

JUN 10 1975

NYTimes
36M

EX-AIDE DISPUTES GURNEY TESTIMONY

Groot Says Senator Knew of Schemes in June of '72

Special to The New York Times

TAMPA, Fla., June 9—A one-time top aide to former Senator Edward J. Gurney testified today that Mr. Gurney was aware as early as June of 1972 of secret fund raising being conducted on his behalf.

The testimony by James L. Groot, who was administrative assistant to Mr. Gurney when he Florida Republican was in office, contradicted Mr. Gurney's assertions under oath to a Federal grand jury on May 13, 1974.

Mr. Groot, 32 years old, took the witness stand for the prosecution against Mr. Gurney, one of the Republican members of the Senate Watergate committee, and three other defendants at a 16-week-old trial in Federal District Court.

Mr. Groot had been a defendant since the trial began on Feb. 24, but last week he pleaded guilty to a felony charge of conspiracy and agreed to testify for the prosecution. He will be sentenced after the trial ends.

Mr. Groot said that in mid-June, 1972, Mr. Gurney met in Orlando with Larry E. Williams to be briefed about a fund-raising operation Mr. Williams had been conducting for the Senator.

The funds were to be used in Mr. Gurney's planned reelection campaign in 1974, although Mr. Gurney ended up not running again, Mr. Groot said.

Mr. Groot testified that when Mr. Gurney returned to Washington from Orlando, they had a lengthy dinner meeting during which the Senator said that Mr. Williams had told him he had raised about \$100,000.

Hired Williams

Mr. Groot said that Mr. Gurney had hired Mr. Williams as a fund raiser during a brief telephone discussion in January of 1971.

Mr. Groot testified that Mr. Gurney had told him that he had learned that funds had been collected by Mr. Williams from Florida builders doing business with the Federal Housing Administration in exchange for favored treatment with federally subsidized projects.

"We discussed that Larry didn't really have bad intentions, he had just gotten out of hand," Mr. Groot testified.

Mr. Groot quoted Mr. Gurney as having said that he had asked Mr. Williams if he had "delivered" the promised favorsto campaign contributors.

"He said that Larry told him he delivered whatever he had taken money for," the witness said.

Mr. Groot said that Mr. Gurney's main concern at that point had been to get the funds raised so far away from George F. Anderson, a banker from Winter Park, who was keeping them and was having arguments with Mr. Williams about their disposal.

Gurney Denied Charge

A transcript of Mr. Gurney's testimony to a Federal grand jury in Jacksonville last year, read to the jury earlier at the trial, showed that Mr. Gurney denied then that Mr. Williams had told him he had raised money from F.H.A. builders. The seven felony charges against Mr. Gurney include four of making false statements to the grand jury.

In other testimony, Mr. Groot corroborated Mr. Williams's testimony earlier at the trial that in 1971 Mr. Gurney discussed Mr. Williams's activities with John N. Mitchell, then the United States Attorney General. Mr. Mitchell "did not attach great significance" to them, the witness said.

Mr. Groot said that in November of 1971 he and Mr. Gurney discussed a statement that Mr. Williams had given to two agents of the Federal Bureau of Investigation. Mr. Williams had telecopied the statement from Orlando to Mr. Gurney's Senate office in Washington, Mr. Groot said. He and Mr. Gurney then went over the statement, Mr. Groot testified.