

Newsweek Says Inquiries Focus on Nixon Finances

Special to The New York Times

WASHINGTON, Oct. 28—Federal and Congressional investigators are looking into possible "corruption at the highest levels of the Nixon Administration" and have been focusing on the personal finances of the President himself, Newsweek magazine says in its edition to be published tomorrow.

Ronald L. Ziegler, the White House press secretary, said in a telephone interview that the Newsweek article was "incredible." He also said White House lawyers were looking into the statements in the article and added that the White House would have a statement on the article later.

In one inquiry, according to the news magazine, investigators are looking into the possibility that Mr. Nixon may have "manipulated" some family-owned property transactions to minimize the capital gains tax required.

The magazine said that in 1967 Mr. Nixon bought two lots near his Key Biscayne property from a friend of Charles G. Rebozo, a close friend of the President, for what it called the "bargain price" of \$37,600, and then sold the same property for \$150,000, leaving a profit of \$112,400.

'Unrecorded Partner'

Newsweek said it had learned that Tricia Nixon, now Mrs. Edward F. Cox, the President's elder daughter, was an "unrecorded partner" in the property transactions and that \$20,000 of her money was included in the original purchase price.

However, according to Newsweek, investigators have found that the President claimed the entire capital gain on the deal as income on his own tax return. Since Mr. Nixon had already established large deductions, according to the investigators' theory, he claimed the gain because less taxes would have to be paid on the profit than if part of it were recorded as Mrs. Cox's income.

Newsweek quoted one tax expert as saying of this procedure, "that would be rearranging the family's property for the purpose of avoiding a tax. There have been fraud cases brought on that." The White House said Mr. and Mrs.

Cox had paid taxes on the transaction, Newsweek said.

Methods used by Mr. Nixon deductions, under which he was reportedly able to pay taxes of only \$792.81 in Federal income taxes in 1970 and \$873.03 in 1971, are also being investigated, the magazine reported.

In particular, investigators are scrutinizing the \$570,000 income tax deduction Mr. Nixon claimed for the "charitable donation" of his Vice-Presidential papers to the National Archives. The article said there were several alleged irregularities in the handling of the gift and commented about the "somewhat arbitrary valuation of the papers."

Newsweek also said that it had been told that investigators were "studying" what it said were three previously undisclosed trusts that were set up for the President by his former law firm in New York, two of them controlled by H. R. Haldeman, the former White House chief of staff, and the third by John D. Ehrlichman, the President's former chief adviser on domestic affairs.

In addition, Newsweek said, investigators were looking into accusations involved in the pardoning or commutation of sentence of a group of Federal prisoners. The group included Angelo DeCarlo, the late Mafia figure; James R. Hoffa, former president of the International Brotherhood of Teamsters, and a former officer of the accounting firm that performed a recent audit on the President's San Clemente property.

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