REGULAR MAIL)
2 - Washington Field (REGULAR MAIL)

J.I.R.

58-2808-28

RECORDED - 18

EX-115

AIR MAIL DISPATCH

58 2808- 28

HFG:FJC (#5)
NY 58-716

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

52 JAN 19 1953

Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Mohr
Mr. Winterrowd
Tele. Room
Mr. Holloman
Mr. Gandy

G.I.R.-6

FBI WASH FIELD 1/8/53 10 A.M.

DIRECTOR AND SAC NEW ORLEANS URGENT

DUDLEY JOSEPH LE BLANC, ET AL, BRIBERY. RE WFO LET TO DIRECTOR DEC. TWENTYTWO LAST. WASHINGTON FDA FILES REFLECT CONSIDERABLE INVESTIGATION BY NEW ORLEANS FDA OFFICE, E. C. BOUDREAUX IN CHARGE. REVIEW FILES AND INTERVIEW BOUDREAUX AND OTHERS CONNECTED HADACOL CASE, RE EVIDENCE OF BRIBERY AND PRESSURE FDA OFFICIALS.

HOOD

WCH:PCN

58-41

RECORDED-52 158-2808-29

JAN 13 1953

EX-115

58 2808-29

29 JAN 21 1953

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	1/8/53	12/30/52;1/5,6/53	PAUL H. LEWIS (A) PHL:CRB

TITLE: DUDLEY JOSEPH LeBLANC, etal

CHARACTER OF CASE: BRIBERY

G.I.R.-9

SYNOPSIS OF FACTS: Chicago RFC officials report sale of Lafayette property to DUDLEY JOSEPH LeBLANC was under a policy of negotiated bid. Negotiations started October, 1948 when LeBLANC, at New Orleans office of RFC, offered $40,000 for the building and equipment. In telephone call to Chicago RFC, LeBLANC increased offer to $62,500.00 and deposited $1,000.00 LeBlanc Corporation check as earnest money, which was subsequently forfeited on failure of LeBLANC to consummate the purchase. Equipment in the building sold separately by public auction on 6/7/49 for $15,000.00. No offers to purchase the building were outstanding when, on 9/23/49, LeBLANC, at Chicago RFC office, made offer of $50,000.00 for the bare building. After bid of $52,500.00 was submitted by MILTON A. VOORHIES and DAN OLIVIER of New Iberia, Louisiana, LeBLANC increased his bid and acquired the property for $55,010.00 on 10/26/49.

- R U C -

DETAILS: AT CHICAGO, ILLINOIS

EXPEDITE PROCESSING

Mr. MILNOR O. HOEL, Manager, Chicago Loan Agency, RFC, advised that the sale of property at Lafayette, Louisiana to DUDLEY JOSEPH LeBLANC in October, 1949 was made on a negotiated bid basis. He explained the negotiated bid policy of the RFC as follows:

Anyone desiring to make an offer for properties being sold by RFC may do so at any time until the sale is consummated. An offer is entertained by that agency

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87-28084-30 RECORDED 70

JAN 19 1953

FX-106

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- Chicago (58-267)

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only as long as it is the high offer of an acceptable nature. For example in some instances the highest offer might not be accepted if it was an offer calling for small payments over an extended period of time. In such cases a lesser cash offer might be accepted. He said it is not the policy of RFC to disclose to any prospective bidders the names or amounts of bids submitted by other bidders. He pointed out, however, that when one person makes an offer for a piece of property, his offer will be declined if it is less than any acceptable offer received by the agency. For example if one person offered $40,000.00 for a piece of property and another acceptable bidder offered $45,000.00, the first bidder would then be notified that his bid was being rejected inasmuch as the agency had received a better offer. It would then be the privilege of the first bidder to submit a further bid greater than he had previously made and if such bid were higher than the $45,000.00 bid of the second bidder, his bid would again be entertained by RFC. In this way it will be noted that it is possible for the various bidders to determine within limits the amounts of bids that were submitted by other bidders.

Mr. HOEL advised that the sale of the Lafayette property was negotiated by the Chicago RFC Agency with the assistance of the New Orleans RFC Agency. He said that the property had originally been mortgaged by a bank in the territory of the New York RFC Agency and the firm that owned the property went into bankruptcy proceedings which were filed at Chicago. Due to the bankruptcy proceedings it was necessary that the Chicago RFC Agency handle the sale of the property and inasmuch as the New Orleans office was nearer the location of the property, considerable assistance was rendered by that office.

He said that Mr. RAYMOND F. NESTLEHUT, Loan Examiner of the Chicago Regional Office, was active in connection with the handling of the sale by the Chicago office.

Mr. RAYMOND F. NESTLEHUT, Loan Examiner, Chicago RFC Agency, advised that the files of the Chicago agency are not complete with respect to the sale of the Lafayette property to DUDLEY JOSEPH LeBLANC inasmuch as the docket file was returned to the New York Loan Agency of the RFC shortly after the sale was made. He pointed out further that since the New Orleans Office assisted to a large extent in the handling of the matter, the files of that office should also contain considerable information regarding the sale.

Mr. NESTLEHUT identified the Marine Trust Company of Buffalo, New York as the loaning institution who had originally made a loan to American Foods, Inc. on the property at Lafayette, Louisiana. The New York Agency of RFC guaranteed the loan to the extent of seventy-five per cent and upon bankruptcy of the American Foods, Inc., which was filed at Chicago, RFC purchased the seventy-five per cent of the loan.

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Mr. NESTLEHUT said that sometime in October of 1948 DUDLEY J. LeBLANC appeared at the New Orleans office of the RFC for the purpose of buying a building, starting with an offer of $40,000.00. Officials of the New Orleans Agency then telephonically contacted NESTLEHUT who then talked to LeBLANC and was able to get him to increase the offer to $62,500.00 for the building and the equipment and property in the building. After this telephone conversation, a formal offer in writing was received from LeBLANC and LeBLANC made a deposit of $1,000.00 earnest money in the form of a LeBlanc Corporation check.

Mr. NESTLEHUT explained that considerable delay then ensued and LeBLANC failed to take title to the property. In a letter dated March 29, 1949 to S. C. BRATTLEAF, Chief, Loans Division, RFC, Chicago, from F. L. RAMOS, Chief, Loans Division, RFC, New Orleans, authorization was requested to declare the $1,000.00 deposit as forfeit in the event LeBLANC failed to take title by April 5, 1949. This letter is quoted in part as follows:

> LeBLANC "told us the government had practically stopped him cold in connection with his medicine business and under the circumstances did not feel that he would be able to go through with this proposed purchase."

By letter of April 21, 1949, the Chicago Loan Agency was authorized by the Chicago Agency to forfeit the $1,000.00 deposit made by LeBlanc Corporation.

Mr. NESTLEHUT pointed out that the above mentioned offer was for both the building and equipment therein and said that on June 7, 1949 a public auction sale of all the equipment and machinery in the building was held and $15,000.00 was realized at the sale. Mr. NESTLEHUT said that he went to the sale at Lafayette arriving on June 4, 1949 and stayed there until approximately June 9, 1949 at the New Gordon Hotel, 524 South Pierce Street. He said that while he was at Lafayette, he contacted numerous businesses in the vicinity in an effort to interest them in the purchase of the bare building. He also attempted to interest one Mr. CLARES GUIDRY of the Lafayette Sheet Metal Works, 524 South Pierce, Lafayette, in making an offer for the property. He said that GUIDRY in January, 1949 had been interested in buying the property, but no subsequent offers were received from him. Mr. NESTLEHUT said that LeBLANC was present at the auction sale of the equipment and it was his recollection that LeBLANC bid in some of the office furniture and fixtures, but he did not at that time discuss purchase of the building or make any offer for its purchase.

As of September 14, 1949 no offers for the purchase of the building were outstanding with RFC. On that date a letter was addressed to R. [illegible] NESTLEHUT by NORRIS HERRINGTON, head of Loan Liquidation Section, RFC, [illegible], stating that DUDLEY J. LeBLANC called on the telephone on September 14, 1949 and asked if the plant was still available. He said it appeared that his

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merchandising was straightened out with the government and he would have need for the plant in Lafayette. He said he would be in Washington the following Tuesday and soon thereafter planned to go to Chicago to re-open negotiations for purchase of the plant. HERRINGTON's letter pointed out that no mention was made of the price to be offered.

On September 23, 1949, DUDLEY J. LeBLANC appeared at the Chicago Loan Agency of RFC and offered to purchase the property for $50,000.00 after discussion with Mr. NESTLEHUT. He asked that credit be given for the previously forfeit earnest money in the amount of $1,000.00.

On September 27, 1949, NORRIS HERRINGTON of New Orleans RFC addressed a letter to NESTLEHUT enclosing an offer for the property from MILTON A. VOORHIES, New Iberia, Louisiana, in the amount of $52,500.00. The letter reports that DeClouet Brothers (who own property adjacent to instant building) were interested in the building, but had made no offer to date. JUSTIN GREEN, of New Orleans RFC, on October 3, 1949 forwarded to Mr. HOEL a formal offer to purchase the property for $52,500.00 by MILTON A. VOORHIES and DAN J. OLIVIER of Lafayette, Louisiana, supported by a deposit check of $5,000.00.

On October 4, 1949, a letter was addressed to GREEN, Assistant Manager, RFC, New Orleans, by STEPHEN O. BRATTLEAF, Chief, Loans Division, RFC, Chicago, referring to the $52,500.00 offer. In part the letter reads as follows:

> "As you know we expect to get in touch with Senator Le[illegible] at once. As soon as we have received a formal offer from [illegible], or it is apparent that no better offer will be received, we will inform you."

On October 5, 1949, Mr. NE[illegible], under the signature [illegible], addressed a letter to DUDLEY J. LeBLANC advising that the New [illegible] of RFC had received a higher offer than the one made by [illegible] September 23, 1949 and under the circumstances the RFC office was [illegible] offer and returned the $3,000.00 deposit he had made.

Mr. NESTLEHUT said that thereafter on October [illegible] the Chicago Loan Agency and talked with [illegible]. On that date a letter was addressed to [illegible] Attorney, Chicago RFC, confirming the telephone conversation as follows:

> "In that conversation you stated you intended to go to New Orleans tomorrow, October 7, 1949 to make an offer of $51,000.00 for the American Foods Plant at Lafayette, Louisiana, and you asked whether we would accept that offer or whether we would go back to the other bidder and try to get a better offer out of him.

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"Mr. Lawrence and I told you that it is understood that if you make such an offer we will reject the later offer and tell the offerer that it is rejected because we have received a better offer. We will not tell him how much your offer is, who made such an offer and we will not suggest he make a further offer. However, as we explained to you on the telephone, if he makes a better offer of his own volition, such an offer will have to be entertained.

"Since you are a public official yourself I am sure you understand that it is our duty to get the best price we can out of these plants that we have for sale and it is, therefore, sometimes necessary for us to go to greater lengths than we might otherwise do."

