

U.S. Accuses Firm Of Overcharges

Washington

The government is seeking to recover damages from the American Ship Building Co., for allegedly charging illegal campaign contributions to government contracts.

The Justice Department announced yesterday that it had filed suit Friday against American Ship to force the company to abandon its \$5.4 million suit to recover cost overruns on a government contract.

The Justice Department suit, a counterclaim to the company's litigation, charged the company and its board chairman, George M. Steinbrenner III, who also is principal owner of the New York Yankees, conspired to make false claims against the government.

The company issued a statement at its Cleveland, Ohio, head-

quarters correctly pointing out that the government action was filed against the company, and not Steinbrenner personally.

The government suit charged thousands of dollars in illegal contributions were made in the 1972 presidential, vice presidential and congressional campaigns and were then hidden in the company's general and specific overhead expenses.

In August, 1974, Steinbrenner pleaded guilty in U.S. District Court in Cleveland to arranging and covering up illegal contributions made from 1970 through 1973 to the campaign of former President Nixon.

He also pleaded guilty to a misdemeanor charge of intimidating employees whom he wanted to give false explanations to a grand jury about the illegal payments.

American Ship, which pleaded guilty to conspiracy to violate federal election laws at the same time, was fined \$20,000 and Steinbrenner fined \$15,000 by Judge Leroy J. Contie Jr.

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