

M E M O R A N D U M

March 9, 1961

Re: People v. Mel Leeds

In the afternoon of March 3, 1961 Assistant District Attorneys Joseph Stone and Michael Juviler interviewed John Keating, former vice-president of Gotham Broadcasting (WINS), at his room in the Hotel Lancaster, 22 East 38th Street. Also present was a close business associate of Keating, who knew the particulars of the interview.

Mr. Keating and McCaw bought Gotham Broadcasting from Grosley Broadcasting in 1954. Keating sold his 25% share to McCaw in October 1959. At about the same time McCaw settled a law suit brought against him by Keating for fraudulent misappropriation of the funds of the corporation.

During the bulk of Mel Leeds employment at WINS, Keating concentrated on the westcoast properties of Gotham and came to New York about four times a year for one or two week periods. Consequently he was not as familiar with the business of the station as Mr. McCaw.

In the spring of 1959, in connection with his law suit, Keating and his accountants (not Beck and Field) examined the files and records of WINS to determine the financial position of the station. Keating stated that in the course of this investigation, he came across a written memorandum from McCaw to Leeds stating that Leeds should try to program more public interest programs in the months immediately preceding the license renewal application of WINS, and also stating that McCaw wanted to devise a way to share in the profits of record companies as Leeds had done. Asked of his interpretation of this paragraph, Keating said that the meaning was obvious.

Mr. Stone then showed Keating a copy of a memorandum written by Happ Anderson to Mel Leeds dated November 2, 1959 which also referred to McCaw's interest in sharing in record company profits. Keating examined the document and said that it was not the memorandum which he had described.

Keating's story about the alleged memorandum signed by McCaw is not incredible but is open to questions for several reasons. He stated that he had never discussed the memorandum with anyone except recently with Leeds, although the contents of the alleged memorandum would seem to stimulate discussion. Keating stated that he was not interested in the memorandum because at the time he was searching for evidence of misappropriations of money by McCaw and was not concerned with payola; however, the possibility that McCaw was receiving undisclosed income from record companies would seem to be exactly what Keating was looking for. Why did Keating say that the memorandum shown to him by Mr. Stone was not the memorandum to which he had been referring? Perhaps because he had already committed himself to seeing a memorandum in the spring of 1959, a story which excluded the memorandum dated November 2, 1959; by November, Keating was completely divorced from WINS, and in no position to inspect the files of the station.

Keating displayed bitterness toward McCaw and thinks that McCaw would never change his story that he did not know that Leeds was receiving money from record companies. Keating is a good friend of Mr. Fearnhead, who was also an executive of WINS during Leeds' employ and now operates a television station in Honolulu where Keating also lives. At the request of Mr. Stone, Keating said that he will ask Fearnhead to contact Mr. Stone but Keating feels that Fearnhead would be hesitant to reveal that he had knowledge of Leeds' activities if such were the case because Fearnhead would not want to hurt his reputation with the FCC, especially now that Fearnhead is a licensee.

During the interview, Leeds' attorney Mr. Gluskin telephoned and Keating said that he would be glad to return the call in order to discuss the Leeds matter.