Paul Burgess Bernard “Red” Fay, Jr.

FBI HQ Serial 161-212-17
FBI HQ Serial 161-212-18

Memo to Attorney General Robert F. Kennedy from Director Hoover, FBI

2pp cover + 10pp memo + 1pp letter

9 February 1961 and 13 February 1961
The Attorney General

Director, FBI

PAUL BURGESS BERNARD PAY, JR.
SPECIAL INQUIRY

February 9, 1961

In accordance with your request of January 23, 1961, an investigation has been conducted concerning Mr. Paul B. Fay, Jr. Transmitted herewith is a summary memorandum containing the results of this investigation.

This summary memorandum is being forwarded directly to you in accordance with the specific request of Mr. [blank] of your office, who has asked that the summary relating to Mr. Fay be forwarded to you instead of to the White House.

Information has been received from one governmental agency indicating that a check of its files concerning Mr. Fay has not been completed. When this check has been completed, you will be advised.

The investigation of Mr. Fay covered inquiries as to his character, loyalty, general standing and ability, but no inquiries were made concerning the sources of his income.

Endorsement

V

Personally delivered

BY

Date 2-9-61

NOTE: Investigation of Mr. Fay was received on January 23, 1961, from the White House. Mr. Fay has been appointed Under Secretary of the Navy. Mr. Fay was on that date appointed as Under Secretary of the Navy.

Mr. Fay is a very close personal friend of the President, having been a member of his wedding party and is also stated to have taken vacations with President Kennedy. Their Navy records would indicate that they served together as PT boat commanders in the Southwest Pacific. Mr. Fay's record at the Attorney General's Office has requested that this summary be sent directly to the Attorney General, who will take it to the President as the President does not want this summary processed.

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through his staff. The Attorney General's Office has requested that this case be expedited and that it be sent to the Attorney General's Office instead of to the White House. Several neighbors and one businessman reported that they did not feel Mr. Fay is qualified for appointment. He was reported by them as having a frivolous nature and lacking sufficient serious outlook to handle a "top-level position."

Approximately 30 other persons recommended him very strongly for the position of Under Secretary of the Navy, to which position he has been appointed.
February 9, 1961

PAUL BURGESS BERNARD PAY, JR.

I. BIOGRAPHICAL DATA

Birth, Education and Employment

Mr. Fay was born on July 8, 1918, at San Francisco, California. He attended Stanford University, Palo Alto, California, where he majored in economics. In January, 1942, he was awarded an A.B. degree by Stanford University.

From January, 1942, to May, 1942, Mr. Fay was employed by the Shipbuilding Division of the Bethlehem Steel Company at San Francisco, California.

Mr. Fay, since his discharge from service with the United States Navy in 1946, has been continuously employed by the Fay Improvement Company, San Francisco, California.

The above company is reported to be a street and road paving company which is owned by Mr. Fay's father. It is reported to be substantial, well regarded, and to have been in operation in the San Francisco area for more than fifty years. Mr. Fay's father is reported to continue as President of the company.

Mr. Fay holds the position of Vice President and assists his father in the operation and management of the company. It was also reported that Mr. Fay worked as a laborer for his father's company for temporary periods, during summer vacations from school.

Enclosure

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Military Service

Mr. Fay was appointed a midshipman, voluntary reserve, United States Naval Reserve, on August 7, 1942. He was released from active duty on May 5, 1946, as a lieutenant, United States Naval Reserve. Mr. Fay was honorably discharged on October 15, 1954, as a lieutenant, United States Naval Reserve.

Mr. Fay's Navy service file further discloses that he was awarded the Bronze Star Medal for meritorious achievement as Officer in Charge of a motor torpedo boat in action against enemy Japanese forces. His record is clear.

Marital Status

Mr. Fay is married to the former [illegible] and they have three minor children. Their legal residence is in San Francisco, California. They also maintain a summer home at Woodside, California. His wife and children are currently reported to be in Switzerland where the two oldest children are attending school.

