

agnew resigns -- court
fines him in tax case

He Pleads No Contest-- Justice Dept. Reveals Evidence, Closes Case

By Eugene V. Risher
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Washington

Spiro T. Agnew resigned as Vice President of the United States "in the best interest of the nation" yesterday, and pleaded no contest in U.S. District Court in Baltimore to a single count of income tax evasion in 1967.

The Justice Department at the same time dropped its criminal investigation of Agnew, and made public in court its evidence that Agnew was receiving cash payments from Maryland contractors as late as December, 1972.

Agnew, 54, who was fined \$10,000 and placed on three years' probation, was the second Vice President in history to resign and the first to quit office under fire.

Nixon

Expressing a "great sense of personal loss," President Nixon said he would begin prompt consultations with national leaders of both parties on selecting a new Vice President, who must be confirmed by a majority vote of the House and Senate.

The White House said Mr. Nixon, who learned of the surprise decision during a 40-minute meeting with Agnew Tuesday night, played "no direct role" in the legal arrangement for his Vice President to resign and—in effect—plead guilty to a lesser charge.

Agnew left office less than two weeks after he declared in Los Angeles that he would "stay and fight" and would not resign even if indicted. But yesterday, he appeared unexpectedly before U.S. District Judge Walter E. Hoffman in Baltimore and, speaking in a low, firm voice, ended irrevocably his once-meteoritic political career.

Interview

In an interview later, Agnew said he would address the nation within the next few days.

"The reason that I have changed my decision . . . is because I believe it would be against the national interest and have a brutalizing effect on my family to go through a long, two-to-three-year struggle in this matter," he told reporters outside the federal courthouse.

"I categorically and flatly deny the assertions that were made by the prosecutors with regard to their contentions of bribery and extortion on my part," said Agnew, who apparently could still face

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prosecution on Maryland state charges of misconduct.

"The principal witnesses of the government are not being fully prosecuted in this matter, but are receiving either full or limited forms of immunity in return for their testimony against me," Agnew said.

The resignation stunned members of Congress, who braced for a possibly bruising political battle over Mr. Nixon's choice of a successor to Agnew. Any Republican the President selects — and Congress approves — would automatically gain a commanding foothold on the 1976 GOP presidential nomination.

Late in the day, Mr. Nixon met separately with Democratic and Republican leaders of the House and Senate, presumably about prospects for a nominee, as speculation swept Washington about the likeliest candidates.

UNKNOWN

Agnew was nationally unknown until Mr. Nixon tapped him at the 1968 GOP convention to be his running mate, and Agnew began his campaign to become a "household word."

Until then, the only elective offices he had ever held was Baltimore county executive from 1962 to 1966 and Republican governor of Maryland for the next two years.

And until Agnew acknowledged two months ago that he was under criminal investigation in Baltimore, most political observers rated him as a strong contender for his party's presidential nomination in 1976.

At the end, Agnew and Attorney General Elliot L. Richardson, resumed secret plea bargaining two days ago that led to the settlement which Judge Hoffman accepted yesterday.

HEARING

During the 35-minute court hearing in Baltimore, which Hoffman called "this tragic event in history," the judge said the Justice Department would halt its case against Agnew under the negotiated

plea agreement.

But Hoffman told Agnew this did not mean his name would not be mentioned in other judicial proceedings.

The specific charge to which Agnew, in effect, pleaded guilty, was evasion of federal income taxes totaling \$13,551 in 1967.

U.S. Attorney George Beall, who has been heading the Agnew investigation as part of a ten-month grand jury inquiry into alleged political graft in Maryland, said Agnew — then governor of the state — and his wife claimed taxable income that year of \$26,099, with \$6416 in total tax due.

Actually, said Beall, their taxable income totaled \$55,599, on which tax due was \$19,967.

PROBATION

Agnew will be under probation without supervision, Hoffman said. That means the former vice president will not have to go through the ignominy of reporting periodically to a probation officer.

At Richardson's urging, Hoffman said he was forsaking his usual practice of sentencing lawyers, tax accountants or business executives to prison terms of two to five months in income tax cases.

Richardson appealed to Hoffman to keep Agnew out of prison "out of compassion for the man, out of respect for the office he has held and out of appreciation of the fact that by his resignation he has spared the nation the prolonged agony that would have attended upon his trial."

