

# Bobby Baker to Pay U.S. \$40,000 in Suit

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Former Senate aide Robert G. (Bobby) Baker agreed yesterday to pay the federal government \$40,000 to settle a civil suit against him, rather than go through a new trial on charges relating to one of the nation's largest pre-Watergate political scandals.

The suit was brought by the Justice Department four years ago in an attempt to strip Baker of the private fees he allegedly collected for selling his influence while a government employee.

The department had originally claimed Baker owed \$108,000, but government attorneys said in court yesterday that it only had evidence that he diverted \$54,000 of that money to his own benefit.

Baker's attorney, William E. McDaniels, said the agreement was reached "on the advice of counsel that a trial at this time, rehashing and going over events occurring well over 10 years ago, would not be in his present best interest from a personal standpoint and from the standpoint of his present business prospects."

Government attorneys said the settlement of the suit ends the last outstanding litigation against Baker as a result of



**ROBERT (BOBBY) BAKER**  
... sued by Justice

his activities while Senate Democratic majority, secretary tary.

He served 1½ years in prison after being convicted on criminal charges of attempted tax evasion, grand larceny, transportation of stolen money, fraud and conspiracy.

Baker, 44, was paroled in 1972, and has since been writing a book and developing property near Ocean City, Md. He was in court yesterday but

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would not comment on the settlement of the case.

The suit settled yesterday was said by attorneys to be a unique attempt by the government to recover money that Baker received as a result of his high government position.

It was based on an old com-

mon-law doctrine of agent and master, that one attorney explained this way in relation to the case:

The Justice Department contended that Baker, as an employee of the Senate, betrayed his obligation to his master, the U.S. government. Baker was a faithless servant, because, it claimed, he used his official position both to persuade clients that he had influence and to influence the decisions of other officials. Therefore, his gains were ill-gotten and belonged to his master, the government.

Attorneys for both sides made it clear that the settlement of the suit set no precedent and solved none of the legal issues in such a claim. It merely ends the suit by agreement on both sides.

Attorney McDaniels said, for example, that the agreement "does not constitute an admission of wrong doing on the part of Mr. Baker nor an admission of liability in that sense.

"There would be no evidence adduced in the trial of this case that the government suffered detriment financially, legislatively or administratively in any of the transactions covered by the complaint."

McDaniels also said that Baker "had defenses factually and legally to the claim."

Justice Department attorney L. Stanley Paige said after the court hearing, however, that "one would not pay \$40,000 unless there was some merit to the government claim."

The government charged in its suit that Baker received money from the U.S. Freight Company, a California bank, a trade association lobbyist, Capital Vending Company, First Western Financial Company, and a Haitian meat importing firm in return for his alleged influence.

Baker did not deny receiving the money, but claimed in pretrial defenses that it represented private fees and that he did not exercise any official influence for the firms.

Baker came to the capital from Pickens, S.C., as a 14-year-old page boy in 1942. A protege of the late President Lyndon B. Johnson and of the late Sen. Robert Kerr (D-Okla.), he served as secretary of the Democratic majority from 1956 until his resignation under fire on Oct. 7, 1963.

When Mr. Johnson was Senate majority leader, he once described Baker as "the last man I see at night, the first man I see in the morning."

While in his Senate role, Baker's wealth multiplied 1,500 times, from \$11,000 to \$1.7 million, according to the Justice Department.