

## Jacobsen To Plead Guilty, Testify

WASHINGTON (AP) — Texas lawyer Jake Jacobsen has worked out a tentative arrangement to plead guilty to a reduced charge of bribery in the milk-fund affair, and to testify against former Treasury Secretary John B. Connally, according to informed sources.

Watergate prosecutors have offered to let Jacobsen plead guilty to the least serious felony charge of offering or paying a bribe, a charge that carries a maximum penalty of two years in jail and a \$10,000 fine.

In return for a guilty plea and his cooperation, the prose-

cutors offered to drop their perjury case and a separate, unrelated Texas savings-and-loan indictment, the sources said. Jacobsen faced possible maximum punishment of up to 40 years and \$80,000 in fines if convicted on all counts.

Jacobsen once testified that he offered Connally a \$10,000 payment from his client, Associated Milk Producers Inc., but that Connally refused the gift.

Sources said Jacobsen is now offering to testify that Connally took the money for helping the dairy-farmer cooperative with government problems and Con-

nally later tried to cover up the transaction after federal investigators began looking into the affair.

Connally has consistently denied taking the money, and says Jacobsen offered it to him not as a bribe, but as a fund from which he could make political gifts to candidates. His lawyer, Edward Bennett Williams, said he had heard "rumors" that the government might have worked out a deal with Jacobsen.

According to informed sources, Jacobsen's lawyer,

Charles McNelis, tentatively agreed to the bribery-charge deal more than two weeks ago.

Jacobsen had been seeking to have all charges against him reduced to misdemeanors, which would have greatly improved his chances of keeping his license to practice law. Conviction of a felony almost automatically leads to disbarment.

Currently, Jacobsen faces a seven-count felony indictment in connection with alleged misuse of funds belonging to a sav-

## Against Connally

ings-and-loan institution in San Angelo, Texas. The charges in-

clude conspiracy, perjury and misapplication of funds.