

## DE LOREAN WAS REPORTEDLY INVESTIGATED WHILE AT GM

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John Z. De Lorean **was investigated** by a private detective and by a General Motors committee in the year before his resignation from GM, say sources familiar with De Lorean's career.

The investigations, which examined De Lorean's outside business interests, possible kickbacks from GM suppliers and violations of GM policies, perhaps provided basis for speculation within the auto industry that De Lorean **was** forced out of GM rather than resigning -- as he contended - because of differences over management philosophy.

When he left GM April 1, 1973, De Lorean **was** making \$650,000 a year as group executive in charge of North American car and truck operations.

In 1975, the dapper, flamboyant De Lorean, now 57, formed the De Lorean Motor Co. to build sports cars in a Northern Ireland plant. The company **was** in receivership when he **was** arrested Oct. 19 on charges of financing a \$24 million cocaine deal. He is free on \$5 million bail pending an April trial in Los Angeles.

A FORMER GM EXECUTIVE , who asked not to be identified, and other sources confirmed that there had been a GM in-house investigation.

The private detective, C.J. Pickerell, of Detroit, said last week that he **was** asked in November 1972 by a GM security official to conduct an investigation. Pickerell said, however, that he **was** never paid by GM and that he never delivered a report to the company.

GM's director of news relations, Clifford Merriott, said last week that he could "neither confirm nor deny" that De Lorean **was investigated** . He would make no comment on the circumstances of De Lorean's resignation except to refer to a 1972 press release that said De Lorean had left to pursue other business interests.

At least part of Pickerell's report **was** acquired by De Lorean a couple of years ago. English newspapers, which are pursuing the De Lorean story because the British government provided \$160 million to the failed sports car venture, have also acquired extracts from the report.

DETAILS OF THE GM in-house investigation were apparently leaked in April 1972 to the Gallagher Report, a 6,000-subscriber newsletter that circulates among a select marketing and advertising clientele.

The newsletter, without disclosing its source, said then-GM Chairman Richard C. Gerstenberg **was** unhappy with De Lorean's performance. The report said that De Lorean had "too many outside interests" and that he **was** "still under (the) cloud from internal investigations of kickbacks from Chevrolet suppliers."

De Lorean's principal problem, the Gallagher Report said, **was** a "lack of marketing leadership ." De Lorean left "crucial marketing decisions" to the company's advertising agency, the report said.

Gerstenberg, who is now retired, could not be reached for comment.

PICKERELL SAID he began his investigation after a speech by De Lorean, highly critical of GM car quality and management decisions, **was** leaked to the Detroit News in November 1972.

In the speech, delivered at a top-level management conference in the Greenbrier Hotel in White Sulphur Springs, W.Va., De Lorean said that, because of poor quality, consumer loyalty to GM cars **was** diminishing, especially when compared with buyers of Ford Motor Co. cars. Within the auto industry, the speech is still referred to as "the Greenbrier speech."

A former GM executive said last week that publication of the speech **was** "devastating ." Within days of the speech, Gerstenberg sent memos to department heads warning that employees making unauthorized disclosures could be held liable for damages sustained by GM.

The former executive indicated that when De Lorean resigned, it **was** widely perceived within the corporation that "a place had been found for John."

"It **was** no surprise," he said.

IMMEDIATELY after leaving GM, De Lorean became head of the National Alliance of Businessmen for a year, with GM paying his \$200,000 salary.

"John just didn't tell the truth about things," the former executive said. "And he never seemed to be around. He **was** always running around on the West Coast. One time he **was** off in Europe getting a face-lift."

In "On A Clear Day You Can See General Motors," a book by J. Patrick Wright about De Lorean's GM days, De Lorean said he decided to leave because GM **was** guilty of "unfair, even immoral practices." He said he found himself "questioning a much bigger picture, the morality of the whole GM system."

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