

Maryland's Pattern of Kickbacks

Baltimore

Under a pattern of kickbacks described to a federal grand jury, \$3 million to \$5 million has been available in the past ten years for under-the-table payments and campaign contributions to Maryland public officials from consulting engineers.

In addition, highway and bridge contractors have regularly helped Maryland campaigns.

Vice President Spiro T. Agnew is one of several office-holders caught up in the widening investigation of campaign financing begun in January by a special grand jury.

EARMARK

An attorney for one of the witnesses before the panel said it had been the practice for years for most of the consulting engineers who get contracts from Baltimore county or from the state of Maryland to earmark from 3 to 5 per cent of their fees for payments to politicians.

The purpose of the current investigation has been to determine whether these payments were made voluntarily or were extorted and whether they went beyond normal campaign support.

At a news conference August 8 in Washington, Agnew acknowledged that his campaigns had been financed in part by contractors.

"Anyone that's been around the political scene in the United States who would expect that campaign contributions don't come from contractors doing state and federal business is naive," the vice president said.

UNAWARE

He added that during his career as Baltimore county executive and Maryland governor he was not aware of any atmosphere of corruption because of this.

"I did not deal with contractors at all," he said. "I

had some people who were in the engineering business who were longtime friends and political supporters. I did not ever have any financial transactions with these people.

"I did consult with them. I

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did listen to their complaints. I did allow them access, as most political figures do, to persons who are supportive of their campaigns."

In the last few years, the fees paid to consulting engineers in Maryland have run as high as \$15 million a year, but the average over the last decade has been considerably less.

APPROACHES

A source close to the investigation said that not all of the dozens of engineering companies operating in Maryland had been approached for political donations.

"There seems to be no rhyme or reason as to who was made contribute," the source said.

At least four major engineering companies and probably a half-dozen more are involved in the Maryland investigation. All were involved in helping finance the campaigns of Vice President Agnew and the 1970 campaign of Governor Marvin Mandel.

DENIAL

Mandel has angrily denied that he is being investigated.

United States Attorney George Beall, a Republican, has refused to say who is under inquiry. However, Agnew acknowledged that Beall, who was appointed by President Nixon, had written him a letter saying that he was being investigated for possible bribery, extortion, fraud and conspiracy.

Under Maryland elections laws, it is almost impossible to tell from public records

who finances political campaigns. Although the law requires a listing of contributions, a loophole allows scores of thousands of dollars to be put into a race without detailed reporting.

This loophole permits a candidate to sell tickets to "testimonial" events and not report who bought them unless the tickets cost \$51 or more.

ROAST

On Aug. 31, 1966, while he was running for governor of Maryland, Agnew reported having received \$63,505 from "sale of tickets to a bull roast" held Oct. 15, 1966, at Rosecroft Raceway in Oxen Hill, Md.

Seven weeks after the event, Agnew reported \$9625 more from the sale of "bull roast" tickets. Ticket prices were said to be \$50 each.

On Dec. 8, 1966, about a month after the election, Agnew reported receiving \$68,562 from a \$50-a-plate "testimonial dinner" Nov. 3 at Indian Spring Country Club in Montgomery county, Md.

On Dec. 16, he reported \$2850 more from the sale of tickets to the Montgomery county dinner.

An Agnew dinner committee reported that it had raised \$10,280.45 for the candidate by selling \$25 tickets to a function, and a committee of Hellenes, Agnew reported raising \$9730 from \$25 tickets to an unnamed function.

The names of those who contributed this \$134,597.45 — which represented almost 20 per cent of Agnew's 1966 campaign fund of \$685,000 — were not shown on reports.

BLOCS

However, it has been common practice in Maryland for campaign managers to offer blocs of tickets to such affairs to corporations doing business with the State, and usually the offers are accepted.

In 1966, corporations in

Maryland could not contribute directly to a political campaign, although they can now.

Employees or owners of all ten of the engineering concerns believed to be involved in the Federal investigation contributed money to Agnew in 1966.

Nine of these companies were also tapped for funds in 1968 by the NLson - Agnew campaign committee.

They contributed \$10,000.

Six of them gave money in 1972 to a Salute to Ted Agnew dinner, and the co-owners of one company gave \$10,000 to the Maryland Democrats for Nixon.

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