II. RESULTS OF INVESTIGATION

Interview

Hubert H. Owens, Director of Public Works, Department of Public Works, City and County of San Francisco, City Hall, San Francisco, California, advised that he has known Mr. Fay practically all of his, Fay's, adult life.

Mr. Owens stated that the Fay Improvement Company does a substantial amount of street paving and sewer work for the City and County of San Francisco. Mr. Owens advised that his office approves the final payments for work done by paving contractors and ascertains that the contracts have been performed in accordance with the City's specifications.
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Mr. Owens stated that Paul Fay, Jr., is for all practical purposes the head of the Fay Improvement Company as his father is not well and has withdrawn from the supervision of the company. He stated that he regards Mr. Fay as a person of excellent reputation, character, and loyalty, and feels that he has been highly capable in his administration and operation of the Fay Improvement Company. Mr. Owens stated that he has been favorably impressed by Mr. Fay's aggressive leadership within the Fay organization, and regards him as a business executive with inherent intelligence and administrative ability. He concluded his remarks by stating that he regards Mr. Fay very highly and recommends him strongly for a position of trust and confidence with the Government.

Mr. Clifford Goertz, City Engineer, Department of Public Works, City and County of San Francisco, stated that he has been acquainted with Mr. Fay's father for approximately thirty-five years and has had substantial business contact with his son, Paul Fay, Jr., since the latter joined the Fay Improvement Company in 1946.

Mr. Goertz stated that as city engineer, he supervises the contracts for paving and sewer work that are awarded by the city and county of San Francisco for the Fay Improvement Company. Mr. Goertz advised that for the past several years, Paul Fay, Jr., has been responsible for the active management of the company, and that during the course of his supervision of these contracts, he has found Paul Fay, Jr., to be honest, trustworthy, and capable.

Mr. Goertz described Mr. Fay as being thoroughly loyal in his views and to be a man of excellent moral character, reputation, and associates. Mr. Goertz stated that he regards Mr. Fay as having much more than average energy, coupled with a good practical sense of values, and stated that he has also noted that he has a sufficient
quantity of native intelligence. Mr. Coertz concluded his remarks by stating that he would be very pleased to have Mr. Fay on his staff.

Mrs. Lancaster R. Fontaine, San Francisco, California, advised that she has known Mr. Fay and his wife on a purely social basis for many years, having first met them in approximately 1940. Mrs. Fontaine stated that Mr. Fay and his wife are without question loyal citizens of excellent moral character and reputation, but that she feels his appointment to his present position was not a good appointment.

Mrs. Fontaine advised that she considers Mr. Fay and his wife as very close friends, but that she does not feel that Mr. Fay is qualified for a position of the "magnitude" to which he has been appointed. Mrs. Fontaine said that she bases her remarks on her limited experience in Government, and the fact that she doubts that he has the serious nature she feels is required of a person dealing at such high level with the security of the United States.

Two former neighbors who have requested anonymity advised that they have known the appointee on a social basis for a number of years and feel that his appointment as Under Secretary of the Navy is not a good appointment.

Both of these individuals have described themselves as close personal friends of Mrs. Fay, and stated that they have no knowledge of Mr. Fay's abilities from a business standpoint, but that they feel he is too much of an extroverted individual to handle the position to which he has been appointed. He was referred to as being "not serious," and to be a person who constantly strives to be the "life of the party." Both of these persons advised that Mr. Fay is very friendly and a person who is well liked and who has many friends in the San Francisco area. One of them described him as the type of person that "you would like
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for a friend but would not like him to handle your business arrangements." This person stated that she does not feel that Mr. Fay should be placed in such a high position as "she has never seen him in a serious frame of mind." She advised that Mr. Fay is an excellent father to his children and is well regarded in the neighborhood. Both of the above individuals stated that Mr. Fay is a man of excellent moral character, reputation, and associates, and their sole objection to him was based on their feeling that he lacked the serious nature which they felt the position required.

Edward S. Lowery, President of Van Etta Motors, San Francisco, California, advised that Van Etta Motors sponsored a television program in approximately 1951 or 1952 in which program Mr. Fay took a part in that he appeared on the program making humorous remarks and doing a comical type of commercial.