The two-month ordeal that began for Agnew when he learned in early August he was under federal investigation for possible violation of tax, bribery, extortion and conspiracy laws ended at 11:05 a.m. PDT yesterday when he entered courtroom No. 3 on the fifth floor of the federal courthouse in downtown Baltimore with a Secret Service agent on each arm.

He and Richardson, who was accompanied by assistant attorney general Henry

E. Petersen, chief of the Justice Department's Criminal Division, told Hoffman of the plea agreement under which Agnew would resign and plead nolo con-

tendre (no contest) to a lesser charge.

Hoffman reminded Agnew at least twice that such a plea "is the full equivalent of a plea of guilty," although it contains no admission of guilt.

Richardson said evidence obtained from several former Agnew associates in Maryland "established a pattern of substantial cash payments" to Agnew while he was governor of Maryland — payments which he said Agnew received as late as December, 1972, while he was vice president.

PLAN

The attorney general said the government was ready to press forward with the return of a grand jury indictment charging bribery against Agnew, but "to have done so . . . would have been likely to inflict upon the nation serious and permanent scars."

At the exact moment the hearing began in Baltimore, Agnew's resignation became effective legally at 11:05 a.m. PDT when a 14-word letter of resignation was delivered to Secretary of State Henry A. Kissinger.

It read:

"Dear Mr. Secretary:

"I hereby resign the office of vice president of the United States, effective immediately.

"Sincerely, Spiro T. Agnew."

One minute later, a copy of that letter, along with a three-paragraph covering letter, was given to Alexander M. Haig, the White House chief of staff, and forwarded immediately to the President.

In a letter to Mr. Nixon, Agnew said "the accusations against me cannot be resolved without a long, divisive and debilitating struggle in the Congress and the courts. I have concluded that, painful as it is to me and my family, it is in the best interests of the nation that I relinquish the vice presidency."

HISTORY

It was the first time a U.S.

vice president had resigned in 140 years, since John C. Calhoun quit on Dec. 28, 1832 — three months before expiration of his term — to fill

a Senate seat to which he had been elected.

Hoffman had scheduled yesterday's public hearing Tuesday afternoon without announcing any reason. But he said it was on Tuesday that he first learned that Richardson and Agnew had resumed the plea bargaining that they conducted without success several weeks ago.

The first inkling that something momentous was about to break came when Agnew stood before Hoffman and agreed to sign a waiver of indictment. Then Richardson informed the court Agnew had agreed to enter a plea to a criminal information.

ROLE

White House Press Secretary Ronald L. Ziegler said Mr. Nixon had played "no direct role" in the plea agreement. "This was a decision which was a personal decision only the vice president could make," Ziegler said.

But there were widespread reports that Mr. Nixon had found Agnew's legal problems an increasingly worrisome burden added to the Watergate scandal, and some Agnew aides were said to have detected heavy pressure from the White House for an Agnew resignation.

The former vice president declared as recently as September 29, in a loudly cheered speech in Los Angeles, that "I intend to stay and fight" to prove his innocence, and that "I will not resign if indicted."

DECISION

Agnew's decision meant the end of the federal government's prosecution against him, and rendered moot the former vice president's suit seeking to halt the grand jury investigation on the ground that he could not be indicted under the Constitution unless he were first impeached by Congress and removed from office.

It also meant the collapse of Agnew's companion attempt to force nine reporters from leading national newspapers, television net-

works and newsmagazines to disclose their confidential sources for news accounts about his criminal investigation.

The reporters involved had filed motions asking Hoffman to quash the subpoenas as a violation of their First and 4th Amendment rights only a few hours before Agnew resigned and entered his plea to the tax evasion count in the same federal courthouse.

In a summary of the government's evidence against Agnew, which Beall submitted to Hoffman Wednesday, the U.S. Attorney's office detailed alleged cash payments from engineering contractors to Agnew from his days as Baltimore county executive starting in 1962 until after he became vice president in 1969.

The summary said Allen Green, head of a large Maryland engineering firm, made payments to Agnew of \$2000 each for three or four times a year until December, 1972, both at Agnew's vice presidential office and at his apartment suite at the Sheraton Park Hotel in Washington.