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Agnew Talks Stalled;

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Lawyers for Vice President Spiro T. Agnew and U.S. Justice Department officials are deadlocked in their negotiations over Agnew's possible resignation and acceptance of a guilty plea in the Maryland investigation of political corruption, informed sources said yesterday.

The stall in the negotiations here apparently came late last week and, as a result, Agnew's lawyers are now prepared to attempt to block the federal grand jury investigation of the Vice President in Baltimore on constitutional grounds.

Judah Best, one of the Vice President's attorneys, confirmed yesterday that the lawyers now plan to file motions in U.S. District Court in Baltimore this week in connection with the Agnew investigation.

Best said the arguments Agnew's lawyers will raise "will be consistent with our position on the constitutional impediments" to a criminal investigation of the Vice President. Agnew's lawyers have stated repeatedly that they believe the Vice President may not be indicted by a grand jury unless he is first impeached and removed from office by Congress.

There are also indications that Ag-

new's lawyers may seek a court order barring all participants and lawyers in the case from discussing it with reporters. Agnew has strongly condemned leaks about the case to the press.

The Washington Post reported yesterday that Agnew's lawyers and Justice Department officials have been engaged in "delicate negotiations" concerning a possible Agnew resignation to be coupled with a guilty plea to a relatively minor offense.

Two sources told The Post the negotiations could be described as plea bargaining—a standard legal practice in which prosecutors and lawyers for

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Lawyers Plan Challenge

the target of a criminal investigation usually bargain for an agreement by the target to plead guilty to a lesser charge rather than stand trial on all the possible charges against him.

Best said yesterday that The Post's story was "without foundation" and also that the Vice President "is not contemplating resignation."

However, no source familiar with the progress of the case thus far issued a flat denial that such negotiations between Agnew's lawyers and the Justice Department have taken place. Attorney General Elliot L. Richardson said yesterday, "I will not confirm or deny anything about plea bargaining."

It was not clear yesterday whether the deadlock in the negotiations meant there was no hope of some settlement of the case short of a clash on the unprecedented constitutional issue that Agnew's lawyers have said they would raise. According to one source, the legal papers the Vice President's lawyers plan to file are already written but they are not likely to be filed in court until at least Wednesday.

That would leave additional time for final bargaining sessions between the lawyers and Justice Department officials.

In another move yesterday, Agnew's office announced that the Vice Presi-

dent plans to organize a defense fund to help pay anticipated legal costs in the case.

J. Marsh Thomson, Agnew's press secretary, said the fund was in its formative stages, but "we're announcing it now so that people will have a better idea of what the Vice President's intentions are."

Thomson's announcement, coupled with Best's confirmation of plans to file legal papers in Baltimore this week, appeared to be a public signal to the Justice Department that Agnew is prepared for a protracted and un-

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precedented constitutional confrontation unless a satisfactory settlement is reached soon.

It was not clear yesterday exactly why the negotiations between Agnew's lawyers and the Justice Department stalled, but there was widespread speculation that the deadlock centered on the issue of Agnew pleading guilty to even a minor charge.

Fred Graham, the Justice Department correspondent for CBS News, reported that the negotiations were conducted personally by Attorney General Richardson and Assistant Attorney General Henry Petersen, chief of the department's criminal division.

Graham quoted an unnamed source as saying Agnew offered to resign in exchange for a promise that he will not be prosecuted in

the Maryland kickback probe. According to the CBS report, Petersen, with Richardson's approval, rejected the offer, insisted that Agnew plead guilty to a charge that could possibly mean a jail sentence, and said, "We've got the evidence; we've got it cold."

Agnew was notified last month by George Beall, the U.S. attorney for Maryland, that he is under investigation in Baltimore concerning allegations that while he was governor of Maryland he received kickbacks from engineering and architectural firms doing business with the state. The Vice President has denied the charges and repeatedly proclaimed his innocence.

While Agnew has expressed confidence in the criminal justice system and his ability to establish his innocence, he has also not ruled out the possibility of arguing in court that as

Vice President he is beyond the reach of any grand jury.

The legal papers Agnew's lawyers plan to file next week are expected to seek an injunction to prevent the Justice Department from presenting evidence against Agnew to the special grand jury in Baltimore that is investigating political corruption in Maryland, an informant source said yesterday.

Seeking a court order to stop the leaks could lead to formal court hearings, with sworn testimony, and contempt of court citations against persons found to have discussed the case.

The legal moves being planned by Agnew's lawyers would require a hearing on the constitutional issue before U. S. District Court Judge Walter E. Hoffman. Hoffman, who normally presides at a federal court in

Norfolk, was assigned to the Agnew case by Richardson. Every federal judge in Maryland disqualified himself because of past associations with Agnew.

Agnew's lawyers believe the constitutional issue raised by the investigation ultimately will have to be settled by the Supreme Court, according to a source who is familiar with the Vice President's defense plans.

The negotiations between Agnew's lawyers and Justice Department officials have been conducted in an atmosphere of extraordinary secrecy and against a backdrop of mounting speculation last week that the Vice President would resign.

A source who has conferred with Agnew recently described the Vice President's mood yesterday as "alternating," depending in large measure on his percep-

tion of public support for him.

"He's a public man and when he thinks the public is down on him he's down," the source said.

Without confirming that Agnew ever seriously contemplated resignation, the source also ruled out any possibility that the Vice President would step down. "In today's atmosphere, a resignation would be tantamount to admission of some sort of guilt," the source said.

Despite Agnew's firm assertion that he is innocent of any wrongdoing, he would probably raise the constitutional issue as a defense because of concern for the office of Vice President and for his successors, according to this source.

U.S. Attorney Beall began the investigation into political corruption nine months ago, initially focusing on

Baltimore County, where Agnew was county executive from 1962 to 1966. Last month, the special federal grand jury indicted Dale Anderson, a Democrat and Agnew's successor as county executive, on 39 counts involving charges of extortion and bribery.

Anderson is accused of accepting cash kickbacks from

eight architectural and engineering firms in return for awarding them lucrative non bid contracts for public projects.

The grand jury will meet in Baltimore Thursday but will consider only evidence concerning certain other Baltimore County officials, according to informed sources. Richardson last

week authorized Beall's office to begin presenting evidence concerning Agnew to the grand jury, but withheld a ruling on whether the grand jury has authority to indict the vice President.

Contributing to this story were Washington Post Staff Writers George Lardner and Richard M. Cohen.