Mr. Lowery advised that he has been a personal friend of Mr. Fay for approximately twenty years, and he had personally collected him to narrate in connection with the comedy film which was shown on time that he, Lowery, had purchased from the television broadcasting company. Mr. Lowery stated that Mr. Fay had assisted him greatly in taking the part, and that he had worked with the show as a hobby as distinguished from regular employment. Mr. Lowery advised that he regards Mr. Fay as a very intelligent, hard-working individual who has a great deal of ability in all work that he encounters. Mr. Lowery stated that he knew nothing of a derogatory nature concerning Mr. Fay and that he recommends him highly for a position of trust and confidence with the Government.

Lee Goelisor, Vice-President, Rain and Mayno, general contractors, San Francisco, California, stated that he has been acquainted with Mr. Fay for approximately fifteen years, primarily in business matters. He stated that he also has a slight social acquaintance with Mr. Fay.
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Mr. Gosliner stated that Mr. Fay has an outstanding character and reputation in the San Francisco community. He advised that he considers him to be a man of honesty and integrity, and one who possesses intelligence and business ability. Mr. Gosliner stated that he regards Mr. Fay as loyal to the United States Government and recommends him for a position of trust with the Government.

Gardner M. Kein, Assistant Secretary, Calaveras County Company, San Francisco, California, advised that he has known Mr. Fay since they were both children and that he is also acquainted with Mr. Fay's father, mother, and sisters. Mr. Kein stated that he considers the entire Fay family to be persons of high moral character, reputation, and associates, whose loyalty would not be questioned by anyone who knew them.

Mr. Kein stated that he considers Mr. Fay as being industrious, dedicated, and having intelligence that is above the national average.

Mr. Kein stated that he has "heard from talk around town to the effect that Paul Fay was not capable of fulfilling the duties of Under Secretary of the Navy." He advised that he cannot furnish the source of these comments, but he does not believe the statement possesses any truth in fact, and he feels that any statements of this nature are merely the talk of people who resent his obtaining a high position and who fear that Mr. Fay by having done so, was an opportunist.

Mr. Kein stated that Mr. Fay is an extrovert and a showman who likes to "kid" and who likes to make speeches. He stated that Mr. Fay is extremely loyal to President Kennedy and that he has every confidence that Mr. Fay will do his utmost to prove himself worthy of the position to which he has been appointed.

Two other former neighbors and one contractor in the San Francisco area advised that they would not recommend Mr. Fay for the position to which he has been appointed.
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These persons stated that their refusal to recommend him is based on his frivolous nature, and what they term lack of serious approach, and desire to stand out as an entertainer in a crowd. These individuals requested anonymity. The contractor advised that he does not think that Mr. Fay has the business acumen essential to deal with Government officials on a high national level.

Twenty-five other persons were interviewed in this investigation, including businessmen, professional men, city officials, and neighbors, many of whom have known Mr. Fay more than twenty years, and recommended him strongly for a position of trust and confidence with the Government. These persons have advised that Mr. Fay for several years has successfully operated the Fay Improvement Company, which is described as a substantial business in the San Francisco area. He is described as aggressive, intelligent, and a person who has far above average ability to get along with others.

None of the persons interviewed during this investigation raised any question relating to Mr. Fay's character, reputation, associates, or loyalty to the United States Government.

Close Relatives

Mr. Fay's parents, Mr. and Mrs. Paul Fay, Sr., reside in San Francisco, California. He has five children:

Credit and Arrest Checks

The files of the Carmel, California, Police Department contain a record of an arrest of Paul B. Fay on March 28, 1941, for burglary and resisting arrest.
The date of birth is not disclosed in the files. The place of birth is shown as San Francisco, California, and residence is noted as Stanford University. He is described as having blue eyes, red hair, aged 22, 5'8½" tall, and of heavy build. The record indicates that bail was set at $500. The disposition, or further information than the above, was not shown in these files, other than the name of the arresting officer, noted as Earl Werneth.

