



REP. SHIRLEY CHISHOLM
... denounces charges

GAO Alleges Violations By Chisholm

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The loosely organized 1972 presidential primary campaign organization of Rep. Shirley Chisholm (D-N.Y.) committed four apparent violations of federal campaign laws that were referred to the Justice Department, the General Accounting Office said yesterday.

The government gave no indication that the charges were serious enough to prosecute, and Mrs. Chisholm said, this was also her understanding.

A GAO source said that agency referred the case to the Justice Department because it was unable to straighten out sloppy bookkeeping in Mrs. Chisholm's campaign finance statements, and that prosecution was not recommended.

A Justice Department official acknowledged receiving the report, which was dated Sept. 7, but refused to comment on whether the department was investigating the case.

The most serious of the alleged violations involved the incorrect reporting of a deficit of \$6,000 at the end of the campaign, when there actually was an \$18,000 cash surplus, the GAO said. Also, Mrs. Chisholm was accused of accepting three contributions

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from corporations totaling \$686.

The other offenses alleged by the GAO were sloppy bookkeeping filing inadequate reports of contributions and expenditures and failing to formally appoint a campaign chairman.

Mrs. Chisholm, who was the first woman to seek the presidential nomination of a major party, denied any campaign improprieties and bitterly denounced reports of the alleged violations as an "attempt to smirch my integrity."

In a telephone interview, she said that one published account describing her as fearful of an indictment was a "damed lie," and that an attempt had been made to link the alleged campaign surplus to her purchase of a home in the Virgin Islands.

In an emotional denial in which she seemed near tears, Mrs. Chisholm said, "Adam Powell always said, 'Shirley, if you are soft and don't rock the boat, you will be all right. But if you are outspoken, they will get you.'"

"He was right," she said, referring to the late Harlem Democratic congressman, the Rev. Adam Clayton Powell.

She said she owned a home in St. Thomas, V.I., "like any congressman owns a second home in the United States," but she declined to disclose its value. A source in St. Thomas said the home, overlooking the harbor at Charlotte Amalie, probably would list in the high five figures, presumably \$80,000 or \$90,000.

The GAO said that Mrs. Chisholm's final campaign finance report showed her committee had a \$6,000 deficit on July 15, 1972, but that a govern-

ment audit of that day's records showed a cash surplus of \$18,000.

Moreover, the GAO said, Mrs. Chisholm's campaign committee failed to report nearly \$30,000 in receipts and \$51,000 in expenses after April 7, 1972.

The GAO said Mrs. Chisholm's ledger books were "inaccurate and incomplete." Although the Federal Election Campaign Act requires that cash records be maintained by a designated treasurer, the books were actually maintained by Mrs. Chisholm, the GAO said.

Mrs. Chisholm yesterday admitted there were "record-keeping irregularities" in her campaign, but she attributed them to a small, inexperienced campaign staff that was unfamiliar with all of the requirements of campaign finance reporting laws.

When asked about the alleged surplus, Mrs. Chisholm said, "I did have all the money, but all the bills had not been paid." The surplus, she said, has long since been wiped out by her creditors.

Wesley McD. Holder, who runs Mrs. Chisholm's district office in Brooklyn, said he still owes \$6,604 to the John F. Small Co., a New York advertising agency. He said the committee owes some other bills, but has no cash on hand.

"She never ran for anything of that magnitude before," said Holder. "She didn't have any professionals, and it's no wonder the books weren't properly kept."

GAO officials said one of the three corporate contributors told them he was unaware that such gifts were illegal, and that he had since reimbursed his firm the \$100.