

EX-MBS OFFICERS INDICTED: International intrigue involving Dominican playboy-diplomat Porfirio Rubirosa and 3 former officers of the Mutual Broadcasting System has been woven into the already-tangled affairs of the radio network (Vol. 15:7 et seq.).

A Federal Grand Jury in Washington last week indicted the 3—ex-MBS pres. Alexander L. Guterma, ex-chmn. Hal Roach Jr. and ex-dir. Garland L. Culpepper Jr.—on 3 charges that they violated the Foreign Agents Registration Act of 1938 and conspired to violate the law.

Guterma, Roach and Culpepper were accused of negotiating a \$750,000 deal with the Dominican Republic in Feb.—just before Guterma's MBS management ended—to use Mutual facilities to spread "political propaganda" in the "guise of bona fide & genuine news items."

Named as co-conspirators (but not defendants) in the alleged news-for-sale plot were MBS itself, "the ostensible contracting party," Radio News Service Corp., and Otto Vega, identified as a Dominican official. Foreign principals in the purported deal were listed as Rubirosa, Dominican dictator Rafael Trujillo and the Dominican govt. itself.

The indictment, announced by Atty. Gen. William P. Rogers, charged that: (1) Guterma & Roach "unlawfully & wilfully failed to file" Justice Dept. registration statements as agents of a foreign principal; (2) Guterma, Roach and Culpepper failed to register MBS as a foreign agent; (3) Guterma, Roach, Culpepper and "divers other persons" conspired to evade the Registration Act.

The third count in the indictment cited 12 "overt acts"—including "payment of the \$750,000, the conferring of Guterma, Roach and Vega in the Dominican Republic, the receipt by Mutual of political propaganda material from the Dominican Republic, the making of radio broadcasts by Mutual, the instruction by Guterma, of a third person to form a corporation, and various trips & conversations."

The Grand Jury indicated that the allegedly bought-&-paid-for MBS broadcasts were transmitted from Washington in Feb., but didn't say who made them or what was in the scripts. The Justice Dept. wouldn't amplify these points, explaining that they're part of its trial case. Conviction on the 3 counts of the indictment could carry prison sentences of 10 years & \$20,000 fines.

In N.Y. new MBS pres. Robert F. Hurleigh promptly issued a statement: "The present management of the Mutual network, its owners & employes have no knowledge of or connection with the matters involving Mr. Guterma, Mr. Roach or Mr. Culpepper. Mutual Bestg. System & none of its present personnel are involved in these proceedings."

In Miami, Guterma said: "I shall prove my innocence of all charges at the proper time. This is just another vicious attempt to embarrass me."

In Los Angeles, Roach said: "I am not now, have not been in the past and would never be an agent for a foreign govt. I am absolutely confident that I will be cleared of the charges when the facts are presented in court."

Culpepper's counsel Jacob L. Rosenblum said in N.Y.: "From the facts available to me I am confident that Mr. Culpepper has not violated any law and will be exonerated."

There was no official Dominican statement on the case from Ciudad Trujillo, but in Washington an embassy spokesman confirmed that a contract with the former MBS officers had been signed & \$750,000 paid them. It was an above-board business deal to disseminate Dominican news—not propaganda—in the U.S., the spokesman insisted. He also said it didn't work out, and that in June the Dominican

govt. hired Washington lawyer Edward L. Carey to try to get the \$750,000 back.

Note: It was the 4th federal indictment against Guterma since the SEC started looking into his complex financial affairs early this year. He was charged in Aug. with Securities Act violations—along with fugitive financier Lowell M. Birrell—in connection with United Dye & Chemical Corp. transactions. Earlier he was accused of fraud in connection with F. L. Jacobs Co. and Bon Ami Co. deals.

Stations

TIO TALENT HUNT: NAB-sponsored TV Information Committee last week was still hunting for a man to fill the job of dir. of the soon-to-start TV Information Organization.

Strongly in the running are 2 CBS executives, Wash. news dir. Ted Koop and CBS radio v.p. in charge of advertising & promotion Lou Hausman, and ex-Edw. Petry Co. exec. Ernest Lee Jahnce Jr. Also reportedly in the running: Howard London, former TV-radio dir. of March of Dimes. Not a candidate for the job: *Variety* TV-radio editor George Rosen, erroneously publicized as an "active aspirant," who asked the committee not to consider him.

NAFI Corp. is buying the McGowan studios in Hollywood as part of its expansion program in TV, and may eventually move its newly acquired KCOP Los Angeles to that site. KCOP pres. Kenyon Brown, head NAFI's broadcast div., declined to state the specific purchase price but said it was "in the area of \$500,000." Brown told us he plans to have KCOP tape shows produced there, and that eventually NAFI may go into TV film production. Looking into the future, Brown said NAFI may build additional studios. The McGowan studio, now owned by McCann-Erickson, has 4 stages.

Purchase of KROD-TV (Ch. 4) & KROD El Paso for \$3,450,000—by owners of KVII (Ch. 7) Amarillo and KOSA-TV (Ch. 7) Odessa—from Dorrance D. Roderick's *El Paso Times* was announced last week. The buyers include Dallas oilman Jack C. Vaughan, his brother Grady and Cecil L. Trigg. Also reported last week was the proposed purchase by the *Honolulu Star-Bulletin* of the Hawaiian Bestg. System Ltd., licensee of KGMB-TV (Ch. 9) Honolulu and satellites KHBC-TV (Ch. 9) Hilo and KMAU-TV (Ch. 3) Wailuku. The newspaper, which presently owns 24.55% of the stations, proposes to buy the 75.45% owned by film exhibitor Hialand Development Corp. for a reported \$2.25 million.

WDAM-TV Hattiesburg-Laurel, Miss. began operating last week on Ch. 7 (Sept. 3), replacing Ch. 9 which has been allocated to Baton Rouge. The Ch. 7 grant is held by William S. Smylie & family, who relinquished the WTLM call letters, when they took over the Ch. 9 plant of WDSM-TV. The previous owner of the plant was WDSU-TV New Orleans, which had hoped to begin using Ch. 9 on temporary basis for its WAFB-TV Baton Rouge (Ch. 28), but was blocked by Court of Appeals order (Vol. 15:33, 35).

Robert H. Storz, chmn. Storz Bestg. Corp., multiple-radio-station operators, headquartering in Omaha, has purchased Wacob-Bender Corp., Omaha-Lincoln investment & stock brokerage firm. He'll be chairman of the acquisition.

Cail letter changes: KNAC-TV (Ch. 5) Fort Smith Ark. to KFSA-TV; KTLG (Ch. 9) Hot Springs, Ark. to KNAC; WTLM (Ch. 7) Laurel, Miss. to WDAM-TV.