

CHAPTER 16

WHEELING & DEALING

“John, that son of a bitch (Bobby Baker) is going to ruin me. If that cocksucker talks, I’m gonna land in jail... I practically raised that motherfucker and now he’s going to make me the first president of the United States to spend the last days of his life behind bars! Tell Nat that I want him to get in touch with Bobby Baker as soon as possible—tomorrow if he can. Tell Nat to tell Bobby that I will give him a million dollars if he takes the rap. Bobby must not talk.”¹ —LBJ

The Bobby Baker Scandal

LBJ had a storied political past, one with giant leaps of office and income. The leader of the Senate, he either bullied or cut deals to satisfy his ambitions. That working style was dangerous—with dangerous relationships. The best example of Lyndon Johnson’s dangerous relationships is also the most prominent. Johnson was professionally and socially very close to Bobby Baker for some years, his loyal aide and protégé. As early as August of 1958, Democratic Senator Alan Bible of Nevada paid a joint tribute to both Johnson and Baker on the floor of Congress. Bible described Baker as “a man who gets things done with the minimum amount of time and a maximum of efficiency,” and referred to Baker as “Lyndon, Jr.”² Baker had worked his way up from a fourteen-year-old Senate page to the point where he was Senate Secretary to the Majority (the Democrats), so powerful he was nicknamed the “101st Senator,” and the closest person in Washington to Lyndon Johnson. At the time of the 1960 elections, Baker kept his position as Senate Secretary, but under the wing of Senator Bob Kerr. His political rise was second only to his financial one; in 1963 he reported his net worth as \$2,166,866.³

In September of 1963, Lyndon Johnson was facing the probable destruction of his career over the series of highly visible investigations of Baker, the man who filed a financial statement in September of 1963 showing a net worth of over \$2 million dollars on a salary of \$20,000 per year. Bobby Baker, who between January of 1962 and November of 1963, deposited over \$1.5 million in his bank account, including cash deposits over \$106,000, and had a new \$125,000 house along with the purchase of a townhouse for his secretary—the same Bobby Baker who reportedly “kept fistfuls of cash in his Senate office.”⁴

BAKER AND BLACK UNLIMITED

Baker was a neighbor of LBJ's in Spring Valley near Washington, D.C. Also in the neighborhood, on the same street—actually just on the other side of LBJ's home—lived Fred Black, a lobbyist for North American Aviation and Baker's business partner. Baker had moved in to join them in April of 1963, just two weeks after he resigned as Secretary of the Senate, with Black in the middle, Baker on one side and Johnson on the other. (All three had previously lived in the same neighborhood with J. Edgar Hoover as a neighbor.)

Baker and Black owned 57% of "Serve U Corp," while having the stock in the name of Baker's business associate and law "partner," Ernest Tucker, to hide their ownership. Baker and Black had paid only one dollar a share for their stock, while their Las Vegas partners, Eddie Levinson and Benjamin B. Sigelbaum, known gangsters, both with connections to the Lansky network (Sigelbaum was frequently observed by the FBI, having breakfast with Meyer Lansky) had paid \$16.52 plus provision of a \$150,000 loan.⁵

Black later told the Senate investigators that Baker must have known casino operator Ed Levinson for some years before Black himself introduced Baker to Levinson on the day before the Kennedy inauguration.⁶ It seems likely that Baker's initial introductions to Vegas connections may have been made by Nevada Lt. Gov. Clifford Jones, who had served on the Democratic National Committee before being forced to resign over scandals in Las Vegas.

Jones had investments in the Golden Nugget and Thunderbird casinos (the Thunderbird was a Lansky operation), and was well known in Las Vegas as a source of major political influence and gaming commission influence. Jones was frequently referred to as "Big Juice" among the casino crowd. Baker, of course, had been well connected with the Democratic National Committee for a number of years. Levinson himself owned the Vegas Fremont in partnership with Clifford Jones, and Levinson had formerly operated a casino in Havana before the Castro revolution.

Among the accusations initially raised in the Baker scandal was the possibility that Bobby Baker had used Johnson's political influence to gain government vending machine contracts (with North American Aviation, Northrop and Space Technologies) for his "Serve U Corporation."⁷ Johnson feared that these investigations and his longtime connection to Baker had placed him at risk and largely at the mercy of Baker. This chapter does not claim to cover every bad situation facing Lyndon Johnson in 1963, or a complete background on his transgressions. What the reader will learn is that LBJ had a very solid reason to fear that he would be forced to abandon politics for good, as well as face the possibility of an actual criminal investigation, and possibly even a legal battle to avoid indictment and prosecution.

