

MICHIGAN STATE UNIVERSITY

VIETNAM ADVISORY GROUP

MAILING ADDRESS: MSU-USOM
AMERICAN EMBASSY
SAIGON - VIETNAM

CABLE ADDRESS: MICHGOVBUR

OFFICE OF THE CHIEF ADVISOR

PERSONAL

August 10, 1959

GENERAL OFFICE:

137, DUONG PASTEUR

TELEPH. NUMBER: 22.022-21.528
21.891-21.991

MEMORANDUM FOR THE RECORD

FROM: Dr. Ralph H. Smuckler, Chief Advisor

SUBJECT: Conversations Concerning Lyman Rundlett

During the week of August 3, I had several conversations with members of the staff concerning Lyman Rundlett. Jerry Hemmye came in to talk with me and pointed out that he felt somewhat on the spot and under a certain amount of pressure since Rundlett was not completely trusted by some of the people at USOM who are most concerned with equipment purchases. Jerry told me that he himself felt that Rundlett had made the types of decisions that Hemmye would have made and he had no reason to make specific accusations. However, he said that it makes him a bit uncomfortable to know that Rundlett is not completely trusted.

We discussed this matter in some length, and I pointed out to Jerry that at no time should he attempt to cover up or to answer any questions which may be raised with anything but complete honesty. Jerry assured me that this is the way it would be. I also asked him to talk with me should anything come to his attention which would indicate some kind of improper dealing on the part of Rundlett or, for that matter, anybody else. I reaffirmed my 100% confidence in Hemmye, and I also pointed out that I am completely confident in Rundlett's technical ability although I feel he must receive more careful supervision than most other members of our staff.

Jerry pointed out that an incident had occurred recently which made him feel less than comfortable. This concerned some single sideband bidding. Gets Brothers, the local company dealing in Collins Radio Company equipment, had been informed by Collins that Rundlett told the Collins people that they need not submit a sample of their work in order to meet the specifications provided for the bidding. In other words, all other companies would have to comply with every specification, but Rundlett felt that Collins could be excepted. In fairness to Rundlett, it might be said that he is thoroughly familiar with the quality of the Collins product and probably does not feel that he must see their work in order to judge its quality.

Since the specifications call for submission of samples along with the bids, the question now arises as to whether the Colling Company is automatically excluded by not having the sample to present. The answer which Hemmye will give when asked and which he has already passed on to Gets Brothers is that the specifications must be met in full. Therefore, if Collins or any other company does not comply with one of the specifications, it will not qualify in the bidding.

When I returned from my trip to Quang Ngai and Danang, I learned from John Griffin that Mr. William Band, the Personnel Security and Integrity Officer at USOM, had been over to see Rundlett's personnel file. Griffin showed it to him in my absence and asked me if this was proper. I answered that it was and that we should certainly provide all of the information requested by a person in the position held by Mr. Band. Griffin seemed to imply that suspicion exists and that perhaps Band's inquiry went a little bit deeper than we would hope. I mentioned to John that USOM is at the present time quite concerned about its total communications project work in view of the Congressional hearings. USOM seems to be more on the spot on that project than on any other. Rundlett's work, which ties into that project, may come under a certain amount of additional investigation or surveillance. This is particularly true because of Rundlett's background and the one flare-up we had concerning the bidding on police radio equipment some eight or ten months ago.

I talked the matter over with Jack Ryan and Ralph Turner, and we explored the various alternatives related to Rundlett's return. I told them that Rundlett had made comments to our Coordinator to the effect that he may not actually be returning to Saigon. The three of us agreed that if he has an offer from some other company and desires to stay in the United States we would have to recruit another person but under no conditions should we try to lure Rundlett away from some other offer. Ryan confirmed the fact that Rundlett is a first-rate technician, but we both agreed that he required supervision. The net result of the conversation with Turner and Ryan was that no change in our present policy of bringing Rundlett back is recommended. We need Rundlett for program purposes, and unless we receive strong evidence unknown to us at the present time, we will have to assume that he can be effectively supervised in order to control any tendency toward "shenanigans."

I plan to discuss the matter with Band of USOM in order to find out if he has any additional information of concern to us in making this decision.