On the same date NESTLEHUT addressed a letter to Mr. GREEN at New Orleans RFC informing him of the above offer and advising that LeBLANC said he would go to the New Orleans Agency on October 7, 1949, submit his offer in writing and make a $5,000.00 deposit. On October 7, 1949 a written offer of $55,010.00 was received from DUDLEY J. LeBLANC who made a deposit of $5,501.00 earnest money, the balance of $49,509.00 to be paid in cash.

On October 11, 1949, Mr. NESTLEHUT addressed a letter to MILTON A. VOORHIES and DAN J. OLIVIER, P. O. Box 601, New Iberia, Louisiana, advising in part, "We are in receipt of a higher offer than the one made by you on October 3, 1949. Under the circumstances we must and do decline your offer."

Mr. NESTLEHUT said that a letter of October 13, 1949 was received from one MIKE DONLON, Real Estate Broker at Lafayette, Louisiana, who had expected to receive a $60,000.00 offer for the building. DONLON failed to receive the proposed offer.

On October 20, 1949 a report of the transaction was made to the Agency Review Committee and was signed by R. F. NESTLEHUT, Loan Examiner, and A. L. LAWRENCE, Chief of the Loan Liquidation Branch, Loans Division, Chicago RFC, recommending that unless an offer of $56,500.00 or more were received by October 24, 1949, LeBLANC's offer be accepted. Mr. NESTLEHUT explained that inasmuch as no other offer was received on October 26, 1949, GEORGE W. ROBERTSON, New Orleans RFC Manager, executed a cash deed covering the sale to DUDLEY J. LeBLANC and received the $49,509.00 cash payment.

Mr. NESTLEHUT said that during the course of the negotiations with LeBLANC, LeBLANC was frequently in contact with the New Orleans RFC Office and that his contact with the Chicago agency was primarily by telephone. He said that he was aware of no irregularities in connection with the handling of the case and pointed out that the rejection of the $50,000.00 bid submitted by LeBLANC was

made in accordance with RFC policy without informing him as to the amount it would be necessary for him to increase his bid if he desired to do so. He also said that had VOORHIES and OLIVIER increased their bid, LeBLANC's last offer would also have been rejected. He said that in cases of this kind it is the prerogative of the RFC to reject any bids up to the time a sale is consummated if higher offers are received.

- R U C -

CG 58-267

ADMINISTRATIVE PAGE

ADMINISTRATIVE DATA

It is pointed out that New Orleans report dated November 14, 1952 has been forwarded by this office to the Birmingham Office with airtel dated December [illegible], 1952 and was therefore not available for review prior to the above investigation, however, information concerning this subject appearing in the report of Special Agent WILLIAM C. HIGGINS dated October 31, 1952 at Washington Field was reviewed.

Information copies of this report are being furnished to the New Orleans and New York Offices for use in connection with investigation being conducted at those points.

REFERENCE

Washington Field letter to Bureau dated 12/22/52.

58 2608- 30

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
JAN 12 1953
TELETYPE

Mr. Tolson
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Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Gurnea
Mr. Harbo
Mr. Hogan
Mr. Jones
Mr. Mohr
Mr. Mumford
Tele. Room
Mr. Holloman
Mr. Sizoo
Miss Gandy

G.I.R.C.-9

FBI NEW ORLEANS 1-12-53 5-21PM

DIRECTOR, FBI & SAC, WASHINGTON FIELD

...URGENT...

DUDLEY JOSEPH LE BLANC, ETAL, BRIBERY. RE WFO TEL JANUARY EIGHT, LAST. E. C. BOUDREAUX, IN CHARGE, FDA AT NEW ORLEANS, SAYS IT IS NECESSARY TO GET AUTHORITY FROM OFFICE OF C. W. CRAWFORD, COMMISSIONER, FDA, WASHINGONT, D. C., TO REVIEW FILES OF FDA IN NEW ORLEANS, WFO REQUESTED TO CONTACT CRAWFORD AND HAVE NECESSARY AUTHORIZATION FOR REVIEW OF FDA FILES DIRECTED TO FDA IN NEW ORLEANS AND ADVISE. NEW ORLEANS DELAYING SUBMISSION OF REPORT PENDING REVIEW FDA FILES.

LOPEZ

END

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JAN 14 1953

JAN 12 1953 WA EAB

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SAC, New York (58-716)

January 23, 1953

Director, FBI (58-2808)

RECORDED - 59

DUDLEY JOSEPH LeBLANC, ET AL.
BRIBERY

New York. [redacted] SA Harold F. Good, dated January 13, 1953, at

The Bureau is not disseminating rerep. It is desired that it be amended by deleting from the synopsis and from the second paragraph on page four the unsupported comment of Edward B. Newsom that Onesta Martin was reported to be LeBlanc's mistress.

Washington Field is not to disseminate rerep to the United States Attorney, District of Columbia.

New York submit amended report to the Bureau, Washington Field and Dallas by January 28th.

cc: 2-Washington Field (58-417)

JCS:ige

COMM — FBI
MAILED 27

FILED

59 2808-

JAN 29 1953

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK	1/13/53	1/8,9/53	HAROLD F. GOOD (A)

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC, ET AL	BRIBERY

SYNOPSIS OF FACTS:

Records of Hotels New Yorker and Gotham regarding DUDLEY LeBLANC and his associates set forth. ROLF H. KIELLAND, FTC, NYC, advised LeBLANC matter not handled in NY by FTC. JEROME DOYLE, Attorney for trustee, made available minutes of LeBlanc Corporation. Minutes from 6/17/50 to 8/24/51 missing. DOYLE stated LeBLANC and ONESTA MARTIN unable to account for missing minutes. Extracts and summary of certain minutes set forth. EDWARD B. NEWSOM, formerly with LeBLANC, stated ONESTA MARTIN reported to be LeBLANC'S mistress but unable to furnish information pertinent to case.

- R U C -

DETAILS:

KATHLEEN MacPHERSON, Secretary to EDWARD STYLES, Security Officer, Hotel New Yorker, 8th Avenue and 34th Street, New York City, made available the account of

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58 2808-132

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JAN 14 1953

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58 2808-132

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DUDLEY LeBLANC at that hotel. This record reflected that LeBLANC was associated with the Hadacol business in LeBlanc Corporation, Lafayette, Louisiana. He was a guest at the hotel during the following periods:

March 12, 1949 to March 16, 1949

September 21, 1949 to September 22, 1949

February 12, 1950, to February 16, 1950

March 16, 1950 to March 17, 1950

September 19, 1950 to September 22, 1950

His credit at the Hotel New Yorker was stopped on April 7, 1952.

The statements of the LeBLANC account were reviewed for the period March 16, 1949, to October 31, 1951. These statements reflected the names of guests whose accounts were charged to LeBLANC as follows:

September 22, 1949 -- BROWN

March 16, 1951 -- GLUECK

April 3, 1951 -- HEDRICK

July 30, 1951 -- ZIMMERMAN

Miss MARY A. BEIBIL, Credit Manager, Gotham Hotel, 5th Avenue and 55th Street, New York City, advised that DUDLEY LeBLANC of the LeBlanc Corporation, Lafayette, Louisiana, had an account at that hotel. This record reflected that the accounts of the following guests were charged to LeBLANC:

PAUL FUSILIER, July 2, 1951, July 5-6, 1951

GEORGE DUPUIS, July 2-3, 1951, August 3, 1951

BEN VOORHEES, Attorney, August 1-4, 1951, August 6-9,

RICHARD L. BROWN, August 8-9, 1951

CARL LOWE, August 8, 1951

LAWN, August 5, 1951

NY 58-716

The record at the Gotham Hotel reflected that MAC D. HEDRICK, Leblanc Corporation, Lafayette, Louisiana, was a guest at the Gotham Hotel during the following periods:

May 14, 1951 to May 22, 1951

June 9, 1951 to June 21, 1951

June 24, 1951 to July 18, 1951

July 29, 1951 to August 3, 1951

Miss BEISIL recalled that HEDRICK was a heavy drinker.

WILLIAM HARDING, Room Clerk, Lincoln Hotel, 8th Avenue and 44th Street, New York City, and W. R. TYLER, Credit Manager, Roosevelt Hotel, Madison Avenue and 45th Street, New York City, advised that there is no record at their hotel for the names of LeBLANC, HEDRICK, or BROWN.

ROLF H. KIELLAND, attorney in charge, Federal Trade Commission, United States Court House, Foley Square, New York City, advised that his office does not maintain a visitor's register and, therefore, cannot show any visits that may have been made to that office by LeBLANC or any of his associates.

KIELLAND advised that he had heard of the LeBLANC case in Washington, D.C. but that no phase of this matter was handled in New York. KIELLAND consulted two assistants, JOSEPH HACHA and JOSEPH KLEIN, who stated that nothing was done on the LeBLANC matter in the New York Office of the Federal Trade Commission.

EDWARD B. NEWSOM, Sales Department, Vick Chemical Corporation, 122 East 42nd Street, New York City, resides at 12 Woodland Drive, Darien, Connecticut, advised that he was connected with the Sales Department of the LeBlanc Corporation from August, 1950, to June, 1951. He stated that he would be glad to furnish information regarding LeBLANC but his position in the Sales Department did not bring him into frequent contact with LeBLANC and that he had no information regarding LeBLANC'S activity outside of the Sales Department.

best copy available

NEWSOM stated that R. L. BROWN of the Big 12 Corporation, Greenville Street, Dallas, Texas, was associated with LeBLANC and may be able to furnish information regarding his activities.

According to NEWSOM, ONESTA MARTIN has been associated with LeBLANC since he first entered politics, has financed him at times, and is reported to be his mistress.

JEROME DOYLE of the law firm of CAHILL, GORDON, ZACHRY, and REINDEL, 63 Wall Street, New York City, attorneys for the trustee in the LeBlanc Corporation matter, made available the minutes of the LeBlanc Corporation and noted that the minutes from June 17, 1950, to August 24, 1951, were missing. He stated that he had questioned LeBLANC and ONESTA MARTIN and while they admitted that directors meetings had been held during that period, they were unable to account for the missing minutes.

DOYLE stated that the Federal Trade Commission officials contacted by LeBLANC and HEDRICK were from the Washington Office and not from the New York Office. He stated that DETLEV F. VAGTS, an attorney in his office, suggested the name of EDWARD B. NEWSOM of Vick Chemical Corporation in New York City as a person who may have information regarding LeBLANC, having served in the employ of the LeBlanc Corporation.

The minutes of the LeBlanc Corporation were reviewed for the period from 1938 to August 24, 1951. As previously noted, the minutes from June 17, 1950, to August 24, 1951, were missing.

An amendment to the charter of the LeBlanc Corporation dated June 29, 1949, shows that the Happy Day Company, Inc. was incorporated June 27, 1938. The charter was amended on June 30, 1948, changing the name to LeBlanc Laboratories, Inc. and on June 29, 1949, the date of this amendment to the charter, the name was finally changed to LeBlanc Corporation.

