

U.S. Honors a Plea Bargain

Dallas

Honoring its half of a plea bargain promise, the Justice Department declined yesterday to prosecute Texas lawyer Jake Jacobsen on charges of misapplying savings and loan funds.

The department said it will ignore those charges because Jacobsen had entered a guilty plea in a milk co-op bribery case and has agreed to testify against former Treasury Secretary John D. Connally, also charged in the bribery case.

U.S. District Judge Robert M. Hill refused two weeks to dismiss the loan funds case at the Justice Department's request.

The department said Jacobsen had begun to carry out his part of the plea bargain by pleading guilty of playing a role in a \$10,000 bribe which the Associated Milk Producers Inc. allegedly paid Connally.

U.S. Attorney Frank McCowan of Fort Worth said there was "no reason to feel he will not fulfill the balance of his plea bargain" by testifying for the government at Connally's trial.

The Justice Department expects Jacobsen to testify that he paid the milk money to Connally in two \$5000 installments as a reward for Connally's help in getting milk support prices increased.

"We feel the government is bound by the plea bargaining in Washington," McCowan said.

"We had filed a motion to dismiss charges and the judge overruled the motion. It is our feeling not to proceed to trial. The attorney general has so directed me. The charges are still on the books but they are a moot question."

Jacobsen, who once served as an assistant to President Johnson, had been

indicted February 6 with Ray Cowan of Austin, Tex., on charges of misapplying \$825,000 in funds of the First Savings and Loan Association of San Angelo, Tex.

A.P. & U.P.