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Oilmen Called In 'Bug' Case

Two Houston oil executives have been summoned before a federal grand jury today for questioning on \$89,000 in GOP campaign donations linked to the Watergate bugging and break-in.

One of the oilmen, Pennzoil president William C. Liedtke Jr., is Southwest regional fund-raiser for President Nixon's re-election campaign.

The \$89,000, found in the bank account of a suspect seized in the bugging caper, is understood to have come from a group of Republican campaign contributors, apparently in Texas.

The money was moved across the border to Mexico, then resurfaced in a Miami bank in a mysterious routing that adds a tinge of international intrigue to the political spy case.

G. Gordon Liddy, a Nixon campaign lawyer fired after reportedly refusing to answer FBI questions, was involved in the handling of both the \$89,000 and another \$25,000 tied to the Watergate affair, investigation sources said.

CALLED AS A witness today with Liedtke was Pennzoil's vice president for public relations, Roy I. Winchester. The Houston-based Pennzoil United, Inc., is one of the nation's leading oil companies.

Winchester checked into the Watergate Hotel shortly after midnight last night, but declined to comment on a report he and Liedtke would go before the grand jury today.

"Really, I don't have anything to say right now," Winchester said.

Liedtke could not be reached. In Houston, his secretary said, "I think he's vacationing with his family."

At the Republican National Convention in Miami Beach, Atty. Gen. Richard G. Kleindienst told the Star-News he expects the grand jury to hand down indictments "after the first of the month."

ASKED IF the case had been linked directly to the White House, Kleindienst replied, "Those who will be indicted will be those who participated in it, no matter who they are."

White House consultant E. Howard Hunt, a close friend of Liddy, vanished shortly after

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his name was found in address books among the possessions of the five men arrested inside the Democratic National Committee headquarters June 17.

In his first public statement on the case, Nixon's national finance chairman, Maurice H. Stans, told CBS yesterday, "I have had nothing to do with the Watergate affair."

He said the grand jury results will make it clear he is not involved, but he added, "I may be a witness against others."

THE \$89,000 had turned up in the Miami account for Bernard L. Barker, one of the five seized on the scene. It had been deposited in the form of four drafts issued by the Banco International S.A. in Mexico City April 4.

The bank drafts bore the name of Manuel Ogarrio Daguerra, a Mexican lawyer who has done legal work for the Houston firm of still another Nixon fund-raiser, Texas finance chairman Robert H. Allen.

Allen, who is president of Gulf Resources and Chemical Co., refused to comment yesterday on how the money had crossed the Rio Grande and said, "Quite frankly, I don't want to speculate on that."

Another \$25,000 placed in Barker's account the same day came from a cashier's check made out to the Minne-

sota finance chairman for Nixon, Kenneth H. Dahlberg, who has said he delivered that check personally to Stans at a Washington hotel April 11.

"I'LL JUST SAY that I had the check in my hands for about three minutes and passed it on to my treasurer, who certainly passed it on elsewhere, and I cannot account for why it went into the Barker bank account," Stans said in the network interview.

A source close to the investigation said the finance committee treasurer, Hugh W. Sloan Jr., gave the \$25,000 check to Liddy. Sloan has resigned from the campaign, and sources say he has become a key witness in the Justice Department probe.

Sloan flew to Miami Beach for Stans' meeting yesterday with a top official of the General Accounting Office, which is auditing the Nixon campaign funds.

The GAO report on the investigation had been delayed suddenly Tuesday after Stans asked an opportunity to present the GOP's side of the money matters.

Referring to the GAO official who came here, Stans said: "We answered all his questions and presented all the information he wanted."

The GAO official, Elections Director Phillip S. Hughes, returned to Washington late yesterday, bringing back what an agency spokesman termed "new facts" from his questioning of Stans.

THE REVISED audit report still is expected to be issued by the end of this week.

Although GAO officials kept a Miami Beach date with Stans, they canceled one in

This story is based on reports from James R. Polk, a former investigative reporter for the Associated Press who now is doing campaign finance research under a grant from the Fund for Investigative Journalism, and from Star-News Staff Writers Joseph Volz, Ronald Sarro, Jeremiah O'Leary, and Patrick Collins.

