

8-8-73

Allegation of \$1000 a Week

Washington

The Knight newspapers reported allegations yesterday that Vice President Agnew, who is under investigation involving charges of bribery, extortion and tax fraud, received \$1000 a week from contractors when he was a Maryland official and a \$50,000 lump sum after he became Vice President in 1969.

Agnew, one of the few top administration officials untouched by the Watergate scandal, has acknowledged that he is under investigation by the U.S. Attorney's office in Baltimore for what he described as "possible violations of the criminal statutes," but he said through a spokesman yesterday that he was certain he would be vindicated.

(The Associated Press reported last night that a Justice Department source confirmed that the department is investigating the vice president.)

The Knight newspapers said that federal prosecutors in Maryland, "with help of at least one close friend and former aide" of the Vice President, are following "three strands of an investigation into allegations of bribery and kickbacks said to have been paid by contractors to Agnew."

The Knight story said:

- "One strand involves allegations that about \$1000 a week was funneled to Agnew from contractors when he was Baltimore county executive (1962-66), governor of Maryland (1967-69). The payments possibly continued after he became vice president.

- "Prosecutors also have information that a sum of \$50,000 in cash was paid by a contractor, in 1970 or 1971, for past and possibly future favors.

- "Investigators are looking into information that leading campaign fund-

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raisers for Agnew sought contributions from contractors in exchange for state

and federal contracts. Some of the contributions, according to one source, may have been put to personal, rather than political use, by Agnew."

PAYMENTS

The Knight dispatch by reporter Saul Friedman said at least one close friend and former Agnew aide, Jerome B. Wolff, 55, a Baltimore contractor, "has given federal prosecutors details of alleged payments to Agnew amounting to \$1000 a week."

Wolff was Maryland State Roads Commission chairman while Agnew was governor and later worked on Agnew's vice presidential staff until 1970. The Knight dispatch said Wolff was instrumental in the award of "a huge contract in 1967 to the J.E. Greiner Co. to build the \$130 million Chesapeake Bay Bridge." Knight said that shortly after leaving the vice-presidential office, Wolff went to work for Greiner.

Knight reported on June 29 that Wolff "was desperately seeking immunity from prosecution and could implicate Agnew." But, Knight said, Wolff was not granted immunity and "decided to talk anyway after receiving verbal assurances from U.S. District Attorney George Beall that he would take Wolff's cooperation into consideration in any future prosecution."

Sources in Baltimore said Internal Revenue Service agents had uncovered most of the allegations regarding Agnew.

CONFIDANTS

Two of Agnew's confidants, both Republican party fund raisers, reportedly were notified at the same time as the vice president that they were under investigation in the case.

One of them, J. Walter Jones, a banker in Annapolis, Md., who served as chairman of the Maryland Finance Committee to Re-Elect the President in 1972, issued a statement saying all the contributions he received were "freely given without commitments and recorded in proper and legal manner."

"I am not aware of any kickbacks on the part of the vice president," Jones said. "He just isn't that type of man. I consider myself an innocent victim of the present Watergate atmosphere and will have no further comments on this matter."

I.H. (Bud) Hammerman II, a Baltimore investment banker who reportedly received a similar notice from the Justice Department was out of town, but in a statement issued by his office, he too expressed "confidence that the allegations will prove to be unwarranted."

"I am shocked at the allegations reportedly being made against me," Hammerman's statement said. "I am proud of my long-standing friendship with the vice president."

'CALM'

Agnew continued yesterday to handle the daily paperwork in his office in the Executive Office Building, adjacent to the White House. A spokesman said he was "very calm" and had no intention of interrupting his normal daily routine.

The spokesman said Agnew has taken "a similar position to the one he's taken in the Watergate case — that he is determined to let the process vindicate him."

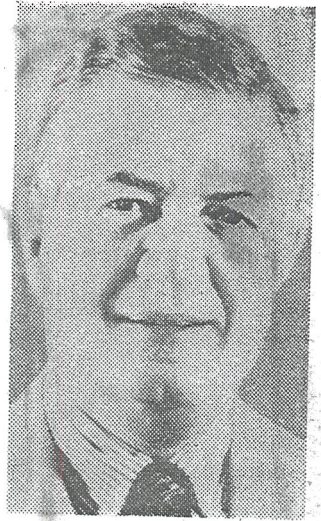
Sources at the federal courthouse in Baltimore predicted that no indictments would be handed down in the case until middle or late August. But U.S. Attorney George Beall refused to comment.

"I can tell you nothing," Beall, the brother of Republican Senator J. Glenn Beall, of Maryland, told reporters when he returned to Baltimore after meeting in Washington with Attorney General Elliot Richardson.

COX

Sources said Richardson and Beall agreed that the case was not a matter to be given over to Special Prosecutor Archibald Cox, who has been gathering evidence in the Watergate scandal.

The investigation in which he has become involved began last January when a special federal grand jury



AP Wirephoto

I. H. HAMMERMAN
Maryland banker

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JEROME B. WOLFF
Former Agnew aide

began looking into contract irregularities and kickbacks in Baltimore county, where Agnew served as county executive between 1962 and 1966. He was elected in 1966 as governor of Maryland — a job he left two years later to run on Richard Nixon's presidential ticket.

The investigation involved alleged kickbacks from contractors to Baltimore county political figures on state contracts, most of them for highways, while Agnew was governor and possibly federal contracts after he became vice president.

If Agnew is indicted, prosecutors would become entangled in the constitutional doctrine of separation of powers. The courts probably would be forced to determine whether a vice president could be indicted or whether impeachment must precede such an action.

United Press



AP Wirephoto

J. WALTER JONES
Maryland developer



AP Wirephoto

GEORGE BEALL
U.S. Attorney