

GURNEY NOT GUILTY IN SHAKEDOWN CASE

Ex-Florida Senator Says 'Vicious'
Federal Prosecutors 'Destroyed'
His Career in 2-Year Inquiry

NYTimes OCT 28 1976

ORLANDO Fla., Oct. 27 (AP)—A Federal jury today found former Senator Edward J. Gurney not guilty of a charge of lying to a 1974 grand jury about a massive political shakedown scheme.

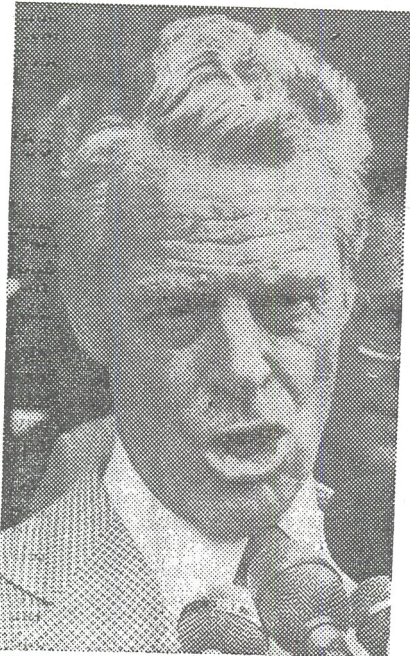
The verdict by the jury of eight men and four women, who deliberated an hour and 18 minutes, ended three years of investigation and prosecution for the 62-year-old Republican, the first Senator indicted in office for 50 years.

Mr. Gurney had been charged with lying to the grand jury about his knowledge of a scheme in which his subordinates collected more than \$400,000 in the Senator's name by promising builders favors with the Federal Housing Administration.

Mr. Gurney was acquitted in Tampa last year of five other charges connected with the fund-raising case. The Tampa jury could not agree on perjury and conspiracy charges, and the Government dropped the conspiracy count last month.

Mr. Gurney had faced a maximum five-year prison sentence and fine of \$10,000 if he had been convicted.

"I have a feeling of great relief that this long ordeal is finally over, a feeling of great satisfaction that we've beaten



United Press International

Edward J. Gurney commenting on the jury's decision after trial session in Orlando, Fla., yesterday.

these mean, vicious people from the Government," Mr. Gurney told reporters immediately after leaving the courtroom.

'They Destroyed a Senator'

"They destroyed a United States Senator, blackened my name and besmirched my character," he said of the Justice Department.

Mr. Gurney said that the prosecution had been carried out "on flimsy evidence gotten from plea-bargainers," referring to his one-time fund raiser, Larry Williams, and others who testified for the Government.

Mr. Gurney was charged with lying to a 1974 Federal grand jury in Jacksonville, Fla., when he said he did not know until mid-1973 that Mr. Williams was paying expenses of his field offices and staff with political funds that were illegally obtained.

The charge was the last one remaining in a case that sent four men to prison.

Mr. Gurney, a World War II hero, said that because of the charges, he decided in 1974 not to seek re-election.

\$400,000 From Builders

The perjury case centered on the activities in 1971-73 of Mr. Williams, who testified for the Government that he had put pressure on Florida builders for \$400,000 in Mr. Gurney's name. He said that the builders had provided the funds in exchange for favored treatment from F.H.A. offices in the state.

Mr. Williams, 32, of Orlando, had testified that he had told Mr. Gurney everything about his activities ever since Mr. Gurney hired him in 1971.

Mr. Williams and other Government witnesses had testified that Mr. Gurney had known about the shakedown operation and about the funds' use for office and staff expenses.

A defense attorney, C. Harris Dittmar, told the jury that Mr. Williams "doesn't know the truth and doesn't know how to tell the truth."

Edward Barnes, the Justice Department prosecutor, told the jury, however, that Mr. Gurney was hiding his knowledge of the fund-raising operation from the grand jury that had investigated the case.

Statement of the Prosecutor

"We don't say Mr. Gurney got any of the money himself," Mr. Barnes said. "The issue here is whether he knowingly made false statements to that grand jury."

He said that the Senator had been in political trouble and had needed money, so that he hired Mr. Williams on Jan. 19, 1971, to go out and get it. "He specified that builders and contractors would be included as sources of funds," Mr. Barnes said of Mr. Gurney.

"We don't say Mr. Williams was a saint. But it is possible to reform. He could not have corrupted Gurney's veteran advisers and aides, or kept most of the money for himself," as the defense maintained, Mr. Barnes said.

"He was a young, handsome, ambitious young man in the company of senior political officials. He traveled with a Senator. They wound him and pointed him in the direction to go."

Mr. Dittmar countered with, "There is no way anyone can make a silk purse out of Mr. Williams."