As Baker, himself, wrote in his autobiography, *Wheeling and Dealing With Bobby*, "LBJ already was nervous because of the Billy Sol Estes scandal and the resignation of a Texas friend, Fred Korth, who'd quit as Secretary of the Navy, following conflict-of-interest accusations."⁸ That fall, President Kennedy would chide Johnson on the political consequences of both the TWX and Baker scandals, but Johnson himself may well have known that he had even more to fear than the eventual results of those particular scandal investigations.⁹

FRED BLACK'S CONNECTIONS

Bobby Baker's business associate and partner, Fred Black, was also a long time, close personal friend and confidant of John Roselli. Black had the kind of political connections that had gotten Roselli the change in prison venue that saved his life. In fact, the well-

connected Black had Roselli as his houseguest during Roselli's HSCA testimony, and later telephoned Roselli days before his murder with the warning that the Cubans were coming to kill him.

Baker describes Black as a super lobbyist for North American Aviation, among other clients. Black's importance to both Baker and Johnson may be further indicated by an April 21, 1964 telephone call from President Johnson to Cyrus Vance, in which Johnson indicated to Vance that he was especially sensitive to charges of corruption. He instructed Vance to ensure that the press should find no grounds for charges of bribery in his administration. The call had been prompted by newspaper coverage of Black's trial. Black had been accused of taking \$150,000 on behalf of the Howard Foundry Company to intervene with the Air Force, in a \$2.7 million claim against that firm.¹⁰ The Chicago-based Howard Foundry was one of Black's two employers of record, paying him \$2,500 per month, while North American paid him \$14,000 a month. Black's association with Roselli alone might have been enough to inspire the FBI to investigate Black.

EXPOSURE

"There is no doubt in my mind that Reynolds' testimony would have gotten Johnson out of the vice presidency."¹¹ Burkett Van Kirk, minority (Republican) counsel

To others, Hubert Humphrey said that he had heard reports that Bobby Kennedy was plotting Johnson's ouster. Evidently, Richard Nixon had heard the same talk while in Dallas on business and repeated it to the press, resulting in the *Dallas Morning News* headline for November 22, 1963, "Nixon Predicts JFK May Drop Johnson," taking a dig at President Kennedy, whom he knew would be forced to deny it.

Author Alfred Steinberg wrote in his book, *Sam Johnson's Boy*,

"After 1961, Johnson was never observed promoting a Kennedy bill on Capitol Hill, and in private he had complaints about several pieces of legislation and legislative tactics... By the fall of 1963, talk was common in Washington that Johnson would be dropped from the 1964 ticket because he turned into a negative factor. By summer of 1963 when Kennedy began planning his (Texas) trip, he was concerned that his vice president seemed to be doing little to help address the state's current political crisis."¹²

Researcher's John Delane Williams and Debra Conway wrote about Reynolds' testimony, and whether JFK would—or could—get rid of LBJ.

On the other hand, there were reasons that suggest that JFK would not try to rid himself of Johnson. One reason is that Johnson was aware of the JFK's propensity toward involvement with women. The Ellen Rometsch affair was threatening to both JFK and LBJ. But she also came from Bobby Baker's Quorum Club, a club where Senators and lobbyists could be "bad" boys. As a protégé of LBJ, Baker's excesses would likely be linked to Lyndon. Although the leading American newspapers suppressed the "moral side" of the investigation, in its issue of October 29, 1963, *Newsday* ran an almost full-page story entitled "Baker Scandal Quiz Opens Today." It

began with these words, “Already liberally spiced with sex, scandal, and intrigue, the tantalizing case of Robert G. (Bobby) Baker comes under official scrutiny today. And what everyone wants to know is: Who is going to get caught?...”

Topping the article were five pictures with the following legends:

1. Rep. H. R. Gross - Demands facts
2. Sen. Everett Jordan - Pledges Open Inquiry
3. Sen. John J. Williams - Lead Off Witness
4. Robert G. Baker - On Senate Grill
5. Vice-President Johnson - Feels No Taint

The only [further] mention of LBJ in the *Newsday* article was in a paragraph containing this sentence, “A report, from those who claim *inside information*, is that the Justice Department stated an investigation of Baker as a means of embarrassing and eliminating him from the Democratic ticket next year...”

