

Lawyer Involved Now Arlington *GP*

in Watergate

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An Arlington County Republican committeeman received \$8,500 from convicted Watergate conspirator E. Howard Hunt shortly after the burglary attempt on Democratic headquarters was thwarted last June, the SUN has learned.

Of the \$8,500, which was in \$100 and \$500 bills, \$2,500 was later used to pay a criminal lawyer. The remaining \$6,000 was placed in a trust fund, which was not explained.

In addition to the \$8,500, according to testimony in U.S. District Court before Judge John Sirica, Michael Douglas Caddy received a \$1 "token retainer" for his legal services one week later from G. Gordon Liddy, another convicted Watergate conspirator.

According to Jade West, a member of the Arlington County Republican Committee, Caddy is a member of the committee and the Arlington Young Republican Committee. Ms. West said she knew Caddy through their mutual association with the National Right To Work legal defense organization.

Caddy's membership in the Arlington County Republican Committee was also confirmed by Jean Lupton, headquarters manager. Newly elected chairman Gary Greene said he believes Caddy became a member of the committee "four or five months ago."

Caddy was living in Washington

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at the time of the attempted break-in. He subsequently moved to Arlington where he was almost immediately made a member of the Arlington County Republican Committee.

IN testimony given Jan. 22 at the trial of the seven Watergate defendants, Caddy did not reveal who had given the \$8,500 by which he was paid for his legal services at the time of the break-in at the White House.

He was seen at his home at 2200 ... yesterday morning. Caddy refused to comment on the \$8,500 or the \$1 retainer.

An attorney who has worked on the Watergate case said that an explanation of the \$8,500 payment was probably revealed to the federal grand jury investigating the case.

In his testimony in U.S. District Court, Caddy said he accepted the \$1 payment as "an acknowledgement of the attorney-client relationship."

Caddy had used claims of an attorney-client relationship with Liddy to refuse to testify at the Watergate trial. However, a contempt citation was issued and subsequently upheld by an appeals court and he was compelled to testify.

On the night of June 16, five men, Bernard L. Barker, Frank Sturgis, Virgilio Gonzalez, Eugenio Martinez and James McCord went to the Watergate to tamper with Democratic campaign files.

Hunt and Liddy were also somewhere in the Watergate that night, apparently on the watch.

Barker and the others jimmed the door to a stairwell, opened the door, and went into the Democratic headquarters.

A Watergate guard on duty spotted this and called the police. As Virginia Avenue filled up with responding police cars, Hunt and Liddy walked out of the Watergate.

According to testimony, Caddy, who was then living at 2121 K St., N. W., Washington, received a phone call from Hunt at about 3 a.m. on June 17. Hunt arrived at Caddy's apartment a short time later.

Apparently Hunt feared that he and Liddy would be arrested and came to Caddy for legal advice.

Caddy and Hunt each made phone calls in an attempt to secure a lawyer with more experience than Caddy in criminal law.

Of the \$8,500, Caddy said he gave \$2,500 to Joseph Rafferty, the criminal attorney who was eventually hired. He said he put the remaining money in a lawyer's trust fund. Caddy

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testified he had received telephone orders from Liddy directing him to give the money to Rafferty.

On Saturday, June 24, Liddy came to the law office with which Caddy was then associated, Gall, Lane, Powell and Kilcullen, and gave him the \$1. In his testimony, Caddy called this a "\$1 consideration."

"At the time there were no other members of the firm in the office when Mr. Liddy was there," Caddy testified, "and normally I wouldn't make a decision on my own as to what a retainer would be.

"I would defer to the partners in the firm to do that," he said, "but there was no one for me to confer with, so I accepted it and I understood what it meant, which was that it was an acknowledgement of the attorney-client relationship. I view it that way, too."

Caddy said he represented only Liddy in the Watergate proceedings, and stayed on the case until July.

Caddy said he met Liddy and Hunt when he worked in the Washington office of the General Foods Corp. The company retained Robert Mullen Co., 1729 H St. N.W., as a consultant and through his contact with Mullen's firm, Caddy came to know Hunt, who worked for Mullen.

Caddy testified his responsibilities for General Foods were "to follow a regulatory and legislative action that might affect the corporation and to analyze this and to relay it back to the corporation so it might be acted upon."

Caddy said he first met Hunt in April or May 1970. Caddy and Hunt started a business venture, the New Majority Book Club.

Caddy said he first met Liddy "on a social occasion" in March 1972.

Caddy also testified that in March 1972 he was asked to do volunteer work for the Lawyers Committee for the Reelection of

the President and in that capacity... I did do volunteer legal work for Mr. Liddy's office and Mr. Liddy."

Caddy left Gall, Lane, Powell and Kilcullen about a month ago, according to an employe of the firm, and is now working at the Center for the Public Interest.

Although a secretary for the firm refused to describe the kind of work done by the center, another employe said it deals with "legal work" and "legislative research into various subjects and bills."

Caddy refused to comment on his role in the Center for the Public Interest, or on its function. The center is located at 415 2nd St. N.W.