

United States Attorneys Bulletin

Property of the U. S.
United States Attorney
Los Angeles, Calif.



*Published by Executive Office for United States Attorneys
Department of Justice, Washington, D.C.*

VOL. 16

OCTOBER 18, 1968

NO. 28

UNITED STATES DEPARTMENT OF JUSTICE

TABLE OF CONTENTS

NEWS NOTES

Riots Decline in Summer of 1968	855
LEAA Initiates Program for College Study by Police	855

DEPARTMENT OF JUSTICE PROFILES

857

EXECUTIVE OFFICE FOR U. S.
ATTORNEYS

Appointments & Resignations 858

ANTITRUST DIVISION
SHERMAN ACT

Motion to Dismiss Denied Involving Union	<u>U. S. v. Sabrett Food Products Corp., et al.</u> (S. D. N. Y.)	860
---	--	-----

CIVIL DIVISION
CONTRACTS

Govt. Can Sue to Enforce Con- tractual Right to Inspect Books and Records Notwith- standing Pendency of Con- tractor's Administrative Appeal	<u>Universal Fiberglass Corp.</u> v. <u>U. S.</u> (C. A. 8)	863
---	--	-----

FEDERAL TORT CLAIMS ACT-
INTEREST ON JUDGMENTS

Husband's Recovery of \$96, 710 for Injuries and Wife's Re- covery of \$25, 000 for Loss of Consortium Are Judgments "Not In Excess of \$100, 000 In Any One Case", Within Mean- ing of 31 U. S. C. 724a, Upon Which Interest From Date of Judgment Is Not Allowed	<u>U. S. v. Varner</u> (C. A. 5)	864
--	----------------------------------	-----

OFFICIAL IMMUNITY

<u>Barr v. Matteo</u> , 360 U. S. 564, Bars False Arrest and Mali- cious Prosecution Action Against Fed. Officials	<u>Michaud v. U. S., et al.</u> (C. A. 10)	865
---	---	-----

		<u>Page</u>
CRIMINAL DIVISION		
BANKING		
Fraud - Misapplication of Federally Insured Money	<u>U. S. v. Quinn</u> (C. A. 7)	866
INFORMANTS		
Disclosure of Identity Must Be Material to the Substantial Issues in the Case	<u>Encinas-Sierras v. U.S.</u> (C. A. 9)	867
NARCOTICS		
Where Govt. Intends to Resist Defense Request to Identify and Make Available an Informant Objection Should be Made Promptly to Prevent Misunderstanding and Possible Prejudice	<u>U. S. v. Truesdale</u> (C. A. 2)	868
FEDERAL FOOD, DRUG, AND COSMETIC ACT		
Terms of Condemnation Consent Decree Granting Final Authority to Secy. of HEW Preclude Judicial Review of Claimant's Compliance	<u>U. S. v. An Article of Device *** "Ellis Microdynameter" ***, etc.</u> (E. D. Pa.)	869
ELECTIONS AND POLITICAL ACTIVITIES		
Political Contributions by Labor Organizations; Conspiracy to Violate Sec. 610, 18 U.S.C.	<u>U. S. v. Pipefitters Local Union No. 562, et al.</u> (E. D. Mo.)	869
Conspiracy Against Voting Rights	<u>U. S. v. Crumley, et al.</u> (W. D. Va.)	870
FEDERAL RULES OF CRIMINAL PROCEDURE		
RULE 11: Pleas	<u>Gomez v. U. S.; Castro v. U.S.</u> (C. A. 9)	871

FEDERAL RULES OF CRIMINAL
PROCEDURE (Continued)

RULE 16: Discovery and Inspection		
(b) Other Books, Papers, Documents, Tangible Objects or Places	<u>Meyer v. U. S.</u> (C. A. 8)	873
RULE 35: Correction or Reduction of Sentences	<u>U. S. v. Baughman</u> (D. Minn.)	875
RULE 37: Taking Appeal and Petition for Writ of Certiorari		
(a) Taking Appeal to Court of Appeals	<u>Howard v. U. S.</u> (C. A. 8)	877
RULE 41: Search and Seizure;		
(e) Motion for Return of Property and to Suppress Evidence	<u>Small v. U. S.</u> (C. A. 5)	879