The stockholders' records as of June 19, 1950 were shown as follows:

EVELYN HEBERT LeBLANC	20,000
DUDLEY J. LeBLANC	48,470
DUDLEY J. LeBLANC, JR.	5,000
[redacted]	5,000
	5,000
	1,000
OLIVER J. LeBLANC	1,000
Total	85,470

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From these minutes itwas ascertained that the incorporators of the Happy Day Company, Inc. were DUDLEY J. LeBLANC, OLIVER J. LeBLANC, and ONESTA MARTIN.

The minutes of a special meeting dated October 20, 1948, contained the following information:

DUDLEY J. LeBLANC, President, explained that he had gone to Washington, D.C. because the type of advertising being conducted by the corporation was not being approved by the Federal Trade Commission and the Food and Drug Administration. LeBLANC explained that both departments had charges against the corporation and that he had remained in Washington for several days working hard in an effort to iron out these difficulties. The President explained to the Board that these trips were very expensive because of the difficulty in which the company finds itself.

LeBLANC explained that the officials in Washington, D.C. required the name to be changed from LeBlanc Laboratories and a resolution was adopted to change the name to LeBlanc Corporation. It was also resolved at this time that the

best copy available

LeBlanc Corporation indemnify its directors, officers, and employees against any and all expenses, including attorney's fees or liability for such expense sustained by them in connection with any suit brought against them involving their official acts or duties in which suit personal liability is established or which may be compromised.

The minutes of a special meeting held on February 7, 1949, reflected the following information:

DUDLEY LeBLANC, President, explained that during the latter part of last year, he made three trips to the East and particularly to Washington, D.C. to iron difficulties out in which the corporation had found itself through advertising which authorities in Washington, D.C. did not approve. The question of expense incurred by the President was discussed. It was resolved that DUDLEY J. LeBLANC received $[illegible],38[illegible].47 for expenses incurred for travel and promotion of Hadacol during 1948 for which he would give an accounting. Thereafter, expenses which he incurred would be reimbursed on the [illegible]th day of each month following.

A resolution of the Board of Directors signed by ONESTA MARTIN, Secretary, dated March 10, 1949, authorized the purchase from the Reconstruction Finance Corporation of property acquired by the Reconstruction Finance Corporation from JOHN H. CHATZ, trustee of the bankrupt estate, American Bottle Corporation in the City of Lafayette, Louisiana, for $[illegible]; $31,500 was to be paid in cash, and $31,000 by promissory installment notes.

The minutes of the meeting held on June [illegible], 1949 contained the following:

"Resolved that jurisdiction over expenditures of the business, for whatever purpose be vested in [illegible] J. LeBLANC.

"Be it further resolved that the Board of Directors ratify the manner and methods in which DUDLEY LeBLANC has conducted the management of the business and all financial policies of the corporation be vested in [illegible]

best copy available

"Be it further resolved that the President be authorized to spend whatever sums of money and to what amount deemed proper, to the best interest of the corporation and to reimburse him for necessary travel and related expenses in the promotion of the business."

Minutes of a special meeting held August 1[illegible], 1[illegible], contained the following information:

The President of the company was about to embark on a good will tour to publicize Hasseel[illegible] the cost would probably exceed $250,000. A resolution [illegible] authorizing the corporation to reimburse DUDLEY J. [illegible] for any aid on expenses necessary and incident to [illegible] on the Hasseel good will tour.

It was further resolved that DUDLEY J. LeBLANC, President, be authorized to appoint MAC D. HEDRICK to perform such duties as may be designated by and receive compensation fixed by DUDLEY J. LeBLANC.

The minutes of a special meeting of the Board of Directors held August 24, 1951, at Augusta, Georgia, reflected that the officers and directors consisting of DUDLEY J. LeBLANC, ONESTA MARTIN, OLIVER J. LeBLANC, [redacted] DUDLEY J. LeBLANC, JR. resigned, and were replaced by ASHER LANS, HOWARD LAWN, LILLIAN GOULD, [illegible]UN[illegible] GEYER, and PEARL LAWN.

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b7C

DOYLE made available a list of people to be invited to testimonial dinner. A photostatic copy of this list is being forwarded to the Washington Field Office as an enclosure to this report.

ENCLOSURE: WASHINGTON FIELD (1)

1 photostatic copy of list of people to be invited to testimonial dinner

- R U C -

NY 58-716

ADMINISTRATIVE PAGE

MISCELLANEOUS

One copy of this report is being transmitted to the Dallas Office for information inasmuch as EDWARD NEWSOM has furnished the address of R. L. BROWN whom Dallas is seeking to interview.

REFERENCE

Washington Field letter to Bureau, 12/22/52.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (58-2808)

DATE: January 9, 1953

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY JOSEPH LE BLANC, ETAL
BRIBERY

Rebulet to WFO 12/18/52.

Enclosed herewith are three copies of the report of SA WILLIAM C. HIGGINS dated 1/9/53.

The Bureau's deadline of 1/9/53 for the completion of all investigation in captioned case cannot be met because of the temporary unavailability of witnesses still to be interviewed.

UACB a report will be submitted 1/16/53.

WCH:EIW
Enclosures - 3

20 JAN 12 1953

EX-101

58 2808-

JAN 26 1953

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tamm
Mr. Mohr
Mr. Winterrowd
Mr. Tracy
Mr. Carson
Mr. Mease
Mr. Hoover
Mr. Sizoo
Miss Gandy

AIR TEL

FBI WASH FIELD 1/13/53 1:40 P.M.

DIRECTOR AND SAC NEW ORLEANS (AIR MAIL) DEFERRED

DUDLEY JOSEPH LE BLANC, ET AL, BRIBERY. RE NEW ORLEANS TEL JAN. TWELVE, LAST. GEORGE P. LARRICK, DEPUTY COMMISSIONER, FDA, WASH, ADVISES HE WILL WRITE FDA AT NEW ORLEANS GRANTING PERMISSION FOR AGENTS TO REVIEW THE HADACOL FILES. NEW ORLEANS WILL REVIEW SUCH FILES UPON RECEIPT OF AUTHORIZATION.

HOOD

RKL:dp

58-417

AIR TEL

RECEIVED
JAN 13 2 21 PM '53

RECORDED - 79 58-2808

I.R.S. EXAM

1953

58 2808-34

6 1953

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
HOUSTON	1/19/53	12/26,29,39,31/52. 1/7,9/53.	ROBERT L. WHITMARSH bjc

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC, ETAL	BRIBERY

SYNOPSIS OF FACTS: Attorney BILLY B. GOLDBERG and Advertising man LESTER KAMIN advised KAMIN did a small amount of advertising for Hadacol and was dickering with LeBLANC for a large advertising contract which he never got. Both GOLDBERG and KAMIN went to Washington, D.C. with LeBLANC and saw an unidentified attorney at FTC. Expenses of GOLDBERG and KAMIN on this Washington trip were paid by KAMIN. GOLDBERG and KAMIN deny any knowledge of Hadacol officials to assert pressure or influence in Washington but state they did attend a dinner at the Statler Hotel in Washington, D.C. given by LeBLANC for the Louisiana Congressional Delegation. Neither GOLDBERG nor KAMIN could identify COON's "lawyer friend" in Washington, D.C.

G I. R. 6

- RUC -

DETAILS: At Houston, Texas.

BILLY B. GOLDBERG, Attorney with offices at 505 MelroseBuilding, advised he is the attorney for the Kamin Advertising Agency of Houston and that he has been the attorney for this agency for the past seven years. He advised that the Kamin Advertising Agency did a small amount of advertising for Hadacol but he did not think the Kamin Agency ever had a very large contract with Hadacol. Mr. GOLDBERG stated in connection with this advertising Mr. LESTER KAMIN, owner of the Kamin Advertising Agency, submitted some advertising to him, GOLDBERG, for his legal opinion

APPROVED AND FORWARDED: G. F. Lorton SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

RECORDED
INDEXED-

COPIES OF THIS REPORT
3 - Bureau
2 - Washington Field (58-417)
1 - Houston (58-46)

58-2808

on the legality of such advertising. Mr. GOLDBERG stated this advertising consisted of billboards and a few signs which the Kamin Agency were to utilize in advertising Hadacol.

Mr. GOLDBERG stated in connection with the representation of the Kamin Advertising Agency he went with Mr. KAMIN to Lafayette, Louisiana, and talked with Mr. LeBLANC once or twice concerning such advertising. Mr. GOLDBERG advised he never at any time represented DUDLEY LeBLANC or the Hadacol Company although he did at one time suggest to DUDLEY LeBLANC that the firm of Clark, Coon, Holt & Fisher from Dallas, Texas, might be able to aid LeBLANC in determining exactly what advertising would be permissible regarding Hadacol under the Federal Trades Commission's regulations and the Pure Food Administration's regulations. Mr. GOLDBERG stated he recommended this firm in Dallas to Mr. LeBLANC when LeBLANC asked him if he could help him in determining what advertising was permissible concerning Hadacol. Mr. GOLDBERG stated he recommended the firm of Clark, Coon, Holt & Fisher, because PAT COON was a personal friend of his, each having been Assistant Attorney General in the State of Texas at the same time.

Mr. GOLDBERG stated he went to Dallas, Texas, on one occasion with Mr. LeBLANC and there introduced him to Mr. COON and the question of legal representation before hearings in Washington was discussed. Mr. GOLDBERG stated he did not know whether or not Mr. COON or his firm ever represented LeBLANC or the Hadacol Company; that he was of the opinion that Mr. COON did accept a retainer in order to find out what the general situation was. Mr. GOLDBERG stated he had heard from PAT COON that neither Mr. COON nor his firm ever represented LeBLANC or Hadacol in Washington, and that approximately two months after Mr. LeBLANC had been introduced to Mr. COON by Mr. GOLDBERG, Mr. LeBLANC advised Mr. COON he would have no need of COON or his firm.

Mr. GOLDBERG stated shortly after he had introduced Mr. LeBLANC to Mr. COON in Dallas, Texas, Mr. LeBLANC suggested that Mr. KAMIN, Mr. GOLDBERG, and LeBLANC meet in Washington, D.C., and talk with Federal Trade Commission Attorneys regarding advertising in order to find out what there would be objectionable in Hadacol advertising.

Mr. GOLDBERG stated he and Mr. KAMIN went to Washington, D.C. together, with all expenses being paid by Mr. LESTER KAMIN, and that in Washington, D.C. they met DUDLEY LeBLANC. Mr. GOLDBERG stated this was to the best of his recollection either in March of 1949 or March of 19[illegible] Mr. GOLDBERG stated he and Mr. KAMIN remained in Washington, D.C. approximately one and a half days and they while in Washington, D.C. he

and Mr. KAMIN went to the office of the Federal Trade Commission and spent about twenty minutes in the office of a man in charge of one of the departments. Mr. GOLDBERG stated he could not identify this FTC Attorney with whom he and Mr. KAMIN talked, neither could he identify this attorney's office. He stated, however, that to the best of his recollection one department in the FTC handled this type of matter and the man to whom he and Mr. KAMIN talked was the man who was second in charge of that department.

