

Agnew Ally Takes Fifth

By Douglas Watson

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William J. Muth, the first witness called by the federal grand jury in its investigation of Vice President Spiro T. Agnew, is a blunt-spoken Baltimore County public relations man, Maryland political insider and a former Agnew fund-raiser.

"This is a lot of bull—," Muth told reporters as he left the Baltimore courthouse after a brief appearance before the grand jury during which he took the Fifth Amendment and declined to answer any questions. Muth said he made a similar comment to a prosecutor upon entering the secret grand jury room.

Muth said he "reluctantly" invoked his Fifth Amendment right not to testify against himself "because I didn't know the areas in which they were going to ask questions," although Muth said he had been informed he was a target of the grand jury investigation.

The formal notification from the prosecutors that Muth was a target of their investigation and might be indicted came on Sept. 5, an informed source said. Muth, 63, was asked to sign an

agreement that he would cooperate with the investigation, but refused.

Despite his silence in the grand jury room yesterday, Muth had much to say about Vice President Agnew, their mutual Republican friends, Baltimore county politics and the possibility of corruption during a two-hour interview with a Washington Post reporter last month.

"I may look stupid, but stupid I ain't," said the former Baltimore City councilman during the August session in his comfortable country home near Reisterstown, Md.

The interview began with his threat to throw the reporter out the door, followed quickly by an invitation to dinner. He mixed praise for Vice President Agnew and other politicians with knowing comments on less savory aspects of Maryland politics.

In an interview yesterday after his grand jury appearance, Muth emphatically restated his faith in Agnew, Baltimore County Executive Dale Anderson (recently indicted by the same grand jury on 39 counts involving bribery and extortion

charges) and I. H. (Bud) Hammerman, a Baltimore County businessman and close friend of Agnew who is under investigation.

"There's a flag flying on my lawn 24 hours a day. I'll take it down and I'll never go to church before I'd believe Agnew, Anderson or Hammerman did anything wrong," said Muth, a Roman Catholic.

However, in the Aug. 13 interview when he was pressed to tell how Maryland engineering firms obtained public contracts, Muth said, "I can't tell you some things I know . . . I'm not going to implicate my friends."

A Baltimore businessman who asked not to be identified said weeks before Muth was subpoenaed that Muth "knows how things work" between some Maryland politicians and engineering firms.

Muth, who is director of public relations for Hurst Roche Engineers Inc., has said he is innocent of any wrongdoing. "I've never paid anybody off," he said, adding that his firm "hasn't gotten 5 cents' worth of government business." The firm has not been mentioned by

prosecutors as one of those under investigation.

After serving as Baltimore City Council vice chairman from 1947 to 1951, Muth was publicity director of the city's civil defense unit when he was convicted of larceny of \$2,400 in city funds and malfeasance. He was sentenced to 18 months in jail and served 92 days.

Muth was an organizer and did public relations for a \$1,000-a-plate fund-raising dinner held last fall for Agnew at the Hunt Valley Inn in Baltimore County. Muth said yesterday there is "no question" that everything about the dinner was completely proper.

Muth, a lifelong Democrat, first supported the Republican Vice President when Agnew ran for governor of Maryland in 1966. Muth previously had backed former Maryland Attorney General Thomas B. Finan, who lost in the Democratic gubernatorial primary.

In August Muth recalled how, following Finan's defeat, he and the candidate became so inebriated that they had to secretly be admitted to a hospital to sober up. "I took the whole Finan crowd over to Spiro," Muth said.

A fervent Agnew admirer, Muth claims to have originated the "Spiro of '76" campaign stickers, urging Agnew's presidential candidacy.

He recalled attending a Pikesville, Md. party several years ago at which Vice President Agnew, then General Services Administration

Asserts, 'Stupid I Ain't'

Administrator Robert Kunzig, present GSA Administrator Arthur Sampson and Baltimore County developers and engineers were present.

Muth said that Kunzig and Sampson gave him their telephone numbers at the party, but he and GSA officials have said there was nothing improper about the social occasion. GSA is the federal agency that lets must federal contracts for construction and supplies.

Muth seemed familiar during the August interview with some questionable practices. He said he once asked a Baltimore County lawyer how a firm could funnel money to a candidate and was advised to have the company give a bonus to an employee with a "suggestion" of what he should do with it.

"There's nothing that says a man can't buy as many \$5 (political fund-raising) tickets as he wants," Muth said.

Muth also theorized that an engineering firm could be caught in a kickback investigation if they accounted for bribery money as promotional activities.

Muth said that if prosecutors started asking what the promotional money was spent for, a company may say "campaign contributions," but then be trapped because the contributions are not reported by those who receive them, as required by law.

Referring to the Watergate scandal, Muth said the trouble with Republicans is that they are "a bunch of amateur politicians."

Muth defended the concept of awarding government contracts to political friends, saying, "If you are going to do favors, are you going to throw them to your enemies?"

Muth said one of his closest friends is Hammerman, millionaire head of the S.L. Hammerman Organization, a Baltimore development and real estate firm. "I didn't buy this house without asking Bud," Muth said in August.

Hammerman and Muth served in the Army together during World War II and have owned several race horses together, Muth said.

However, since coming under investigation by the federal prosecutors, Hammerman has declined to talk to almost everyone, including Muth.

Muth said he also has been friendly with J. Walter Jones, an Annapolis banker and another close friend of Agnew's who has been under investigation. Muth said that after being asked by Jones, he held a fund-raiser for Agnew at his home last year attended by 170 people.

Muth, who is married but has no children, suffered a heart attack last year. Yesterday his lawyer, Phillip M. Sutley, carried a note from

Muth's doctor saying he was not in condition to testify.

Muth went to the same Baltimore high school, Forest Park, as Agnew and remains fiercely loyal to him. He began the August interview by saying, "It's the first aim listed in the Communist handbook to discredit our nation's leaders."

A former army aide-de-camp to three generals, Muth considers himself highly patriotic. At night he spotlights the American flag he flies on his front lawn. A white Cadillac convertible is parked in the driveway.

"I'm a public relations genius," Muth said.