

Bribery Charges Against Connally



Jack Anderson

THE WATERGATE prosecutors are investigating bribery charges against former Treasury Secretary John Connally.

A crack FBI squad has dug up evidence that Connally pocketed \$10,000 from the Associated Milk Producers, Inc., and hastily returned the cash after the dairy lobby came under investigation.

This dramatic development could finish Connally as a presidential contender.

Our FBI sources say the alleged \$10,000 bribe was passed by milk producers official Robert Lilly to lobbyist Jake Jacobsen, who delivered it to Connally. Jacobsen already has been indicted for perjury for testifying that he stashed the \$10,000 in a safe deposit box and never removed it until the FBI opened the box last November.

★ ★ ★

THE FBI has painstakingly tracked down evidence, however, that the \$10,000 not only was accepted by Connally but that he made two trips to return the money after it became hot.

The first time, according to our FBI sources, Connally gave back the money in \$100 bills. Later, he allegedly became worried that the bills could be traced and brought a second batch of smaller bills, which he exchanged for the first \$10,000.

He took pains, say our sources, to select bills that had been issued before the \$10,000 payment was made. He allegedly didn't want the FBI to find any new bills among those Jacobsen said had remained untouched in a safe deposit box.

Ironically, the former Treasury head forgot that Federal Reserve banks don't necessarily issue currency during the year it is dated. FBI agents have established that some of the bills in the bank box were not issued until after Jacobsen claimed the money had been deposited.

A methodical FBI check of deposit slips, telephone tolls and travel records have poked other damaging holes in Connally's alibi.

After Connally pocketed the \$10,000 from the milk producers, according to the FBI evidence, he juggled his schedule on March 16, 1972, to meet with milk officials George Mehren and Harold Nelson. They were brought over to the Treasury by Jacobsen.

★ ★ ★

CONNALLY listened carefully to the dairymen's appeal — for greater dairy subsidies and for settling an antitrust action against the milk producers.

Then in the presence of the dairy lobbyists, according to sworn testimony, he telephoned former Attorney General John Mitchell and told him:

"John, get off your—and find out what is going on in the Midwest. There is discontent among the dairy farmers; and I have a group of them here."

A year earlier, Connally huddled with the milk producers' Robert Lilly at Washington's Page terminal. The treasury secretary allegedly told Lilly that a dairy subsidy increase was "in the bag."

This was the same Lilly who later handed over \$10,000 to Jacobsen for delivery to Connally.