Mr. GOLDBERG stated this FTC attorney was an elderly man who indicated he had been with the FTC for a long period of time. Mr. GOLDBERG stated the only other thing he could recall which may prove helpful in identifying this FTC attorney was the fact that this attorney did have a large office.

Mr. GOLDBERG stated he and Mr. KAMIN told this FTC attorney that Mr. KAMIN contemplated entering into an advertising contract with the Hadacol Company and therefore wanted to know from the FTC what objections the FTC had to prior advertising by the Hadacol Company so that they could avoid the objectionable aspects in the future. Mr. GOLDBERG stated the FTC attorney said he could not discuss pending matters between the Federal Trade Commission and the Hadacol Company because Mr. GOLDBERG did not represent the Hadacol Company.

Mr. GOLDBERG stated this FTC attorney did give him some general information about what to look out for in that type of advertising and that he later sent to him some printed matter regarding advertising which was of some help to him. Mr. GOLDBERG stated this contact with the FTC attorney was the only contact he had with any Government officials in Washington, D.C. concerning Hadacol to the best of his recollection.

Mr. GOLDBERG advised that during the evening of the day he had contacted the FTC attorney he and Mr. KAMIN attended a dinner at the Statler Hotel, which dinner was given by Mr. DUDLEY LeBLANC for the Louisiana Congressional Delegation. Mr. GOLDBERG stated he recalled that Senator LONG of Louisiana and all of the Louisiana Congressmen were present at this dinner. Mr. GOLDBERG stated he last saw Mr. LeBLANC at the above dinner and that he and Mr. KAMIN returned to Houston on the morning of the following day. He stated the Kamin Agency never did get the advertising contract with Hadacol and he has not seen LeBLANC since.

The fact that Attorney PAT COON had at one time mentioned a "lawyer friend" whom he had in Washington, D.C. was discussed with Mr. GOLDBERG. Mr. GOLDBERG stated he had no idea who this "lawyer friend" may be. GOLDBERG advised he had no knowledge concerning any efforts on the part of Hadacol officials to assert pressure or influence in Washington, D.C.

58 2908- 35

HO 58-46

Mr. LESTER KAMIN, owner of the Kamin Advertising Agency, located at 4610 South Main Street, advised he first handled advertising for the Hadacol Company in 1948 or 1949 but that he never handled any large amount of advertising and was never the exclusive advertising agent for Hadacol. Mr. KAMIN stated he knew the Hadacol Company could be a very big advertising account and he was for a long period of time attempting to convince DUDLEY LeBLANC to make his advertising agency the Hadacol Company's exclusive advertising agent.

Mr. KAMIN stated while this was being discussed he went to Washington, D.C. with his attorney, BILLY B. GOLDBERG, and in Washington, D.C. met Mr. DUDLEY J. LeBLANC. Mr. KAMIN stated he went to Washington, D.C. and took his attorney, GOLDBERG, with him because he wanted to know all the rules of the Federal Trade Commission governing the advertising of patent medicines. Mr. KAMIN stated his advertising agency had never handled much advertising of patent medicines and for that reason he felt that the trip to Washington with his attorney was justified in order to get full details before entering into any type of agreement or contract regarding advertising on a large scale with the Hadacol Company.

Mr. KAMIN stated that another factor entering into his trip to Washington, D.C. was the fact he had heard LeBLANC say he was in some sort of trouble about advertising and the trouble he was in concerned the Federal Trade Commission. Mr. KAMIN stated he therefore wanted to talk with the FTC concerning this trouble before entering into any further advertising contract with the Hadacol Company. Mr. KAMIN stated he paid all his attorney GOLDBERG's expenses on the Washington trip and the trip, including travel time, took about four days.

Mr. KAMIN stated that in Washington, D.C. he and his attorney talked to someone at the FTC but they could find out nothing about LeBLANC's troubles with that agency due to the fact that Mr. GOLDBERG was not the Attorney of Record for the Hadacol Company. Mr. KAMIN advised that he and his attorney asked for some regulations governing patent medicine advertising and that he subsequently received some pamphlets but he was never satisfied with the information he was able to obtain from the FTC. He stated in his opinion his trip to Washington, D.C. with his attorney accomplished nothing.

Mr. KAMIN advised that DUDLEY J. LeBLANC did not stay with him and Mr. GOLDBERG while in Washington, D.C. although all three of them did stay at the Statler Hotel. Mr. KAMIN mentioned also that on one of the evenings when he and Mr. GOLDBERG were in Washington, D.C. they both attended a dinner at the Statler Hotel and that this dinner was given by Senator DUDLEY LeBLANC for the Congressional Delegation from Louisiana.

HO 58-46

Mr. KAMIN stated he recalled definitely that Senator RUSSELL LONG and all the members of Congress from Louisiana were there. Mr. KAMIN stated there was also at least one representative of the Federal Trade Commission at this dinner and he believes there were some representatives from the Food and Drug Administration introduced at this dinner; however, Mr. KAMIN could not recall anything concerning either the FTC official or the Food and Drug Administration official who he recalled as being introduced at this dinner at the Statler Hotel.

Mr. KAMIN advised he recalled that at this dinner he met a number of DUDLEY LeBLANC's assistants, including BILL LYDARE, the Hadacol Company's sales manager, and DICK BROWN, who at that time was just coming into the Hadacol Company as General Manager. Mr. KAMIN stated all his dealings with Mr. LeBLANC had been very unsatisfactory due to the fact that he did not make any money on the small amount of advertising the Hadacol Company gave him and he never received the large advertising contract which he hoped to get, and which hope and expectation caused him to go to Washington, D.C. and take his attorney with him.

Mr. KAMIN stated he has known attorney PAT COON in Dallas, Texas, for many years and that he and PAT COON are both officials in a corporation in Louisiana, which corporation owns two radio stations. Mr. KAMIN stated his attorney, GOLDBERG, is also a stockholder in this corporation. Mr. KAMIN advised he and Mr. GOLDBERG became good friends when they were serving in the U. S. Army at the same time and that Mr. GOLDBERG introduced him to attorney PAT COON. Mr. KAMIN advised, however, that Mr. COON has never represented him nor his Kamin Advertising Agency in any legal matter.

Mr. KAMIN advised that at one time DUDLEY LeBLANC asked him to recommend an attorney who had a broader knowledge of FTC regulations than a local attorney might have, and that he recommended attorney PAT COON to Mr. LeBLANC and met with LeBLANC and COON in Dallas and introduced them to each other.

Mr. KAMIN advised that as he recalled the conversation between LeBLANC and PAT COON, Mr. LeBLANC wanted Mr. COON to represent him in connection with some trouble he was having with the Federal Trade Commission regarding his advertising of Hadacol. Mr. KAMIN advised he did not know whether or not PAT COON ever actually represented Mr. LeBLANC or the Hadacol Company as an attorney. Mr. KAMIN also advised he does not remember PAT COON's recommending any attorney in Washington, D.C. to him or to Mr. LeBLANC.

Mr. KAMIN advised he did not know who Mr. COON may have been referring to when he referred to a "lawyer friend" in Washington, [illegible] and he never heard PAT COON refer to [illegible]

best copy available

58-

ADMINISTRATIVE DETAILS

By letter [illegible] Director [illegible]
Field, with [illegible] copy [illegible]
review the [illegible] of the [illegible]
[illegible] Herrick [illegible] Advertising [illegible]
requested to [illegible] to locate [illegible] Home [illegible]
maintained by HERRICK and [illegible]
owner of Herrick [illegible] Banner Advertising [illegible]

By letter [illegible] DC, Washington Field Office [illegible] with carbon
copy to Dallas, [illegible] Office [illegible] maintained [illegible]
[illegible] and the [illegible] Advertising [illegible] located in
Dallas, Texas. In [illegible] the Dallas [illegible] to con-
duct the investigation had been [illegible] Office [illegible]
by letter dated 12/[illegible]

[illegible]

10 53. Washington Field [illegible] to [illegible] Home [illegible]ted

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (58-2808)

DATE: January 16, 1953

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY JOSEPH LE BLANC, ET AL
BRIBERY

Remylet January 9, 1953.

Enclosed herewith are three copies of the report of Special Agent WILLIAM C. HIGGINS dated January 16, 1953.

The deadline of January 16, 1953, for the completion of all investigation in captioned case cannot be met inasmuch as investigation is still outstanding in auxiliary offices and investigation at Washington hotels has not yet been completed.

A closing report will be submitted immediately upon the conclusion of all investigation.

WCH:cbs
Enclosures 3

G. I. R.

RECORDED - 55

58-2808

JAN 28 1953

F-171

58 2808

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (58-2808) DATE: 1/27/53

FROM : SAC, New York (58-716)

SUBJECT: DUDLEY JOSEPH LEBLANC, ET AL
BRIBERY

Rebulet 1/23/52.

In accordance with Bureau instructions in rebulet, the report of SA HAROLD F. GOOD, 1/13/52, NY, has been amended. Copies of amended report are being forwarded herewith to the Bureau, Washington Field and Dallas to replace the original report submitted.

Encs.(3)

1 - Dallas (Encs.1)
1 - Washington Field (58-417)(Encs.3)

G.I.R.-6

1 cc to RGB 1/29/53

RECORDED 47

JAN 28 1953

58 2808- 307

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD AC:MBM

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK	1/13/53	1/8,9/53	HAROLD F. GOOD (A)

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC, ET AL	BRIBERY

SYNOPSIS OF FACTS:

Records of Hotels New Yorker and Gotham regarding DUDLEY LeBLANC and his associates set forth. ROLF H. KIELLAND, FTC, NYC, advised LeBLANC matter not handled in NY by FTC. JEROME DOYLE, Attorney for trustee, made available minutes of LeBlanc Corporation. Minutes from 6/17/50 to 8/24/51 missing. DOYLE stated LeBLANC and ONESTA MARTIN unable to account for missing minutes. Extracts and summary of certain minutes set forth. EDWARD B. NEWSOM, formerly with LeBLANC, unable to furnish information pertinent to case.

- R U C -

DETAILS: KATHLEEN MacPHERSON, Secretary to EDWARD STYLES, Security Officer, Hotel New Yorker, 8th Avenue and 34th Street, New York City, made available the account of DUDLEY LeBLANC at that hotel. This record reflected that LeBLANC was associated with the Hadacol business in LeBlanc Corporation, Lafayette, Louisiana. He was a guest at the hotel during the following periods:

REVIEWED AND FORWARDED: SPECIAL AGENT IN CHARGE

ENCLOSURES

DO NOT WRITE IN THESE SPACES

58-3208-3

JAN 26 1953

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PROPERTY OF FBI—THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF THE AGENCY TO WHICH LOANED.

