

Connally Linked to Phone Calls For a Friend Under U.S. Inquiry

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WASHINGTON, May 9—John B. Connally, while Secretary of the Treasury, telephoned the Justice Department repeatedly to express his fear that Jake Jacobsen, his long-time friend, was being unfairly treated in the department's investigation of a Texas saving and loan scandal, according to authoritative sources.

The sources said that Mr. Connally made two such calls to John N. Mitchell, who was then Attorney General. Two subsequent calls were made to Richard G. Kleindienst, who succeeded Mr. Mitchell in April, 1972, the sources said.

It could not be learned whether the calls to Mr. Kleindienst came before or after Mr. Connally, the former Texas Governor, resigned from the Treasury Department in June, 1972.

Each time, the sources said, Mr. Connally's message was the same: that Mr. Jacobsen, a former aide to President Johnson, had assured him of his innocence in connection with the alleged misapplication of funds and that he feared Mr. Jacobsen was the target of a Republican "vendetta" against Texas Democrats in general.

Fraud Section Advised

After each call, according to the sources, word of Mr. Connally's inquiry was relayed from the Attorney General's office to Henry E. Petersen, the head of the Criminal Division, who then reviewed the matter with department lawyers in the fraud section who were conducting the investigation.

In every case, word was reportedly sent back to the Attorney General and through him to Mr. Connally that the department believed its evidence of Mr. Jacobsen's participation in the misapplication case to be convincing.

Mr. Connally's law office in Houston said in response to repeated requests for comment that the former Governor was not talking to the press.

Mr. Jacobsen and an associate were indicted by a Federal grand jury in February on charges that they conspired to obtain a loan of \$825,000 from the First Savings and Loan Association of San Angelo, Tex., on property worth about \$40,000.

Officials of the Federal Home Loan Bank Board, one of whose examiners first noted the potential misapplication of funds

in the case, said that the board had turned the product of a 10-month investigation of the matter over to the Justice Department in January, 1972.

Questions Over Delay

During the two years and one month that the department's follow-up investigation lasted, one bank board official said, inquiries were made to Justice about the lack of progress in the case. Asked about the responses to these inquiries, the official replied, "They told us different things at different times. You'll have to ask them."

But Justice officials with close knowledge of the San Angelo investigation heatedly denied that their awareness of the former Treasury Secretary's concern had delayed the Jacobsen indictment, and one added that "frankly, their [the bank board's] investigation was not sufficient."

One high official, who asked not to be named, described the savings and loan investigation as unusually complicated, and added that Mr. Connally's repeated inquiries about the fairness with which his friend Mr. Jacobsen was being treated was actually a source of anger among the lawyers working on the case.

Asked to characterize the impression left within the department by Mr. Connally's inquiries, one Justice official said that he "never viewed it as pressure" to go easy on Mr. Jacobsen or to remove him from the investigation altogether.

But another official said he had been told that the nature of Mr. Connally's calls was along the lines of "this guy's a friend of mine and you're trying to hang this case on him."

An Unusual Coincidence

Asked how often the department received such inquiries from other Cabinet officers about the status of a criminal investigation, the official replied that "it doesn't happen every hour." But, he added, "not very many friends of Cabinet officers get indicted."

The savings and loan case apparently is unrelated to a case involving an alleged connection between Republican campaign contributions and the raising by President Nixon in March, 1971, of the Government's milk support price, in which Mr. Connally and Mr. Jacobsen are also involved.