

16-Month Investigation Nets No Evidence Against Rebozo

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The Watergate Special Prosecution Force conducted a 16-month wild goose chase that failed to find any evidence against Richard M. Nixon's Florida friend, Charles G. (Bebe) Rebozo, newly released documents show.

The prosecutors combed through thousands of pages of documents, issued more than 200 subpoenas, questioned 123 people ranging from then-President Nixon to the gardener at Nixon's compound at Key Biscayne, Fla., and brought 28 people before a grand jury.

Finally, they concluded in October 1975 that there was "plainly no basis for any indictments" and no reason to continue the investigation.

The sometimes comical account of the Rebozo investigation is contained in a 270-page memo dated Oct. 16, 1975, and written by Paul R. Michel, who headed the investigation. The memo was released as a result of a Freedom of Information Act lawsuit.

The document is heavily censored to eliminate names of witnesses and allegations not publicly associated with the investigation; 115 pages are blank and most of the rest contain at least a line or two of deletions.

Nevertheless, the memo gives a new glimpse into one of the most tantalizing episodes in the Watergate story: the \$100,000 Rebozo said he got as a campaign gift for Nixon from the late elusive multimillionaire Howard R. Hughes.

Before the probe ended, prosecutors chased suspicions or allegations of a million-dollar cash donation to Nixon from Arab oilmen, and that Nixon kept a multimillion-dollar slush fund in a secret bank account in the Bahamas. No proof was found.

Investigator Michel cited his probe

of the alleged Bahamian bank account as one example of the problems he encountered.

He wrote that an IRS informant reported in July 1975 that Rebozo deposited several million dollars in 1969 into a secret account maintained for Nixon at a bank in the Bahamas. But he said a bank official cited by the informant denied that.

"Further investigation revealed that the informant in question had made the same precise allegation some years ago, except had charged that the account was [former Chief Justice] Earl Warren's," Michel wrote.

"The informant, moreover, turned out to be a con man with a criminal record who, when confronted with the evidence of the falsity of his allegation, refused to take a polygraph test."

Michel said the informant originally had showed investigators deposit slips that appeared to back up his story, "however these slips, like the informant's statements, were ultimately determined to be fraudulent."

In another episode, Michel recounted a frantic night spent trying to serve a subpoena on Hughes, whom the Customs Service had said would arrive by private jet at an airport in El Paso.

He said prosecutors wired a subpoena to Texas and arranged to have FBI agents waiting at that airport and another possible landing site before discovering that the tip was "entirely erroneous and based on incompetent work by the Customs Service."

The lead had been supplied by a gasoline pump attendant at the airport who later admitted that it was "pure speculation" on his part.