U. S. GOVERNMENT PRINTING OFFICE 16—62620-2

March 12, 1949 to March 16, 1949

September 21, 1949 to September 22, 1949

February 12, 1950 to February 16, 1950

March 16, 1950 to March 17, 1950

September 19, 1950 to September 22, 1950

His credit at the Hotel New Yorker was stopped on April 7, 1952.

The statements of the LeBLANC account were reviewed for the period March 16, 1949, to October 31, 1951. Those statements reflected the names of guests whose accounts were charged to LeBLANC as follows:

September 22, 1949 -- BROWN
March 16, 1951 -- GLUECK
April 3, 1951 -- HEDRICK
July 30, 1951 -- ZIMMERMAN

Miss MARY A. BEISIL, Credit Manager, Gotham Hotel, 5th Avenue and 55th Street, New York City, advised that DUDLEY LeBLANC of the LeBlanc Corporation, Lafayette, Louisiana, had an account at that hotel. This record reflected that the accounts of the following guests were charged to LeBLANC:

PAUL FUSILIER, July 2, 1951, July 5-6, 1951

GEORGE DUPUIS, July 2-3, 1951, August 3, 1951

BEN VOORHEES, Attorney, August 1-4, 1951, August 6-9, 1951

RICHARD L. BROWN, August 8-9, 1951

CARL LOWE, August 8, 1951

LAWN, August __ 1951

58 2808- 37

The record at the Gotham Hotel reflects that MAC D. HEDRICK, LeBlanc Corporation, Lafayette, Louisiana, was a guest at the Gotham Hotel during the following periods:

May 14, 1951 to May 22, 1951

June 9, 1951 to June 21, 1951

June 24, 1951 to July 18, 1951

July 29, 1951 to August 3, 1951

Miss BEISIL recalled that HEDRICK was a heavy drinker.

WILLIAM HARDING, Room Clerk, Lincoln Hotel, 8th Avenue and 44th Street, New York City, and W. R. TYLER, Credit Manager, Roosevelt Hotel, Madison Avenue and 45th Street, New York City, advised that there is no record at their hotel for the names of LeBLANC, HEDRICK, or BROWN.

ROLF H. KIELLAND, attorney in charge, Federal Trade Commission, United States Court House, Foley Square, New York City, advised that his office does not maintain a visitor's register and, therefore, cannot show any visits that may have been made to that office by LeBLANC or any of his associates.

KIELLAND advised that he had heard of the LeBLANC case in Washington, D. C. but that no phase of this matter was handled in New York. KIELLAND consulted two assistants, JOSEPH HACHA and JOSEPH KLEIN, who stated that nothing was done on the LeBLANC matter in the New York Office of the Federal Trade Commission.

NY 58-716

EDWARD B. NEWSOM, Sales Department, Vick Chemical Corporation, 122 East 42nd Street, New York City, resides at 12 Woodland Drive, Darien, Connecticut, advised that he was connected with the Sales Department of the LeBlanc Corporation from August, 1950 to June, 1951. He stated that he would be glad to furnish information regarding LeBLANC but his position in the Sales Department did not bring him into frequent contact with LeBLANC and that he had no information regarding LeBLANC'S activity outside of the Sales Department.

NEWSOM stated that R. L. BROWN of the Big 12 Corporation, Greenville, Street, Dallas, Texas, was associated with LeBLANC and may be able to furnish information regarding his activities.

According to NEWSOM, ONESTA MARTIN has been associated with LeBLANC since he first entered politics and has financed him at times.

JEROME DOYLE of the law firm of CAHILL, GORDON, ZACHRY, and REINDEL, 63 Wall Street, New York City, attorneys for the trustee in the LeBLANC CORPORATION matter, made available the minutes of the LeBLANC CORPORATION and noted that the minutes from June 17, 1950, to August 24, 1951, were missing. He stated that he had questioned LeBLANC and ONESTA MARTIN and while they admitted that directors meetings had been held during that period, they were unable to account for the missing minutes.

DOYLE stated that the Federal Trade Commission Officials contacted by LeBLANC and HEDRICK were from the Washington Office and not from the New York Office. He stated that DETLEV F. VAGTS, an attorney in his office, suggested the name of EDWARD B. NEWSOM of Vick Chemical Corporation in New York City as a person who may have information regarding LeBLANC, having served in the employ of the LeBLANC Corporation.

The minutes of the LeBLANC CORPORATION were reviewed for the period from 1938 to August 24, 1951. As previously noted, the minutes from June 17, 1950 to August 24, 1951, were missing.

58 2808- 37

An amendment to the charter of the LeBlanc Corporation dated June 29, 1949, shows that the Happy Day Company, Inc. was incorporated June 27, 1938. The charter was amended on June 30, 1948, changing the name to LeBlanc Laboratories, Inc. and on June 29, 1949, the date of this amendment to the charter, the name was finally changed to LeBlanc Corporation.

The stockholders' records as of June 19, 1950 were shown as follows:

EVELYN HERBERT LeBLANC	20,000
DUDLEY J. LeBLANC	48,470
DUDLEY J. LeBLANC, JR.	5,000
[redacted]	5,000
	5,000
	1,000
OLIVER J. LeBLANC	1,000
Total	85,470

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From these minutes it was ascertained that the incorporators of the Happy Day Company, Inc. were DUDLEY J. LeBLANC, OLIVER J. LeBLANC, and ONESTA MARTIN.

The minutes of a special meeting dated October 20, 1948, contained the following information:

DUDLEY J. LeBLANC, President, explained that he had gone to Washington, D. C. because the type of advertising being conducted by the corporation was not being approved by the Federal Trade Commission and the Food and Drug Administration. LeBLANC explained that both Departments had charges against the corporation and that he had remained in Washington for several days working hard in an effort to iron out these difficulties. The President explained to the Board that these trips were very expensive because of the difficulty in which the company finds itself.

LeBLANC explained that the officials in Washington, D. C. required the name to be changed from LeBLANC LABORATORIES and a resolution was adopted to change the name to LeBLANC CORPORATION. It was also resolved at this time that the LeBLANC CORPORATION indemnify its directors, officers, and employees against any and all expenses, including attorney's fees or liability for such expense sustained by them in connection with any suit brought against them involving their official acts or duties in which suit personal liability is established or which may be compromised.

The minutes of a special meeting held on February 7, 1949, reflected the following information:

DUDLEY LeBLANC, President, explained that during the latter part of last year, he made three trips to the East and particularly to Washington, D. C. to iron difficulties out in which the corporation had found itself through advertising which authorities in Washington, D. C. did not approve. The question of expense incurred by the President was discussed. It was resolved that DUDLEY J. LeBLANC received $31,382.47 for expenses incurred for travel and promotion of Hadacol during 1948 for which he would give an accounting. Thereafter, expenses which he incurred would be reimbursed on the 15th day of each month following.

A resolution of the Board of Directors signed by ONESTA MARTIN, Secretary, dated March 10, 1949, authorized the purchase from the Reconstruction Finance Corporation of property acquired by the Reconstruction Finance Corporation from JOHN H. CHATZ, trustee of the bankrupt estate, American Foods Corporation in the City of Lafayette, Louisiana, for $62,500; $31,500 was to be paid in cash, and $31,000 by promissory installment note.

The minutes of the meeting held on June 7, 1949 contained the following:

"Resolved that jurisdiction over expenditures of the business, for whatever purpose be vested in DUDLEY J. LeBLANC.

"Be it further resolved that the Board of Directors ratify the manner and methods in which DUDLEY J. LeBLANC has conducted the management of the business and that all financial policies of the corporation be vested in him.

"Be it further resolved that the President be authorized to spend whatever sums of money and to what extent deemed proper, to the best interest of the corporation, and to reimburse him for necessary travel and related expenses in the promotion of the business."

Minutes of a special meeting held August 19, 1950, contained the following information:

The President of the company was about to embark on a good will tour to publicize Hadacol and the cost would probably exceed $250,000. A resolution was passed authorizing the corporation to reimburse DUDLEY J. LeBLANC for any aid on expenses necessary and incident to carrying on the Hadacol good will tour.

It was further resolved that DUDLEY J. LeBLANC, President, be authorized to appoint MAC D. HEDRICK to perform such duties as may be designated by and receive compensation fixed by DUDLEY J. LeBLANC.

The minutes of a special meeting of the Board of Directors held August 24, 1951, at Augusta, Georgia, reflected that the officers and directors consisting of DUDLEY J. LeBLANC, ONESTA MARTIN, OLIVER J. LeBLANC, [redacted] and DUDLEY J. LeBLANC, JR. resigned and were replaced by ASHER LANS, HOWARD LAWN, LILLIAN GOULD, EDMUND GEYER, and PEARL LAWN. b6 b7C

DOYLE made available a list of people to be invited to testimonial dinner. A photostatic copy of this list is being forwarded to the Washington Field Office as an enclosure to this report.

ENCLOSURE: WASHINGTON FIELD (1)

1 photostatic copy of list of people to be invited to testimonial dinner

best copy available

Mr. Lad
Mr. Nich
Mr. Belm
Mr. Clegg
Mr. Clavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Carty
Mr. Mohr
Mr. Winterrow
Tele. Room
Mr. Holl
Mr. Sizoo
Mr. Gandy

FBI WASH FIELD 1-30-53 1:45 A.M.

DIRECTOR AND SACS DALLAS AND NEW ORLEANS URGENT

DUDLEY JOSEPH LE BLANC, ETAL, BRIBERY. EXPEDITE REPORT.

BUDED FEBRUARY TWO NEXT.

HOOD

HH:mf:MCP
-417

G.I.R.

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58-2808
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58-2808-391

70 FEB 9 1953
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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
WASHINGTON, D. C.	2/2/53	11/14,15,23,28/52	WILLIAM C. [redacted]

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC, ET AL	BRIBERY

SYNOPSIS OF FACTS:

1 cc. [illegible]

T-1, T-2 and T-3, all of known reliability, advised no record of LeBLANC or MAC D. HEDRICK at the [redacted] b7D

-P-

DETAILS: AT WASHINGTON, D. C.

Special Agent WILLIAM H. WELCH, JR. advised that T-1 was unable to locate any record concerning LeBLANC or MAC D. HEDRICK at the [redacted] b7D

T-2 and T-3, both of known reliability, advised Special Agent WELCH that they could locate no record concerning LeBLANC or HEDRICK at the [redacted]

-P-

EXPEDITE PROCESSING

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES		
[illegible]		58-2808	40	INDEXED - 44

COPIES OF THIS REPORT

(3) - Bureau (58-2808)

2 - Washington Field (58-417)

FEB X 1953

58-2808

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WFO 58-417

b6
b7C
b7D

ADMINISTRATIVE PAGE

INFORMANTS

T-1:

T-2 and T-3:

LEADS

A review of WFO files reflects all leads covered this district. Further, that the New Orleans and Dallas Offices are the only auxiliary offices with leads outstanding.