The Willams and Conway article also includes what is called the “Halfen list,” for the first time in publication. This list of names and illegal practices was a proffer for clemency for his conviction in 1957 for tax evasion from “The Big Fix,” Jack Halfen, a payoff man from Texas who “fixed” things for many public officials, along with Carlos Marcello and Vito Genovese, among others. Later, Halfen told Dorman that he deleted LBJ, then a Senator, from the list because Johnson was believed to be working on Halfen’s appeal. Halfen would talk—but he wanted a presidential pardon. According to writer Michael Dorman’s research for his book, *Payoff*, Bobby Kennedy had been interested in an investigation of Halfen from 1961. The list was finally released among FBI papers in 1998 with 38 of the forty names blacked out. That same year the unredacted list was given to Dorman from a Department of Justice source.¹³

Much later, in August 7, 1970, *LIFE* published an excerpt of a forthcoming book by former Kennedy Chief of Staff Kennedy O’Donnell and long-time Kennedy friend Dave Powers, where O’Donnell writes that while the executive staff worked to replace LBJ, “President Kennedy never had any thought of dumping Johnson.” In November of 1963, just before leaving for Dallas, O’Donnell was on the way to Florida with President Kennedy and Senator George Smathers. Smather’s asked JFK if he would get rid of Johnson because of the Baker case. “The president glanced at Smathers and said, ‘George, you must be the dumbest man in the world. If I drop Lyndon, it will look as if we have a serious scandal on our hands in the Bobby Baker case, which we haven’t, and that will reflect on me.’”¹⁴ Whether that remark was for LBJ’s eventual ears, as he and Smathers were also friends, or not, it was too late. Johnson didn’t believe it.

In late 2009, a former *LIFE* magazine staff member (the assistant to the *LIFE* Magazine’s Executive Editor in 1963) revealed that in November 1963, his boss had been in charge of a very special project, the third expose issue in its series of articles on Bobby Baker and the “Baker scandal.” According to the staffer, supported by his knowledge of individuals he witnessed bringing in material for the story, word in the *LIFE* office was that information for the article was being provided not only by *LIFE* investigative resources, but also from the Justice Department, with the apparent approval of Robert Kennedy. By the week of the

Texas trip, the LBJ-Baker piece, prepared by a small, special edition team, was in final editing and scheduled for print in the first December 1963 issue, putting it on newsstands before the end of November. Following the president's assassination, all materials for the issue were embargoed and then destroyed.

"I...believe that I can add one of the final jigsaw puzzle pieces that affect the timing of JFK's Dallas trip and the nervousness of LBJ during the weeks preceding the killing. At the time I was the 27 year old Editorial business manager and assistant to *LIFE* Magazine's Executive Editor. Beginning in later summer 1963 the magazine, based upon information fed from Bobby Kennedy and the Justice Department, had been developoing a major newsbreak piece concerning Johnson and Bobby Baker. On publication, Johnson would have been finished and off the '64 ticket (reason the material was fed to us) and would probably have been facing prison time. At the time *LIFE* magazine was arguably the most important general news source in the U.S. The top management of *TIME Inc.* was closely allied with the U.S.A.'s various intelligence agencies and we were used often by the Kennedy Justice Department as a conduit to the public. *LIFE's* coverage of the Hoffa prosecution, and involvement in paying off Justice Department Memphis witnesses was a case in point."

"The LBJ/Baker piece was in the final editing stages and was scheduled to break in the issue of the magazine due out the week of November 24 (the magazine would have made it to the newsstands on Nov. 26th or 27th). It had been prepared in relative secrecy by a small special editorial team. On Kennedy's death, research files and all numbered copies of the nearly print-ready draft were gathered up by my boss (he had been the top editor on the team) and shredded. The issue that was to expose LBJ instead featured the Zapruder film. Based upon our success in syndicating the Zapruder film, I became Chief of *TIME/LIFE* editorial services and remained in that job until 1968."¹⁵

What Did Don Reynolds Say?

"My God! There's a difference between testifying against a President of the United States and a Vice President. If I had known he was President, I might not have gone through with it."¹⁶ — Don Reynolds

Even with the cancellation of the *LIFE* investigative report, Johnson still faced exposure in the ongoing Senate investigation of Baker for allegations of congressional bribery using money and arranged sexual favors, in exchange for votes and government contracts.¹⁷ Johnson was obviously very concerned. Quoting again from Williams and Conway's article:

"Although Baker resigned his post on October 8, 1963, the biggest scandal of the Kennedy Administration was begun. Hearings were held on November 22, beginning at 10a.m. EST that have been variously characterized as likely leading to Vice-President Johnson being dropped from the 1964 ticket or being removed from office. Don B. Reynolds, a former Air Force and Foreign Service Officer who was in the insurance

business in Maryland, was still being questioned at 2:30p.m. when a secretary burst into the hearing room with the news from Dallas.”

