

Kennedy Aide Tells of a 'Loan' To Witness Against Hoffa Man

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WASHINGTON, Aug. 14—A former Justice Department employe has testified that Stephen E. Smith, brother-in-law of the late Senator Robert F. Kennedy, provided \$3,000 in cash that was "loaned" to a former Government witness in the trial of James R. Hoffa's lawyer. He said the money was returned to Mr. Smith two days later.

The former Justice Department employe, Walter J. Sheridan, who was an aide to Mr. Kennedy when he was Attorney General, said he had asked Mr. Smith for the \$3,000. He said Mr. Smith had turned it over to him without asking any questions and without be-

ing told what would be done with it. Mr. Smith handles the Kennedy family finances.

Mr. Smith was out of his office today and could not be reached immediately for comment.

Mr. Sheridan also said Mr. Kennedy was not told of the transaction, which took place in mid-December of 1964. Mr. Kennedy had resigned as Attorney General in September of 1964.

The money was given to Robert Vick, a former policeman in Nashville, Tenn., according to Mr. Sheridan. Six months earlier Mr. Vick had

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been a key Government witness in the jurytampering conviction of Z. T. Osborn Jr., a Nashville attorney for Hoffa, the president of the International Brotherhood of Teamsters.

Mr. Sheridan said Mr. Vick was destitute because he had lost his job after he had testified against the popular Nashville lawyer. He said he had lent Mr. Vick the \$3,000 because he thought it would be bad for law enforcement if people who testified for the Government were permitted to suffer for it.

On the morning after the money transfer, Mr. Sheridan said, he decided the transaction might be misconstrued and he took the money back. He said he went to New York the following day and gave the cash to Mr. Smith, who again asked no questions.

Osborn is now serving a three-and-one-half year prison sentence for attempting to bribe a prospective juror in November of 1963, when Hoffa was about to be tried for jury tampering in an earlier case. When the Osborn incident

was disclosed, the Hoffa trial was moved to Chattanooga, where Hoffa was given the eight-year sentence he is now serving.

The statements by Mr. Sheridan were made here yesterday in a sworn deposition that is expected to be introduced in evidence next week in Nashville at a hearing on Osborn's motion for a new trial. A transcript of Mr. Sheridan's testimony became available today.

At the initial Osborn trial, Mr. Vick testified that Osborn had asked him to offer \$10,000 to a prospective juror to vote for Hoffa's acquittal.

Osborn now contends that his conviction should be overturned because Mr. Vick told the jury that he had not been paid or promised anything by the Government. In fact, he contends, Mr. Sheridan had promised, and later did see that money was paid to Mr. Vick.

At the deposition taking yesterday, Maclin P. Davis Jr. of Nashville, Osborn's lawyer, implied that Mr. Vick has threatened to recant his testimony against Osborn unless he was given money.

Mr. Sheridan denied this. He



Walter J. Sheridan

charged, however, that on several occasions representatives of Hoffa had offered Mr. Vick money if he would change his testimony.

According to Mr. Sheridan,

Mr. Vick telephoned him in Washington late in 1964 and said he was "an emotional wreck" because Christmas was coming and he had no money to provide for his family.

Mr. Sheridan, who had left the Government several months before, arranged for the Justice Department to pay \$675 to bring the Vick family to Washington for a visit.

Mr. Sheridan, who had been the chief investigative official for the "Hoffa squad" that Robert Kennedy had formed within the Justice Department, said he knew Mr. Smith well enough to call him in New York and ask for the money.

The next morning, Mr. Sheridan said, he went to New York to Mr. Smith's office in the Pan Am Building. Under questioning by Mr. Davis, Mr. Sheridan testified as follows:

Q. Did Mr. Smith know what you were going to do with \$3,000? A. No, he did not. I told him I needed \$3,000 and he gave it to me. It was a loan.

Q. Did you tell him when you would pay it back? A. No, I didn't.

Q. Did he ask you when

you would pay it back? A. No, he didn't.

Mr. Sheridan added that he had asked for cash, which was given to him in a sealed envelope. No receipt or other paper was signed, and interest was not discussed, he said.

Mr. Sheridan said he returned to Washington and gave the envelope to Mr. Vick, again not discussing its contents. The next morning, he said, he and Mr. Vick went to the office of a Washington lawyer, Martin O'Donoghue, and asked him to draw up a promissory note for Mr. Vick to sign.

According to Mr. Sheridan, Mr. O'Donoghue persuaded him that the transaction might look improper, so he took the \$3,000 back and returned it the next day to Mr. Smith.

In an interview today, Mr. Sheridan said he had never before or since asked Mr. Smith for money. Mr. Sheridan is now an investigative reporter for the National Broadcasting Company.

Mr. Davis produced documents yesterday to show that the Justice Department had

paid Mr. Vick a total of \$1,340.80 for expenses in connection with four visits to Washington. In addition, Mr. Davis has charged that the Government arranged for Mr. Vick to remain on the payroll of the Nashville Police Department for five months without working, after he testified.

Gilbert Merritt Jr., the United States Attorney for the Middle District of Tennessee, attempted to show at yesterday's hearing that Mr. Vick had suffered financially because he had testified against the Nashville lawyer.

Mr. Merritt noted that Osborn, who had been nominated to become president of the Nashville Bar Association at the time the jury-tampering charge was made against him, has never been disbarred and is still legally qualified to practice law in Tennessee.

Osborn was formerly the Nashville City Attorney. In the historic 1962 legislative reapportionment case, Baker v. Carr, he argued briefly for the plaintiffs before the Supreme Court.