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Security Information

TO: Chief, Special Security Division

JUL 19 1952

FROM: Chief, Operations Branch, SSD

SUBJECT: CG 9545
#69188

1. A review of the Subject's file discloses the following information:

STATUS

In a memorandum dated 27 February 1952, OPG requested a covert security clearance for the Subject's use. The Subject is described as President of a company which will provide accreditation in Japan to a Contract Agent of this organization. It is not expected that Subject will learn of the Agent's connection with this agency.

BACKGROUND

Subject was born 8 June 1921 at Paris, Texas, of native born parents. He attended high school at Atlanta, Texas 1935-38; Texas State College for Women during the summers of 1937 and 1938; Kemper Military School, Mo., 1938 to completion of Freshman year at college and Yale University at New Haven, Conn., from 1939 to 1943, receiving an AB Degree in the latter year. Attendance at Yale University was interrupted by Subject's enlistment in V-7 Class, USNA, February, 1942. In November, 1943 Subject was assigned to NROTC at the University of Colorado, at Boulder. Subject is married to GAY NCE, daughter of former Louisiana Governor JAMES NCE. The Subject is presently associated with LIBERTY BROADCASTING SYSTEM, Dallas, Texas.

OTHER PERTINENT INFORMATION

An investigation conducted in 1942 and 1943, by another government agency, discloses favorable information relative to the Subject and to his family in all respects except in one instance. This one instance is contained in a memorandum prepared by another government agency under date of 6 May 1943 which discloses that the Subject, while attending Naval Language School, had written a letter (addressee unknown) containing precisely the type of information which students had been warned should not be given to anyone outside of the school and that one student had been dismissed for such a violation, i.e. furnishing details regarding the number of students in the course, personnel and future assignment. The memorandum, containing the aforementioned information, states that the only mitigating circumstance in this instance was that practically all of the information furnished by the Subject was false.

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An investigation conducted by the Special Security Division, during April and May, 1952, at Dallas, Texas, was of a favorable nature concerning the Subject with exception to his business activities. The Subject is President of the Liberty Broadcasting Company which company suspended operations on 16 May 1952 and went into bankruptcy on 7 June 1952.

A former associate of the Subject -- associated since 1949 and employed by the Subject as of 1950 -- stated that the Subject's meteoric rise in the radio field (due to association with wealthy father and wealthy and influential father-in-law) was followed by a rapid descent and that fraud, duplicity, evasion, piracy (of baseball games) and lies were practiced by the Subject; that he enters into contracts with no intention of honoring his contractual obligations; and that his moral life, heavy drinking and extra-marital indiscretions have been questioned. The Subject is also given over to temper tantrums and has no consideration for others.

The Subject is presently suing organized baseball for twelve million dollars in an anti-trust suit charging thirteen major league clubs with having conspired to monopolize broadcasting in eleven state major league areas.

The Subject has no police record and his credit rating has been satisfactory to date but will, no doubt, be affected by the result of the present bankruptcy proceedings.

The results of the IID checks were entirely negative.

On 17 July 1952 the Case Officer, Mr. Lowell F. Christy (Ext. 3308) was contacted. He was advised that unfavorable information had been obtained regarding the Subject. Mr. Christy is aware of the bankruptcy status of Subject's company and stated that if additional unfavorable information is available -- as is the case -- he would forward a memorandum cancelling the request for a clearance.

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2. **CONCLUSION AND RECOMMENDATION:** Information from one informant, who has been associated with the Subject for approximately three years, reflects that the Subject has employed fraud, duplicity, evasion, lies and has failed to live up to his contractual obligations and that his moral life, heavy drinking and extra-marital indiscretions have been questioned. He is also subject to temper tantrums and fails to consider others. Stress is laid primarily on the Subject's use of fraud, etc.; his heavy drinking, which might tend to discussions of classified information, possibly in his possession, with unauthorized persons and the fact that he is apparently irritated when he does not have his own way. These characteristics would conceivably affect any contract or agreement into which he would enter with this agency.

In view of the fact that the Case Officer has advised that he would forward a memorandum cancelling the request for a clearance, no recommendation is believed necessary.

Edward J. Kane
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