



Justice Department Reversal

Stubborn U.S. Jury Indicts Hughes

Las Vegas

The Department of Justice yielded to a Nevada Federal Grand Jury yesterday and permitted the indictment of Howard R. Hughes, the reclusive industrialist, on the charge that he and his associates manipulated stock markets to cut the price he paid when he bought Air West Airlines in 1968.

Only a day before the grand jury had balked when it was asked to indict Hughes' associates but not

to indict the billionaire himself.

Those who were indicted yesterday along with Hughes are Robert A. Maheu, once Hughes' manager here; Chester C. Davis, chief counsel of Summa Corporation, a Hughes holding company, and David Charney, film producer and long-time friend of Hughes.

Sources who would not be quoted by name said that the Securities and Exchange Commission staff notified the Department of Justice

yesterday that a civil action would be filed against Hughes if no criminal actions were brought in the Air West matter.

This would have the effect of unveiling the evidence that has been gathered to substantiate the contention that federal statutes were violated when Hughes purchased Air West, a regional air line, on Dec. 31, 1968.

For whatever reason, officials of the Justice Department in Washington reversed their position, and yesterday summoned the grand jury back into session.

Also, control of the presentation of the new indictment was restored to V. DeVoe Heaton, U.S. attorney for Nevada.

After Heaton recently objected vigorously to the Washington decision that Hughes was not to be a defendant, he was forced by his superiors to withdraw from the case and to turn it over to one of his assistants.

The grand jury balked when his assistant, Dean Vernon, presented the in-

dictment for voting Monday.

No spokesman for the Department of Justice has been willing to explain during the last week why officials in Washington were adamant that Hughes not be indicted.

Late last year Justice Department officials approved an indictment that named Hughes. That indictment was dismissed by a federal judge on January 30, as being badly drawn. Six months was allowed for reindictment and that term expired last night.

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