REFERENCES: Report of SA WILLIAM C. HIGGINS dated 1/16/53, at Washington, D. C.

WFO letter to Director dated 2/2/53.

WFO Tel to Dallas and New Orleans dated 1/30/53.

58-2808-40

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
WASHINGTON, D. C.	2/9/53	2/6/53	WILLIAM C. HIGGINS DL

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LeBLANC, ET AL	BRIBERY

SYNOPSIS OF FACTS: All outstanding leads covered.

- C -

DETAILS: AT WASHINGTON, D. C.:

A review of the Washington Field Office files, concerning this matter, reflects that all outstanding leads have been covered.

- C -

EXPEDITE PROCESSING

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

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WFO 58-417

ADMINISTRATIVE PAGE

REFERENCES: Report of SA WILLIAM C. HIGGINS dated 2/2/53, at Washington, D. C.

Report of SA EARL COX dated 1/30/53, at New Orleans, Louisiana.

Report of SA PAUL H. RAINES dated 2/2/53, at Dallas, Texas.

WFO letter to the Director dated 2/2/53.

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (58-2808) DATE: February 2, 1953

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY JOSEPH LeBLANC, ET AL
BRIBERY

Reref of SA WILLIAM C. HIGGINS dated 1/16/53, at Washington, D. C., and report of SA HIGGINS dated 2/2/53, at Washington, D. C.

SA WILLIAM H. WELCH, JR., advised that WILLIAM KIRK, Resident Manager, Statler Hotel, 16th and "K" Streets, N. W., Washington, D. C., failed to locate, from available files, any information concerning DUDLEY J. LeBLANC or MAC D. HEDRICK.

SA WELCH stated that Mr. KIRK had advised that complete records for 1949 and 1950, were currently in storage and that a search of these files would entail considerable difficulty and time.

This information is set out by separate memorandum in accordance with existing Bureau policy.

~~EXPEDITE PROCESSING~~

WCH:NFR

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
DALLAS	2-2-53	1-22,26-53	PAUL H. RAINES cts

TITLE	CHARACTER OF CASE
DULLEY JOSEPH LeBLANC; THE LeBLANC CORPORATION; JAMES ALBERT NORTON; UNKNOWN SUBJECT, RFC EMPLOYEE, NEW ORLEANS, LOUISIANA	BRIBERY

SYNOPSIS OF FACTS: RICHARD J. BROWN, Dallas, Texas, advised connected with LE BLANC and Hadacol Corp., from 3-49 to 4-52. Denied knowledge of any bribery or attempted bribery of any government employee or official by any Hadacol employee; stated did not believe MAC HEDRICK could have done so because reputation generally in Washington was very poor. Mr. LYLE H. TOWNER, Dallas, former partner of HEDRICK, advised no files of HEDRICK available and stated HEDRICK alcoholic addicted to barbiturates and another form of narcotics. Stated believed HEDRICK probably used money advanced by Hadacol for purchase of narcotics.

~~LEAVE FOR PROCESSING~~

- RUC -

DETAILS: AT DALLAS, TEXAS:

Mr. RICHARD J. BROWN, President, Big 12 Corporation, 5008 Greenville Avenue, advised that he was formerly employed by the Vicks Corporation as Vice President in charge of a soft skin cream operation of this company and that he was employed by LE BLANC as General Manager of the Hadacol Corporation in March, 1949. He continued as General Manager of the corporation until April, 1952, at which time he resigned.

Mr. BROWN said that although his title was that of General Manager he was actually employed for his knowledge of the selling and handling of proprietaries and his knowledge of the advertising of proprietaries and that he had nothing to do with the

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financial and most of the business operation of the Hadacol Corporation. He added that Mr. LE BLANC was a very peculiar sort of in in that he never "let his left hand know what his right hand was ing" and that quite often he, BROWN, would be unaware of decisions which had been made which vitally affected his own operations until sometime after the plan conceived by LE BLANC had been put into operation.

Mr. BROWN said that he knew of no money spent or offered to anyone for the influence or favors from any government official. He recalled that TURNEY GRATZ had appeared in Louisiana shortly before the corporation went bankrupt and stated that he had been retained by LE BLANC and MAC HEDRICK to represent their interests in Washington in about February, 1951. BROWN said that he knew that this was true. BROWN said that it was his opinion, unconfirmed, by any evidence which he could offer, that LE BLANC thought that he could employ GRATZ to represent him and thereby buy influence, but that GRATZ apparently did not see eye to eye with him on this and had accepted employment merely to represent his interests. He said that he did not believe that GRATZ was ever paid for any of his services.

BROWN also advised that he knew that Dr. SPIES was given $50,000 for the purpose of alleged research and testimonials as to the benefits of Hadacol concerning rheumatism and arthritis. He knew nothing of the occasion wherein HEDRICK allegedly received $10,000 from LE BLANC for the purpose of entertaining Mr. MEAD, head of the Federal Trade Commission.

Mr. BROWN said in 1949 he made a trip to New York in an attempt to secure a national advertising agency. He made numerous trips throughout the country but very few were with HEDRICK. In January, 1951, he met HEDRICK in Washington, D.C. HEDRICK was there to see about opening markets for Hadacol in Maryland and Pennsylvania. BROWN was there to take some of the advertisements to Proprietary Associates (Dr. W. G. CULLEN) and to the Compliance Enforcement Division of the Federal Trade Commission for their approval. He said that it was his opinion that HEDRICK was in very poor repute around Washington and that he could not accomplish many, if any, of the things which LE BLANC wanted him to to promote Hadacol and which he claimed to be accomplishing. In August, 1951, BROWN said he was with LE BLANC and a Mr. LOWE and met MAC HEDRICK at the New York airport, where they all went to Philadelphia to see about the sale of the stock of the Hadacol Corporation to the new group of buyers. He could recall no other instances when he was with HEDRICK on trips.

Mr. BROWN said that HUDLEY JOSEPH LE BLANC was a rather excitable type of individual, one who entertained very lavishly.

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whether for potential customers, friends or government officials. He said that he did not believe that LE BLANC entertained any more lavishly for one group than for any other. He indicated that some of the old Roman banquets apparently were the nearest thing to LE BLANC's parties that he could conceive. Whenever any of his employees made a trip with LE BLANC, he did not want them to take any money with them for expenses but rather wanted them to come to him for any expenses they incurred. In other words, according to BROWN, LE BLANC liked to be a "big shot" and could not delegate any authority.

He said that about the only exception to the above was in the case of MAC HEDRICK. He advised that approximately for a year to 15 months after HEDRICK went to work for LE BLANC HEDRICK was unmarkable, in LE BLANC's eyes, to do any wrong despite the fact that LE BLANC would periodically "get disgusted" with HEDRICK because of HEDRICK's habit of going on an extended period of extreme intoxication for a week or two out of every month. He said that occasionally HEDRICK would go for a couple of months without an extended period of intoxication for more than three or four days. He advised that HEDRICK was full of ideas and an excellent promoter when sober and that this apparently influenced LE BLANC a great deal. He said that he did not doubt that LE BLANC had therefore advanced considerable amounts of money to HEDRICK but indicated that had LE BLANC given HEDRICK $10,000 to entertain any one person and four days later had $102 handed back to him that it would "have been necessary to repair the ceiling where LE BLANC bored a hole in it from slowly spiraling around in mid-air." BROWN continued that personally he had never trusted HEDRICK with anything of his own, nor would he have, but that apparently LE BLANC had done so.

Mr. LYLE H. TOWNER, Vice President and co-owner, Big 12 Corporation, 5008 Greenville Avenue, advised that HEDRICK had no files, personal or otherwise, or records at the Majestic Advertising Agency, located at the same address, and that not only he, but HEDRICK's relatives, would like to know where such records were if such existed. He said that he and HEDRICK first began to work together on the Hadacol advertising account in April, 1949, and that they formed the Hedrick and Towner Advertising Agency on about August 1, 1949. In the late summer of 1950, due to the fact that HEDRICK was a chronic alcoholic and since he had "messed up several accounts", they informally terminated their partnership but left it officially on the records in order to handle certain of their advertising accounts which they had together. In the fall of 1950 HEDRICK then went to work for the Hadacol Corporation and set up a clinic in Houston for the study of vitamin deficiencies under a Dr. L. A. WILLEY. Shortly thereafter, TOWNER set up the Majestic Advertising Agency and HEDRICK came to him and informed him that he could get a big

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of the Hadacol business under two conditions: 1. that he set up the B & H Trading Company as his account executive and 2. that he give HEDRICK one-third of all net profits of the agency. TOWNER said he agreed to do so and that he thereafter got a large part of the Hadacol business and made a number of trips with HEDRICK in the promotion of Hadacol's business. He said that he had discovered that at a meeting of wholesale druggists held in Hollywood, Florida, HEDRICK had "shot off his mouth" so that Dr. W. G. CULLEN of the Proprietary Association could hear him to the effect that he had no trouble with Cullen, that he had "the old man wrapped around his little finger" and that he had "all of the members of the Federal Trade Commission in the palm of his hand". CULLEN became so incensed at HEDRICK that he would have nothing further to do with him and thereafter Hadacol began to have trouble with their advertising. TOWNER said that he firmly believed that CULLEN had informed the members of the Federal Trade Commission concerning HEDRICK's statements and that from his trips to Washington he did not believe that HEDRICK would be talked to either in public or private by any respectable or reputable person in Washington because of his exceedingly poor reputation.

TOWNER said that he frequently had to put HEDRICK in a private sanatarium in Houston and that he often used a Counts Sanatorium, 202 Hutcheson Street, Houston, Texas. He said that shortly before HEDRICK's death he had learned that HEDRICK, in addition to being a chronic alcoholic and addicted to the use of barbiturates, was also a narcotic addict using a hypodermic syringe. He reported that HEDRICK apparently had a great deal of resistance to narcotics of any type and said that on several occasions it had been necessary to use a sedative on HEDRICK when he was out on a business trip and an extended drunk. On at least one such occasion the physician had given HEDRICK a shot of demerol (a synthetic sedative) with the comment that that would keep HEDRICK down for at least seven or eight hours but that HEDRICK had been down in the lobby of the hotel within thirty minutes. He said that HEDRICK had gone on an extended drunk in Louisiana shortly before his death, had escaped from the guard who was trying to keep him away from liquor, and in doing so had fallen and apparently broken his collar-bone. A few days later he appeared in Houston, went by the Counts Sanatorium to get a [illegible] of shots, stating that he was in a great deal of pain and shortly thereafter both he and TOWNER had departed for New York. While on the plane, TOWNER discovered for the first time that HEDRICK was apparently under the influence of dope. When they arrived at [illegible] in New York, TOWNER had hired two male nurses to take care of [illegible] and shortly thereafter the nurses had informed him that they

a hypodermic syringe in HEDRICK's clothing and another in his bag. They believed that he was addicted to narcotics more than the use of barbiturates.