RHS/dcm

cc: Coordinator

Hold in file

Unnecessary

view of

resignation.

MICHIGAN STATE UNIVERSITY

VIETNAM ADVISORY GROUP

OFFICE MEMORANDUM

PERSONAL

Mr. William Band, Personnel
 TO : Security and Integrity Officer DATE : August 20, 1959

FROM : Dr. Ralph H. Smuckler, Chief Advisor

SUBJECT : Lyman Rundlett Inquiry

Pursuant to our conversation in your office on August 19, 1959, I am going to cable the East Lansing Coordinator's office and ask that Lyman Rundlett be delayed in the United States until further inquiry can be made into some of the allegations concerning current bidding on police radio equipment. In connection with the action and with the inquiry which you are conducting, there are several points worth noting.

First of all, if there is any evidence of a conflict of interest existing in the case of Mr. Rundlett, I assure you that the Michigan State University Group would not want to retain him on its staff. Previous allegations of this sort proved to be unfounded, and while there has been a certain lingering suspicion, our action in renewing Mr. Rundlett's contract has been based on the fact that no real evidence has been uncovered in support of the allegations, and, secondly, the work he is doing is of crucial importance to the achievement of our program objectives.

A second point relates to the possible consequences of the cable which I plan to send. Mr. Rundlett is scheduled to leave the United States and return to Saigon on or about September 1. When the cable is received in East Lansing and the Coordinator takes the necessary action to delay Mr. Rundlett's return, it may be necessary to put Mr. Rundlett on a leave without pay status since we have very few alternatives under our contract. I am sure that this would not be acceptable to Mr. Rundlett for anything but a very short period. Therefore, it is entirely possible that my cable to the Coordinator's office and subsequent action by the Coordinator will lead to the resignation of Mr. Rundlett. I urge that you expedite the inquiry just as much as is possible since the important work we are doing in establishing the police communications network in Vietnam will be seriously delayed without Mr. Rundlett's services.

A final point pertains to the general professional competence of Mr. Rundlett and the difficulty in locating a person with his competence. While Mr. Rundlett is now suspected of a possible conflict of interest, it should be made clear that his professional ability as a

radio technician cannot be questioned and, if anything, should give him the benefit of doubt should it exist. Coming from a background of employment with the Motorola Company, competitors of Motorola are bound to be very quick in criticizing any of his work which tends to deny them contracts no matter what the reason for the denial may be. I have yet to find a police specialist who does not feel that Motorola leads the way in police radio equipment of certain types. I am not surprised, therefore, to find that Westrex and Motorola meet the specifications more easily than do their competitors. I am sure that your investigation will go into the matter fully and consider seriously this question of prejudice against Mr. Rundlett by various suppliers.

Again let me urge you to expedite the investigation. We will be very quick to act if you find that a conflict of interest does exist. On the other hand, I would be very sorry to lose unnecessarily a key technician on an important project such as this.

RHS/dcm

cc: Coordinator

This is superceded by other memo same subject. This was dictated before hearing of Rundlett's resignation and should be considered for your information only.

August 20, 1959

P E R S O N A L

TO: Coordinator
FROM: Chief Advisor
SUBJECT: Lyman Rundlett

I am sending you in this same letter a memorandum to William Band, the USOM Investigations Officer who is planning to look into a possible conflict of interest in the case of Lyman Rundlett. I am also sending you a copy of the memorandum from Taylor Greenfield, USOM Central Purchasing Agency Advisor to the GVN, in which he makes various allegations against Rundlett. Jerry Hemye has drafted a memorandum in response to Greenfield, and he may be able to clear up some of these charges before they are carried any further. However, I am encouraging Band to go ahead with his investigation so that we know as soon as possible where we stand on Rundlett.

NOTE:
Not sending
to Band or
you in view
of Rundlett's
resignation.