“Reynolds purportedly told B. Everett Jordan and his committee what he knew about Ellen Rometsch and her association with Bobby Baker’s Quorum Club, a private club on Capitol Hill, catering to the libidinal delights of congressmen and lobbyists. As a “goodwill gesture,” Reynolds bought \$1208 worth of unnecessary advertising on Johnson’s Austin television station as a compensation of his having sold a life insurance policy to LBJ. A \$585 Magnavox stereo player was given to the Johnsons (an unreported gift). Reynolds supposedly told of a sex party for lobbyists in New York where he was shown a suitcase full of a \$100,000 payoff for Johnson, for Johnson’s role in securing the TFX contract. Only a bowdlerized version of the testimony reached the public and the press.”¹⁸

Not surprisingly, one of Johnson’s first calls once Aboard Air Force One, the afternoon of the Kennedy assassination, was to LBJ’s advisor and Baker’s attorney, Abe Fortas. The new president’s call included a question as to what had been offered by Reynolds in the scheduled hearing on November 22. He was told the hearing had been cancelled due the president’s death.¹⁹

The hearing continued to see delays and by February, Johnson and his friends in the Senate had effectively neutered the investigation, and the media attention that the hearings had previously received virtually disappeared. During the course of the investigations, curiously the wife (Loren Drennan) of the chief government investigator assigned to dig into Baker’s finances was found dead in their home. Drennan’s autopsy was inconclusive. The findings allowed either suicide or homicide; no significant criminal investigation was conducted.²⁰

As to the Baker fraud investigation, a February 13, 1964 FBI memorandum (recently discovered) from Belmont to Rosen reports that while Robert Kennedy was away, *President Johnson had confiscated Department of Justice files on Baker*. The memo stated that due to the inability to provide further Justice research, the Baker hearings have come to a standstill.²¹

Kennedy At Risk

BAKER, THE MOB, AND THE WOMEN

Baker made no bones about the fact that it was he who introduced John Kennedy to Ellen Rometsch, the East German party girl. The Rometsch scandal, because of its foreign intelligence implications, threatened President Kennedy with political disaster. It is unlikely that JFK somehow overlooked the fact that it was “Johnson’s boy” who had put him in a position to be compromised by Hoover in the fall of 1963. The incident ended with the attorney general essentially begging the FBI director (technically his employee) not to aid the senate investigation into a sex angle of its Baker inquiry, especially into the subject of Baker’s introduction of Rometsch to the president.²² RFK further threatened Hoover with the “nuclear option” of allowing such an investigation to include members of Congress as well. Regardless, Hoover was in possession of information that could have been explosive if leaked to the press during the 1964 election campaign.

An earlier incident had given Hoover leverage over JFK as a result of the Bureau's knowledge of contacts between the president and Judith Campbell Exner, another "party girl" from Los Angeles who was known to be closely associated with John Roselli, and who later became a personal companion of Chicago mobster Sam Giancana. Exner had apparently been introduced to the president by Frank Sinatra during a visit to Las Vegas in 1960. She had reportedly met JFK again on several occasions, and the White House telephone log recorded her calls to the president's secretary over an 18-month period.²³

Exner was monitored in the company of Roselli as part of the massive FBI surveillance program that tracked his movements, developed a detailed listing of his associates, and even obtained telephone company records of all his calls. The FBI interviewed Exner in November 1961 and observed her with Roselli in Beverly Hills in January of 1962. As part of their ongoing investigation of Roselli, the FBI also monitored calls from phones used by Exner.

The exact details of the calls in question have yet to be documented. Some writers have stated that Exner even called the president when she was staying in Roselli's apartment. But newly available FBI records (covering both physical and electronic surveillance) show no instances of Exner being monitored in Roselli's apartment. It now appears that, although a microphone was in place in his apartment, there was no actual tap on Roselli's telephone. Numerous reports show the FBI obtaining telephone records at various points around the country in an effort to determine whom Roselli was calling. Reports of his calls also mention that room noise and Roselli's phone practices prevented many details of his calls from being overheard, clearly implying the use of a bug/microphone rather than a telephone tap. No instance of Exner actually calling the White House from the apartment has yet been located.²⁴

In 1962, the Exner contacts alone were particularly enough to provide a major piece of leverage over the president. Hoover had written to Kenneth O'Donnell in February 1962, informing him that Exner was in touch with the president and was a close personal friend of noted organized crime figures, including both Roselli and Giancana. In March 1962, after an unusual private lunch with Hoover, President Kennedy supposedly ceased any further contact with Exner.²⁵ Exner's contacts with the president were documented in the White House telephone log (recorded by the president's secretary) and were eventually unearthed (to the media) in 1975 during the Church Committee hearings, apparently as part of the investigation of Roselli and the Castro assassination project with which he had been involved.

