

Details of Justice Proposal For Agnew Guilty Plea Bared

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The Justice Department last week offered to allow Vice President Spiro T. Agnew to plead guilty to a minor offense if he would also authorize a statement mak-

ing clear that he had accepted bribes, according to informed sources.

The offer, proposed by U.S. Attorney General Elliot L. Richardson and the chief of the Justice Department's criminal division, Assistant Attorney General Henry

Petersen, was rejected by Agnew's lawyers in one of the approximately four meetings the two sides held at the Justice Department.

Richardson, these sources said, softened his position at a subsequent meeting, offering to allow Agnew to plead guilty, still to a minor offense, and authorize what a source called a different "statement of fact," which would not give the impression that Agnew had taken bribes.

This offer, transmitted in writing to Agnew's lawyers last week, also was deemed unacceptable. It was either rejected outright or received no response from Agnew's attorneys.

For their part, the lawyers for Agnew proposed that the possible bribery and tax charges against the Vice President be dropped in return for Agnew's resignation, according to informed sources, who said that both Petersen and Richardson rejected this proposal.

The Justice Department officials, who remained steadfast during the negotiations in their insistence that Agnew plead guilty to some charge, had assumed that he would automatically resign from the vice presidency if he agreed to such a plea.

Moreover, sources said that Richardson and Petersen told the lawyers that they were not empowered to receive Agnew's resignation

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and that an agreement for his resignation in exchange for not charging him would have no basis in law.

The two sides apparently were not able to reconcile the fundamental differences between them, and the negotiations, as Richardson announced in a statement yesterday, ended without an agreement.

The negotiation meetings were attended by Agnew's lawyers, Jay H. Topkis and Martin London of New York, and Judah Best of Washington, on one side and Richardson, Petersen and the U.S. attorney for Maryland, George Beall, on the other.

Both Topkis, speaking for Agnew's attorneys, and Richardson, speaking for the Justice Department, have refused to comment on this report.

Richardson, in his statement, said the meetings were requested by Agnew's lawyers. He said the Justice Department agreed to them in the hopes of resolving a "constitutional dilemma."

Any agreement involving a guilty plea would have to be brought before a judge. The court could then reject or accept the agreement.

Agnew was formally notified by Beall Aug. 2 that he was under investigation by federal prosecutors in Baltimore for possible violations of bribery, extortion, conspiracy and tax laws during his term as Maryland governor from 1966 to 1968, and later as Vice President.

Agnew has proclaimed his innocence and has explicitly denied allegations that he has accepted kickbacks from architectural and engineering firms doing business with the state.

The prosecutors have not yet presented evidence they have gathered against Agnew to the special federal grand jury meeting in Baltimore.

According to informed sources, the allegations against Agnew include charges that he accepted bribes from Maryland contractors while he was governor and that associates of his acted as middle men in turning over bribe money. Richardson's statement yesterday said evidence would be presented to the grand jury Thursday.

At least three contractors have told federal officials that they personally turned over money to Agnew, according to sources. Two prospective witnesses against Agnew, Lester Matz and Jerome Wolff, have been granted a limited form of immunity and are expected to testify against Agnew.

Other contractors, sources said, have told the prosecutors that they turned over money to middlemen who, the prosecutors have been told, later transmitted the money to Agnew.

The evidence against Agnew, sources said, involves not only his years as Maryland governor, but also his tenure as vice president. The prosecutors, sources said, have been told that Agnew was given cash while Vice President to use his influence in obtaining certain federal contracts or jobs.

At least two of Agnew's longtime associates, J. Walter Jones and I. H. (Bud) Hammerman, are also under investigation. Jones, sources

said, is accused of being an intermediary for Agnew in the collection—and extortion—of money from contractors. He has denied the allegations, saying the funds he collected were for political campaigns.

Hammerman, however has been cooperating with the prosecutors, sources said. After first denying publicly that he had done anything wrong, Hammerman has since dropped out of sight and not taken calls from reporters.

The investigation of Agnew began, as a grand jury inquiry into political corruption in Baltimore County and has since mushroomed to include large parts of the state. The investigation first turned to Agnew sometime late last spring when Matz and Wolff began to intimate they could provide information on Agnew in exchange for favorable treatment by the government.

Wolff, whose association with Agnew dates to Agnew's tenure as Baltimore County executive, was named by Agnew as chairman of the old state roads commission when Agnew was governor.

He later went with Agnew to Washington, serving until 1970 as a vice presidential assistant for science and technology. His value to the prosecution, sources said, lies in his first-hand knowledge of how state contracts were awarded when Agnew was Maryland governor.

Matz also has been a longtime Agnew associate. The two were associated in a controversial Baltimore County land deal and have been friends since the early 1960s.

Matz's Baltimore County-based engineering firm, Matz-Childs, Associates, was one of the state's most active when Agnew was governor. Informed sources said that Matz has given Agnew between \$25,000 and \$50,000 in cash gifts over the last decade.

The Baltimore Federal grand jury, meanwhile, has already indicted Agnew's successor as Baltimore County executive, Dale Anderson, a Democrat.

Anderson, the county's political boss, was indicted Aug. 23 on 39 counts of bribery, extortion and conspiracy. He was accused of taking bribes from eight Maryland engineering and architectural firms in exchange for county public works contracts.

Anderson has pleaded not guilty to the charges and announced that he will seek re-election.

The Anderson indictment alleged that "another public official" also had accepted a bribe. The official, sources said, is State Sen. James Pine (D-Baltimore County), the dean of the county's senatorial delegation in Annapolis and one of the state's most influential Democrats. Efforts to reach Pine for comment have been unsuccessful.

In addition, the investigation has also produced a guilty plea by William Fornoff, Anderson's long time aide, who admitted a tax violation and has been cooperating with the prosecution. Fornoff, sources said, provided much of the evidence against Anderson.

Richardson's statement and Agnew's decision yesterday to ask the House of Representatives to investigate the charges against him, come after a week in which rumors of a pending vice presidential resignation were rampant in Washington.

Agnew himself, according to persons who have talked with him, found himself beleaguered, one day about to resign, the next determined to fight.

"Now," said a person who has talked with Agnew recently, "he is back up for a fight. He is not going to resign."