NEWS NOTESRIOTS DECLINE IN SUMMER OF 1968

October 3, 1968: Attorney General Ramsey Clark reported that there was a clear and significant decline in the number and severity of riots and disorders this summer, compared with the summer of 1967. The Civil Disturbance Information Unit of the Department of Justice recorded 19 deaths resulting from civil disturbances during June, July and August of 1968 compared with 87 during the same period of last year. The National Guard was called in for assistance six times during this past summer compared with 18 during the 1967 summer. However, the riots following the slaying of Dr. Martin Luther King, Jr. made April, 1968 the second worst month of rioting in recent years. There were 46 deaths in April compared with 81 in July, 1967. "There are many reasons for the improvement this year", said Mr. Clark. "In my opinion, the police are entitled to much of the credit. Despite spring-time publicity indicating otherwise, the police response was generally not based on massive repressiveness. When violent outbreaks occurred, they were usually controlled by adequate police manpower trained to neither overact nor underact. It is impossible to count the number of riots that were prevented by police. I believe they were many. We have seen that through effective police action, riots can be prevented, that prevention failing they can be controlled with minimum loss of life and property. To be effective, police must have adequate manpower. Police must be recruited from all parts of our society. They must be well paid--far better than now. Greater resources for intensive training, for raising personnel standards, for providing modern scientific techniques of prevention, detection and apprehension must be provided. With such support, the police can prevent and control disturbances--providing stability during the critical time needed to remedy the underlying causes of crime and disorder. The police have earned our support. Our security and our liberty depend on their receiving it."

LEAA INITIATES PROGRAM FOR COLLEGE STUDY BY POLICE

October 8, 1968: The Attorney General announced that \$6.5 million in federal funds will be made available to help finance college study by law enforcement personnel and students preparing for law enforcement careers. Mr. Clark said the program is being undertaken by the new Law Enforcement Assistance Administration (LEAA), which was created this year by the Omnibus Crime Control and Safe Streets Act. The college program will increase the professionalization of law enforcement agencies by enhancing the education of thousands of their personnel and attracting promising students into the field, Mr. Clark said.

There will be two kinds of financial assistance:

--Loans up to \$1,800 per academic year are available for full-time students enrolled in study programs related to law enforcement. Special consideration will be given to police and corrections personnel who take leaves of absence to study for degrees. Repayment is cancelled at the rate of 25 percent for each year later spent in full-time law enforcement.

--Personnel working full-time in law enforcement are eligible for grants up to \$200 per academic quarter or \$300 per semester for tuition and fees while studying part-time for degrees. No repayment is required if they stay on their jobs two years after completing the courses.

* * *

DEPARTMENT OF JUSTICE PROFILES

Mitchell Rogovin
Assistant Attorney General
Tax Division

Mitchell Rogovin was born December 3, 1930, in New York City. He received an A. B. degree in Political Science from Syracuse University, an LL. B. from the University of Virginia Law School, and an LL. M. from Georgetown University Law Center. From 1954-1958 he served in the Marine

Corps. He was a trial attorney in the Office of the Chief Counsel, Internal Revenue Service, until 1961, when he became Assistant to the Commissioner of the Service. In 1964 he was appointed Chief Counsel of IRS by President Johnson. He was appointed Assistant Attorney General in charge of the Tax Division of the Department of Justice on February 28, 1966. Mr. Rogovin was an Adjunct Professor at Georgetown University Law Center from 1964-1965, and has been a frequent lecturer at major tax institutes and universities, as well as having written articles for various law reviews and tax journals. He was the Chairman of the Federal Bar Association's Committee on Taxation from 1964-1965, and is a member of the Joint ABA-FBA Committee on Standards of Tax Practice.

* * *

Sidney I. Lezak
United States Attorney
District of Oregon



Mr. Lezak was born November 9, 1924, at Chicago, Illinois. He received his PH. B degree in 1946 and his J. D. degree in 1949 from the University of Chicago. From 1949 on, he was engaged in the private practice of law. He was also an Election Examiner with the National Labor Relations Board at Chicago, and assisted in the drafting of bills for the Oregon State Legislature. He was designated as Acting United States Attorney on July 1, 1961. He was appointed U. S. Attorney in August, 1964, and was re-appointed in July, 1968. Mr. Lezak was President of the Federal Bar Association of Oregon from 1962-1963, and is on the Board of Overseers of Northwestern College of Law at Lewis and Clark College. His office prosecuted some of the first land fraud cases, involving sales of remote desert lands, and his office was also the first to bring an antitrust indictment entirely on its own. As U. S. Attorney Sid Lezak has experimented with broad mutual discovery procedures.

