

Jacobsen Arrested in Loan Case

AUSTIN, Tex., Aug. 6 (AP) —Former dairy co-op lobbyist Jake Jacobsen was arrested today on misapplication of funds charges stemming from a loan he made when he was an officer of a savings loan company.

Jacobsen, a government witness in the bribery-conspiracy trial in which former Treasury Secretary John B. Connally was found innocent is already under federal indictment alleging misapplication of funds in the same case.

The latest indictment, which was returned Tuesday night by a Tom Green County grand jury, charged Jacobsen with four counts of felony theft stemming from an \$85,000 loan he authorized at the First Saving & Loan Association in San Angelo, Tex..

Travis County Sheriff Raymond Frank, stationed outside an Austin skyscraper, arrested Jacobsen and advised him bond of \$30,000 had been set.

Jacobsen was once a lobbyist for Associated Milk Producers Inc., a San Antonio-based milk-marketing cooperative. A jury in Washington, D.C., found Connally innocent of a charge that he had accepted a \$10,000 bribe from Jacobsen in what prosecutors said was a payoff from the co-op to get Connally's influence over milk price supports.

Jacobsen, in a plea-bargaining arrangement with federal prosecutors, had agreed to testify in the Connally case in return for dismissal of the mi-

sapplication charges against Jacobsen. A federal judge in Dallas later appointed special prosecutors to press the case. State authorities had said they would take action against

Jacobsen if federal authorities failed to do so. Jacobsen and Ray Cowen, officers of the saving association, were accused in the federal indictment of making a

\$825,000 loan without getting proper security. Cowen pleaded guilty and went to jail. Jacobsen's case is before an appeals court.



Associated Press

Sheriff Ray Frank, left, arrests Jacobsen on misapplication of funds charges.