Officer[______] formerly of the Carmel Police Department, Carmel, California, advised that he recalled the above incident very well. He stated that he made the arrest referred to above and recalled that Mr. Fay was enrolled as a student at Stanford University when arrested. He described Mr. Fay as the son of a wealthy contractor in San Francisco, California.

Officer[______] stated that Mr. Fay had attended a party in Carmel, and had been doing some drinking; that upon leaving the party, he took a car belonging to another guest and that subsequently the car was reported as stolen.

Officer[______] stated that he saw Mr. Fay in the car in Carmel, but that he fled, leaving the car. Officer Worneth advised that he impounded the car and had it placed in the Carmel garage. He stated that later, when passing the garage, he saw a man entering through a skylight and that on entering the garage, he saw Mr. Fay in the car he had previously impounded, and that Mr. Fay was trying to get the car out of the garage. He stated that Mr. Fay resisted arrest to the point where it had been necessary to "hit him over the head."

Officer[______] advised that he does not entirely recall the disposition of Mr. Fay's arrest, but that he believes that Mr. Fay's attorney and the then Assistant District Attorney got together and reduced this matter from a felony to a misdemeanor. He believed that Mr. Fay.
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had pleaded guilty to the lesser charge and had been fined $50. He stated that the car involved had belonged to a friend of Mr. Fay, and that this party withdrew the theft complaint he had filed with the police department.

Officer Pomeroy stated that the incident had been regarded as more of a college student act than any intent to commit a crime and that he would personally classify it as overcrowding and overindulgence in liquor on Mr. Fay's part.

The records of the Richmond Station, San Francisco Police Department, contain an arrest card disclosing that on June 5, 1941, at 2:30 a.m., one Paul Fay, aged 22, then residing at Palo Alto, California, where he was a student, was arrested for being drunk in a public place. This record card showed the disposition of the arrest as "Released." Mr. Fred Hogan, in charge of the records at the Richmond Station, advised that it was the policy of the department in 1941, when taking an arrest on a drunk charge, to hold a person until the next day and then release him.

Information Relating to Mr. Fay's Sister,

During the course of this investigation, it was ascertained that Mr. Fay's sister, [illegible], is currently obtaining a divorce from her husband, [illegible]. The complaint for the divorce was filed by [illegible] on December 12, 1958, in the Superior Court, San Diego, California, it being shown as the plaintiff and the grounds are extreme cruelty and physical violence on the part of defendant.

The files of the San Diego Police Department, San Diego, California, contain records of five arrests for drunkenness, [illegible] during the 1950's.

Information has been received from other appropriate credit reporting agencies and law enforcement agencies indicating that their files contain either no record or no pertinent information concerning Mr. Fay or any of his close relatives in addition to that set forth above.
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Agency Checks

Information has been received from the following governmental agencies indicating that their files contain either no record or no additional pertinent information concerning Mr. Pay:

Investigations Division, Civil Service Commission;
United States Secret Service; House Committee on
Anti-American Activities; Office of Naval Intelligence.

Passport Record

Records of the Passport Office, Department of State, disclose that Mr. Pay has been issued two passports for trips to Europe. One of these trips was taken in 1936 with his parents, and the other was taken with his wife and children in 1960. These files contain no additional pertinent information.

The central files of the Federal Bureau of Investigation contain no additional information concerning Mr. Pay or members of his family.
The Attorney General

Director, FBI

PAUL BURGESS HERMAN PAY, JR.

SPECIAL INQUIRY

By letter dated February 9, 1961, you were furnished a summary memorandum containing the results of the investigation of Mr. Paul Burgess Herman Pay, Jr. This summary was forwarded to your office at the specific request of Mr. who had asked that it be forwarded to you instead of to the White House.

Information has now been received that the files of the Central Intelligence Agency contain no pertinent information concerning Mr. Pay or his wife.

The above concludes the investigation in this matter.

Personally delivered

By

Date 2/9/61

NOT RECORDED

13 MAR 1961

67 MAR 31 1961