

## Illegal Campaign Gifts Admitted

# Ex-Milk Aide Pleads Guilty

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By George Lardner Jr.  
Washington Post Staff Writer

A former top official of Associated Milk Producers, Inc., pleaded guilty yesterday to a criminal conspiracy involving repeated violations of federal election laws over the past six years.

Former AMPI special counsel David L. Parr, 46, said the milk producers regularly made illegal corporate contributions to various campaigns—including Hubert H. Humphrey's last three bids for public office.

Watergate prosecutors indicated that at least some of the

transactions cited yesterday are still under investigation.

The former managers of the two 1972 presidential campaigns involved—those of Sen. Humphrey and Rep. Wilbur Mills (D-Ark.)—took the Fifth Amendment and declined to testify when questioned earlier this year by the Senate Watergate committee.

U.S. District Court Chief Judge George L. Hart Jr. accepted Parr's plea at an afternoon hearing and ordered a pre-sentence investigation.

Parr, who played a key role in building AMPI into the nation's biggest dairy farm cooperative, faces a maximum pen-

alty of five years in prison and \$10,000 fine.

He is still under investigation in connection with bribery allegations surrounding President Nixon's controversial 1971 increase in milk price supports.

In a letter outlining the deal arranged with Parr's lawyers, Watergate deputy Special Prosecutor Henry S. Ruth said other potential charges would be dropped, but it was "expressly understood that Mr. Parr is not receiving immunity from prosecution" in connection with the adminis-

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tration's 1971 turnaround on price supports.

Parr has insisted no bribery was involved despite the milk producers' promise of \$2 million for Mr. Nixon's re-election campaign.

Both Democrats and Republicans benefited from the illegal contributions that Parr admitted to yesterday. They included:

- \$63,500 for a 1968 salute to the Vice President dinner for Humphrey's presidential campaign.

- Some \$38,000 in corporate funds of AMPI's predecessor Milk Producers Inc.—which were spent in 1968 for Humphrey and others by MPI lobbyist Bob A. Lilly. Lilly worked for Humphrey in more than half a dozen states while he was still on the co-op's corporate payroll.

- Corporate contributions of \$23,950 by AMPI for Humphrey's 1970 Senate comeback campaign in Minnesota.

- \$10,000 for the 1970 re-election campaign of Rep. Page Belcher (R-Okla.), then the ranking Republican on the House Agriculture Committee. (Belcher, on retiring from Congress in 1973, was put on the payroll of AMPI's political arm for \$60,000 a year plus \$15,000 in office furnishings.

The contract was terminated last Dec. 31.)

- \$50,000 on computerized mailing lists for the 1972 campaign of Sen. Dick Clark (D-Iowa) and another \$7,000 in similar services for the 1972 campaign of Sen. James Abourezk (D-S.D.).

Parr, who now works for Dairymen Inc., another giant co-op, said AMPI hid its corporate contributions with phony billings and bonuses and padded legal fees and public relations expenses.

Others who took part in the scheme, Parr said, were former AMPI general manager Harold S. Nelson, controller Robert O. Isham, Lilly and Stuart H. Russell, an AMPI lawyer from Oklahoma City.

In a statement released following Parr's plea, Sen. Clark disputed "the reference to my campaign." He said "the computer project was for the Iowa Democratic Party as a whole, and it was established, paid for and well under way early in 1971.

"It was not possible for the computer services to be intended for my campaign since I did not even think about running until the following year," Clark said.

Humphrey said, as he has in the past, that he did not realize the milk producers' contributions for his campaigns came from corporate funds. He said he assumed his campaign committees also "thought they were legal."

# Humphrey Ex-Aide, Business Partner To be Charged in Milk Fund Case

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By Austin C. Wehrwein  
Special to The Washington Post

MINNEAPOLIS, July 26—Norman Sherman and Jack Valentine, partners in a voter canvassing firm, will be charged by the Watergate special prosecutor with aiding "nonwillfully" in the illegal use of corporate funds from a milk cooperative for political purposes, a misdemeanor.

Sherman is a former press secretary for Sen. Hubert H. Humphrey (D-Minn.), Sherman and Valentine are expected to plead guilty. They have cooperated fully with Special Prosecutor Leon Jaworski.

The formal charge, sources close to the case said, will be filed in federal court in St. Paul early next week. It is expected that the special prosecutor will allege that the firm, called Valentine Sherman & Associates, aided Associated Milk Producers Inc. in using \$82,000 in corporate funds in 1971 to buy computerized voter lists for use by Demo-

cratic candidates in Iowa, South Dakota, and Minnesota. Some of the money was used for lists provided to Humphrey.

Because Sherman and Valentine cooperated voluntarily, the special prosecutor's office is expected to recommend leniency in U.S. District Court, which could mean the partners would receive only a nominal fine.

Although the partners declined comment, sources close to the case said that they had expected to be

## TV Schedule For Hearings

Channels 7 and 26 are scheduled to telecast today's session of the House Judiciary Committee debates on the articles of impeachment, beginning at 10 a.m. Radio stations KLMD (900), WTOP (1500) and WETA-FM (90.9) will broadcast the hearings.

paid from the dairy cooperative's political arm, but the first check, for \$25,000, which arrived in July, 1971, was drawn on a corporate account. They reportedly were assured by their attorney, Jack Chestnut, who was Humphrey's campaign manager, that they could legally accept the money after they told Chestnut the cooperative planned to use the lists for commercial purposes. But Chestnut has reportedly denied giving such advice.

The arrangement between the partnership and the cooperative was apparently negotiated in the spring of 1971 with the milk group's general manager, Harold Nelson, and its lawyer, David L. Parr. Parr pleaded guilty Tuesday to a charge of conspiring to make illegal corporation donations to the campaigns of Humphrey and Rep. Wilbur Mills, (D-Ark.), and others. Parr pleaded guilty to arranging an illegal corporate gift amounting to \$222,450, including \$150,450 to Humphrey.