

AIDE TO HUMPHREY INDICTED ON FUNDS

**Manager of 1970 Campaign
Is Accused of Arranging
Illegal Dairy Donation**

By **ARNOLD H. LUBASCH**

Jack L. Chestnut, former campaign manager for Senator Hubert H. Humphrey, was indicted by a Federal grand jury here yesterday on a charge of arranging an illegal corporate contribution from the Associated Milk Producers, Inc.

The one-count indictment charged that Mr. Chestnut "unlawfully, willfully and knowingly" accepted a \$12,000 donation from the milk producers campaign, which returned the Minnesota Democrat to the Senate.

Mr. Chestnut, a 42-year-old Minneapolis lawyer, managed Senator Humphrey's 1970 campaign in Minnesota and for the former Vice President's 1972 Presidential campaign.

If convicted in Federal District Court, Mr. Chestnut could receive up to two years in prison and a maximum fine of \$10,000.

Advertising Company

The former campaign manager, who is scheduled to plead to the indictment on Jan. 6, could not be reached yesterday for comment on the charge, which was presented to the grand jury by the special Watergate prosecution force in Washington.

The case was presented in New York because it is where Mr. Chestnut allegedly used an advertising company to disguise the campaign contribution from the milk producers.

According to the indictment, Mr. Chestnut had arranged for Lennen & Newell, Inc., an ad-

vertising company that worked in the Humphrey campaign in 1970, to receive a corporate contribution for the campaign.

The indictment said that Mr. Chestnut had arranged with officials of the Associated Milk Producers, Inc., the nation's largest dairy-farmer cooperative, to pay for one month's services that Lennen & Newell performed for the Humphrey campaign in the spring of 1970.

Mr. Chestnut allegedly caused an official of the advertising company, which later went bankrupt, to send invoices for \$12,000 addressed to the dairy cooperative.

Then, according to the indictment, he caused the milk group to send two checks for \$6,000 each to the advertising company in payment for its campaign services.

Against Federal Law

The indictment, with Mr. Chestnut as the sole defendant, cited a Federal law that prohibits corporations from accepting corporate contributions.

The Associated Milk Producers, Inc., pleaded guilty last Aug. 2 to five counts of making illegal contributions to political campaigns and was fined \$35,000.

Two of its former leaders, Harold S. Nelson and David L. Barr, received four-month prison sentences last month in cases that grew out of campaign contributions to Democratic and Republican candidates.

Norman Sherman, a former press secretary for Senator Humphrey, pleaded guilty last Aug. 12 to charges of having aided and abetted the use of money from the milk producers to buy computerized mailing lists for the 1972 Humphrey campaign and other Democratic campaigns.

Senator Humphrey has said that he was unaware of any corporate contributions to his campaigns from the Associated Milk Producers, Inc., representing 40,000 dairy farmers in the Middle West.

Former Treasury Secretary John B. Connally has pleaded not guilty to charges that he accepted a \$10,000 bribe from the milk group in connection with the decision of President Nixon to raise milk price supports in 1971.



Associated Press
Jack L. Chestnut