

By Philip Greer

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NEW YORK, Aug. 28—Officials of the accounting firm that audited President Nixon's real estate transactions in California and Florida said today they are confident that their report gives an accurate picture of the dealings.

In addition, they said the presidential pardon given their three former associates in December played no part in their selection to conduct the audit.

Two officers of Coopers and Lybrand, one of the country's largest accounting firms, said they were surprised last month when they were approached to conduct the audit, but decided there was no reason to disqualify the firm.

On Monday, the Western White House released the auditors' report, which showed that the President was able to buy a 25.5-acre property in San Clemente chiefly because of loans from Robert H. Abplanalp and that he sold the bulk of the property to an investment company owned by Abplanalp and C.G. (Bebe) Rebo. Both men are long-time friends and supporters of President Nixon.

Questions were raised about the report because last December the President unconditionally pardoned three former associates of the Coopers firm.

The three—one general partner, one partner and one senior associate—had been convicted of fraud in connection with Continental Vending Corp. They were fined a total of \$17,000, but were not sentenced to any time in prison. They left the firm years ago, according to Harris Amowitz, general counsel of Coopers and Lybrand.

Amowitz said in an interview today that the firm was initially approached to take the assignment by Kenneth Gemmell, a partner in the Philadelphia law firm of Dechart, Price and Rhodes, a coopers and Lybrand client.

Gemmell and H. Chapman Rose, a Cleveland attorney, conferred with President Nixon in Key Biscayne last month and suggested that he employ an independent accounting firm to audit the records of the real estate dealings.

After specialists at the Coopers firm decided that the transactions could be audited, Amowitz said, "I sat down with Mr. Gemmell and I indicated to him how we would have to conduct the engage-

ment—the freedom and, what have you we would need."

Amowitz said he also told Gemmell about government matters in which the firm had been involved, including the Continental Vending case. He said Gemmell answered, "What the hell relevance does that have?"

Attorney Rose said this afternoon that the selection of Coopers and Lybrand had been made by both Gemmell and himself. He said he knew the Coopers firm because they had been auditors for Clavite Corp., of which he had been a director.

Amowitz noted that the auditors report contained no "exceptions," indicating that the examiners felt they had been provided with everything they needed to do a thorough search. "If he [the auditor] didn't do that in his report, then there were no qualifications to which he felt he had to make reference," Amowitz said.

Amowitz said the three former associates, despite their convictions, were never deprived of their certifications as independent accountants. In addition, he said, the pardon has not resulted in the return of the fines they paid.

He said he has asked Cooper's outside counsel for an opinion of just what the presidential pardon meant to the three men, but that, since they were not required to spend any time in prison, the answers have been hazy. "It looks like it's one of those things that it's better to have than not to have," he said, "but I really don't know what it means."

Certification of public accountants is normally a function of state accounting societies. While conviction on the felony counts automatically resulted in expulsion from the American Institute of Certified Public Accountants, the New York State society took no formal action.

Therefore, while the three men's reputations likely were damaged by their convictions, there was no direct effect on their ability to function as independent auditors and to sign their names to public records, Amowitz said.

The presidential pardon, he explained, brought their reinstatement to the AICPA as well as restoration of all other rights of citizenship, such as voting.

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