

# WATERGATE JURY INDICTS REINECKE FOR LIES ON I.T.T.

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## California Official Accused on Remarks to Mitchell in Antitrust Dispute

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WASHINGTON, April 3—Ed Reinecke, the Lieutenant Governor of California, was indicted by a Watergate grand jury today on three counts of lying to the Senate Judiciary Committee.

The charges stemmed from the investigation in March and April, 1972, into possible political influence in the settlement of three antitrust suits against the International Telephone and Telegraph Corporation.

Mr. Reinecke, a 50-year-old Republican, has been a leading candidate for the Governorship, and the front-runner against Houston Flournoy, the state Controller, in the Republican primary for the nomination in June. In the view of party leaders in California, his indictment may spell the end of his hopes.

### Question of Timing

The indictment carried national interest chiefly because it involved the question of whether Mr. Reinecke had told the former United States Attorney General, John N. Mitchell, of I.T.T.'s pledge of \$400,000 for the 1972 Republican National Convention before or after the announcement on July 31, 1971, of the settlement of an antitrust suit against the corporation.

The determination of this question, today's indictment said, was "material" to the Senate investigation into that settlement.

In February, Mr. Reinecke spent three days in Washington trying to find out from Leon Jaworski, the Watergate special prosecutor, whether he would be indicted. He told

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reporters then that Mr. Jaworski had refused to give him "official clearance of my name." He voluntarily submitted to a lie detector test by the Federal Bureau of Investigation in an effort to clear himself of wrongdoing.

Today he called the indictment "shocking, incredible and unbelievable in terms of fairness of the special prosecutor's office."

"I am innocent," he told a news conference in Sacramento. "I will not plead guilty. There will be no plea bargaining whatsoever. I am in the

gubernatorial race to stay. I will win the June primary and I will win the November general election."

He said that he had instructed his attorneys to seek a change of venue to California because, he said, "I don't think anyone gets a fair trial in Washington, D. C., these days."

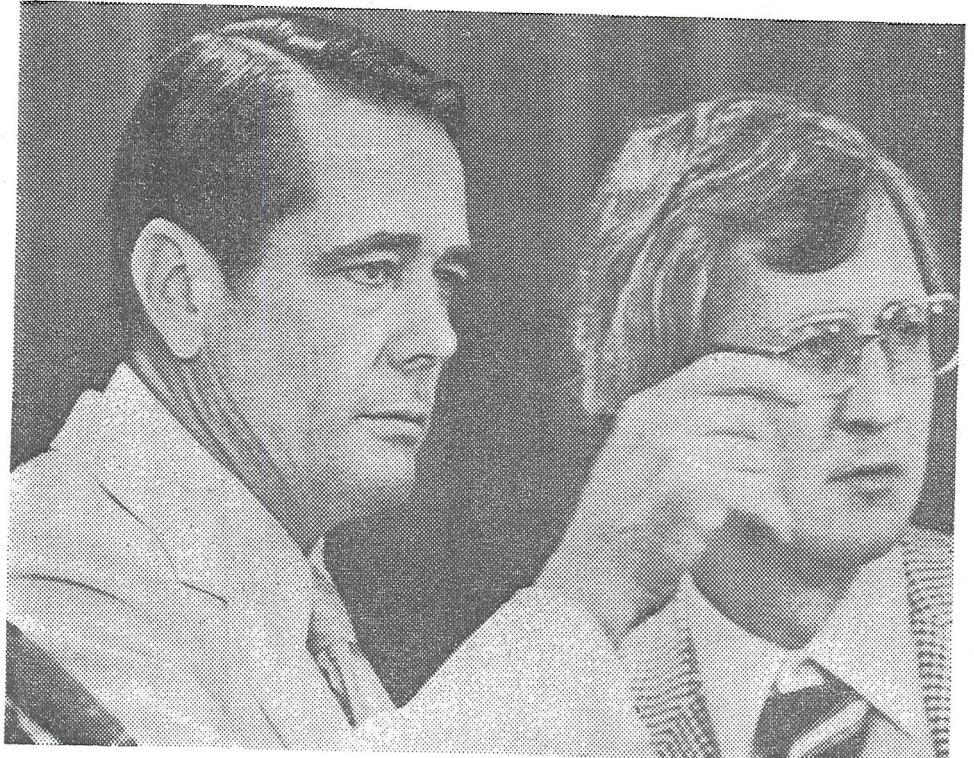
Today's indictment was the first to result from the special prosecutor's investigation of possible perjury by Nixon Administration and I.T.T. officials and other witnesses during the Judiciary Committee hearings in the spring of 1972 into the nomination of Richard G. Kleindienst to be Attorney General. Mr. Jaworski is also looking

into possible obstruction of justice in connection with investigations by the Securities and Exchange Commission into the merger of I.T.T. and the Hartford Fire Insurance Company in 1970.

### Jack Anderson Report

The Kleindienst hearings were called, at his request after Jack Anderson, the columnist, published on Feb. 29, 1972, a memo from Dita S. Beard, an I.T.T. lobbyist, to William R. Merriam, the corporation's vice president and head of its Washington operations.

The memo, dated June 25, 1972—during the height of negotiations on a settlement of



Associated Press

Lieut. Gov. Ed Reinecke at a news conference in Sacramento, Calif., at which he denied charges contained in an indictment in Washington. At right is Earl Parker, aide.

the antitrust suits—said that the "commitment" of \$400,000 by I.T.T.'s Sheraton Corporation for the Republican convention then planned for San Diego "has gone a long way toward our negotiations on the mergers eventually coming out has Hal [Harold S. Geneen, I.T.T. president] wants them."

The memo also said that, no one knew of the commitment except Attorney General Mitchell; the White House chief of staff, H. R. Haldeman; Mr. Reinecke; Representative Bob Wilson of California and President Nixon.

### Minor Figure in Inquiry

Although he was one of the major figures in seeking a commitment from I.T.T., Mr. Reinecke has always been regarded as an inor figure in the many-angled investigation, first by the Senate Judiciary Committee and later by the special prosecutor, into the influence that the promised contribution might have had on the settlement permitting I.T.T. to retain its prized acquisition, Hartford.

The indictment charged that Mr. Reinecke had lied to the committee when he said the following:

"That he had 'no way of knowing whether or not he [Mr. Mitchell] had heard of the commitments prior to the time [Sept. 17, 1971] that I am speaking of.'"

"That he had erred when he told the press in March, 1972, that he had met with Mr. Mitchell in mid-May, 1971, and told him of the commitment, and that the only time he discussed the convention with Mr. Mitchell was in September, 1971.

"That he first conceived of attracting the convention to San Diego at a reception for San Diego businessmen in Washington on April 27, 1971.

The first two counts, in turn, raise questions—although the indictment did not say so—about Mr. Mitchell's testimony before the Senate Judiciary Committee on March 14 and 15, 1972.

Early in March, 1972, Mr. Reinecke was quoted in two newspaper interviews as saying that, in a meeting with Mr. Mitchell in Washington in May, 1971, he had discussed the I.T.T.-Sheraton commitment.

But Mr. Mitchell was asked by the Judiciary Committee, "Did Mr. Reinecke ever discuss in May or April [1971] the I.T.T. offer?" he replied:

"No, Senator. As far as I can tell, Mr. Reinecke must have had me mixed up with somebody else because he didn't meet me in May, and I have also read in the paper he was retracted that statement since then about the meeting in May."

When Mr. Reinecke testified on April 19, he said that he had been mistaken about a May meeting with Mr. Mitchell and had not talked to him about the I.T.T. commitment until Sept. 17—six weeks after the settlement.