

Congressional Report

GAO Forwards Spy Fund Case To Justice Dept.

An investigation by the General Accounting Office disclosed yesterday three apparent legal violations in the handling of Republican funds to hire two reporters to spy on Democrat George S. McGovern's 1972 presidential campaign.

Comptroller General Elmer B. Staats referred his congressional watchdog agency's findings to the Justice Department for "appropriate action."

The apparent violations of the Federal Election Campaign Act, according to the GAO, stem from payments of \$35,000 by the Committee to Re-elect the President to Murray Chotiner, then President Nixon's chief political strategist.

The money was used to pay Seymour K. Freidin and Lucianne C. Goldberg, known by the code name "Chapman's friend," but was reported by the Committee to Re-Elect as reimbursement of travel and other related expenses for Chotiner.

The apparent violations: failure to keep a detailed account of expenditures made by Chotiner that would identify Goldberg and Freidin as the ultimate recipients; failure to keep documentary support for payments made to the two journalists; and failure to report the identity of persons to whom payments exceeding \$100 were made—namely, Goldberg and Freidin.