* * *

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS

Acting Director John K. Van de Kamp

APPOINTMENTSUNITED STATES ATTORNEYSConnecticut - Jon O. Newman

Mr. Newman has been reappointed to a new four-year term. He has been the United States Attorney since 1964.

Texas, Southern - Morton L. Susman

Mr. Susman has been appointed to a four-year term as United States Attorney. He was an Assistant United States Attorney from 1961 until his court-appointment as United States Attorney in 1966.

ASSISTANT UNITED STATES ATTORNEYS

District of Columbia - DONALD T. BUCKLIN; American University Law School, J. D., and formerly a law clerk to U. S. District Court Judge Howard Corcoran.

Illinois, Eastern - JONATHAN J. SEAGLE; Harvard Law School, LL.B., and formerly a legal assistant for the Department of Housing and Urban Development.

Pennsylvania, Eastern - VICTOR H. WRIGHTS, JR.; Stetson Law School, LL.B., and formerly an Assistant Professor of Law, Rutgers University; Assistant District Attorney, Philadelphia; Deputy Attorney General, State of Pennsylvania; in private practice; Chairman of the Philadelphia Zoning Board; Special Assistant to U. S. Assistant Postmaster General; and President of American Institute of Science & Technology, Inc.

Texas, Western - WAYNE F. SPECK; Baylor University School of Law, LL.B., and formerly in private practice and an Assistant U. S. Attorney.

Utah - GORDON C. COFFMAN; George Washington University Law School, LL.B., and formerly in private practice; instructor, University of Utah; attorney for National Association of Broadcasters; and Interstate Commerce Commission.

Washington, Western - LUZERNE E. HUFFORD, JR.; University of

Washington Law School, LL.B., and formerly with San Francisco Office of Antitrust Division.

AUSA RESIGNATIONS

Illinois, Northern - ROBERT J. COLLINS; to seek office as judge of Circuit Court.

New York, Southern - JOHN E. SPRIZZO; to become professor at Fordham University Law School.

*

*

*

ANTITRUST DIVISION

Assistant Attorney General Edwin M. Zimmerman

DISTRICT COURTSHERMAN ACT

MOTION TO DISMISS DENIED INVOLVING UNION.

United States v. Sabrett Food Products Corp., et al. (S.D. N.Y., 62 CIV 2031; September 17, 1968; D.J. 60-50-82)

In a memorandum opinion dated September 17, 1968, Judge Richard H. Levet denied the defendant-Union's motion to dismiss the complaint after granting its motion to reargue.

Local 627's motion was based on the applicability of the recent decision of the Supreme Court in American Federation of Musicians v. Carroll, 36 LW 4441 (1968) to the case at bar. Judge Levet held that Carroll did not require a different result:

In the Musicians' case I found a legitimate labor objective in the challenged labor agreements and the United States Supreme Court recognizes this . . . while in the present case . . . this Court found that the proof is clear that there was no legitimate labor objective served through membership of the distributors in Local 627. (Finding 51)

Having found Carroll factually inapposite to the instant case, the court denied Local 627's motion in all respects. The court did not set out in detail those facts which it regarded as distinguishing this case from Carroll. We believe, however, that the court regarded the following facts on the record as crucial to its decision:

- (1) No significant wage and job competition existed between the distributor-members of Local 627 (independent businessmen) whose discounts were regulated by agreements between Local 627 and the frankfurter manufacturers, and the employee-members of Local 627 who delivered frankfurters for a wage;

- (2) When the distributors first joined Local 627, the union had no concern other than securing larger profits for its businessmen-members;
- (3) Local 627 never regarded regulation of distributor discounts as relevant to the protection of the labor interests of its employee members;
- (4) The defendant manufacturers never regarded distributor operations as a means of avoiding or combating the jobs or wage demands of employee-drivers.

In sum, the evidence established that regulation of distributor discounts was intended to and actually operated to protect only the commercial interests of the businessmen-members of Local 627 and was in no way related to the labor interests of the employee-members of Local 627.

In contrast to the above set of facts are the following district court findings relied upon by the Supreme Court to uphold union conduct in Carroll:

- (1) Job and wage competition existed between the businessmen members of the union (the leaders) and the employee-members of the union (the subleaders and side men);
- (2) Union regulation of the minimum price to be charged by the leader for the services of the musicians and leader on a club date was intended to and actually operated to protect the labor interests of employee-members of the union.