If, in fact, Rundlett has been writing specifications which are overly restrictive and if it turns out that Motorola has been collaborating with him or he with Motorola, we definitely do not want Rundlett back on the job. He was accused of this many months ago, and it was cleared up after further investigation. These new charges arise from some new specifications and bids which have recently been opened. I am afraid that it will take some time to get these allegations, which seem to be more serious, investigated. It may well turn out that Rundlett is clear, but the delay which we will have to impose on his return to Saigon for a second tour may cause him to resign even though he is cleared of all charges. This will be a sad turn of events since his services are needed in a very important if not crucial aspect of our police work.

I have tried to consider the program needs ahead of the mere suspicion that has been voiced by various people here. I can no longer insist on the priority of program in view of what appear to be more serious allegations. Therefore, we will have to play this one strictly according to the books and take no more chances. If it means that our police work in the communications field is set back a year or 18 months, we will have to pay that program cost rather than run the risk of future investigation and difficulty. I want to get the matter cleared up on Rundlett at this time once and for all, even if the program involved

cost

- 2 -

is serious. You have various memoranda on Rundlett in your files. I suggest you look them over in order to follow the issue as it develops.

RHS/dcm

PERSONAL

Mr. William Band, USOM

August 28, 1959

Dr. Ralph H. Smuckler, Chief Advisor

My Recollection of Rundlett Cable

From time to time I receive cables at my home addressed to members of the staff. This usually occurs over weekends or at a time when our office is closed. Occasionally the cable is not clearly marked, and I make the error of opening the cable before discovering that it is personal and intended for a member of the staff. My usual procedure is to see that the cable is delivered immediately to the staff member for whom it is intended, opened or unopened as the case may be.

At about the time Lyman Rundlett's son was leaving for the United States, probably in late July, 1958, a cable was delivered to my house and opened in error by me. After I had opened it, I noticed that it was intended for Rundlett, but I could not help but glance at the content of the cable since it was not lengthy. My recollection of the contents is not very good, but I do recall that it referred to a financial transaction. As I recall, the cable was sent from Singapore or some city in this area, that it referred to a deposit of money, and that it also referred to Rundlett's son. I believe it was signed "Westrex," a name which meant nothing to me at that time. I sent the cable on immediately to Rundlett at his home.

I did not take the matter up with Rundlett because it did not seem at that time to represent anything unusual, and at that time Rundlett was not under a cloud. Later, I discussed the matter with Robert Scigliano, and with Howard Hoyt. That was in late August, 1958, when Rundlett had become suspect because of a letter received by the USOM Director from the PYE representative.

Specifications written by Rundlett were considered by PYE to be restrictive and it was alleged that the bid was not awarded to the lowest bidder. At that time Rundlett was able to defend himself adequately and questions were answered which cleared up the matter. At that time also, the entire matter of conflict of interest and the proper role of a technician was reviewed with Rundlett and he was made fully aware of the problems involved. He stated that his record was clean and would continue that way.

I did not discuss the cable itself with Rundlett since at the time it was received it did not appear unusual. Furthermore, my recollection of its contents has not been clear enough to enable me to say much about it. Actually, only during the past week has it again seemed to have much potential significance when viewed in the light of other disclosures.

August 28, 1959

TO: Coordinator
FROM: Chief Advisor
SUBJECT: Rundlett Investigation

We have a very serious matter on our hands which, it seems to me, should be taken up with the Dean of International Programs Office and others on campus. I have already given you some information about the investigation of Lyman Rundlett's activities, but there are a few things that I should add.

Over the years MSUG has been involved in providing technical advice to USOM on the purchase of American Aid equipment. One portion of that equipment is in the police communications field. Our role in the process of purchasing the equipment has been to plan the program within which the equipment would be used, to evaluate the need for new equipment, to write the specifications for equipment, and to assist in the evaluation of bids received on the equipment. I should emphasize that throughout this process MSUG serves in an advisory role to USOM. In the police field, however, there has not been any police technician on the USOM staff. Therefore, our people have, in a sense, served as a police division for USOM on equipment matters. All of the actual purchases are processed through the USOM channels, and procurement is handled by USOM. However, we do write the specifications and deal with the procurement people at USOM in this whole process just as though we were USOM staff members.

The above resume is not new information. We have not liked being in this role, but there has been very little alternative given the needs in police administration in Vietnam. During the past year we have negotiated ourselves out of that role for the most part. Through our own insistence USOM has developed its own public safety division, and we are now, with a few exceptions, out of the equipment business.

