

Newman Guilty Of Backdating

CHICAGO, Nov. 12 (AP)—A federal court jury today found literary appraiser Ralph G. Newman guilty of lying about the date Richard M. Nixon gave his vice-presidential papers to the nation to claim an illegal \$450,000 tax break.

The U.S. District Court jury deliberated nearly five hours before returning the verdict to Judge Frank J. McGarr.

Newman, 64, a Lincoln scholar and president of the Chicago Library Board, was accused of lying to the Internal Revenue Service about his appraisal of the Nixon Documents. He was accused of backdating Nixon's papers to allow the former President an illegal \$450,000 tax break for donating his vice-presidential papers to the National Archives.

Newman faces a maximum sentence of five years in prison and a \$10,000 fine.

He displayed little emotion when the jury delivered its guilty verdict on two counts of providing false information to IRS agents. Family members, however, were visibly upset.

Newman was released on personal recognizance bond and sentencing was set by McGarr for Jan. 6.

In closing arguments, the government contended that

Newman backdated a deed to the papers in an effort to avoid the constraints of the Tax Reform Act of 1969, which disallowed tax deductions on such donations.

Prosecutor Jay Horowitz told the jury that 600,000 items were delivered March 27, 1969, for storage in the National Archives but were not actually donated until April 1970, nearly nine months after the Tax Reform Act took effect on July 26, 1969.

Horowitz said Nixon claimed a donation on his 1969 tax return and took a \$450,000 deduction. The IRS later disallowed the deduction and ordered him to pay \$271,000 in additional taxes.

Newman and Frank DeMarco were indicted by a federal grand jury in Washington last February. The charges against DeMarco, however, were dismissed Oct. 9 when a federal judge in Los Angeles ruled DeMarco had been deprived of a fair trial.

A White House lawyer, Edward L. Morgan, who Horowitz said teamed with Newman and DeMarco to conceive a plan to evade the new tax act, pleaded guilty to tax fraud conspiracy and spent four months in prison.