Additional calls from Exner to JFK's secretary (1963) with the new 1963 Rometsch incident put Hoover in a commanding position with the Kennedys in regard to both his job and the 1964 election.²⁶ President Kennedy was the first to suffer media exposure from Baker's personal introductions, while Vice President Johnson, who was much more strongly associated with the Baker scandal in the public mind, was the second. Johnson was linked to both influence peddling and kickbacks as the result of a lawsuit against Bobby Baker, a lawsuit that would escalate into Congressional and Justice Department inquiries.

BAKER'S FOLLY

Reading through the detailed description of his legal problems, one is struck by Baker's apparent unawareness of the political risk surrounding his business and investment partners. He seems to have been unconcerned, arrogant, or naïve that the gamblers from Las Vegas

were connected to the highest levels of syndicate gambling and organized crime on the one side, and to government (especially Vice President Johnson) on the other. Baker did acknowledge his work for the Las Vegas casino people and his efforts to help them obtain casino concessions in both the Dominican Republic and Puerto Rico. He claimed that nothing had come of it.²⁷

Nothing may have come of it but *something* of importance must have come up in the conversation. Baker acknowledged that while working for Eddie Levinson, Benjamin B. Sigelbaum, and Clifford Jones (former Lt. Gov. of the State of Nevada, former part owner of the Thunderbird Casino, and longtime Nevada delegate to Democratic National Conventions), all of them had been repeatedly taped during negotiations with the finance officer of the Dominican Republic.²⁸ The U.S. had apparently bugged the embassy of the Dominican Republic and had access to Baker and his partners' conversations with the finance officer. The content of these tapes was judged significant enough to place them in evidence against Baker, until Lyndon Johnson personally arranged for Secretary of State Dean Rusk to write the judge and request that these *tapes be suppressed in the interest of national security*.²⁹

Baker did not detail why these interviews would have been particularly important to Johnson, nor did he seem to question why the FBI had routinely bugged the offices and apartments of his business partners, including both Levinson and Black. Whatever the details were, they frightened Johnson, who told Speaker McCormick that Baker could not only ruin him, but could send him to prison, suggesting at least that some of Baker's illegal activities may have directly involved Johnson's participation or endorsement.

In 1963, Baker had accompanied Johnson on a trip to the Dominican Republic. Shortly thereafter, Baker made a similar trip, this time taking along Levinson and another of their business associates. Whether or not Baker was directly leveraging Johnson's name is a matter of speculation, as the individuals they met with were never questioned. We do know of one business deal in the Dominican Republic that netted Baker an ongoing revenue stream. In this instance, Baker seems to have leveraged his and possibly LBJ's extensive influence within the Department of Agriculture. The net result was that in two separate instances, a Clint Murchison-owned slaughterhouse in Haiti, with a history of poor sanitary practices and failed inspections, managed to pass a new Department of Agriculture inspection. This allowed it to sell its product on the Haitian market, netting Bobby Baker a half-cent per pound finder's fee.

After the Haitians became dissatisfied with the plant's products, Murchison lobbyist Irwin Davidson facilitated a deal to allow the meat to be sold into the United States through a Chicago company. This required a new and even more demanding USDA inspection, which the company passed with no difficulty. Interestingly enough, Baker's half-cent per pound finder's fee was continued with the new customer, although Baker had no obvious association with the Chicago deal.³⁰

In his autobiography, *Wheeling and Dealing*, Baker went to great lengths to relate his business activities and even his financing to Senator Kerr of Oklahoma, merely mentioning that additional investment came from a hotel-casino man named Eddie Levinson and a Miami investor and gambler named Benjamin B. Sigelbaum. He briefly mentions that Fred Black had helped him with introductions to Levinson and Sigelbaum, Baker's other two partners who were also involved in business contacts of great interest to the FBI.³¹ Sigelbaum and Levinson were the major investors in the Fremont Hotel, but in Sigelbaum's case, he

was acting as a front man for his close personal friend and Florida neighbor, Meyer Lansky. Anyone who had breakfast every morning with Lansky, as Sigelbaum did, was certainly of great interest to the FBI, which maintained routine surveillance on Lansky.³²