In the police communications field we have had Mr. Lyman Rundlett on our staff as the principal advisor. Until late 1959, he was the only police communications advisor on our staff. His experience prior to

joining MSU was with the Motorola Company. He had been recruited after many months of difficulty in finding a replacement for Royce Williams, our first communications advisor who died after a short period of service in Saigon.

Shortly after I arrived in Vietnam, specifications were written and bidding was called for on some technical equipment needed in the police communications program. At the time one of the unsuccessful bidders complained to USOM that the USOM specifications were restrictive and were set up in such a way that they favored the Westrex bid (Westrex is the overseas representative of Motorola). Furthermore, it was claimed that the lowest bidder did not get the bid. This was looked into by the Vietnamese Central Purchasing Office which handles the bids and purchases for the Aid program. It was also investigated by the USOM advisor to the Central Purchasing Agency and others who decided that the accusations were not well founded. As I recall, the USOM Director replied to the charges by saying that he had looked into the matter and was satisfied that no irregularities had occurred.

During the past month some additional bids were opened on police communications equipment. Several suppliers complained again that the specifications were restrictive. Whether they were or not, the case against the specifications seemed to be strong enough to justify further investigation which has taken place in the field and will continue in the United States. Rundlett, as author of the specifications, is again being investigated. Mr. William Band, the ICA investigator for the region, has picked the matter up and is looking into it very thoroughly. As a result of the investigation, we have discovered various letters received by Rundlett which go beyond the normal correspondence of a person in his position. In fact, they are very damaging and sufficiently incriminating to cause Band to feel the matter should be turned over to the Justice Department for further investigation. For example, some of the letters from Westrex, Motorola, and other companies are written in an extremely friendly manner, deal with matters of specifications, thank Rundlett for his help, and refer to mutually satisfactory arrangements. What all of this means is unknown at the present moment. It is certainly damaging and puts Rundlett in a very bad position. It may be that he can clear it all up, but on the other hand he will have a good deal of explaining to do.

Rundlett left for the States on home leave well before this matter came up. When I learned about it upon my return from Hong Kong on August 19, I was prepared to cable and have you keep Rundlett in the States until the matter was clarified and we were satisfied that he was suitable to bring back out. Before I sent the cable, however, Jerry Hemmye received a letter from Rundlett which indicated that Rundlett did not plan to

come back and, in fact, had accepted a position elsewhere. The fact that he is not coming back in no way affects the present investigation, and it will continue until it is cleared up one way or another.

I should add that the situation is a serious one and that it may involve MSUG in adverse publicity. Much will depend on what is discovered when it is investigated further, and the publicity will depend on the people who handle it. Since Rundlett was an MSUG staff member, some of the blame may fall on us.

We are cooperating completely with Mr. Band, and we are trying to get as much information here as we can. It seems to me that the farther we get into it the messier it gets, and I frankly do not know what will be discovered in the United States. While Rundlett may not have accepted any financial reward as a result of his "cooperation" with specific suppliers of radio equipment, the fact remains that he was acting in a highly suspicious manner and he was entering into correspondence which was above and beyond the requirements of his position.

I feel this matter should be known to the University authorities. Wes Fishel can provide explanations of procedures and fill in some of the background information as necessary. I would be glad to supply you with any other information, and I will certainly keep you informed of any further developments.

RHS/dcm

MICHIGAN STATE UNIVERSITY EAST LANSING

VIETNAM PROJECT • OFFICE OF COORDINATOR

September 1, 1959

P E R S O N A L

To: Ralph H. Smuckler
From: ~~ST~~ Stanley T. Gabis
Subject: Lyman Rundlett

On September 1 Mr. Edward P. Guinane, Chief of the Inspection Division of ICA/w called this office. He inquired as to the whereabouts of Mr. Rundlett and his future connection. This information was supplied to him. Mr. Guinane asked me if the files pertaining to Mr. Rundlett were in this office, and I replied that they were with the exception of material still in Saigon. I was asked further if Mr. Rundlett had deposited any papers or correspondence in this office during his recent visit. The answer was negative. Mr. Guinane advised me that should Mr. Rundlett request material from our files that the request should be denied. Mr. Guinane indicated that Mr. Rundlett's file in this office might be examined by a person from his office. He did not indicate the time.

