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GOP Club Denies Law Applies to It

By H. L. SCHWARTZ III
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A Republican committee that channeled \$100,000 into President Nixon's re-election campaign says it does not have to make known the sources of its funds despite a new federal law requiring disclosure of all contributors of more than \$100.

Auditors for the General Accounting Office say the position of the Executive Club of the Republican party of New Jersey, if upheld in the courts, could open a major loophole in the elections law which took effect April 7.

The club contends its money came from dues and that dues are not contributions. GAO auditors say there could be a proliferation of such clubs to evade the full disclosure provisions of the new law.

The auditors say they will press the club for disclosure, possibly launching a field audit in the next few weeks and then turning their findings over to the Justice Department if the club remains adamant.

Emerged in October

Under the new law, the GAO, an agency of Congress, must investigate campaign finance irregularities. But only the Justice Department can prosecute.

The name of the Executive Club first emerged in October in reports by national and state-level Finance Committees to Re-elect the President. In all, the club reported contributing \$3,000 to each of 33 Nixon committees and \$1,000 to a 34th.

Newsmen seeking identification of the individual contributors could find no record of the club having registered with the GAO or of its having filed any reports of expenditures or contributions.

The new law requires that

any committee which anticipates collecting or spending more than \$1,000 for a national candidate in any calendar year must register with the GAO. It also must file periodic reports of all contributions and expenditures of more than \$100 and must show how much cash was on hand at the time of each filing.

Filed Without Names

After news stories appeared about the committee, its chairman, William B. Colsey III, a Mount Holly, N. J., attorney, filed a registration statement and reports for Sept. 10 and for the 15th and 5th days before the Nov. 7 election, the deadlines set by the law.

But Colsey, in a separate letter to the GAO and in comments affixed to each report, said the club was formed "on a local basis" and "to provide a means of informal communication between the governor" and other Republican officeholders in New Jersey.

The club's 15th day pre-election report — dated Nov. 7, the day of the election — listed all the \$3,000 contributions to Nixon committees, but it omitted the names of individuals who contributed to the club.

\$1,000 Dues

None of the reports listed a cash balance, mentioning the \$100,000 taken in and given out only as transfers.

Colsey, who could not be reached for comment, told the GAO that the club's funds came from \$1,000 dues charged each member. He said dues do not fall within the law's definition of contributions.

But GAO auditors say that the minute the club began contributing to the presidential election, it became a national political committee under the act.

One definition of contribution in the act is "subscription," auditors say. They contend this would cover dues once the club became a national political committee by contributing more than \$1,000 to Nixon.

Colsey has been quoted in New Jersey newspapers as saying there are about 40 business and professional members of the club, formed in April 1971. He has declined to name the members.