

# Investigators Probe Agnew Confidant

BALTIMORE (AP)—Federal prosecutors are investigating charges that J. Walter Jones, a confidant of former Vice President Spiro T. Agnew, was paid off for helping developers obtain federal aid, the Baltimore Evening Sun reported Wednesday.

The Evening Sun quoted "informed sources" saying Joel Kline has told prosecutors that Jones aided developers associated with Kline to get insured mortgages from the Department of Housing and Urban Development for Maryland and Virginia apartment projects.

Kline reportedly said that Jones was given "large amounts" of cash, referred to as "contributions," for his assistance.

Kline, a key witness in the conviction of former Baltimore County executive Dale Anderson for extortion and tax evasion, has pleaded guilty to a securities' violation and is now bankrupt.

Jones, chairman of the board

for Chesapeake National Bank, was a major Agnew fundraiser during the former vice-president's 11-year political career which ended with his no-contest plea to a tax charge in October, 1973.

Jones was under investigation during the Agnew phase of the Maryland corruption scandal and was notified in April by U.S. Atty George Beall that he was being investigated again on allegations of extortion, bribery and violations of various tax laws.

Although Jones does not flatly deny helping Kline, the Evening Sun said, Jones did say, "I've never heard of the Com-

munity Housing and Research," the name for Kline's group of developers.

Jones told the Evening Sun "I hardly knew the man (Kline), probably met him no more than three or four times." Jones was not certain whether he had ever received cash contributions from Kline, according to the newspaper.

But Jones has admitted receiving 1,000 shares of stock in a company Kline set up in 1971, The Evening Sun said. Jones said the stock was an unsoli-

cited gift.

Kline formed the Community Housing and Research Co. in 1971 to construct apartment projects under a federal program which allows the government to pay all but one per cent of the interest on mortgages for the projects and to guarantee the mortgages.

According to a survey, Kline and related developers did obtain at least six of these subsidized mortgages for projects in Virginia and Maryland.