

CONFIDENTIAL MEMORANDUM

RE: Interview with Mel Leeds on March 29th, 30th, and 31st, 1961.

On the above dates, Mel Leeds, defendant in the case of People v. Mel Leeds, a commercial bribery prosecution, was interviewed by Assistant District Attorneys Joseph Stone and Michael Juviler and Samuel Lacter, Accountant. Leeds was accompanied by his attorney John Gluskin. Mr. Gluskin had previously presented evidence which he claimed raised a reasonable doubt whether Leeds' employers did not know of or condone his acceptance of money from record companies. Mr. Stone had indicated that he would be willing to listen to Leeds' story to clear up the issues; consequently, Mr. Gluskin produced Leeds from California.

Mr. Stone told Leeds that he could make no promises, that he was willing to listen to Leeds and wanted only the truth. He warned Leeds of his right not to answer and that his answers could be used against him, and said that all areas of the case would be explored if Leeds wished to be interviewed.

Leeds said that Lee Gorman and Hap Anderson of WINS had offered Leeds a job upon his arrival in New York this week. The offer was made in Rose's Bar on March 28th, at a meeting arranged after Leeds called Gorman at a number which he had secretly given Leeds. Leeds appeared to think that the offer was serious, although he did not dismiss the possibility of a "snow job."

Gluskin produced a letter from Jock Fearnhead, dated February 19, 1960, addressed to Leeds asking Leeds in what form he wished "the affidavit"; the letter indicates that Fearnhead was willing to give Leeds "the affidavit" he wished. Fearnhead later changed his mind.

According to Leeds, Fearnhead thinks McCaw is after him.

Leeds does not know whether he ever discussed his "consulting" arrangements with Fearnhead.

Leeds stated that WINS billed Alpha Distributors directly for Allen Freed's line charges. Leeds recently learned of this arrangement from Freed who is presently employed at Radio Station KDAY of which Leeds is manager. Leeds stated he called Alpha on March 27th, because Keating wanted the Alpha checks, allegedly for the F.C.C.

*Secret
note*

Two or three months ago, Leeds saw McCaw in Los Angeles. McCaw was appearing before a committee of Congress looking into aircraft plants on the Coast. McCaw had called KDAY apparently asking for Keating, but upon being connected with Leeds engaged him in a general conversation, and then arranged to meet him for a drive to an aircraft plant. At the meeting, McCaw asked Leeds why he left WINS. McCaw said he heard a taped conversation between Leeds and Oliver Eastland, in which Leeds referred Oliver Eastland to Fearnhead for information about McCaw. Leeds placed his meeting with McCaw in early December because McCaw said "I'll see you at the Rose Bowl Game." McCaw also asked Leeds how he would like to come to New York for a visit. Leeds received two subsequent phone calls from McCaw relating to papers and ledgers affecting WINS.

*Leeds left
with some
files*

Leeds produced a Christmas greeting from McCaw.

When Leeds was working at WINS, Elroy McCaw had spoken to Leeds about setting up a tape recording machine in McCaw's office. Leeds does not know whether tape recording machine was installed.

Asked whether WINS considered selling time to record companies, as had been reportedly done at KDAY in Los Angeles, Leeds referred to Irving Phillips, former general manager of KDAY. Phillips thought up the idea of selling time, as written up in "Billboard." He visited WINS in 1958, said that record companies paid \$250 for exposure of a record, and wanted to do this at WINS. Leeds killed the idea for fear of losing control of the station programming. Present at the meeting were Phillips, Leeds, Fearnhead, Jack Kelly, Vic Sklar and McCaw. Phillips is now in San Francisco working for a food broker.

With reference to the letter of complaint against Ronny Granger, Leeds said McCaw told him to hold off, and rejected Leeds' idea to call all the parties in. As a means of getting rid of Granger, Leeds promoted him after his marriage.

*Inga
Jacobson?*

Leeds arranged for a trip for Inga Jacobson, a girl at "Pulse," and her boyfriend. Fearnhead knew of this. The sales manager took care of it, either John Mopan or Jack Kelly. (Told March 30th: John Mopan is now with an agency in New York handling the DuPont account. Gorman is now in charge of due bills. In 1958, Leeds and Fearnhead saw her at the station where she was gathering data. Rick Sklar and Leeds met her and introduced her to Fearnhead. She said she wanted a vacation. The offer was made

and she picked it up. The trip was to Puerto Rico or Havana. They couldn't arrange a trip to Mexico City as she wanted, because there were no due bills to Mexico City. Inga asked for another trip, but Leeds said he had no more due bills.

