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Stans Files Watergate Libel Suit

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Maurice H. Stans, the finance chairman of President Nixon's re-election campaign, yesterday filed a \$5 million libel suit against former Democratic National Chairman Lawrence F. O'Brien in the escalating legal battle surrounding the Watergate bugging case.

Noting that O'Brien sought to name him as a coconspirator in the Democrats' own Watergate bugging suit on Monday, Stans charged the former Democratic chairman with falsely and maliciously accusing him of burglary, larceny, political espionage and conducting illegal electronic surveillance.

Meanwhile, there were these additional developments yesterday related to the Watergate case:

- Bernard L. Barker, one of the five men arrested in the June 17 break-in at Democratic headquarters, was charged in Florida yesterday with violating the state's notary public law in connection with the incident. Dade County State's Attorney Richard Gerstein said he would seek to bring Barker to trial before the Nov. 7 presidential election and that Stans—as well as other officials of the Nixon re-election organization—would be called as witnesses.

- The FBI continued to investigate the origin of an apparent eavesdropping device found Tuesday inside the telephone of a Democratic Party official at the Watergate. Democratic spokesmen said they do not know if the device

is a leftover relic of the June 17 bugging incident or if it represents another attempt to eavesdrop on their activities.

- In a television interview, O'Brien asserted that if the bug predates the June 17 break-in, it raises serious questions about the thoroughness of the FBI's investigation. Members of O'Brien's staff said federal agents spent two weeks seeking evidence in their offices after the break-in.

- O'Brien, now the national campaign director for Sen. George S. McGovern, said that a member of the so-called "Watergate espionage squad" cased Democratic headquarters in May by masquerading as the nephew of former party chairman John Bailey. The "spy" referred to by O'Brien is the same self-described member of the Watergate surveillance team who has provided Democrats with a detailed account of the operation, The Washington Post learned. He

also asked for—and was given—O'Brien's phone number for the Miami Democratic convention during his red-carpet tour of the party's Watergate offices, according to the account.

Stans' personal suit against O'Brien, which comes one day after the Republicans filed a separate \$2.5 million suit charging the Democrats with using the courts for political purposes, was described by a National Archives spokesman as "probably unprecedented" in American political history.

"We can't find anywhere that national political figures sued each other for libel," said the spokesman after a cursory check of the records.

Stans' libel suit was filed in response to O'Brien's assertion that the Nixon finance chairman delivered \$114,000 in campaign funds "for the purpose of funding" a massive Republican espionage conspiracy that included the bugging of Democratic headquarters in the Watergate.

O'Brien's charges were contained in an amended complaint to the Democrats' invasion-of-privacy suit involving the Watergate incident, but—because of a legal controversy over rules of procedure—the amended complaint never was formally accepted by the clerk of the U.S. District Court here. Therefore, O'Brien's assertions never enjoyed a privileged status, under which no statements—regardless of their accuracy—can be grounds for libel because they are part of court proceedings.

The Florida charge filed against Bernard Barker yesterday also involves one of the campaign checks—for \$25,000—referred to in O'Brien's allegations against Stans.

Barker, alleged leader of the four Miami men arrested inside the Watergate on June 17, is accused in the Florida case of using his notary public seal to falsely indicate that the check was endorsed by a Nixon campaign official, Kenneth Dahlberg, in his presence.

According to investigators, Dahlberg gave the check to Stans, who turned it over to another re-election official. It later was deposited in Barker's Miami bank account, along with another \$89,000 in campaign funds.