

Nixon Aide Denies GOP Cash Funded Watergate Break-In

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Maurice Stans, the finance chief of President Nixon's re-election campaign, has denied to federal investigators that \$25,000 in campaign contributions helped to finance the break-in and alleged bugging attempt at Democratic National Committee headquarters.

Stans was interviewed by federal agents after it was learned that he had received a \$25,000 cashier's check that eventually was deposited in the Miami bank account of one of the five men arrested in the break-in.

The check, drawn on a bank in Boca Raton, Fla., was made out to Kenneth W. Dahlberg, Midwest finance chairman of President Nixon's re-election drive. Dahlberg has said the check represented campaign contributions he collected and that he personally turned the check over to Stans.

Stans, formerly Secretary of Commerce, was described by an associate as "angered and frustrated" by reports linking his office to the bugging case. He has repeatedly refused to discuss the matter with reporters.

However, sources close to the investigation reported yesterday that Stans provided federal agents with the following explanation of what happened to the \$25,000 check:

After receiving the check from Dahlberg on April 11, Stans is reported to have said,

he turned it over to campaign treasurer Hugh W. Sloan Jr. Stan then reportedly gave the check to G. Gordon Liddy, finance counsel of the campaign. Liddy is said by Stans to have exchanged the check with someone else for \$25,000 in cash, which was deposited in the Nixon campaign treasury.

Stans, according to federal sources, provided no explanation

of why the check would be exchanged for cash, instead of being deposited directly in the campaign account.

Only Liddy or Sloan would know the identity of the person with whom such a transaction was made, Stans reportedly told the investigators.

The former Cabinet member also reportedly told the agents that his only involvement in

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the case was the initial receipt of the check and that any further inquiries should be directed to Liddy or Sloan — both former White House aides who left their jobs at the executive mansion to join the Nixon re-election campaign.

Sloan abruptly quit as campaign treasurer last month for what he said were "personal reasons." Liddy was fired in June for refusing to answer FBI questions about the alleged bugging attempt.

If Stans' version of events is correct, it would mean that the Nixon re-election committee received the \$25,000 in cash and thus did not lose any campaign contributions in the transaction.

Following disclosure that the \$25,000 check was deposited in the bank account of one of the suspects in the break-in, the General Accounting Office announced it would undertake a full audit of the Nixon campaign organization's books.

Thus far, it was learned, GAO investigators have found no evidence that the \$25,000 was reported as contributions by the Nixon campaign organization. Nor have investigators found any evidence that the \$25,000 was expended for campaign purposes. Failure to report either contributions or expenditures after April 7 is a violation of the new federal elections law.

Republican sources said yesterday that Stans is expected to make a public statement this week about the \$25,000 check and deny any involvement in the alleged bugging attempt. However, the same sources said they were dismayed at Stans' silence since his name was linked to the \$25,000 check more than a week ago.

"Stans has been angered and frustrated about the entire thing," said one associate. "In effect there will be a perfectly logical explanation."

Meanwhile, many Republi-

cans are acknowledging that the links between the Nixon campaign committee and the break-in incident are a growing source of embarrassment and should be cleared up as soon as possible—if they can be.

Since the arrest of five men inside the Democratic National Committee's headquarters at the Watergate building on June 17, there have been these developments:

One of the suspects, former CIA official James W. McCord, was identified as the security coordinator of the Nixon re-election committee.

A second of those arrested in the break-in, Bernard L. Barker, had placed numerous phone calls from his Miami home and office to E. Howard Hunt Jr., a former CIA operative who was a White House consultant at the time of the break-in.

It was Barker who ended up with the \$25,000 check that went through Stans.

Hunt, who like Barker was associated with the Bay of Pigs invasion, disappeared shortly after his name was linked to the suspects. He was hired at the White House on the recommendation of Charles W. Colson, special counsel to President Nixon.

Meanwhile, Colson has refused to testify by deposition in the \$1 million civil suit filed by the Democrats against the suspects in the break-in and the President's re-election committee.

Barker also placed numerous phone calls to Liddy's office at the re-election committee.

Liddy, who worked with Hunt and Sloan at the White House on federal narcotics enforcement problems, was Stans' chief legal adviser in establishing campaign committees that collected more than \$10 million for the President's re-election without revealing the names of contributors. That money was raised before the new disclosure laws came into effect April 7.