This week, Sklar told Leeds that he is "romancing" her. Sidney Roslow, the head of "Pulse," has a brother-in-law "Sid" who is the subject of talk of sales and management people in the radio industry trying to "reach" him. Leeds mentioned Steve Labrunski of WMCA. "Sid" asked Mel for hockey tickets but cancelled the order when the payola investigation began. Leeds also mentioned the name Frank Stisser at Hooper.

Art Tolchin of WMGM is a pay-off man, according to Stan Simmons. Tolchin's house is perhaps furnished by payoffs. Katz owned talent, yet he was with Station WMGM. When Leeds was in San Francisco, Peter Tripp called him about the trial and said he has enough on Tolchin to bury him, and if Tolchin and Katz don't stand up for him, he'll bury them.

Leeds had a T Bird before this one
In 1958 Leeds bought a Thunderbird. Gladys Shelly accused him of payola. Fearnhead told McCaw, who called in Leeds. Leeds produced evidence of a bank-loan for the car. McCaw was satisfied and said he was only kidding.

McCaw got a fee for arranging the sale of WMGM. Fearnhead said it was a half-million dollars, McCaw a quarter-million.

Leeds turned down \$10,000 from A.B.C. Paramount and also refused payola from Jerry Blaine. Leeds refused an offer by Bud Granoff, Kitty Kallen's husband, to plug a record.

in McCaw's favor
In early 1959, Leeds suggested a new type of format comparable to WPAT, concentrating on good music and to be called "Sound of Spring." Fearnhead, Sklar, and Kelly, who is now a New York representative of Storer's Cleveland television station, agreed. Anderson approved the idea when he joined the station, but McCaw vetoed the idea as too drastic. Leeds said the idea would have hurt him if he were a taker of payola.

Referred to the memorandum of November 2, 1959, from Anderson to McCaw, Leeds said there had been no meeting before the memorandum. The word "we" in the first paragraph refers to Anderson and McCaw. Leeds produced a memorandum dated November 27, 1959, from Anderson to Leeds asking for an increase in public service announcements so as to insure renewal of the station license. Leeds said he never discussed records companies before the November 2nd memorandum. He attributed the memorandum to the fact that Elroy was "memo-happy." According to Leeds, the paragraph referring to the record profits means that Leeds is to work deals with record companies for guaranteed performances. Anderson handed the memorandum to Leeds. If it had referred to the sale of time, it wouldn't go to Leeds but to the sales department. Elroy had left town so there was no chance to discuss the memorandum.

Mr. Stone read minutes of the hearing at the F.C.C. in which Anderson referred to a meeting with Gorman and Leeds, Anderson and Fearnhead. Leeds said the testimony was a "gross lie."

On November 18, 1959, McCaw held the talent meeting referred to in the memorandum dated November 19, 1959. Leeds wrote the memorandum about payola policy at McCaw's request, but there was no policy discussed until the investigation. When Leeds broke down, he told McCaw that he had received less than \$10,000. McCaw said, "Is that all. I thought it was \$150,000." McCaw said there was nothing to worry about, "I realized you were making some money, I didn't realize to what extent." That night Gorman suggested a trip, or staying away from the office.

De. 23
Leeds spoke of a meeting at the station one night in December 1959 among Chuck Lemieux, Anderson, Gorman, and Soupious. The meeting was to decide whether Lacey or Leeds should leave the station as a result of the payola investigation. Subsequently, Gorman wanted Leeds to take a trip to South America, and Fearnhead also asked him to go away.

Tom O'Brien, News Director at WINS, told Leeds this week that Kenneth Cox coached McCaw before McCaw, Gorman and Anderson went to the F.C.C. in March.

Leeds said McCaw wanted to bribe a tax man \$15,000 through Lou Beck. Leeds also produced a letter from Mr. Diamond relating to the value of the WINS record library, allegedly a phony appraisal for tax purposes.

Leeds never asked McCaw for a raise. Fearnhead went to Leeds and said he'd get him a raise to \$17,000, but the raise did not come. In about October 1958, Fearnhead said that McCaw said "What's the sense of giving him a raise, he's probably making extra money from record companies." Meanwhile Leeds was receiving offers from Tolchin at WMGM. In February 1959, McCaw told Leeds he would pay Leeds' rent.

After Fearnhead testified at the FCC this year and returned West, Leeds met him at the radio station in Los Angeles. Fearnhead said, "Don't say anything you can't back up."

-oOo-

MARCH 30, 1961.

Leeds would go to the F.C.C. if requested.