STG/ap

cc: International Programs
Dean Seelye
Mr. Brandstatter
Howard Grider

(6) CONCLUSIONS:

The conclusions reached by the Review Group are as follows:

a. The technical specifications contained in the invitation to bid and contract No. 339-13058 were generally descriptive of Motorola type equipment; however, did not preclude the submission of competitive bids which were responsive in whole, or in part, to the stated requirement. (Ref: para 5a).

b. The bid evaluation guidance prepared by Mr. L.M. Rindlett, Communication Advisor, MSU, gave priority consideration to the Motorola bid; however, the decision to purchase the Motorola equipment was valid when both technical and cost figures are equated. In other words, the Review Group concurs in the said result, but finds the methods employed by Mr. Rindlett to ensure this decision to be subject to question. (Refs: para 5 b and 5c).

7. RECOMMENDATIONS:

a. The matter of the 2% discount by Motorola be investigated, and recovery of the funds be undertaken if this discount was pertinent to the final award. (Ref: para 5b (3), and para 2d).

b. An evaluation be made of the problems encountered with the installation, operation, and maintenance of the subject Motorola equipment as a basis for subsequent procurement of additional Motorola equipment if any.

c. Where practicable, sole source procurement be justified in such instances where the desired product has been recognized.

Mr. John Lewis
CAAG

Charles A. Kibling
Prog. Support Div. USOM

MICHIGAN STATE UNIVERSITY EAST LANSING

VIETNAM PROJECT • OFFICE OF COORDINATOR

October 9, 1959

file

To: Ralph H. Smuckler
From: Stanley T. Gabis *STG*
Subject: Rundlett

At this time we have still not received the anticipated check from Westrex Corporation. I have written to Westrex requesting clarification. In the meantime, we are holding up on all payments to Rundlett. If we add to these payments the savings on household effects and shipment we will be in a very strong situation as far as protecting the University is concerned. I agree with you that a legal aspect is involved, and I am sending a copy of your memo, "Subject: "Rundlett", of October 2, 1959 to Howard Grider. I will call Westrex this coming Monday, October 12, if we have no reply. Unless we receive satisfaction we will seek legal advice immediately.

STG/ap

cc: Grider
International Programs

*Griffin —
Info and return
RHS*

10-70

MICHIGAN STATE UNIVERSITY EAST LANSING

VIETNAM PROJECT • OFFICE OF COORDINATOR

October 23, 1959
file
RHG

P E R S O N A L

To: Lloyd D. Musolf
From: Stanley T. Gabis *STG*
Subject: Visit from the FBI

Mr. Gibbs, resident agent of the FBI, visited this office on October 19. His purpose was to check the file of Lyman Rundlett. He spent a good part of the day checking through the folder and asked that copies be made of some of the memoranda recently received from Saigon concerning Rundlett. In addition, he requested that a copy be made of the letter recently received from Westrex Corporation concerning a Westrex check directed to the University discharging Rundlett's indebtedness arising from his compassionate leave. We also prepared for Mr. Gibbs a complete statement of payments made to Rundlett.

Mr. Gibbs saw Howard Hoyt in the afternoon. I asked Howard to send you a memo concerning this visit, and he said he would do so. Howard tells me that he covered this in a personal letter to Ralph and his wife.

STG/ap

cc: International Programs
Dean Seelye
Mr. Brandstatter
Mr. Grider.

✓ 29 Oct. 1959

ICATO 748

Scripps Howard papers are carrying article today on alleged favoritism in specifications for dollars one and a half million worth of police radio equipment. Bids close July 8, 1959 and ICA threw out all bids when determined to be preclusive. Scripps Howard now seeking information on a contract for police radio equipment supposedly entered into in summer of 1958 with Westrex as sale agency representing Motorola. Scripps Howard says British firm PYE protested that specifications were preclusive and were 60% higher than PYE bid but contract went to Westrex. Please send full details by cable.