

# Ashland Admits \$170,000 Illegal Gifts

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WASHINGTON, Dec. 30—In a second round of answering charges of making illegal corporate contributions to political campaigns, Ashland Oil, Inc., acknowledged today that it gave an additional \$170,000 in company funds to prominent politicians of both major parties from 1970 to 1972.

The Kentucky-based oil company pleaded guilty more than a year ago to giving illegally \$100,000 to Richard M. Nixon's

Presidential re-election committee.

Today, lawyers for Ashland appeared in Federal District Court here to plead guilty to five new charges brought by the Watergate special prosecution against the corporation. Chief Judge George L. Hart Jr. fined Ashland the maximum of \$25,000.

The illegal contributions listed in the new charges included the following:

¶\$50,000 in cash delivered from June, 1970, to February,

1972, to Robert S. Straus, then treasurer and now chairman of the Democratic National Committee, for the committee's use.

¶\$100,000 in cash delivered from September, 1971, to February, 1972, to Carl F. Arnold, a Washington oil and gas lobbyist, "for redelivery by said Carl Arnold to candidates for election" to the Senate and House of Representatives and to political committeemen. Mr. Arnold was then a fund-raiser for

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the Presidential bid of Representative Wilbur D. Mills, Democrat of Arkansas.

¶\$6,864.65 spent by the corporation from July, 1970, to September, 1972, to reimburse Ashland employes for political gifts to committees supporting the 1970 Senate race of Senator Hubert H. Humphrey, Democrat of Minnesota, and his bid for the 1972 Democratic Presidential nomination.

¶\$2,500 spent in February, 1972, to reimburse Ashland employes for a contribution to the Friends of Tower political committee supporting the re-election of Senator John G. Tower, Republican of Texas.

¶\$10,000 contributed April 4, 1972, for Louie B. Nunn, former Republican Governor of Kentucky, who ran unsuccessfully for the United States Senate in 1972.

## Earlier Gifts

In addition to these gifts and the \$100,000 contribution to Mr. Nixon's re-election campaign, Ashland officials also said that the corporation gave \$50,000 to the Democratic Presidential campaign in 1968 and \$100,000 to the Republican campaign in that year.

However, no charges were brought over the 1968 Presidential campaign contributions. They apparently were off-limits for the Watergate special prosecutor because of a five-year statute of limitations.

That limitation has been further reduced to three years by the Federal Election Campaign Act, which takes effect Wednesday. The new law makes the three-year limitation retroactive.

The new campaign financing law forced the special prosecutor to act before the new year

in the Ashland case' according to a spokesman for the office. James S. Doyle. He added that the special prosecution force would continue its criminal investigations into the Ashland matter "to the extent the new statute allows."

## New Counsel

Charles A. McNelis, a Washington lawyer, represented Ashland before Judge Hart today, along with Arloe W. Mayne, the company's general counsel. Ashland had earlier been represented by Fred M. Vinson Jr., of Washington, when it pleaded guilty and was fined \$5,000 on its first court appearance.

The special prosecution force had thought that the full extent of Ashland's contributions were discovered in the first investigation, according to Thomas F. McBride, who handled the case for the special prosecutor.

However, in an unusual appendix to the charges filed today, the special prosecutor said that Oren E. Atkins, chairman of Ashland, had denied making other contributions to Congressional campaigns. The statement continued.

"At the time that answer was given, both he [Mr. Atkins] and Mr. Vinson were aware that Ashland had, in fact, made such contributions, though they were not aware of the exact details or extent of such contributions."

The appendix continued that Mr. Vinson then drafted a letter to Mr. McBride intended to alert the special prosecutor's

office to look for more funds and for "rehabilitating Atkins in the wake of his false answer."

However, the letter, also attached to today's charges, says nothing about misleading or false answers.

Mr. McNelis called the issue

"a failure of communications" and said it had been corrected "voluntarily" by the company. Mr. McBride replied that it was "more than a misunderstanding."

When Ashland was first summoned to court on Nov. 13, 1973, Mr. Atkins appeared and pleaded "no contest" to misdemeanor charges of making an illegal contribution. He was fined \$1,000. He did not appear today and was not charged with any crime. However, Mr. McNelis said that Mr. Atkins would personally pay the \$25,000 fine levied against the company.

Mr. Vinson's secretary, reached by telephone, said that Mr. Vinson was busy at meetings.

Repeated attempts to reach Mr. Stauss by telephone brought no reply. An aide, however, read a prepared statement by Mr. Strauss that said in part:

"While I indeed regret this transaction, I am pleased that they also stated and the record clearly reflects that there was no knowledge on the part of anyone at the Democratic National Committee that these gifts were corporate."

## Assurance Lacking

Despite the statement by Mr. Strauss, no one at the special prosecutor's office has publicly given such assurances, nor do they appear in the record of today's action.

Mr. Arnold's office said he was out, had left no telephone number and had prepared a short statement: "Mr. Arnold did not know that the funds were from corporate sources."

In testimony before Senate Watergate Committee investigators, Mr. Arnold had acknowledged passing along contributions to the Mills campaign from the Gulf Oil Corporation and was identified as a close friend of the Arkansas Representative.

David Gartner, an aide to Senator Humphrey, said that the Minnesota Democrat had been unaware that corporate funds were involved in the contributions to his campaigns. Mr. Gartner said that the funds

came in the form of personal checks and that there was "no way" he "could have known."

An aide in Senator Tower's Austin, Tex., office said that Mr. Tower had understood that the check he received was from an Ashland officer, not the corporation. All such corporate checks are routinely returned, the aide, Jimmy Banks, said.

Mr. Nunn, who was on a business trip in Salyersville, Ky., could not be reached immediately for comment.