It remains unclear whether the FBI monitored Baker's meeting with Sigelbaum just before his February 1963 trip to the Dominican Republic with Johnson. In any event, such an association would have been of great interest to both the Bureau and the Republicans on the Senate committee investigating Baker. Edward Levinson was a major investor in the Fremont and in the Horseshoe Club, along with Benny Binion, formerly of Dallas. Binion's Horseshoe Club employed R.D. Matthews, also formerly of Dallas and an acquaintance of Jack Ruby. Ruby had called Matthews' former wife in the early fall of 1963. Binion had also been known to be a good friend of Lansky, but had personally stayed out of gambling activities in Cuba. Perhaps of even greater interest to the FBI, Levinson was involved in business dealings with Moe Dalitz, a major investor in the Desert Inn and the Stardust.³³ The Desert Inn was Roselli's favorite spot in Las Vegas, followed by the Stardust and Horseshoe Clubs.

Moe Dalitz had started in business by establishing a string of laundries in the Midwest where Jack Ruby's brother, Earl, operated his Cobo Cleaners. Dalitz helped the cleaning industry in the Midwest become a bailiwick of the mob and as early as 1949, he began a close association with James Hoffa. His satisfactory union contract terms allowed Dalitz the financial success to become a major gambling figure, both in Havana and in Las Vegas' Desert Inn.³⁴ His Teamster connections also allowed for multi-million dollar pension fund loans that funded the Las Vegas Sunrise Hospital, involving Dalitz with new friends that he had made at the Desert Inn Country Club. It also financed the Three-O-One Corporation, of which Dalitz was a director. After an impressively complex series of transactions, the effects of this funding ended up with his possession of the Fremont Hotel, concluding with the signature of the Fremont's president, Edward Levinson.

Dalitz was also a partner with Meyer Lansky in the Molaska Corporation, along with their Cleveland partner, Black Jack McGinty. Levinson and Dalitz's association can be traced all the way back to their being members of the same Midwestern gambling fraternity.³⁵

By 1962, Dalitz had become head of the new Las Vegas Resort Hotel Association, a very successful political action effort by the casino owners, which allowed Dalitz's candidates to sweep to victory, firmly entrenching Dalitz as the kingmaker in Las Vegas.³⁶

Baker's business partners were connected to the very highest members of the so-called "Jewish Mafia," to both Dalitz and Lansky. Given Roselli's perennial tie to the Desert Inn, the rumored FBI surveillance of a Roselli-Ruby meeting in Florida in the fall of 1963, and Levinson's business association with the Desert Inn's major investor, Moe Dalitz, it is certainly noteworthy that Melvin Belli's law partner (Seymour Ellison) has related the following.³⁷ After Oswald's murder on the afternoon of November 24, Ellison, who had previously done work for Dalitz, a major investor in Desert Inn, received a telephone call. He knew the caller had previously been associated with the casino owners who had been ousted from Cuba.

"Sy, one of our guys just bumped off that son-of-a-bitch that gunned down the president." The caller from Las Vegas wanted Belli, who was in Riverside defending an associate of Mickey Cohen, to take on the defense of Jack Ruby. The caveat was that Belli was to act as if the job and the money were coming from Jack's brother, Earl Ruby. Ellison called Belli, who took an initial \$25,000 retainer for Ruby's defense from the Las Vegas caller.³⁸

It seems very likely that the FBI was bugging and monitoring Baker's business partners, not only because of their connection to Baker and potentially to Johnson, since Hoover always liked to keep his options open, but also because Baker's business partners were linked to two of the biggest names in the syndicate world—Lansky and Dalitz.

Baker may or may not have known the implications. Hoover would have, and certainly the associates of the gambling figures would have been aware of the potential impact of any associations with Baker or LBJ (and planned to use Baker's access as long as it lasted). What Fred Black definitely did know and what he very likely shared with John Roselli was that Black, Baker, and a senior executive from North American Aviation had visited with the vice president in his office in the Executive Office Building. Not a long visit, only 15 minutes or so, but long enough to leave an entry in the official visitors log; long enough to produce concrete evidence that Johnson and the vice president's office were part of Baker's influence peddling. This visit *was* recorded in the vice president's daily log for August 21, 1963, while Baker's firm was consolidating its control over the lucrative vending machine business for North American, and is provided in Appendix A of this book.³⁹

There is no doubt that Johnson's association with Baker and his business partners could have exposed LBJ to blackmail. The only questions are whether or not this was communicated to Johnson himself, and whether the approach may have been directly from Roselli. But, as with the Oswald damage control, certain known actions (and their timing) could provide further insight. Johnson's reaction to the Baker scandal becomes visible in the vice president's official diary for the months of October and November of 1963. These diaries were maintained by Johnson's secretaries and are immensely detailed; recording virtually all of the vice president's activities, often including the time he went to bed and his recreational activities. The diaries are available through the Johnson Library.