TOWNER also advised that he had been contacted by the manager of the Warwick Hotel in Philadelphia, and also by the house physician, a week or two before HEDRICK's death in Philadelphia in 1951. He said that at the time the manager had told him, believing that he was still HEDRICK's partner, that he would have to get HEDRICK out of the hotel and that he definitely needed hospital treatment; that HEDRICK had cashed over $5,000 in personal checks in a little less than ten days. The house physician and the manager indicated that they believed that this was being spent for narcotics in addition to whiskey. TOWNER said he subsequently got HEDRICK into a hospital through his relatives in Florida, where HEDRICK died.

Mr. TOWNER said that he did not believe that LE BLANC had ever bribed or attempted to bribe a government official; that he thought LE BLANC himself was too smart to do it; and that he did not believe that HEDRICK could get close enough to one to bribe one. He said that HEDRICK was thoroughly untrustworthy, unreliable and not dependable and that he thought HEDRICK would steal anybody's money he could get his hands on. He said that he knew that HEDRICK had gone through over $40,000 of his own money in one year, apparently to sustain his narcotic habit, and that he had no doubt that he had gone through some of LE BLANC's money to sustain the habit if he could.

- RUC -

DL 58-99

ADMINISTRATIVE PAGE

No leads are being set out in this matter, although some of the information contained herein indicates that possibly additional information could be obtained from other sources as indicated, because the Dallas Division has no information as to whether or not such leads be pertinent to the investigation or whether they have already been covered. This is being left to the discretion of the office of origin.

REFERENCE: Houston letter to Washington Field dated 12-31-52.

Report of SA LAURENCE J. FRANK, JR., dated 11-14-52 at New Orleans.

New Orleans letter to the Bureau dated 12-31-52.

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Assistant Attorney General
Warren Olney III

February 17, 1

Director, FBI

DUDLEY JOSEPH LeBLANC, et al
BRIBERY

There are attached hereto copies of the reports in this case of Special Agent Paul J. Raines dated February 2, 1953, at Dallas, Texas, and of Special Agent William C. Higgins dated February 2, and February 9, 1953, at Washington, D. C.

Pursuant to the request of Departmental Attorney Henry Arrington, copies of all reports submitted in this case are being furnished to the United States Attorney for the District of Columbia.

Our Washington Field Office has been instructed to maintain contact with the United States Attorney of the District of Columbia for the purpose of reporting his views as to the advisability of effecting prosecution herein.

Attachment

cc: 2 - Washington Field (58-417)
NOTE: SAC, WASHINGTON FIELD

ReBumemo to NY dated January 23, 1953. Furnish to USA DC immediately copies of all reports submitted in this case except report of SA Harold F. Good dated 1-13-53 at NY which Bureau, by referenced memo, instructed NY to amend. Supply copy of Agent Good's amended report to USA. Maintain contact with USA and advise Bureau by March 6, as to his decision relative to prosecution herein.

NOTE: Departmental Attorney Henry Arrington on February 1[illegible] 1953, requested Inspector L. Pennington to supply copies of all reports in this case to USA DC.

JCS:jsp

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FILED 16
FEB 18 1953

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (58-2808)

DATE: 2/9/53

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY JOSEPH LeBLANC, ET AL
BRIBERY

Rerep of SA WILLIAM C. HIGGINS, dated 2/2/53, at Washington, D. C., concerning captioned matter.

Enclosed herewith are three copies of corrected page 2 of referenced report, and the Bureau is requested to make the appropriate changes.

These changes have been made in both the WFO copies.

Enclosures (3)
WCH:DL

EXPEDITE PROCESSING

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1953

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STANDARD FORM NO. 64

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FD-205

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (File) DATE: March 6, 1953

FROM : SAC, NA (File 7-417)

SUBJECT: DUDLEY J. LEBLANC
BRIBERY.

This case will be delinquent.

Date of Bureau deadline: 3/9/53

Reason for the delinquency:

USA has not yet furnished the WFO with prosecutive opinion

Date the report or necessary communication will reach the Bureau:

Upon receipt of prosecutive opinion from the USA.

AEC zone designation, e.g., OR, CH, etc.:
(This applies only to 116 cases.)

WCH/mch

58-2808

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58-2808

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (58-2808) DATE: 3/9/53

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY LE BLANC
BRIBERY

Re: New York Air Tel dated 3/4/53.

Referenced Air Tel advises "WILLIAM SAYRE, an associate of JaROME DOYLE, Attorney, 63 Wall Street, New York City, advised that he has three files of the LE BLANC Corporation marked Federal Trade Commission, with material from about 1946 to 1951. SAYRE stated material does not include any evidence of bribery of Government officials, but contains acknowledgments of gifts and names of contacts of LE BLANC in Washington, D. C., which include names of Government officials. Washington Field requested to advise if review of these files by NYO is desired."

The Bureau's attention is directed to the fact that investigation at Washington, D. C. disclosed the identities of several FTC employees at Washington, D. C., who were the recipients of 1949 and 1950 Christmas gifts from subject, and attended the LE BLANC banquets of 1949 and 1950; however, no such information was uncovered concerning employees attached to the New York office of the FTC. Further, that all investigative reports in this case have been furnished the USA at Washington, D. C. for his prosecutive opinion.

~~REQUEST PROCEEDING~~

Unless advised to the contrary by the Bureau, New York will review the files in SAYRE's possession for any pertinent information regarding case and thereafter will conduct any investigation indicated by this review. In this connection, the attention of the New York Office is directed to the leads set out for New York by WFO letter dated 12/22/52, in which reference is made to the sworn statement LE BLANC furnished Bureau Agents at Lafayette, Louisiana, and in which he said that he had met an FTC employee constantly in the lobby of the New Yorker

WCH:MPW
1 - New York (58-716)(~~AMSD~~)

58-2808-47

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Hotel and that although he does not recall the name of this employee, he did state "I don't recall his name but he had been photographed with HEDRICK in some bar room and after the picture was shown to him, he got scared because he knew HEDRICK was representing me."

58 2808- 47

Mr. Tolson
Mr. La
Mr. N

WASHINGTON FROM WASH FIELD 3-10-53 4:1[illegible] PM

DIRECTOR DEFERRED

DUDLEY JOSEPH LEBLANC, ET AL., BRIBERY. REMYLET MARCH NINTH LAST. BUFILE FIVE EIGHT DASH TWO EIGHT ZERO EIGHT. BY LETTER DATED MARCH THREE LAST, THE USA AT WASH., D. C. ADVISED IN PART AS FOLLOWS: QUOTE. ACCORDINGLY, THIS OFFICE WOULD ADVISE THAT THE FACTS SUBMITTED ARE INSUFFICIENT TO WARRANT PROSECUTION. SHOULD FURTHER INFORMATION BECOME AVAILABLE WHICH WOULD TEND TO SUBSTANTIATE THE CHARGES OR ALLEGATIONS OF THE SUBJECT LEBLANC, THIS OFFICE WOULD BE PLEASED TO RECONSIDER ITS OPINION. POSSIBLY THIS MATTER SHOULD BE REFERRED TO THE DEPARTMENT OF JUSTICE TO CONSIDER WHETHER OR NOT THE FACTS DISCLOSED WARRANT SUBMISSION OF THIS FILE TO THE BUREAU OF INTERNAL REVENUE TO INVESTIGATE A POSSIBLE TAX FRAUD. UNQUOTE. THIS IS BEING FURNISHED FOR YOUR INFO AND WILL BE SET FORTH IN DETAIL IN [illegible] FOLLOWING RECEIPT ADDITIONAL REQUESTED INVESTIGATION AT NY.

HOOD

WCH:MSB

58-417

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30 MAR 12 1953

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WASH 22 FROM NEW YORK 17 9-45 P

DIRECTOR URGENT

DUDLEY LE BLANC, BRIBERY. RE BUREAU O-ONE FORM MARCH TEN LAST. UNABLE TO MEET BUDED MARCH EIGHTEEN. REPORT WILL BE SUBMITTED MARCH TWENTY NEXT.

BOARDMAN

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58 2808- 49

53 MAR 26 1953

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (58-2808) DATE: March 24, 1953

FROM : SAC, WFO (58-417)

SUBJECT: DUDLEY JOSEPH LE BLANC; Et Al
BRIBERY

Rep SA HAROLD F. GOOD (A), dated 3/18/53 at New York.

It is noted that referenced report reflects LE BLANC thanked the following Louisiana Congressmen for assistance and cooperation they rendered him in connection with his case at FTC:

OTTO E. PASSMAN
JAMES H. MORRISON
OVERTON BROOKS
EDWIN E. WILLIS
HALE BOGGS
and former Louisiana Congressman HENRY O. LARCADE.

UACB, the WFO will not interview these individuals inasmuch as investigation at Washington, D. C. failed to reflect any evidence of bribery of FTC officials by LE BLANC or any of his representatives.

Referenced report is being referred to the United States Attorney and the Bureau will be advised concerning his prosecutive opinion.

WCH:ab

58-2808

67 MAR 31 1953

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD MKC

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK	3/18/53	3/17/53	HAROLD F. GOOD (A)

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LE BLANC; ET AL	BRIBERY

SYNOPSIS OF FACTS: JEROME DOYLE, Attorney, made available files of Le Blanc Corporation marked "Federal Trade Commission" covering the years 1945-52. Files reflect LE BLANC gave gifts to WILLIAM M. KING and JAMES A. HORTON of FTC and that KING and his wife were guests of LE BLANC at a party in 1949; that HORTON and P.B. MOREHOUSE also of FTC attended a dinner in company of LE BLANC. Congressmen BROOKS, BOGGS, LARCADE, PASSMAN, MORRISON and WILLIS were thanked by LE BLANC for their assistance and cooperation in his case with the FTC.

- R U C - G. I. R. -8

DETAILS: JEROME DOYLE of the law firm of Cahill, Gordon, Cazhry and Reindel, 63 Wall Street, NewYork City made available files of LeBlanc Corporation which were marked Federal Trade Commission. Material in this file covered the years 1945 to 1952.

This file contained a letter dated December 9, 1948 from WILLIAM M. KING, who is the Assistant Chief Trial Counsel of the Federal Trade Commission, to DUDLEY LE BLANC in which KING acknowledges the receipt of a box of fruit and other delicacies as a gift from Mr. and Mrs. LE BLANC.

~~EXPEDITE PROCESSING~~

APPROVED AND FORWARDED: LVB SPECIAL AGENT IN CHARGE

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MAR 19 1953

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NY 58-716

A letter from JAMES A. HORTON of the Federal Trade Commission, dated January 5, 1949 to Mr. and Mrs. DUDLEY LE BLANC acknowledged the receipt of a gift which was identified only as "a lovely assortment of all the things we like".

In a letter dated March 25, 1949 from DUDLEY LE BLANC to WILLIAM M. KING, LE BLANC stated "I want to first tell you how much I enjoyed myself at the party the other night with you and Mrs. KING and I was very, very honored to have you as my guest".

