

Maryland Inquiry Suggests Millions in Kickbacks

By MARTIN WALDRON
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BALTIMORE, Aug. 16—Under a pattern of kickbacks described to a Federal grand jury here, some \$3-million to \$5-million has been used in the last 10 years for under-the-table payments and campaign contributions to Maryland public officials from consulting engineers.

In addition, highway and bridge contractors have regularly helped Maryland campaigns.

Vice President Agnew is one of several officeholders caught up in the widening investigation of campaign financing begun last January by a special grand jury.

An attorney for one of the witnesses before the panel said it had been the practice for years for most of the consulting engineers who get contracts from Baltimore County or from the State of Maryland to earmark from 3 to 5 per cent of their fees for payments to politicians.

The purpose of the current investigation has been to determine if these payments were made voluntarily or were extorted and whether they went beyond normal campaign support.

At a news conference Aug. 8 in Washington, Mr. Agnew acknowledged that his campaigns had been financed in part by contractors.

"Anyone that's been around the political scene in the United States who would expect that campaign contributions don't come from contractors doing state and Federal business is naive," the Vice President said.

He added that during his career as Baltimore County Executive and Maryland Governor he was not aware of any atmosphere of corruption because of this. He explained:

"I did not deal with contractors at all. I had some people who were in the engineering business who were long-time friends and political supporters. I did not ever have any financial transactions with these people.

"I did consult with them. I did listen to their complaints. I did allow them access, as most political figures do, to persons who are supportive of their campaigns."

In the last few years, the feed paid to consulting engineers in Maryland have run as high as \$15-million a year, but the average over the last decade has been considerably less.

A source close to the investigation said that not all of the dozens of engineering companies operating in Maryland had been approached for political donations.

"There seems to be no rhyme or reason as to who was made to contribute," the source said.

At least four major engineering companies and probably a half-dozen more are involved in the Maryland investigation. All were involved in helping finance the campaigns of Vice President Agnew and the 1970 campaign of Gov. Marvin Mandel.

Mr. Mandel has angrily denied that he is being investigated. United States Attorney George Beall, a Republican, has refused to say who is under inquiry. However, Mr. Agnew acknowledged that Mr. Beall, who was appointed by Presi-

dent Nixon, had written him a letter saying that he was being investigated for possible bribery, extortion, fraud and conspiracy.

Under Maryland election laws, it is almost impossible to tell from public records who finances political campaigns. Although the law requires a listing of contributions, a loophole allows scores of thousands of dollars to be put into a race without detailed reporting.

Lots of Bull Roasts

This loophole permits a candidate to sell tickets to "testimonial" events and not report who bought them unless the tickets cost \$51 or more.

On Aug. 31, 1966, while he was running for Governor of Maryland, Mr. Agnew reported having received \$63,550 from "sale of tickets to a bull roast" held Oct. 15, 1966, at Rosecroft Raceway in Oxen Hill, Md.

Seven weeks after the event, Mr. Agnew reported \$9,625 more from the sale of "bull roast" tickets. Ticket prices were said to be \$50 each.

On Dec. 8, 1966, about a month after the election, Mr. Agnew reported receiving \$38,562 from a \$50-a-plate "testimonial dinner" Nov. 3 at Indian Spring Country Club in Montgomery County, Md.

On Dec. 16, he reported \$2,856 more from the sale of tickets to the Montgomery County dinner.

An Agnew Dinner Committee reported that it had raised \$10,280.45 for the candidate by selling \$25 tickets to a function, and a committee of Helenes for Agnew reported raising \$9,730 from \$25 tickets to an unnamed function.

Donors Not Named

The names of those who contributed this \$134,597.45 — which represented almost 20 per cent of Mr. Agnew's 1966 campaign fund of \$685,000 — were not shown on reports.

However, it has been common practice in Maryland for campaign managers to offer blocs of tickets to such affairs to corporations doing business with the state, and usually the offers are accepted.

In 1966, corporations in Maryland could not contribute directly to a political campaign, although they can now.

Employees or owners of all 10 of the engineering concerns believed to be involved in the Federal investigation contributed money to Mr. Agnew in 1966.

Nine of these companies were also tapped for funds in 1968 by the Nixon-Agnew campaign committee. They contributed \$10,000.