The legal proceedings and congressional investigations of Baker began in September of 1963, and by October the pressure was such that Baker was forced to resign his position with the Democratic National Committee. Baker's legal counsel in October was Abe Fortas, a longtime legal advisor to Johnson. Fortas had not been directly involved with any Johnson legal actions since Johnson's infamous Texas congressional victory and ballot challenge more than a decade before, but it was well known that Johnson referred business to Fortas, and it is clear that Fortas was not a political advisor to Johnson; he was the man whom Johnson turned to when he felt legally exposed. We have some idea that Fortas was recommended by Johnson to Baker, as Harry McPhearson, a Johnson aide said he "thought the vice president 'felt defensive and protective of Bobby. He felt like he had been a fool, but wanted to get good representation for him.'"⁴⁰

Telephone records of calls between Johnson and Fortas suggest that may have been the case. Analysis of Johnson's call records for the six months before this period reveals that Fortas and Johnson had spoken only four times in many months. Three of the calls were from Fortas to Johnson, while Johnson only called Fortas once for two minutes. But with the advent of the Baker scandal, there is a dramatic escalation in their level of contact:

Times are maximum times between calls. The actual call times may have been anything less than the maximum shown here; all diary entries are available from the Johnson Library.

OCTOBER 1

Fortas to Johnson 20 minutes

OCTOBER 3

Fortas to Johnson 10 minutes

OCTOBER 7

Fortas to Johnson 20 minutes
(Baker resigns as of this date)

OCTOBER 8

Johnson to Fortas 20 minutes

OCTOBER 9

Johnson to Fortas 10 minutes

As of **October 11**, Johnson traveled frequently. He was not routinely in D.C. doing business from this date until the assassination.

OCTOBER 14

Johnson to Fortas from NYC 5 minutes
Johnson returns to visit Fortas at his home for 1.5 hours that evening, then returns to NYC, and goes from there to Texas late that night.

OCTOBER 18

JFK calls Johnson at the ranch at 7:45a.m. and talks for almost 1 hour. Topic is listed as the Baker-Korth problem.

Johnson calls Fortas at 8:35a.m. 1 hour

Johnson calls JFK back at 9:45a.m. 10 minutes

Johnson calls Fortas back at 10:15a.m. 15 minutes

OCTOBER 21

Johnson is back in D.C. Fortas spends the evening at the Johnson residence.

OCTOBER 27

Upon his return from Boston, Johnson spends 2 hours at Fortas' home. Johnson is driven by Mrs. Johnson in a car borrowed from Sammy Wright. This was quite atypical for Johnson in many respects, including his being driven by Mrs. Johnson in a borrowed car. Certainly it emphasizes his concern for keeping a low profile in his contacts with Fortas and in distancing himself from Baker investigation.

OCTOBER 29

Johnson to Fortas 45 minutes

Johnson to Fortas 1 hour, then departs for Texas

No further calls are recorded to or from Abe Fortas between October 29 and November 22. During this period, Johnson was at the ranch, boating, camping, attending ball games in Texas, or traveling to Los Angeles, Belgium and Dallas.

On November 1, the Senate voted \$50,000 to fund an expanded investigation of the Baker scandal, and a major Congressional hearing was scheduled for the morning of November 22. Despite this, Johnson's interest and concern over the Baker scandal seems to have vanished, at least as measured against his earlier routine and lengthy contacts with Fortas. The apparent loss of interest came about even after Johnson had been personally taken to task by President Kennedy concerning the potential fallout from the Baker and TFX scandals.

Johnson would not resume extended contacts with Fortas until immediately following the Kennedy assassination. Did something happen at the end of October to allay Johnson's concerns? A study of the legal and investigative proceedings shows an ongoing escalation of charges and press coverage. We are left with a dramatic change in Johnson's behavior and no obvious explanation for his apparent loss of interest, nor his cessation of contact with Fortas at the end of October. Clearly, President Kennedy had made his concerns and feelings strongly known as well.