In a letter dated August 21, 1950 to DUDLEY J. LE BLANC, J. A. HORTON of the Federal Trade Commission stated "I have received the enlarged picture taken at your recent dinner in Washington and while I think the picture of the others is excellent, I have no comment to make about myself.

"It was a great pleasure to have been with you and I do so much appreciate your courtesy in sending me the enlarged photograph".

In a letter dated August 8, 1950 to DUDLEY LE BLANC, P.B. MOREHOUSE of the Federal Trade Commission stated "I thank you for the very fine picture, enlarged and framed which you were good enough to send me. I shall preserve it as a memento of a most enjoyable evening in fine and illustrious company".

In a letter dated August 29, 1950 to DUDLEY LE BLANC, W. T. KELLEY of the Federal Trade Commission stated "On my return to the office from a vacation I found your letter and also the enlargement of the picture. I think it is fine of all of us. I thank you very much for your kindness in sending it to me".

By letters dated September 2, 1949 LE BLANC thanked the following congressmen "for the assistance and cooperation you gave me in the case with the Federal Trade Commission":

OTTO PASSMAN;
JAMES H. MORRISON;
OVERTON BROOKS;
EDWIN E. WILLIS.

In letters dated August 29, 1949 LE BLANC similarly expressed his thanks to Congressmen HENRY D. LARCADE Jr., and HALE BOGGS.

The remaining material in these files did not appear to be pertinent to this investigation.

- R U C -

NY 58-716

ADMINISTRATIVE PAGE

REFERENCE: Washington Field letter to the Bureau, 3/9/53.

best copy available

FEDERAL BUREAU OF INVESTIGATION

Serial No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
WASHINGTON, D. C.	3-27-53	3/9,10,24/53	WILLIAM C. HIGGINS GJM

TITLE	CHARACTER OF CASE
DUDLEY JOSEPH LE BLANC; ET AL	BRIBERY

SYNOPSIS OF FACTS:

AUSA declined prosecution inasmuch as investigation failed to reflect evidence of bribery or conspiracy between subjects and FTC officials in instant case.

1cc RAB sent 3/30/53

1 Photostat Bu. Int. Rev. 5/16/53

DETAILS: AT WASHINGTON, D. C.

1cc & RFC 4/21/53

On March 3, 1953, the facts of this case were discussed with Assistant United States Attorney FREDERICK G. SMITHSON who advised that it was his considered opinion that this case did not warrant prosecution and that he would furnish the Washington Field Office with a letter setting forth his opinion.

By letter dated March 3, 1953, over the signature of CHARLES M. IRELAN, United States Attorney, Mr. SMITHSON advised as follows:

"Your letter of February 24, 1953, relative to the captioned matter and enclosing therewith sixteen reports of the Federal Bureau of Investigation, has been received and a review has been made of the information submitted.

APR 10 3 22 PM

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20 APR 2 1953

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"Examination of the report of October 31, 1952, by Special Agent William C. Higgins, Washington Field Office, reveals that the testimony of the subject, Dudley Joseph LeBlanc, did indicate that certain Government employees were bribed or at least accepted gifts to influence their decisions for matters presently pending before them by Mr. LeBlanc. The subject was careful however not to make any statement that he personally paid any Government employee or that he knew positively the name or position of any employee who was paid, but did state that he gave to a former employee, one Mack Hearick, since deceased, large sums of money which he, Mr. LeBlanc, states Hearick told him were necessary to influence the decisions of certain Government officials.

"Upon this review it would appear that certain Government employees had accepted a bribe or at least had committed a violation of Section 281 of Title 18 U. S. Code. Review of all the succeeding reports failed to corroborate the testimony of the subject, Dudley LeBlanc, in any material respect insofar as the above-named criminal charges are concerned. Review of the procedures followed by the employees of the Federal Trade Commission indicate to this office that there exists little or no foundation for the statement by the subject LeBlanc that certain employees were bribed, as the system of checks and counter checks would necessitate a wholesale scheme of bribery, beginning with the lower level of the Federal Trade Commission employees up to and including a majority of the Federal Trade Commissioners. There is no evidence to be found that would support such an assumption nor does it seem feasible to this office that such a plan or conspiracy ever took place. On the other hand, it is noted from the report of January 13, 1953, by Special Agent Harold F. Good of the New York Field Office of the Federal Bureau of Investigation that the minutes of the LeBlanc Corporation for the period from June 17, 1950, to August 24, 1951, are missing and unaccountable by the subject LeBlanc or his personal secretary. These minutes relate to the period in question and their absence is deemed highly significant. It should be remembered that at the time the transcript of testimony of the subject LeBlanc was taken in Lafayette, Louisiana, beginning on August 25, 1952, the LeBlanc Corporation had been sold by the subject LeBlanc for a large sum of money and he had been retained as its General Manager. Within a very short length of time after the sale the corporation was found to be insolvent and went into bankruptcy.

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"The attorney for the trustee, Jerome Doyle, took the testimony of Mr. LeBlanc in an endeavor to locate any assets which might be concealed. It is the opinion of this office that the subject LeBlanc asserted that he gave money to the deceased, Mack Hedrick, to bribe Government employees for the sole purpose of hiding funds which he could not otherwise account and whose whereabouts are unknown.

"Accordingly, this office would advise that the facts submitted are insufficient to warrant prosecution. Should further information become available which would tend to substantiate the charges or allegations of the subject LeBlanc, this office would be pleased to reconsider its opinion. Possibly this matter should be referred to the Department of Justice to consider whether or not the facts disclosed warrant submission of this file to the Bureau of Internal Revenue to investigate a possible tax fraud."

On March 24, 1953, Mr. SMITHSON was recontacted with reference to additional information supplied by the New York Office concerning the receipts of gifts by Federal Trade Commission officials and the attendance of Federal Trade Commission officials at banquets sponsored by subject LE BLANC.

Mr. SMITHSON advised that this additional information failed to reflect any information which would cause him to change his prosecutive opinion as set forth above.

With reference to the information supplied by the New York Office that LE BLANC thanked various members of the Louisiana Congressional Delegation for their assistance and cooperation rendered him in connection with his case at the Federal Trade Commission, Mr. SMITHSON advised that he did not desire these Congressmen interviewed inasmuch as no evidence was shown in the course of this investigation substantiating the original allegations that LE BLANC obtained favors through bribes of Federal Trade Commission employees.

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ADMINISTRATIVE PAGE

On March 24, 1953, JAMES M. MEAD, Chairman of the Federal Trade Commission, telephonically advised the writer that he had received information to the effect that LE BLANC is now engaged in the production of Ny Rite, a chemical which LE BLANC alleges strengthens nylon stockings forty times their normal strength, and that LE BLANC made the statement that the Federal Trade Commission forced him out of the Hadacol business. Mr. MEAD stated that inasmuch as this information contradicts the original allegations that LE BLANC bribed employees of the Federal Trade Commission, he, MEAD, desired this additional information to be attached to the report of his investigator, JOHN BASS, and which report was furnished the Federal Bureau of Investigation.

On March 26, 1953, the writer received from the Office of the Chairman of the Federal Trade Commission a sealed envelope addressed to the Director, and this envelope was forwarded unopened to the Bureau.

REFERENCE: WFO letter to the Director dated March 24, 1953.
Report of Special Agent HAROLD F. GOOD (A) dated March 16, 1953, at New York, New York.

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Assistant Attorney General
Warren Olney III

April 2, 1953

Director, FBI

DUDLEY JOSEPH LE BLANC
BRIBERY

There is attached for information purposes a Photostat of a letter to the Bureau dated March 24, 1953, from Honorable James M. Mead, Chairman of the Federal Trade Commission, which makes reference to captioned case. There are also attached Photostats of the enclosures to Mr. Mead's letter.

Attachment

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RECORDED - 71

APR 6 1953
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COMM - FBI
APR 2 - 1953

APR 13 1953

8808- 58

April 2, 1953

Re: DUDLEY J. LE BLANC, ET AL.
BRIBERY

G.I.R.-9

Honorable James M. Mead
Chairman
Federal Trade Commission
Pennsylvania Avenue at Sixth Street, N. W.
Washington 25, D. C.

My dear Mr. Mead:

This will acknowledge receipt of your letter dated March 24, 1953, with which were enclosed a memorandum dated March 20, 1953, of Mr. John H. Bass, Federal Trade Commission attorney, and a newspaper clipping from the "New Orleans Item," dated March 10, 1953, relative to Dudley J. LeBlanc.

Copies of Mr. Bass' memorandum and the newspaper clipping are being furnished to Assistant Attorney General Warren Olney III, to whom we have been referring our reports in the Dudley J. LeBlanc matter.

Your interest in furnishing the aforementioned material to me is indeed appreciated.

With kind regards,

Sincerely yours,

J. Edgar Hoover

JCS:ige

COMM-FBI
MAILED 19

APR 15 1953

62-2808-54

Sen. LeBlanc Has New Product--For Stockings

Sen. Dudley J. LeBlanc is going to cover the South with a thin, invisible film.

At any rate, he's going to cover the legs of the ladies of the South.

After that France, England and Italy.

The senator was in town today with an empty bottle, a new company and some caustic comments.

The caustic comments concerned what happened to Hadacol, Inc., LeBlanc's old patent medicine company. The empty bottle had to do with "Ny Rite" the senator's new *firm* and latest gift to mankind.

"Ny Rite," says LeBlanc, "is a secret formula invented by me in which the ladies will wash their nylons. It makes them snag resistant, strengthens the fiber, makes them fit better and keeps the seam straight in the rear. Its made with a diluted resin which leaves an invisible coating."

MEDICINE'S OUT

It does not cure corns, weak ankles or athlete's foot.

One of the reasons it doesn't is that LeBlanc "is through with the medicine business."

The reason he is through with medicine is the Federal Trade Commission which Dudley feels "doesn't know its business and doesn't want to learn." The FTC gave the senator a lot of trouble when he was promoting Hadacol.

"First they wouldn't let me say it would cure arthritis, then they wouldn't let me say it would cure rheumatism, then they wouldn't even let me say it would cure neuritis."

Dudley got so discouraged he sold Hadacol for $8 million. He got a half million in cash and was supposed to get the balance out of future profits. The future profits never appeared and all Dudley got was the half million and a first mortgage on the company plant in Lafayette.

But that's all in the past and now the senator has a new product and a new plant. The plant is also in Lafayette and LeBlanc is all set with six carloads of empty bottles and enough raw amterials to fill them. He's waiting for shipping cartons and and on April 1 he'll be back in business.

"This stuff," said the senator, waving his empty bottle, "will give 30 to 40 extra wearings to a nair of nylons. We'll sell a million and a half bottles this year. Then we'll export it in a concentrated form like Coca-Cola. My sources tell me there's already a natural demand for it in France, England and Italy—all those places where nylons are scarce."

CLOSURE

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