Thus the crucial distinction between the instant case and Carroll arises out of the differing findings of competition. Had there been a finding of significant wage and job competition between the distributor members of Local 627 and the employee-members of Local 627, a different result might well have been justified. This conclusion would assume also that the agreed-upon discount compensated the distributors only for their costs of operation plus labor performed, i. e., prevented the undermining of the wage scales and job security of competing employees. The fact that employee members of Local 627 were employed by a different set of manufacturers than those from whom the businessmen members of the union bought and resold frankfurters would not seem to be legally significant where substantial competition is shown to exist between the two manufacturer groups and where, as

in this case, distribution costs make up a significant portion of the ultimate cost to the manufacturers. In our opinion, the Carroll rationale would under the above-described circumstances serve to protect the union-imposed discount agreements.

Staff: Norman H. Seidler, Donald L. Flexner and David Winer
(Antitrust Division)

* * *

CIVIL DIVISION

Assistant Attorney General Edwin L. Weisl, Jr.

COURTS OF APPEALSCONTRACTS

GOVERNMENT CAN SUE TO ENFORCE CONTRACTUAL RIGHT TO INSPECT BOOKS AND RECORDS NOTWITHSTANDING PENDENCY OF CONTRACTOR'S ADMINISTRATIVE APPEAL.

Universal Fiberglass Corp. v. United States (C. A. 8, No. 19,054; September 25, 1968; D. J. 77-39-659)

The United States awarded Universal Fiberglass Corporation a 13 million dollar contract for the production of mail trucks. After making progress payments of over 5 million dollars, the Government terminated the contract for failure to make delivery and failure to make progress. UFC appealed the question of its default to the Board of Contract Appeals.

UFC denied the Government's requests to inspect its books and records. Thereafter, and while UFC's administrative appeal was pending, the United States brought this action against UFC and its officers seeking a declaratory judgment, and an injunction in enforcement thereof, that under the contract its representatives had the right to examine UFC's books, records, accounts and other data pertaining to the performance of the contract. The Government asserted that it needed such access in order to identify and value the inventory vested in it, to determine the claims it might have against UFC, and to determine the amount of unliquidated progress payments. The district court granted the Government's motion for summary judgment and the defendants appealed.

The Eighth Circuit affirmed. The Court determined that UFC's administrative appeal was limited to the question of termination of the contract, while the Government's need to examine the books and records was related to additional questions arising under the contract. For that reason, the Court rejected the defendants' contention that the pendency of the administrative appeal defeated the Government's right to bring this action.

The Court then held that under the contract the Government was entitled to access to UFC's books and records, under both the clause granting such access for general auditing purposes and the clause, applicable where a contract change resulted in a price adjustment in excess of \$100,000, permitting audit "until the expiration of three years from the date of final payment."

In affirming the Government's right of examination under the latter clause, the Court rejected UFC's contention that, since final payment had not yet been made, the right to audit had not begun to run, and held that that right could be exercised prior to final payment.

Staff: Deputy Assistant Attorney General Carl Eardley
(Civil Division); Howard J. Kashner (formerly
of Civil Division)

FEDERAL TORT CLAIMS ACT - INTEREST ON JUDGMENTS

HUSBAND'S RECOVERY OF \$96,710 FOR INJURIES AND WIFE'S RECOVERY OF \$25,000 FOR LOSS OF CONSORTIUM ARE JUDGMENTS "NOT IN EXCESS OF \$100,000 IN ANY ONE CASE," WITHIN MEANING OF 31 U. S. C. 724a, UPON WHICH INTEREST FROM DATE OF JUDGMENT IS NOT ALLOWED.

United States v. Varner (C. A. 5, No. 24,983; September 13, 1968;
D. J. 157-19-194)

In this Tort Claims action, the district court, after determining that the Government's negligence caused James Varner's personal injuries, awarded Varner \$96,710 for those injuries and Varner's wife \$25,000 for the resulting loss of consortium. The district court awarded interest, under 28 U. S. C. 2411(b), from the date of the judgment. The plaintiffs took an appeal asserting that damages were inadequate; the Government's appeal challenged the finding of liability and the award of interest.