Washington yesterday afternoon with staffers of the powerful chairman of the House Banking and Currency Committee, Rep. Wright Patman of Texas.

And Patman was fuming. He said GAO "has taken the position of conferring and cooper-

ating with those being investigated while refusing to discuss the case and provide information" to his aides.

Patman also is probing the GOP's campaign funds, charged that the GAO conference with Stans gives the Nixon campaign committee "a golden opportunity to cover its tracks and to submit information and documents to further cloud the investigation."

Patman said, "At the very time we were being informed of the GAO's refusal to cooperate," the Star-News was carrying a story about the apparent release of investigatory information to Stans.

One GAO official contended it was not agency practice to comment to Congress while an audit was in progress. That was contested by sources close to Patman who said that in the past he had been briefed by GAO before reports were completed.

GAO officials originally had agreed to meet with Patman's staff at 2 p.m. yesterday but L. Fred Thompson, GAO counsel, called to beg off because he had an important doctor's appointment.

PATMAN'S STAFF invited Thompson to stop by after the doctor visit but, at the appointed hour a GAO legislative liaison staffer arrived at Patman's office with the word GAO had nothing to say.

Hughes, who was supposed to attend the briefing, too, returned from Miami Beach yesterday afternoon, further perturbing Patman, who figured the GAO official still would have had times to stop by Capitol Hill.

"We haven't been talking to anybody, not even Congress," said Roland Sawyer, GAO public information officer. Reminded that Hughes had conferred with Stans, Sawyer replied: "Oh yes, we've been talking with the people we're investigating but nobody else."

Hughes' last two days were so hectic he went to bed early last night. The GAO official had hustled for Miami Beach after Stans, a former unpaid adviser to Comptroller General Elmer Staats in the late 1960s, called Statts Monday. Hughes' wife said he did not even tell her where he was heading. Hughes met yesterday morning with Stans and Sloan and asked questions about the campaign receipts

and expenditures.

BY THE END of the day, he was being followed by newsmen both in Miami Beach and Washington.

Sawyer said a CBS camera crew, in hot pursuit of the story, trailed Hughes into a men's room.

Hughes said he had not gone to Florida at the request of Stans and the audit report was not postponed because of the convention.

Staats headed for Europe, to attend a session of the International Organization of Audit Institutions, leaving Robert Keller in charge as acting comptroller general. Keller said GAO had "obtained additional evidence" but what evidence was a secret.

GAO put out a terse "note to editors," saying the report would not be available yesterday and an announcement would come "within a few days."

MEANWHILE, the Midwest regional finance chairman of the Nixon campaign was questioned by Florida officials after receiving a subpoena at a GOP fund-raising meeting in Miami Beach.

Kenneth Dahlberg of Minneapolis, who gave the \$25,000 campaign contribution to Stans which eventually ended up in Barker's bank account,

was quizzed by investigators working for Richard Gerstein, state's attorney in Miami.

Gerstein, running his own probe of the Watergate bugging case, is interested in the \$25,000 check which bears Dahlberg's endorsement.

Bank officials at the Republic National Bank in Miami, unfamiliar with Dahlberg's name, reportedly told Barker, trying to cash the check, the name would have to be verified.

Barker, a notary public as well as a former CIA employe, returned with a statement making it appear Dahlberg had signed the check in Barker's presence. Gerstein noted that a notary public who falsely takes a signature is subject

to a prison sentence of up to five years.

SEN. GEORGE McGovern's campaign manager, Lawrence O'Brien, said the GAO report postponement "is just another example of the Republican effort to conceal, lock up, or otherwise, submerge a growing scandal that reaches into the White House itself." O'Brien's attorney is taking a statement from Liddy today in a \$1 million civil suit.

One other principal in the Watergate caper also has been heard from.

Frank Sturgis, one of the five suspects arrested inside Democratic headquarters, told a Norfolk Virginian-Pilot reporter in a telephone interview: "I'm a Democrat."