Mr. Stone told Leeds that this office is not under any obligation to him; that we have a job to do; that we have made him no promises; and that we may decide we have to proceed against him. Mr. Stone said that Leeds' story of his "consulting" with London, Carleton, and Hugo and Luigi, does not ring true. (Leeds' story was that he received money to act as a consultant for the record companies, telling them which songs were worth exploiting.)

Leeds was asked to describe the selection of music at the station. The selection took all day each Thursday. Granger and Leeds would sit down with piles of records and music sheets. Granger had already chosen the "Top 40" for next week. Leeds had nothing to do with this. The "Top 40" was changed only under the direction of McCaw, except for the time when Granger went on his honeymoon and something was taken off the "Top 40". Granger and Leeds would select records from the 250 or 300 new releases of the week. They did check the previous weeks new releases which had been played on the air against the survey, and supplement the survey with new releases. Sometimes Jack Lacey and others were called in for advice. Leeds was in a position to choose the records, although he relied on Granger. 25 or 30 new discs were chosen, and along with the "Top 40" and old standards comprised a list of about 100 records. The WINS "Top 40" list was mailed out to distributors. The "Extra" lists were kept in the library and in Leeds' office. It controlled every show but Lacey's.

Granger was supposed to pace the shows from music on the list. Every third record should have been a "Top 40". If a disc jockey did not like a song he could eliminate it from the music sheet. The music sheets for each show were returned to the library, where they were filed separately for each disc jockey. Leeds could have put on any record he wanted to. He never instructed Granger to put a record on a show.

The deal with Carleton was for consultation, arranged with Diamond. Leeds did not ask that the remuneration be in cash. They wanted favored treatment, but they were wrong if they thought they could get it. ABC Paramount offered Leeds \$200 a week if he would guarantee to expose records.

Judy Cross, former Assistant Librarian, tried to get her record on the air through Bruce Wendell, now in California, who told Leeds.

Leeds' first attorney, Bender, told him to have a talk with the people he was doing business with. When Leeds contacted London records, Lee Hartstone and Walt McGuire said they couldn't say that Leeds was a consultant, because London was involved in many areas. They met him at Cavanaugh's and discussed this. Leeds had never told them to make the checks out to cash.

The testimony before the Grand Jury by Collier of London Records was described by Leeds as a "pack of lies." He had a conversation with Hartstone after closing the "consulting" deal in which he said he hoped Hartstone would not interpret this as payola. Hartstone welcomed Leeds to the "London Family." Leeds never went to the London studio.

But Leeds went to United Artists Studios. Monte Kay was the negotiator for U.A. There were no more payments after Lester Lees came.

Leeds told Granger to take records off the list when people tried to bribe Leeds.

WINS was about number 12 in the ratings when Leeds came. By 1958, WINS was number 1.

At the meetings with Phillips, Leeds said he worked closely with record companies, but that this (Phillip's idea) was different.

*FCC found
none*

*she resigned
in Dec '59 and
came back
when Leeds
left*

Lou Beck completed his 1958 tax return. Leeds said "here's money from R.C.A." Leeds also said he earned some money from London, \$1,200. Beck told Leeds to "forget it" because he had no 1099 slip. Leeds told Beck he was a consultant.

Paul Sherman at WINS has interests in records. Murray Kaufman has a music publishing business.

fills
Leeds asked Joe Petralia in the record promotion department of Columbia Records to get a Hi-Fi for McCaw. McCaw received a Columbia Console Hi-Fi. The bill came two months later, after the payola investigation broke and McCaw asked for a bill. There was also a refrigerator for Fearnhead from Bruno, the R.C.A. distributor.

Leeds does not know Wooten, Davis or Teeter; he has heard the first two names.

Leeds never saw or discussed the memorandum dated November 18, 1959, relating to plugging of records.

Messrs. Stone and Juviler spoke to Mr. Gluskin in private, saying that the defendant's story was not truthful, and that we cannot go to bat for him if we cannot trust him. Mr. Gluskin insisted that his client was telling the truth, but said he would speak to him.

-000-

MARCH 31, 1961

Mr. Gluskin conferred with Messrs. Stone and Juviler. He said his client did not remember talking to anyone at WINS about the memoranda relating to record companies, but will try to refresh his recollection. His client will be in New York until Wednesday, April 5th. Mr. Gluskin was told that his client was free to come in if he thought of anything else. Mr. Gluskin indicated that his client had told him that he received the monies with the understanding that he would do his best if records in his opinion deserved exposure, and that he would also be a consultant. There was no "play for pay" deal.

mch