With respect to the interest question, 28 U. S. C. 2411(b) authorizes interest at the rate of 4% from date of judgment up to the date of approval of any appropriation Act providing for payment of the judgment. A permanent appropriation of funds to pay judgments not in excess of \$100,000 "in any one case" is provided by 31 U. S. C. 724a. That statute permits an award of interest on such a judgment only when it is affirmed on appeal, and then only from the date of filing of the transcript of judgment in the General Accounting Office to the date of mandate of affirmance. The Government contended that the judgments awarded Varner and his wife, each of which was under \$100,000 but which in sum exceeded \$100,000, should be considered separately and thus that the award of interest was controlled by Section 724a rather than by Section 2411(b).

The Fifth Circuit affirmed on the questions of liability and damages but reversed the award of interest. In accepting the Government's contention with respect to interest, the Court noted that the primary purpose of the permanent appropriation in 31 U. S. C. 724a was to provide for the prompt payment of judgments. The Court then agreed with the interpretation by the

District of Columbia Circuit (United States v. Maryland, 349 F. 2d 693) and the Comptroller General (40 Comp. Gen. 307, 309) that under Section 724a "one case" means "one claimant". That interpretation permits each claimant with a specific award not exceeding \$100,000 to obtain prompt payment of his claim but precludes interest from date of judgment.

Staff: United States Attorney Charles L. Goodson;
Assistant United States Attorney Beverly B.
Bates (N. D. Ga.); and Morton Hollander (Civil
Division)

OFFICIAL IMMUNITY

BARR v. MATTEO, 360 U.S. 564, BARS FALSE ARREST AND
MALICIOUS PROSECUTION ACTION AGAINST FEDERAL OFFICIALS.

Normand P. Michaud v. United States, et al. (C. A. 10, No. 9994;
September 23, 1968; D. J. 78-77-22)

In a prior criminal action, Michaud was convicted for threatening the President, but the conviction was reversed on appeal because of an improper jury instruction. The United States then had the indictment against him dismissed, and Michaud thereafter brought this tort action, seeking damages for false arrest and malicious prosecution, against the United States, two Secret Service agents, a United States Commissioner, a United States Attorney, a United States Marshal, his deputy, and a state sheriff. The district court dismissed the suit and Michaud appealed.

The Tenth Circuit granted our motion for summary affirmance. The Court held that the suit against the United States was barred by 28 U. S. C. 2680(h) and that the individual defendants were immune from suit under the doctrine of Barr v. Matteo, 360 U.S. 564, in that the facts alleged illustrated that they were acting within the outer perimeter of their line of duty.

Staff: John C. Elridge and Ralph A. Fine (Civil Division)

* * *

CRIMINAL DIVISION

Assistant Attorney General Fred M. Vinson, Jr.

COURTS OF APPEALSBANKING

FRAUD - MISAPPLICATION OF FEDERALLY INSURED MONEY.

United States v. Howard B. Quinn (C.A. 7, July 24, 1968
D. J. 29-23-1009)

Appellant was convicted of violating Section 657 of Title 18 U. S. C., in that he fraudulently caused the Beverly Savings and Loan Association (Beverly) to issue a check for \$553,166.66 for the purported four-year prepayment of rent and converted the money for his own use. Appellant owned the building in which the Beverly offices were located. He was also Chairman of the Board of Directors of Beverly and he and his wife owned 66% of the Beverly stock. In March of 1963 appellant was informed that the mortgage payments on this building were delinquent. At this time the financial condition of appellant's other enterprises was deteriorating and he or his wife had drawn checks in excess of \$500,000 on an account which had a balance of only a few thousand dollars. On April 2, 1963 appellant falsely represented to the Beverly treasurer that the board of directors had approved the prepayment of rent and such prepayment was given to him. On April 5, 1963 appellant told the Board at an emergency meeting that he thought he had the authority to act as he did, but that since the Board did not approve, on the ground that the financial condition of Beverly would be weakened, he would restore the funds. Only \$53,166.66 was restored.

On appeal, it was argued that appellant's actions were done openly and, therefore, that the prepayment of rent did not constitute an act committed with that intent requisite to make it a felony. The Court of Appeals rejected this contention. The Court stated that the jury would have been justified in finding that the appellant knew very well the significance of the financial dealings in which he was engaged. "That he took them (the funds) under the guise of a so-called prepayment of rent does not alter the fact that he misapplied the funds."

