

# Lawyer Tells of Phony Fees Paid by Dairymen

Chicago

Disguised payments of more than \$175,000 were made by the Associated Milk Producers Inc. to a lawyer who said in sworn testimony yesterday that he passed the same amount on to a political operative for the milk producers.

Sworn testimony has prompted charges that AMPI, the nation's largest dairy cooperative, made illegal contributions to President Nixon's 1972 election campaign in return for favors to the milkmen. Mr. Nixon denied the charges Saturday in an address to The Associated Press Managing Editors Association Convention in Florida.

The lawyer, Start H. Russell of Oklahoma City, said AMPI paid him the money between December 1969 and April 1972 under the guise of legal fees for professional services he said he did not perform.

Under subpoena, Russell produced copies of cancelled checks and other bank records showing that he paid a total of \$176,828 to Robert Lilly, the giant cooperative's former political staffer who was implicated in previous sworn testimony as having made illegal political contributions to the Nixon campaign.

The records showed Russell made 24 payments by check to Lilly between Dec. 19, 1969, and Dec. 14, 1970.

In a sworn deposition taken yesterday, Russell said he did not know what his payments to Lilly went for but, "I can make some assumptions based on what I hear on TV and read in the newspapers."

In a previous deposition, a fired lawyer for AMPI testified in a lawsuit that the milk producers funneled political money through Rus-

sell to Lilly.

Russell said his own idea of the financial arrangement was that AMPI wanted to cover up business it did with big-name political law firms. These included, he said, the firms of Herbert Kalmbach, President Nixon's former personal counsel; John Connally, former Treasury secretary under Mr. Nixon, and John Mitchell, Mr. Nixon's first attorney general.

Russell appeared in connection with a tagged lawsuit involving other dairy cooperatives and antitrust action against AMPI filed by the Justice Department.

He said, however, his records also have been subpoenaed by the Senate Watergate Committee and the federal grand jury in Washington impaneled by Judge John Sirica.

Associated Press