

Watson Fined \$500 in Nixon Campaign Gift

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Former Postmaster General W. Marvin Watson pleaded guilty in federal court here yesterday to a misdemeanor charge growing out of an illegal \$54,000 contribution by oil magnate Armand Hammer to President Nixon's 1972 re-election campaign.

Watson, 52, who was a top aide to President Johnson for three years before becoming Postmaster General in 1968, was fined \$500 after the plea. He now lives in Daingerfield, Tex., where he said "I look after my own investments."

He is the fourth person to plead guilty in the case.

Hammer, founder and chairman of the board of Occidental Petroleum Corp., was sentenced to a year's probation and a \$3,000 fine last March in Los Angeles. He pleaded guilty to misdemeanor violations of the federal election campaign law.

Former Montana Gov. Tim Babcock was fined \$1,000 in June for being the conduit for the funds. At the time, Babcock was an official of Occidental Petroleum.

The 1972 re-election campaign treasurer, Maurice H. Stans, pleaded guilty earlier to a misdemeanor charge arising from the Hammer contribution.

Watson's plea stems from his past employment as an official with the Occidental Petroleum Corp. In January, 1972, he was named assistant to Hammer and vice president for corporate affairs. He left the corporation last June.

According to charges filed by the Watergate special prosecutor's office yesterday, Watson helped cover up that illegal donation for several months at Hammer's request.

The charges against Watson said he was approached by Hammer in June, 1973, to set up the loan, and Watson concealed that until March,

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1974. Watson's attorney said, however, that his client's never misled government investigators once he was questioned about the transaction.

"I regret I allowed my loyalty to cloud my judgment," Watson told U.S. District Court Judge George L. Hart Jr. yesterday after his plea. "Even those with the best intentions can make mistakes," Watson said.

Watson's attorney, Lloyd Cutler, said his client became involved in the illegal campaign donation scheme when Hammer told him to "be helpful" to a third Occidental employee, Babcock, in locating a "loan source" in connection with political contributions Hammer had made through Babcock.

Watson then arranged a purported loan from the Occidental consultant in London to Babcock, Cutler said. The purpose of the loan, Cutler added, was to help Babcock explain to

authorities where he had obtained the \$54,000 he had delivered to the Nixon campaign as contributions from himself and others.

At the time, the Senate Watergate committee was investigating the Hammer contribution.

None of the defendants in the Hammer contribution case has served a prison term.

The 77-year-old Hammer was fined and escaped prison because of his age and ill health. Babcock originally was sentenced to a four-month prison term, but Hart later changed the sentence to a \$1,000 fine.

Stans was fined \$5,000 on his plea to five violations of the federal elections campaign law, including a charge involving the Hammer donation.

Watson was charged with being an accessory after the fact to violations of the election law. He could have been given a maximum jail term of six months and fined \$500.