

Maheu Jury Weighs New Data on Complex Hughes Business Deals

By WALLACE TURNER
Special to The New York Times

LOS ANGELES, June 28—A six-member Federal court jury here seems to be methodically reassessing all the evidence presented in the four months of the trial of Robert A. Maheu's defamation suit against the Howard R. Hughes holding company, Summa Corporation. The jury was instructed on Tuesday by Federal Judge Harry Pregerson and began its deliberations that day. The jury is to find liability in two actions. When liability questions have been settled, further hearings will be held to determine the amount of cash judgments. Mr. Maheu has asked \$17.3-million damages. The Hughes interests have filed a counter claim for \$4,438,474, and the jury has heard evidence in both matters during its four-day-a-week sessions that began Feb. 26.

This afternoon, the jury was excused until Monday.

1972 News Conference

The suit grew out of a most unusual news conference that Mr. Hughes's employes arranged for him on Jan. 7, 1972. He then lived on Paradise Island, across the channel from Nassau, the Bahamas, and spoke by telephone from there to a group of reporters gathered in a hotel room here. They did not see him, nor did he see them.

Mr. Hughes wanted to deny the validity of an "autobiography" of him that had been written by Clifford Irving. The writer subsequently served a prison term for fraud.

A few statements made by Mr. Hughes in that news conference were the basis of this defamation trial, which lasted four months before the jury withdrew last Tuesday to begin deliberations.

Mr. Hughes was asked why he dismissed Mr. Maheu in 1970 as manager of the Hughes operations in Nevada. He replied, "Because he stole me blind."

Mr. Maheu filed suit on Feb. 10, 1972, against Summa Corporation, the Hughes holding company, which had paid the cost of the news conference. This enabled him to go to court without serving legal process on the elusive Mr. Hughes, who since then has lived in Nicaragua, Canada, England, and Grand Bahama Island.

Before the trial opened, Mr. Maheu's attorneys and those for the Hughes interests questioned witnesses under oath and examined records that they had subpoenaed.

The Hughes interests elected to try to prove as a complete defense that Mr. Hughes only spoke the truth about Mr. Maheu. This then led to a massive assessment of his financial relationships with Mr. Hughes from 1953, when he

began to do investigative jobs for the reclusive millionaire, until 1970, when he was dismissed.

Attorneys for Mr. Hughes began questioning Mr. Maheu in a series of depositions. He was cross-examined under oath about what he had done with some of Mr. Hughes's money that had passed through his hands.

What occurred in these secret sessions did not become public until last September. Then a series of reports began to emerge, and the most explosive of these was the account pieced together from testimony of Mr. Maheu and Richard G. Danner, still an employe of Mr. Hughes. They testified about the delivery of \$100,000 in \$100 bills to Charles G. Rebozo, President Nixon's friend.

After the depositions were opened, it was disclosed that Mr. Rebozo had told the Senate Watergate Committee that he had kept the cash in a safe-deposit box in Key Biscayne for three years and then returned the same \$100 bills to representatives of Mr. Hughes.

But subsequently it was learned that Herbert W. Kalmbach, formerly personal attorney for Mr. Nixon, had told the Watergate committee staff that Mr. Rebozo had told him that some of the money had been given to the President's brothers and to Rose Mary Woods, the President's private secretary.

Investigation Still On

These matters are still under investigation.

Mr. Maheu also said that he gave \$50,000 in \$100 bills to Hubert H. Humphrey when they met in a limousine in front of the Century Plaza Hotel here on July 29, 1968, when Mr. Humphrey, then Vice President, was campaigning as the Democratic nominee for President.

Senator Humphrey did not appear at the trial but gave sworn answers to written questions. He denied that he had received the money, although he said that the meeting described by Mr. Maheu had taken place.

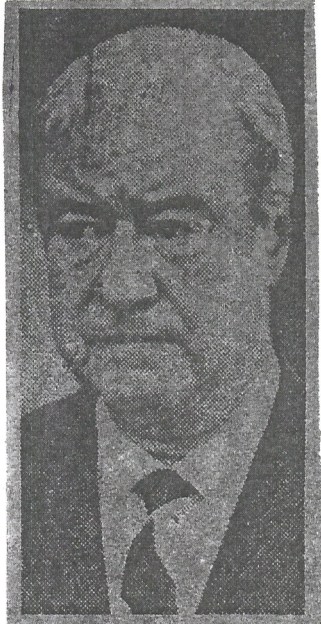
Mr. Maheu told about sending \$25,000 through Lawrence F. O'Brien, former Democratic National Chairman, and the man whose office was a target of the Watergate burglars. The money was to pay the campaign deficit of the late Senator Robert F. Kennedy, Mr. Maheu said.

