

November 9, 1976

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MEMORANDUM FOR THE FILE

Subject: Marianas Matter

1. I spoke to Jim Leonard this afternoon and he told me the following: based on conversations with Ed Pangelinan, and Jim Berg, it appeared that a local law firm of Dobrovir, Oakes, Gebhart & Scull had complained to Ed and to Jim Berg about the procedures followed by the Office of Transition Studies and Planning ("OTSP") in awarding contracts to this firm and to IPA. He said that the Dobrovir firm had written a letter (together with supporting materials) to Pete Tenorio expressing an interest in working on the constitutional convention and the government reorganization projects. Copies of the letter went to Ed and to the Interior Department. Ed called the firm and said Pete would handle the matter. Subsequently, the Dobrovir firm learned that contracts had been awarded to WC&P and to IPA. Someone from that firm called Jim Berg last week and quite vigorously protested, stating that they had never received an RFP (request for proposal) and were never notified of the awarding of the contracts. They also charged that the procedure followed was unlawful, and said that they were considering legal action against the Department. Ed spoke to Mr. Scull of the Dobrovir firm today, who said that there had been improprieties in the awarding of the contracts by OTSP, and Mr. Scull wanted them declared invalid. Jim Leonard also said (a) that letters had gone from Interior and from Ed to Pete asking him to straighten the matter out; (b) that he feared that the whole matter would be blown out of proportion in the Marianas; and (c) that he had had someone in his office look into the matter before the contracts were awarded and had concluded that the ordinary procurement regulations did not apply.

2. I then spoke to P. J. Mode about what I had learned. I then decided to call Ed to get additional information, but not to call Jim Berg.

3. Ed told me that the name of the fellow at the Dobrovir firm was David Scull; that Scull had written a letter dated July 23, 1976 to Pete, with a copy to Ed, expressing an interest in working on the constitutional

17122

convention and the government organization project; that yesterday Ed spoke to Jim Berg, who said Mr. Scull was quite angry and had threatened legal action against the Interior Department; that Ed spoke to Mr. Scull this morning and was told that Mr. Scull was going "to pursue the matter further"; that Ed spoke to Jim Berg this morning and was told that Interior was sending a letter to Pete asking him about the matter; and that Ed was also sending a letter to Pete.

4. I then spoke to Jay Lapin and decided to call Howard Willens in the Marianas. I did so, and made contact with Deanne Siemer. I told her what I had learned. She said that she was unaware of any possible problems in the awarding of the contracts, other than possibly (but she thought not) with respect to an IPA consultant who had done some work for WC&P. She said she would check into the facts with Pete. She also said that she had been on the other side of a case recently from Mr. Dobrovir, and that he might not be particularly friendly toward WC&P. She suggested I mention this to Jim Leonard and ask him to keep us informed if he learns anything else. I told her I did not plan to call Jim Berg or anyone at Interior about this, absent an unexpected crisis or further contact with her.

5. I called Jim Leonard, told him that our relations with the Dobrovir firm might be strained, and asked him to keep me informed.

Michael S. Helfer

cc: Howard Willens
P. J. Mode
Jay Lapin

17123