Appellant maintained that the term "misapplication," when used to denote a crime, has no definite meaning and became a crime only by statutory enactment. It was argued that the statute requires a combination of an intent to injure with an intent to defraud. Appellant concluded that the trial judge erred by instructing the jury that an element of the crime of misapplication is the

knowing, willful intent to injure or defraud. The Seventh Circuit did not consider this distinction as tenable and following a previous holding stated: "The risk . . . is obvious, and the requisite intent to injure or defraud may be inferred from knowledge of this fact and misrepresentation of it."

Other alleged error, rejected by the Court of Appeals, related to appellant's claim that the trial judge's elicitation of responses from a witness constituted prejudicial hearsay. Assuming the statement to be hearsay, the Court held the error harmless since defense counsel refused to agree that the jury be instructed to disregard the testimony.

The Court of Appeals rejected appellant's additional allegations of error stating that a reversal of the judgment because of the rulings of the district court was not justified.

Staff: United States Attorney Thomas A. Foran (N. D. Ill.)

INFORMANTS

DISCLOSURE OF INFORMANT'S IDENTITY MUST BE MATERIAL TO
SUBSTANTIAL ISSUES IN CASE.

Encinas-Sierras v. United States (C. A. 9, No. 22, 720, September 25, 1968, D.J. 12-8-752)

The Ninth Circuit in this case was concerned with whether the trial court should have ordered the Government to make known the identity of the informant.

Defendant had been arrested after a personal search at the border revealed a quantity of heroin. At trial he testified that the narcotic had been given him to transport across the border by Pedro Martinez and Johnny Grant. The arresting customs agent testified that neither of these was the Bureau of Customs' informant.

In seeking to balance the Government's interest in further prosecution of crime against defendant's right to a fair trial, the Court seemingly adopted a test of materiality. Had it been able to connect defendant's request with any substantial issue, the Ninth Circuit probably would have compelled disclosure.

As it was, the Court could not see how disclosure of the informant's identity was justified by questions of entrapment, probable cause or scienter. It ruled that defendant's own testimony nullified any question of entrapment, and that probable cause is not in issue in a border search. Since an informant would know nothing of defendant's state of mind, the disclosure of his identification would be immaterial to the problem of scienter.

Staff: United States Attorney Edward E. Davis (Arizona)

NARCOTICS

WHERE GOVERNMENT INTENDS TO RESIST DEFENSE REQUEST TO IDENTIFY AND MAKE AVAILABLE AN INFORMANT OBJECTION SHOULD BE MADE PROMPTLY TO PREVENT MISUNDERSTANDING AND POSSIBLE PREJUDICE.

United States v. Franklin Truesdale (C. A. 2, September 17, 1968;
D. J. 12-51-1392)

The defendant, tried before a judge sitting without a jury, was found to have violated 21 U. S. C. 173, 174 by unlawfully selling heroin to a narcotics agent. On appeal, he claimed prejudice on the grounds he had timely requested production at trial of a "special employee" and had been misled as to his availability through misrepresentations made by Government counsel both before and during the trial and by failure of the Government to make timely objection to revealing his identity. Defendant also claimed his own testimony at trial was compelled in violation of his rights under the Fifth Amendment by the judge's ruling that he would not require the appearance of the "special employee" until some evidence was given to show that the appearance was necessary.

While the conviction was upheld, the Court pointed out that although there was a conflict as to what was actually said between Government counsel and defendant's attorney prior to trial, it was clear the Government withheld until conclusion of its case-in-chief that it did not wish to comply with the defense request that the special employee's identity be divulged and his availability be assured. A diligent search, continuing for five weeks during which the trial was recessed, failed to locate the special employee. Where the Government's position, the Court said, is to oppose such a request, it should do so as soon as possible to prevent any misunderstanding.

With respect to the other point, the Court, on the record below, found the defendant took the stand in his own behalf voluntarily. It reserved ruling, however, on the proper course for the trial judge to have taken had the defendant raised a timely objection to the ruling.

Staff: United States Attorney Robert M. Morgenthau; Assistant United States Attorneys Arthur A. Munisteri and Pierre N. Leval
(S. D. N. Y.)

