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HIDING NIXON FEE LAID TO DR. RILAND

Prosecution Says Osteopath
Held Funds in Savings

By EMANUEL PERLMUTTER

The Federal Government charged yesterday that Dr. W. Kenneth Riland, an osteopathic physician here, had secretly "funneled" fees for treating President Nixon and former Gov. Nelson A. Rockefeller into private savings accounts to avoid listing them as income.

James Schreiber, an assistant United States Attorney, said in opening the prosecution's case against Dr. Riland for income-tax evasion that the defendant had "willingly, intentionally and knowingly" hidden money received from 1966 through 1970 for treating the two executives. He said Dr. Riland had also not told his tax accountants about this income.

"This defendant believed that he was above the law and therefore was not required to pay taxes like ordinary citizens for money that he received from high public officials," Mr. Schreiber charged.

The prosecutor said Dr. Riland had failed to report fees from former Governor Rockefeller, but he had listed those received for treating other members of the Rockefeller family. He did not explain why the former Governor was excepted.

Link of Cases Hinted

The possibility arose yesterday that aspects of the Riland case might come to light in

the present Federal trial of former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans, who are accused of having impeded a Federal investigation of a now-fugitive financier in return for a \$200,000 contribution to the Nixon re-election campaign.

Addressing the Riland jurors, Federal Judge Charles E. Stewart admonished them not to read newspaper accounts or listen to radio or television accounts of the Mitchell-Stans trial, saying:

"There may be something in the Mitchell-Stans case that may relate to this case."

John W. Dean 3d, the former White House counsel who is scheduled to be a witness in the Mitchell-Stans trial, testified at hearings by the Senate's select committee investigating the Watergate burglary that he had discussed with the Internal Revenue Service a case involving a person who had accompanied President Nixon in 1972 to China and the Soviet Union. Dr. Riland had made those trips with the President, but Mr. Dean in his testimony did not publicly identify the person to whom he was referring.

In opening the Riland defense case, Boris Kostenaletz, Dr. Riland's lawyer, conceded that there had been inaccuracies in the defendant's tax return, but said they resulted from "negligence and mistakes" by Norman M. Goffner and Robert Weiner, Dr. Riland's accountants.

"They did not perform the minimal job Dr. Riland had the right to expect," Mr. Kostenaletz contended.

See also

5 Mar 74, NYT
11 May 74, NYT