

# The New York Times

## TRIAL OF OFFICIAL IS SET IN NEBRASKA



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**LINCOLN, Neb., March 25**— Nebraska's Attorney General, Paul L. Douglas, who was impeached by the Legislature this month, goes on trial Monday before the State Supreme Court.

The six articles of impeachment allege violation of at least six laws as well as infractions of the Nebraska Bar Association Code of Professional Responsibility.

The six impeachment charges relate to Mr. Douglas's private dealings with officials of the insolvent Commonwealth Savings Company of Lincoln in the 1970's and to his alleged failure to investigate the institution last year. Included are charges of abetting illegal insider borrowing, misrepresentation, lying under oath and conflict of interest.

Before voting 27 to 19 to approve an impeachment resolution, the one-house Legislature had voted 36 to 7 to condemn the Attorney General, a former marine with a reputation as a tough prosecutor. Banking Director Resigned

The State Banking Department closed Commonwealth, a state-regulated industrial bank, on Nov. 1. The loss to its 6,700 depositors, who were not federally insured, may total \$56 million.

In mid-November Gov. Robert Kerrey, a Democrat, forced the resignation of Paul Amen, the state Banking Director, because, the Governor said, Mr. Amen had not informed him in March 1983 that the Federal Bureau of Investigation had told the Banking Department and the Attorney General of apparent loan violations at Commonwealth.

Legislators later depicted Mr. Douglas as treating the F.B.I. warning casually. At that time it was not known that Mr. Douglas had a business relationship with Commonwealth, borrowing money from the bank and selling real estate back to a bank employee on an insider basis.

Mr. Douglas did not assign an assistant attorney general to the Banking Department to help the agency's investigation until mid-1983. Grand Juries Investigating

Mr. Douglas has not been charged with any crime. He has agreed to appear next month before a Federal grand jury in Omaha that is investigating the Commonwealth collapse. Commonwealth depositors, using a Nebraska law that allows citizens to initiate grand juries, have forced the impaneling of a state grand jury, which is instructed to take testimony from Mr. Douglas and others connected to Commonwealth.

Mr. Douglas is also being investigated by a Bar Association disciplinary committee.

The president of Commonwealth, S.E. Cople, 83 years old, and his son, Marvin, the bank's vice president, have been charged with felonies by the Lancaster County attorney. A trial date has not been set.

Impeachment was first recommended last fall by State Senator Ernest Chambers, an unsuccessful candidate for Nebraska Attorney General in the 1982 election. A special legislative committee refused then to recommend impeachment. Damaging Comments Offered

But the somber four-hour debate March 14 over the condemnation resolution apparently changed some legislators' minds.

State Senator William Barrett, a former Republican state chairman, offered particularly damaging comments. He recited how Douglas received a \$371,814 check from Marvin Copple's secretary on Dec. 27, 1977, for the sale of undeveloped lots but later said he could not recall whether he had received the check or whether the money came from Commonwealth.

The same day the check was deposited, Senator Barrett said, Mr. Douglas repaid a loan from Marvin Copple with a check for approximately \$320,000. Mr. Douglas has contended the transactions of buying and selling land were but an unconventional way of paying him and another lawyer, Paul Galter, for doing legal work for Mr. Copple on real estate development projects.

Mr. Douglas had previously told a Special Assistant Attorney General appointed by the Governor that he decided in the mid-1970's to practice law privately while Attorney General to cover a \$40,000 loss he and Mr. Galter had had in commodity speculation. 'Hustled His Office'

Senator Chambers told the legislators: "You have to keep in mind that this man hustled his office. He prostituted it. It was only because he was Attorney General that he had the value for the Copples that he had. By getting him involved, there was an assurance there would be no investigation." Before being elected Attorney General in 1974, Mr. Douglas had been in the Lancaster County attorney's office for 19 years, 14 of them as elected county attorney.

When the impeachment was announced, three of the seven Supreme Court judges disqualified themselves, one because his daughter is an Assistant Attorney General and the other two because of personal friendship with Mr. Douglas. Three district judges are filling the vacant chairs. Removal of Mr. Douglas from office requires the votes of at least five of the judges.

The trial will be seen on closed-circuit television outside the small courtroom, which has only 24 seats for the public. Television screens have been installed in the former Senate chamber, which seats several hundred.