DISTRICT COURT

FEDERAL FOOD, DRUG, AND COSMETIC ACT

TERMS OF CONSENT DECREE OF CONDEMNATION GRANTING FINAL

**AUTHORITY TO SECRETARY OF HEALTH, EDUCATION, AND WELFARE
PRECLUDE JUDICIAL REVIEW ON ISSUE OF CLAIMANT'S COMPLIANCE.**

United States v. An Article of Device *** "Ellis Microdynameter" ***,
Etc. (E. D. Pa., September 23, 1968; D. J. 22-62-2828)

The Government proceeded under the Federal Food, Drug, and Cosmetic Act to seize and condemn an article called by its manufacturers a "Micro-Dynameter," alleging that said article was misbranded within the meaning of the Act, 21 U. S. C. 352(a) and (f)(1), in that its labeling contained false claims and failed to bear adequate directions for use.

A consent decree, the terms of which had been agreed to by the claimant, returned the article to him under bond for the purpose of bringing it into compliance with the provisions of the Act. The consent decree specifically provided with regard to the compliance operation that, "The claimant shall abide by the decisions of said duly authorized representative of the Secretary of Health, Education and Welfare, and the decisions of such representative shall be final."

The issue in dispute was whether the claimant had brought the instrument into compliance with the Act so far as it was possible to do so, the claimant's contention being that it was impossible to label the instrument so as to comply with the direction of the Secretary. Any possible validity in this contention was deemed immaterial by the court in light of the consent decree which granted full power to the Secretary to determine questions of compliance. This court felt constrained by the terms of the decree agreed to by the claimant and therefore refused to review the Secretary's determination.

Staff: United States Attorney Drew J. T. O'Keefe and Assistant United States Attorney Sullivan Cistone (E. D. Pennsylvania)

DISTRICT COURTS

ELECTIONS AND POLITICAL ACTIVITIES

POLITICAL CONTRIBUTIONS BY LABOR ORGANIZATIONS; CONSPIRACY TO VIOLATE SECTION 610 OF TITLE 18, UNITED STATES CODE.

United States v. Pipefitters Local Union No. 562, et al. (E. D. Mo., September 18, 1968; D. J. 72-42-73)

The jury found defendant Local 562 and each of the three officers of Local 562 who were indicted guilty of conspiracy to violate Section 610 of Title 18, United States Code, prohibiting a corporation or a labor organization from making contributions or expenditures in connection with Federal elections.

The indictment, which was returned on May 9, 1968, charged Local 562 with having established a fund entitled Pipefitters Voluntary Political, Educational, Legislative, Charity and Defense Fund to conceal union contributions to Federal candidates. Contributions from the Fund to Federal candidates exceeded \$150,000 in connection with the 1964 and 1966 general election campaigns.

The Government's theory was that contributions to the Fund by members of Local 562 and by pipefitters employed on jobs within the jurisdiction of Local 562 were assessments. Local 562 members uniformly contributed \$.50 for every eight hours worked, and non-members paid at the rate of \$2.00 for every eight hours worked. The higher rate contributed by non-members of Local 562 was equivalent to amounts paid by Local 562 members to the union as regular assessments, including payments to the Fund.

Defendants contended that contributions to the Fund were voluntary and that the Fund was established on advice of counsel. The jury found that while defendants were guilty of conspiracy, defendants did not contemplate a willful violation of Section 610. On September 27, 1968, Local 562 was fined \$5,000. Each of the three officers received sentences of one year imprisonment and a fine of \$1,000.

This is the first successful prosecution of a labor organization for making contributions in violation of Section 610 and the first conviction of a union official for violating that statute. The Department has now successfully enforced the statute against a corporation (United States v. Lewis Food Company, 366 F. 2d 710, 9th Cir. 1966) and a labor organization.

Staff: United States Attorney Veryl L. Riddle; Assistant United States Attorney Roger Edgar (E. D. Missouri), and Edgar N. Brown (Criminal Division)

CONSPIRACY AGAINST VOTING RIGHTS; 18 U. S. C. 241.

United States v. Crumley, et al. (W. D. Virginia, September 13, 1968; D. J. 72-80-18)

A further case of interest in the field of election laws involved the conviction of seven local election officials for conspiracy to defraud the voters of Lee County, Virginia, through the illegal manipulation of absentee ballots during the 1966 primary. On September 13, District Court Judge Robert H. Mehrige sentenced one of the defendants to imprisonment for two years. Two others were sentenced to 18 months and the four remaining defendants to four years probation. The one count indictment was brought under 18 U. S. C. 241.

Staff: United States Attorney Thomas B. Mason and Assistant United States Attorney Robert B. Irons (W. D. Va.)

* * *