It'll be yes for Senator No.

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Close encounters of the fourth kind

Los Angeles

No hack screenwriter would have had the nerve to write the script: high-living film executive with emotional problems who embezzles from the firm, is found out by outraged actor, leaves his post in disgrace, is reinstated after making restitution and visiting his psychiatrist. But Mr David Begelman’s bizarre activities as studio chief at Columbia Pictures Industries Inc did not end there. On February 6th, with the Federal Bureau of Investigation, the Securities and Exchange Commission and local police agencies looking into his affairs, he decided that Columbia would be better off without him. A sourrround board of directors agreed, then voted to test his employment contract in cash and give a lucrative deal as an independent producer—the Hollywood version of the “Golden Handshake”—to a man who had written phoney cheques for at least $61,000 and inflated his expense account by $23,000. After all, as the board chairman, Mr Leo Jaffe, said, “His performance speaks for itself. We certainly don’t want to lose that talent.”

Mr Jaffe was referring to Mr Begelman’s skill at making film deals, but the former studio chief allegedly did more than write a few bad cheques in his time. Mr Begelman had been a talent agent in the early 1960s for Judy Garland. Mr Sidney Luft, Miss Garland’s ex-husband, has a lawsuit pending against Mr Begelman for misappropriation of more than $100,000. Mr Luft believes that some of the cash went to pay for a New York apartment which Mr Begelman bought, and that a Cadillac registered in Miss Garland’s name but never seen by her was in fact kept by Mr Begelman.

Much later, after Mr Begelman had been installed at the key Columbia post with substantial help from a producer, Mr Ray Stark, Columbia acquired Mr Stark’s company without bothering to mention the purchase to its shareholders or the SEC. Various smaller items, such as making the studio pay for a screening room at his Beverly Hills home, were considered routine in Hollywood.

Mr Begelman nearly kept his job, and has still managed to evade anything more than mild embarrassment, because of the Hollywood rule that you are as good as your last picture. During his stint at Columbia his pictures did well at the box office. Indeed, Columbia Pictures might have disappeared without Mr Begelman. In 1973 a Wall Street investment house, Allen and Company, was persuaded by Mr Stark to invest in Columbia after a string of losses had run up a $50m loss for the year and saddled it with more than $200m in debts. Mr Begelman brought in film makers who accounted for another hit, culminating with last year’s “Close Encounters of the Third Kind”. Profits soared, and the debt was carved away. Mr Begelman was regarded as a hero.

Then Mr Cliff Robertson, the actor, received a tax form indicating that he had been paid $10,000 by Columbia. Since he had done no work at the studio during the previous year, he asked his accountant to check this. Mr Begelman, called Mr Robertson personally to say that a young employee had confessed to forging a cheque payable to the actor and cashing it. The lad had paid the money back, Mr Begelman said, and Columbia would forgive him if Mr Robertson would. The actor agreed, but called the bank to obtain a copy of the cheque for his records. He happened to ask the bank teller if she remembered who had cashed it. She replied that of course she did. It had been Mr Begelman. Mr Robertson called the police.

Columbia’s internal audit found $50,000 more in suspicious cheques, plus the questionable expenses, and Mr Begelman was suspended as studio chief and dropped from his corporate job as vice-president and director. But the studio is the heart of Columbia, and Mr Begelman was far from out. He visited his psychiatrist, and after what has come to be called the “Beverly Hills six-week miracle cure” he announced that the problem—a streak of self-destructiveness which had also made him a compulsive Las Vegas highrolling gambler—was in hand. On December 19th he was back in his office, earning $300,000 a year plus bonuses. That ended after a stormy seven-hour meeting on Sunday evening in New York. But Mr Begelman will be able to maintain his Rolls-Royce. Columbia may be paying him as much as $1m, some sources guess.