

A Scandal Brewing in Alabama

Montgomery, Ala.

a major highway funds scandal is threatening the political future of George Wallace at a time when the two-time governor is fast regaining his health and is reportedly preparing to plunge again into state

and national electioneering"

The name of the Governor's brother, Gerald, has been mentioned in the affair, which allegedly involves almost \$100,000 paid to a phony machinery company on the basis of state purchasing orders rawn up by

employees in the Alabama Highway, Purchasing and Finance Departments.

The state employees and officials of the phony company then split up the money, investigators say.

Gerald Wallace's name cropped up in the case when

^{29 NOV} the Montgomery Advertiser reported Thursday that he was involved in an automobile wreck last December while driving a utility vehicle owned by the allegedly phony company, Machinery and Supplies Inc. of Montgomery.

Governor Wallace said in

a statement issued late Wednesday that he had "no personal knowledge" of the alleged fraud other than information sent him by state investigators. He urged all members of his administration to "cooperate fully with the investigators."

Investigators say the Dec. 11 grand jury hearing will produce at least three indictments.

New York Times