

Anonymous Call to IRS Office Sparked Agnew Investigation

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The investigation of Vice President Spiro T. Agnew, who pleaded no contest to an income tax evasion charge after resigning yesterday, began last fall with a telephone call to the Internal Revenue Service.

The caller, a former employee of a Baltimore County engineering firm, reportedly told an IRS agent: "If you go to Baltimore County you'll find some interesting things."

The IRS went. The evidence it began turning over to the U.S. attorney's office in Baltimore resulted in the formation of a special grand jury there in December, 1972, to investigate corruption in sprawling Baltimore County, which all but surrounds the city.

In January federal prosecutors hauled away a truckload of Baltimore County government records, and, as well, subpoenaed records of more than a score of consulting engineers and architects doing business with the county.

At the start of the investigation, the targets were believed to be Baltimore County present and former Democratic officials—not Agnew. U.S. Attorney

George Beall had assured Justice Department superiors that no matter what the wide-ranging probe uncovered, it would not mean prosecution of Agnew.

Beall pointed out that the statute of limitations for criminal offenses is five years and for tax offenses is six and Agnew had left as county executive when elected governor of Maryland in 1966, more than six years earlier.

But despite Beall's original prediction, the evidence broadened and reached into more recent years, when Agnew was governor and Vice President. Agnew's no contest plea to the tax evasion charge involved tax returns for 1967, when he was governor.

In February of this year, Agnew later said at a press conference, friends told him there were "rumors in the cocktail circuit that various allegations coming out of the investigation have mentioned my name."

In April, Agnew said, a lawyer that he had hired contacted the prosecutors to tell them "I would in no way attempt to impede the investigation."

Agnew apparently became a definite target of the investigation sometime during the spring, after prosecutors had questioned former Baltimore County Administrator William E. Fornoff and consulting engineers Jerome B. Wolff and Lester Matz.

In May and June Wolff and Matz appeared before the investigators several times and according to sources, both hinted that in return for immunity from prosecution they would be willing to supply information on Agnew.

On June 4 Fornoff, who served immediately under Agnew when Agnew was county executive, pleaded guilty to a minor tax charge and agreed to cooperate with the prosecutors.

On Aug. 1 Beall sent a letter to Agnew's lawyer, formally informing him that the Vice President was under investigation for possible bribery, extortion, tax and

conspiracy violations. The letter was disclosed on Aug. 6.

Two days later Agnew called a nationally televised press conference to denounce reports that he took kickbacks from contractors as "damned lies." Agnew added: "I have nothing to hide." Throughout August, the investigation of Agnew intensified. On Aug. 22 Agnew, referring to news reports of the investigation called a press conference to charge "some Justice Department officials have decided to indict me in the press" and to again declare his innocence of any wrongdoing.

On Aug. 23 Baltimore County Executive Dale Anderson, Agnew's successor and a Democrat, was indicted on 39 counts involving bribery and extortion. On Sept. 18 The Washington Post reported that Agnew recently had held long discussions with friends about the advisability of his resignation and that one Republican party leader who met with Agnew came away convinced Agnew would shortly give up his office.

Later, Agnew's attorneys were reported to be plea bargaining on the Vice President's behalf.

On Sept. 25 Attorney General Elliot L. Richardson announced that the prosecutors would present their case against Agnew to the grand jury. Agnew immediately called on the House of Representatives to investigate him instead. The House leadership refused. On Sept. 28 Agnew's attorneys, contending that the Constitution shields the Vice President from prosecution, asked the court to halt the grand jury investigation.

The next day Agnewaid in a nationally televised California speech, "I will not resign if indicted." Agnew attacked Justice Department officials for considering him a "big trophy," denied he had been plea bargaining and told a warmly applauding crowd: "I want to set at this point clearly and unequivocally: I am innocent of the charges against me.