

Minnesota Mining and 2 Aides Indicted in Political Fund Case

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WASHINGTON, Jan. 23 (AP)—A Federal grand jury indicted the Minnesota Mining and Manufacturing Company and two of its board members today on a charge of income tax conspiracy involving almost \$634,000 in allegedly fictitious deductions for illegal political contributions.

The Justice Department said that the two indicted men were no longer involved in the day-to-day management of the company, even though they remain on its board of directors.

The indictment, returned in United States District Court in St. Paul, also charged the company with two counts of filing false tax returns, the Justice Department announced.

The indicted executives are Bert S. Cross, 69 years old, a director since 1957 and president or board chairman from 1963 through 1970, and Irwin R. Hansen, 60, a director since 1968 and former vice president for finance.

According to the indictment, Mr. Cross and Mr. Hansen conspired for 10 years beginning in 1963 to raise a secret fund of corporate money to be used for illegal campaign contributions.

Procedure Is Described

The fund was set up by drawing money from the corporate bank account, then falsifying the account books to show the transactions as payment of insurance premiums and legal expenses, the indictment said.

The company then conspired to deduct the amount of the contributions from corporate tax returns for 1963 through

1969, the Government charged.

The company channeled about \$509,000 through a numbered Swiss bank account, subsequently placing it in the secret political cache, the indictment said. The amount was fraudulently listed on company tax returns as a deductible insurance expense, the grand jury alleged.

The concern also paid \$125,000 to a Zurich lawyer, Dr. Ludwig Gutstein, who returned the money to Mr. Hansen in cash, the indictment said.

The money also went into the political fund and was deducted on tax returns as payments for legal services, the indictment said.

Mr. Hansen and the concern were indicted for filing a false tax return for 1968 by claiming \$50,000 as a deduction for legal fees to Dr. Gutstein, and with filing a false return for 1969 for a similar deduction.

The indictment did not say which candidates or political groups received the illegal contributions.

The indictment named the late Burgess F. Geib as an unindicted co-conspirator. Mr. Geib was a resident partner of Haskins & Sells and was responsible for the independent audit of 3M.

Mr. Cross and Mr. Hansen, if convicted, each face a maximum penalty of five years in prison and a \$10,000 fine on the conspiracy charge. Mr. Hansen also faces a possible three years in prison and a \$5,000 fine on each charge of filing a false tax return.