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Secret Cash Donor Was Suing IRS

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A Baltimore businessman who secretly contributed \$104,848 to the Nixon-Agnew re-election campaign was at the time of the contribution a director and major shareholder of a corporation seeking to have more than \$1 million refunded from the Internal Revenue Service.

Joseph Meyerhoff, a former director of the Monumental Corporation and now the board chairman of its subsidiary, Monumental Properties, acknowledged in an interview that the contribution was made secretly, but said that it was "my personal contribution" and was "not related to business in any way."

The Monumental Corporation, in which the Meyerhoff family controls the largest block of shares, has a number of claims against the Internal Revenue Service asking for refunding of \$1,135,624.43 in taxes that the firm claims were wrongly assessed against one of its subsidiaries, Monumental Life Insurance Co.

Meyerhoff's \$104,848 campaign contribution was part

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of \$19.9 million collected by the Finance Committee to Re-Elect the President before April 7, 1972, from business executives, several corporations, and others, many of whom contributed in the belief their names would never be disclosed. They were identified by the Nixon committee, however, on Sept 28 under a court order resulting from a suit by Common Cause, the citizens' lobby

Meyerhoff, interviewed by telephone on Friday, said his donation was "a gift before April 7 and it was not intended to be disclosed." He declined to reveal the reason for the gift or how it was made, stating: "I will not discuss that with you at all."

Asked why he did not want his name disclosed, he replied: "That's my business. I have no further comment. That there would be no disclosure was the basis of the gift. I have a lot of personal reasons why I don't want my gifts disclosed."

He said he was a Republican and has made other political donations in the past.

Meyerhoff is one of several Washington-area businessmen who gave in excess of \$100,000 to the Nixon campaign and whose names became public only as a result of the common cause court order. Many shared Meyerhoff's reluctance to discuss their gifts.

John Safer, a real estate developer and sculptor who contributed \$250,000 to the Nixon campaign, has successfully eluded reporters for the past several weeks. Safer was executive national director of the McCarthy for President campaign in 1968 and worked on the Johnson-Humphrey campaign of 1964.

A former political associate, who asked not to be identified, said Safer's donation was made because he wanted an ambassadorship, and that his name would already have been before the Senate Foreign Relations

Committee for confirmation to such a post, if "the list (of donors) had come out a week later." This could not be confirmed.

Florenz Ourisman, a Washington realtor and investor who gave \$150,000, said, "I really don't have anything to say," when asked about his gift. "I've said all I'm going to say." Asked what that was, he replied, "I really don't know either," and terminated the conversation.

Informed sources have said that Ourisman gave \$3,000 to each of 50 Nixon campaign committees in the hope of obtaining an ambassadorship. Sources said the contributions were made April 5, 1972, two days before the new law requiring disclosure of campaign contributions went into effect.

Three members of the Meyerhoff family, headed by Joseph, are officers of the Monumental Corporation and its subsidiaries. The controversy with the federal government over the tax liability of Monumental Insurance involves refund claims totaling \$1,135,624.43.

The first set of claims for \$68,919 and covering the years 1958 through 1966 was filed in February, 1971, and was rejected by the IRS. The company then filed suit in the U.S. Court of Claims in February, 1973. A second set of claims, covering the same issues, but for the years 1967 through 1971 are still in various stages of appeal within the IRS.

The issues involved are complex and have been the subject of previous litigation, according to both the Justice Department and the IRS, with the government's position being repeatedly sustained by the courts.

According to the annual report for the year ending Dec. 31, 1972, filed by Monumental Corp. with the SEC, the company is arguing that certain deferred and uncollected premiums and certain funds held in escrow bank accounts are liabilities, not assets, as is claimed by the IRS.

Monumental Corp. paid \$6,889,000 in state and federal taxes for 1972, according to the SEC records. The corporation's total income was \$119,884,033 and its net

income was \$12,810,348.

In a notice to stockholders of its April 6, 1973, meeting, the Meyerhoff family was described as having the largest bloc of votes, 20.4 per cent of the total. The family owns 9.9 per cent of common stock and 85.1 per cent of the common stock Class B of the corporation.

Joseph Meyerhoff stepped down as a director of the corporation at that stockholders' meeting due to age restrictions in the corporate by-laws. He continues to be chairman of the board of Monumental Properties.

His son, Harvey, is listed as executive vice president of the Monumental Corp. and president of Monumental Properties. J. H. Pearlstone, Joseph Meyerhoff's son-in-law, is listed as senior

vice president of Monumental Corp. and executive vice president of Monumental Properties. All three received salaries of \$85,000 during 1972, which was exceeded only by the \$87,500 paid the chairman of the board of Monumental Corp.

Harvey Meyerhoff's wife, Lynn, who is also known as Lenore, was a member of the Salute to Ted Agnew Night committee, which sponsored a fund-raising gala for the Vice President on May 19, 1972. It was later disclosed that Alexander Lankler, chairman of the Maryland Republican Committee, borrowed \$49,900 from the Finance Committee to Re-Elect the President and then reported that money as proceeds from the fund-raising dinner.

The source of the funds was concealed by listing them as proceeds from tickets sold to 31 people who had not bought tickets.

According to a Government Accounting Office report, the five members of the Meyerhoff family gave \$9,500 to the Salute to Ted Agnew Night Committee between May 12 and May 16, 1972.

The source of Joseph Meyerhoff's \$104,848 donation to the finance committee became confused this week when his wife, Rebecca, replied to an inquiry by saying, "I don't know anything about it. You've got the wrong Meyerhoff."

She acknowledged that

her husband's name appeared on the published list of donors but said, "We're not involved," and said neither she nor her husband knew anything about the donation.

When asked if she was related to Lynn Meyerhoff, Mrs. Meyerhoff said: "That's the one. Call her."

When told of her mother-in-law's statement, Lynn Meyerhoff told a reporter, "You misunderstood her." Then she said, "No comment. That's the only way to deal with you people. You're trying to make a story out of something that's not a story."

Efforts to clarify the situation through Harvey Meyerhoff were equally unsuccessful. When a reporter called and identified himself, he said "goodbye" and hung up the telephone.

The campaign practices law that went into effect on April 7, 1972, prohibits contributing funds in the names of other persons, although the Federal Corrupt Practices Act of 1925—which covered actions before April 7—does not have a specific prohibition against this.

An official at Common Cause said that if the finance committee listed the names of people who were not the source of funds that

the finance committee might be in jeopardy with the court but not the donor.

Corporate funds donated by executives under the guise of personal gifts, however, are illegal. The finance committee is in the process of refunding almost \$500,000 to seven corporations whose executives made "personal" donations.

The Finance Committee to Re-Elect the President, at the same time, it produced the list of pre-April 7 donors, disclosed that it had returned a gift to at least one donor who has become embroiled in a suit with the Internal Revenue Service.

A \$200,000 donation was returned without explanation to C. Arnholt Smith, who controls the Westgate-California Corp., which was recently assessed for \$22.8 million in taxes in a claim filed by the IRS.