

## ASH IN A CONFLICT OVER RESIDENCY

O.M.B. Head Cited Capital  
and Los Angeles as Home

By WALLACE TURNER

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LOS ANGELES, Oct. 26 — A dispute in Superior Court here today showed that Roy L. Ash, director of the Office of Management and Budget, had made conflicting statements under oath as to his place of residence.

Last March Mr. Ash signed a document in which he stated under penalty of perjury that he lived in a home he owns in the Bel Air section of Los Angeles. The statement saved him less than \$200 on his property tax bill.

Recently, Mr. Ash filed a declaration in Superior Court swearing that since last December his place of residence was in Washington, D.C.

The statement filed last March was to enable Mr. Ash to benefit from a California statute that provides a lower property tax on homes occupied by their owners.

The statement claiming Washington, D. C., as Mr. Ash's residence was filed in an attempt to gain him an excuse from appearing as a witness in the retrial of a libel case here.

### Suit Over Sudden Wealth

The libel case has its roots in events 20 years ago when Mr. Ash was chief fiscal officer and a friend of his, Charles B. Thornton, was chief executive officer of the Hughes Aircraft Company, an offshoot of the financial and industrial empire of Howard R. Hughes.

They left the Hughes company together and founded Litton Industries, the conglomer-



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Roy L. Ash

ate, which made them both millionaires. An associate of those years sued them, contending that they had frozen him out of his proper share of the wealth. As a part of that litigation, testimony was taken from Noah Dietrich, who was once the chief lieutenant of Mr. Hughes.

Mr. Dietrich's statements were adverse to the interests of Mr. Thornton and Mr. Ash. Mr. Thornton caused the preparation and circulation internally at Litton Industries of a statement criticizing Mr. Dietrich and alleging that his motives were bad.

Mr. Dietrich sued. On March 11, 1968, a jury here awarded Mr. Dietrich \$6,215,000 plus interest at 7 per cent. The award was against Mr. Thornton, Litton Industries and George T. Scharffenberger, a former vice president of Litton, who played a role in circulating the internal statement.

Although Mr. Ash was not a defendant in the case, he was a central figure in it, for much of the swirling controversy involved questions of whether the Air Force had been purposely overbilled and whether false inventory accounts had been kept specifically at Mr. Ash's orders while he was chief fiscal officer at Hughes Aircraft.

Mr. Ash was a witness in that trial. The verdict was set aside on appeal and a new trial ordered. That trial was scheduled to open next Wednesday.

In August Mr. Dietrich's counsel, Harold Rhoden, caused a subpoena to be served on Mr. Ash, who was then in Los Angeles. The subpoena called Mr. Ash to testify in the retrial.

### Move to Kill Subpoena

The disclosures today came in response to Mr. Ash's request that the court quash the subpoena. Mr. Ash stated in his formal request to the court that since last December he had lived in Washington, D. C., and that it was improper to hold him in readiness in Los Angeles to testify in the retrial.

Mr. Rhoden showed today that Mr. Ash swore in March that "I occupied the property described hereon [in California] as my principal place of residence." The lawyer also told the court today that Mr. Ash owned six cars, all with California licenses, that he had a California driver's license, and that the telephone at his Los Angeles house was answered "Ash residence." Mr. Ash also maintains a bank account named "household account" in a bank in Beverly Hills, Mr. Rhoden told the court.

Felice Cutler, who represented Mr. Ash, said that Mr. Rhoden was "treating this man as if he's just a garage mechanic."

She said that Mr. Ash held an important Government position and that he was at the call of the President. She accused Mr. Rhoden of grandstanding for the publicity value.

Mr. Rhoden replied that it was central to his case to have Mr. Ash testify. Mr. Rhoden said, "I want the jury to hear him and see the expression on his face."