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Gurney Is Accused of Extortion Racket

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Grand Jury Says He and
6 Bilked Contractors
in H.U.D. Projects

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JACKSONVILLE, Fla., July 10 —A Federal grand jury accused Senator Edward J. Gurney of Florida and six other men today of running an influence-peddling and extortion racket for the last three and a half years.

In a 33-page indictment, the grand jury said that at least \$223,000 had been collected for Senator Gurney from contractors and real estate developers who were made to pay "bribes" to get approval of mortgages or housing insurance from regional officials of the Department of Housing and Urban Development.

In Washington, Senator Gurney issued the following statement:

"I have just learned of my indictment by a Federal grand jury in Jacksonville.

"I maintain my absolute innocence of any wrongdoing. I have an abiding faith in the American system of justice and I firmly believe that I will be proved innocent of any wrongdoing in this affair.

"As in the case of the Tallahassee indictment, I intend to fight this move just as hard as I can and I will be vin-



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Senator Edward J. Gurney in the Senate Office Building

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dictated."

Earlier this year, Senator Gurney was indicted in Tallahassee on state charges of violating election laws, but the indictment was dismissed as being vague.

The grand jury named 39 real estate developers as co-conspirators but did not indict them.

It also named, but did not indict, Larry E. Williams as the person who had approached contractors and developers to "demand" money for Senator Gurney.

Mr. Williams, a former aide to the Senator, is now serving the last month of a sentence imposed last February after he pleaded guilty to Federal charges of income tax evasion and assisting a Federal official in accepting a bribe.

Another person whom the grand jury named as an unindicted co-conspirator is John Stuckey, an Atlanta attorney and real estate developer who is a former administrative assistant to Senator William E. Brock 3d of Tennessee.

Two of those indicted with Senator Gurney were H.U.D. officials—Wayne Swiger of Tampa, the director of the agency's Tampa Insurance Office, and Ralph Koontz of Jacksonville, the special assistant to the Florida area director.

Others indicted as part of the scheme were James L. Groot, former administrative assistant to Senator Gurney; Joseph Bastien, executive assistant in the Senator's field office in Winter Park, Fla.; Earl M. Crittenden of Orlando, a citrus grower and financier who is former state G.O.P. chairman in Florida, and George Anderson of Orlando, a banker who is the former state treasurer of the Florida G. O. P. Today's indictment of Senator Gurney, Florida's first Republican Senator in a century, came the day after he had filed his qualifying papers for re-election. He is completing his first term.

Senator Gurney was charged with one count of bribery, one count of conspiracy, one count of receiving unlawful compensation and four counts of making false statements to a grand jury — offenses for which he could possibly be sentenced to a total of 42 years in prison and fined \$40,000.

None of those indicted today were arrested. The indictments were returned by the grand jury at 2:30 P.M. and opened to the public at 3:45 P.M. after attorneys for the defendants had been notified.

A Jacksonville lawyer, C. Harris Ditmar, picked up a copy of the indictment for Senator Gurney, who was in Washington.

Personal Use of Funds

The grand jury said the money collected for Senator Gurney was spent for his personal and political expenses.

The jury said the scheme to raise money was hatched in December, 1970, when Senator Gurney and the other six decided to demand the money from contractors and developers "who had matters pending before H.U.D."

In a press release explaining the indictment, the United States Attorney's Office in Jacksonville said: "In return for the contributions and payments, pressure and influence would be exerted on H.U.D. housing projects and mortgage insurance.

"The indictment charged that Gurney, Groot and Bastien would corruptly demand and accept the payment in return for being influenced in their duties and for allowing a fraud to be committed against the Government.

"The Government was de-

frauded in that H.U.D. could not conduct its operations free from corruption and undue pressures and influence."

In its statement, the United States Attorney's Office said, the indictments were "the result of a year-long investigation by a task force of agents of the Federal Bureau of Investigation, the Internal Revenue Service and H.U.D., grand juries in Jacksonville and Miami as well as Assistant United States Attorneys from Jacksonville and Miami and attorneys from the Department of Justice."

Newspaper Investigation

The investigation began about a year after two Miami Herald reporters, James Savage and Mike Baxter, wrote a series of articles pointing out that some contractors and developers were given favored treatment by HUD while others were not allowed to participate in Government programs.

The two reporters wrote that HUD records were false and misleading.

The indictments returned today said that Mr. Williams, a 29-year-old salesman from Orlando, was chosen at a meeting in Senator Gurney's home in Winter Park in January, 1971, as the person who would collect money for Senator Gurney.

The grand jury said the more than \$223,000 that was raised by Mr. Williams was used by Senator Gurney as "personal political and travel expenses" and for "the operation of Gurney's Washington and Florida offices."

In addition to the cash, the indictment said, Senator Gurney "corruptly solicited and accepted a bribe on Aug. 15, 1971, from the owner of a Vero Beach, Florida, condominium apartment in return for Gurney's assistance." The bribe, the Government said, was a "fifth-floor, oceanfront apartment in the apartment house." The apartment has been valued at about \$67,000.

Charges of Lying

The grand jury said Senator Gurney made "false declarations" to a grand jury in May, 1973, as to the following:

¶ "That the Senator was unaware of Williams's fund-raising activities until June, 1972, and that Gurney did not learn until the summer of 1973 that Williams was paying office expenses and cash to Gurney aides out of the funds he raised.

¶ "That Gurney had not been advised by Williams that he was to receive a free Vero Beach apartment in return for favors Williams had done for two unindicted co-conspirators.

¶ "That the Senator had told his law partner not to accept clients after June, 1971, who were doing business with the United States, and

¶ "That Gurney denied that he instructed a H.U.D. employee not to award a project to a man in Panama City, Fla."

Senator Gurney's indictment, long expected, is likely to make it impossible for him to win re-election to the Senate. At least nine Democrats and two Republicans have indicated they will run for the office. Qualifying for the Republican and Democratic primaries began yesterday and will end July 23.

Senator Gurney said he mailed his filing fee yesterday from Washington.

Pakistan Bus Crash Kills 22

RAWALPINDI, Pakistan, July 10 (UPI) — Two buses, one bound for a religious shrine, collided and burst into flames yesterday near Multan in Punjab Province. The police said 22 persons had burned to death and 24 had been injured.