

Texas Bank Scandal

Dallas

Former Attorney General John Mitchell testified yesterday at a pre-trial hearing that there were two White House meetings attended by President Nixon to discuss the involvement of Will Wilson, a Justice Department official, with a key figure in the Sharpstown Bank scandal.

He said there was concern that "the Justice Department must be kept free from any essence of scandal."

Mitchell appeared here as a witness, called by two former Texas officials who claim their indictment on mail fraud and conspiracy charges arising from the scandal was politically moti-

vated in Washington to discredit Texas Democrats.

Former Texas Attorney General Waggoner Carr and former Texas Insurance Commissioner John Osorio are seeking to have the charges against them dismissed. They are scheduled to face trial on October 23.

Mitchell described the increasing concern in 1971 over the disclosure that Wilson, who then headed the criminal division of the Justice Department, had been lawyer for Houston banker Frank Sharp, leading figure in the scandal.

Sharp, who headed the Sharpstown State Bank, was accused of trying to influence state officials to pass banking bills by selling them

stock on shaky collateral and then manipulating the stock value upward.

Sharp was granted immunity from further prosecution after pleading guilty on two counts of banking and securities violations and receiving a three-year probation sentence.

Describing a first meeting with the President, Mitchell said: "I can't recall the exact conversation, but I believe the discussion was about the public posture which Mr. Wilson found himself in at that time."

At a second White House meeting, which Mitchell said was probably in October, 1971, Wilson's problem again was discussed.

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