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Wall St. Banker Accused of Illegal Humphrey

N. Y. Times News Service

New York — John L. Loeb, a Wall Street investment banker whose highly publicized philanthropic gifts measure in the millions of dollars, has been accused by the Federal Government of having disguised a \$48,000 contribution to Sen. Hubert H. Humphrey's unsuccessful 1972 campaign for the presidency.

At Loeb's "urging," according to the office of U.S. Attorney Whitney North Seymour Jr., eight Loeb employees wrote checks in their own names for Humphrey's last-litch effort to win the California primary, but it was Loeb who gave them the money.

He was the first contributor to be accused under the new Federal Election Campaign Act that took effect April 7, 1972, which says "no person shall make contribution in the name of another person."

A Justice Department spokesman in Washington said the charge did not represent any attempt to insert a Democratic case among current charges of violations by President Nixon's campaign committee.

Prominent Socially

Loeb, 70, is senior partner of Loeb Rhoades & Co.

He is prominent in the city's financial, philanthropic and social life. His wife heads the city's commission for the United Nations and, while the final touches were being put on the federal information against him, Loeb and his wife, according to a friend, were among the guests at a white house dinner Tuesday night.

The contributions allegedly were made five weeks after the law took effect. Loeb issued a statement asserting that he had not known about the change in the law.

Common Practice

When he found out, it said, he asked the Humphrey people to announce that the money really came from him.



AP Wirephoto

John L. Loeb

This, he said, the Humphrey people did.

Such disguised contributions were "common practice" under the old law, said Loeb's lawyer, Woodson D. Scott.

"He didn't want his name to get on a lot of lists as a generous giver," Scott suggested as a reason for the use of the employees' names.

Loeb's name has been featured frequently, however, as a contributor of more than a million dollars to Harvard University and, although he is a Republican, as chairman of his name listed as a donor for fund-raising committees for President Lyndon B. Johnson in 1964 and Humphrey in 1968.

A friend said that while Loeb did not object to seeing his name listed as a donor for universities, hospitals, or other such things, he sometimes felt "squeamish" about politics.

Theory Disputed

Some politicians suggested he might have been "hedging his bets," with an attempted silent contribution to the Humphrey campaign while, at the same time, he was giving money to Mr. Nixon.

Loeb's statement disputed that theory.

"I did not support Nixon in 1972 until after the Democrats

nominated George McGovern," he said.

Scott said his eventual contributions to various Nixon committees totaled about \$62,000.

Since the accusations are misdemeanors (Loeb, if convicted, could get a year in prison and a \$1,000 fine on each of the eight counts), the case was not referred to a grand jury for an indictment. The information was filed before Federal Judge Sylvester J. Ryan.

Although the Nixon cam-

paign finances have produced a flood of accusations, the Justice Department said Loeb was the first contributor to be accused specifically of violating the new election law.

Former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans have been indicted on charges of obstruction of justice, conspiracy and perjury in connection with secret contributions to the Committee to reelect the President.

The indictment charged that

Contribution

financier Robert L. Vesco made a secret \$200,000 cash gift to the Republican campaign in an attempt to influence a Securities and Exchange Commission investigation of his dealings. Vesco was accused of conspiracy and obstruction of justice.

Secretary Asks Others

According to the charge, one of Loeb's secretaries, Arthur Griffiths, had asked other Loeb Rhoades employees to sign checks as Humphrey contributors.

Checks not exceeding \$3,000

— the highest contribution that can be made without paying a federal gift tax — were sent to various Humphrey committees (Druggists for Humphrey, Citizens for Humphrey, etc.), some from employees of the firm, one from Mrs. Loeb's personal secretary. But all the money came from Loeb.

"There was certainly no intent on my part to evade the law," Loeb said. "I did not know of its existence."

Humphrey said in Washington that he had "no knowledge of the details" but noted that he knew Loeb "as a distinguished and respected citizen."