Lyndon Johnson had no known direct connection to John Roselli. But it is entirely possible that they had at least been introduced when LBJ and Bobby Baker attended the grand opening of the Stardust Casino as the *Guests of Honor* in Las Vegas July 2, 1958.⁴¹ There are several reasons why John Roselli would have been at the Stardust for the grand opening. Tony Cornero, who began the Stardust project (he died before its completion), was the first person Roselli worked for when he came to Los Angeles in 1924. The Stardust list of owners and investors is a "who's who" of the Cleveland gangsters, many of who were tight with Roselli. Roselli was spending much time in Las Vegas when the Stardust opened. He had just scored major points for setting up the Tropicana deal, which he had a hand in running, that brought together mob bosses from across the country to invest (Chicago, NY, New Orleans). In the summer of 1958, John Roselli was at the top spot.

The record shows that (1) Black and Baker were involved Las Vegas gamblers with connections to John Roselli. (2) Baker was deeply involved with Fred Black, who was also one of Roselli's closest friends. (3) Black was an obvious witness for both congressional and other official investigations of the scandal. The scandal also gave Black a tremendous leverage over the vice president; his testimony held the potential to massively damage Lyndon Johnson's political career. All Black would need to do was simply tell the truth under oath.

We've also seen that by November 1963, Johnson was under immense pressure as a result of the Bobby Baker scandal. The Senate Rules Committee was now investigating the kickback scandal that Baker and his friend and business partner, Fred Black, were involved in. As an advisor, Baker had resigned in October 1963 as the investigation threatened to ensnare politicians from both sides of the aisle who enjoyed the lifestyle Baker provided.

The record shows how concerned Johnson was about Baker talking, and Baker had been Johnson's closest aid. How much more concerned would Johnson be about someone with no ties to him, someone such as Fred Black? Black "had the goods" on Johnson with his inside information on Baker's peddling of Johnson's influence, and Black had political and media connections that would have produced maximum impact for such a story.

But if Johnson did indeed play the pivotal role in the Kennedy conspiracy cover-up that he appears to have, if he did so for his own reasons, those reasons may have developed from an introduction to Roselli. Of course, it is highly speculative and the visit to the Stardust aside, but still, could an introduction have been made by someone as close to Johnson as his next-door neighbor, Fred Black?⁴²

Black certainly had the ammunition, as he had met with Vice President Johnson in the Executive Office Building as recently as August 1963, in the company of Baker and a North American Aviation executive. Black would only have had to tell one of the various official Baker inquiries about that meeting in Johnson's office; the resulting media frenzy could surely have destroyed the vice president's political career, even if the *LIFE* magazine article had not.

In Chapter 15, many aspects of Lyndon Johnson's behavior appear at best inconsistent, or at worse suspicious. Suspicion further fueled by a rather dramatic change in the vice president's behavior and activities during the two months prior to the assassination. The new president immediately worked to contain the investigation to the FBI, who did little more than investigate Lee Oswald.

Establishing Lee Oswald as a "lone nut" was a highly successful tactic for preempting an open-ended criminal investigation of Oswald as part of, or influenced by a conspiracy. It was also a vital part of establishing a "you can't fight city hall" attitude among law enforcement and military personnel, who were forced to consider their careers and security oaths against any contrary leads or evidence.

Leaving gaps and holes at select points in the records also proved to be highly effective. In most cases it was not necessary to introduce anything false, but rather to manage what was included in the official reports, what was presented to the Warren Commission, and what would go into the National Archives. Still, in regard to President Johnson's actions, these gaps also leave room for concern as to his own personal motives.

Summary

As of October 1963, Bobby Baker's activities and associates had placed Johnson in an extremely exposed position, both politically and possibly even legally. The specific individuals who were involved with Baker in this scandal can be demonstrated to be quite closely associated with one of the likely (and reportedly self-admitted) Kennedy assassination conspirators, John Roselli.

- Baker obtained introductions and financing from Black and Levinson.
- Baker was involved in negotiations for casino rights in the Caribbean with Levinson.
- Baker, Black, and Sigelbaum were partners and co-defendants in a political influence peddling scandal that had extended to include Vice President Johnson.
- Johnson was clearly under great pressure over this scandal, including pressure directly from President Kennedy.
- Fred Black was a close personal friend of Roselli.

- Black was positioned to destroy Lyndon Johnson with his personal testimony.
- Black was a neighbor of, and personally known to Johnson.
- At the end of October, some unknown factor seems to have abated Johnson's concern in regard to the Baker scandal.

Johnson's motivation for proactively suppressing any serious investigation of conspiracy in the Kennedy assassination is a matter of personal opinion. While his motive remains in doubt, his actions are now quite clear. Thanks to transcripts and records that have become available only in the last few years, we at least have a detailed view of exactly how the new president ensured that history would portray the murder in Dallas as the act of single "lone nut." Details of that feat are discussed in the following chapter.