Also, Mr. Maheu testified that big sums went to many other politicians. The pattern seemed to be that Mr. Hughes worked both sides of the street.

In the Los Angeles Mayorality race, he reportedly gave \$11,000 to Sam Yorty and \$5,000 to Tom Bradley in the California senatorial race in 1968. \$7,000 to Alap Cranston,

a Democrat, and \$3,000 to Max Rafferty, a Republican, and in the 1966 California Governor's campaign \$4,450 to Ronald Reagan and \$4,700 to Edmund G. Brown.

More than \$1-million of Hughes campaign contributions



Associated Press
Robert A. Maheu

were disclosed during the trial. About \$600,000 of this came from the casino cages at the Silver Slipper in Las Vegas.

Mr. Hughes owned this casino personally, not through one of his corporations. This made it legal for him to give contributions from it. Such contributions would have been illegal if made through a corporation.

The trial also produced evidence that during the four years before he dismissed Mr. Maheu, Mr. Hughes's casino operation in Nevada had lost \$12.7-million. He had invested about \$150-million in Nevada; the evidence showed.

When Mr. Maheu was dismissed, he filed a damage action in Nevada courts against Mr. Hughes for \$50-million. That suit was pending when Mr. Hughes made his "stole me blind" accusation.

The evidence also included dozens of memorandums in Mr. Hughes's handwriting. These were his instructions to Mr. Maheu on many matters, ranging from a title campaign to

half hydrogen bomb tests in the Nevada desert to futile attempts to block construction of competing hotels on the Las Vegas Strip.

The accumulative effect of these was to show Mr. Hughes as deeply interested in detailed aspects of some phase of his operation, but with his mind wandering soon to some new interest.

The memorandums showed the billionaire as plotting ways to mislead public agencies, such as the Nevada gaming commis-

sion, on ways to deceive business competitors about plans for development of his properties.

The evidence also emphasized Mr. Hughes's well-known passion for seclusion. The only one of his top executives to testify was Nadine Henley, his secretary for more than 30 years. She had seen him face to face just three times since 1961. Yet, through her hands, passed hundreds of thousands of dollars in cash for various Hughes projects.

The Hughes lawyer who conducted the trial, Norbert Schlei, concentrated his attack on three aspects of Mr. Maheu's handling of his duties for Mr. Hughes. One of these derived from Mr. Hughes's desire to own and guard four houses and an industrial building in Tucson, Ariz. Mr. Maheu was in charge of this project.

Mr. Schlei produced evidence to show that Mr. Maheu had overbilled the Hughes companies \$464,000 over expenses. Then Mr. Schlei produced a written declaration by Mr. Maheu made to Mr. Hughes that the costs billed represented only out-of-pocket expenses.

Mr. Maheu responded that he had overbilled at Mr. Hughes's instructions, long that Mr. Hughes had wanted to increase Mr. Maheu's income without other executives being aware of it. Mr. Maheu said that the written statement had been produced by him at Mr. Hughes's request after other executives had noted the huge expense charges for guards.

Another allegations emphasized by Mr. Schlei was that

Mr. Maheu had taken kickbacks from persons to whom he had caused Mr. Hughes's money to be paid in business deals. One such transaction was \$150,000 that Mr. Maheu had received from Herman Greenspun, publisher of The Las Vegas Sun, soon after Mr. Maheu arranged for Mr. Greenspun to receive a \$4-million loan at 3 per cent from Mr. Hughes. Mr. Greenspun and Mr. Maheu both said that the \$150,000 was a loan that Mr. Maheu was expected to repay.

Additionally, in his closing argument to the jury, Mr. Schlei emphasized one matter developed in the trial. This was that in 1970 Mr. Maheu asked Mr. Hughes for \$100,000 that Mr. Maheu said had been spent on political contributions.

But when records of accounts came after Mr. Maheu was dismissed, evidence showed Mr. Maheu was not entitled \$86,000 of that sum but nevertheless spent it. Mr. Maheu testified that he regarded this as a debt to Mr. Hughes that he must repay.