

Ex-Milk Lawyer Is Plea Bargaining

Washington

Jake Jacobsen, former milk cooperative lawyer and long-time political associate of former Treasury Secretary John B. Connally, is plea bargaining with special Watergate prosecutor Leon Jaworski, his attorney said yesterday.

Charles McNelis, who represents Jacobsen, said the two sides had not agreed on a specific charge, but acknowledged "there's movement along those lines, Yes."

Watergate prosecutors have offered to let Jacobsen plead guilty to the least serious felony charge of offering or paying a bribe, a charge that carries a maximum penalty of two years in jail and a \$10,000 fine.

In return for a guilty plea and his cooperation, the prosecutors offered to drop their perjury case and a separate, unrelated Texas savings and loan indictment, sources said. Jacobsen faced possible maximum punishment of up to 40 years and \$80,000 in fines if convicted on all counts.

Jacobsen once testified that he offered Connally a \$10,000 payment from his client, Associated Milk Pro-

ducers, Inc., but that Connally refused the gift.

Sources said Jacobsen is now offering to testify that Connally took the money for helping the dairy-farmer cooperative with government problems and Connally later tried to cover up the transaction after federal investigators began looking into the affair.

Connally has consistently denied taking the money, and says Jacobsen offered it to him not as a bribe, but as a fund from which he could make political gifts to candidates.

Currently, Jacobsen faces a seven-count felony indictment in connection with alleged misuse of funds belonging to a savings and loan institution in San Angelo, Tex. The charges include conspiracy, perjury and misapplication of funds.

In addition, Jacobsen faces possible re-indictment on a perjury charge related to the Connally money. A federal judge threw out the first perjury indictment because of a technical defect which prosecutors could remedy in a future indictment.

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