

LAWYER FOR NIXON TOLD F.B.I. HE GAVE FUNDS TO SEGRETTI

Gray Tells Panel Kalmbach
Said He Paid \$30,000
at Request of Chapin

DATA GIVEN SENATORS

Recipient Reportedly Ran
Covert Sabotage Drive
Against Democrats

3/8/73

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WASHINGTON, March 7 —

Herbert W. Kalmbach, President Nixon's personal lawyer, told agents of the Federal Bureau of Investigation last year that he had paid between \$30,000 and \$40,000 in Republican party funds to Donald H. Segretti, a 31-year-old lawyer who reportedly ran a covert political sabotage operation for the Republican party during last year's Presidential election campaign.

According to information supplied today by the acting F.B.I. director, L. Patrick Gray 3d, to the Senate Judiciary Committee, Mr. Kalmbach, who has a large private law practice in the Los Angeles area, told Federal agents that Dwight L. Chapin, who was then Mr. Nixon's appointments secretary at the White House, had gotten in touch with him in August or September, 1971.

The disclosure was the first official confirmation of reports that Mr. Segretti had been given Republican campaign money and by whom, and that he had been recruited by an Administration official.

Segretti Was Named

In Mr. Gray's words, Mr. Kalmbach told investigators that he had been "informed" by Mr. Chapin that Mr. Segretti was about to be released from the Army and that "he may

be of service to the Republican party."

Mr. Gray continued:

"Mr. Chapin asked Mr. Kalmbach to contact Segretti in this regard, but Mr. Kalmbach said he was not exactly sure what service Chapin had in mind. He said he did not press Chapin in this regard.

"He did contact Segretti and agreed that Segretti would be paid \$16,000 per year plus expenses, and he paid Segretti somewhere between \$30,000 and \$40,000 between Sept. 1, 1971, and March 15, 1972."

Mr. Gray's disclosure was made in an extension of his testimony last week before the committee, which is holding hearings on his nomination to be director of the F.B.I.

In the document presented to the committee for the record, Mr. Gray quoted Mr. Kalmbach as saying that he [Kalmbach] maintained no record of his disbursements to Mr. Segretti,

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received no reports as to what the money was being used for, and had no idea how he received his instructions.

The nature of the operation reportedly conducted by Mr. Segretti during last year's primary campaign has never been entirely clear, although a number of his friends and acquaintances have said that he offered them jobs "spying" on Democratic candidates on behalf of the Republicans. A few have acknowledged receiving money from him in return for information on the movements and public speeches of various Democratic candidates.

Chapin Termed 'Contact'

Mr. Chapin and Mr. Segretti were undergraduates together at the University of Southern California in the early nineteen-sixties. Mr. Chapin has been identified in news reports as Mr. Segretti's "contact" at the White House. Mr. Segretti's telephone records showed at least one telephone call last year to Mr. Chapin's unlisted home telephone in suburban Bethesda, Md.

Mr. Chapin has since resigned from the White House staff amid reports that he was being forced out because of his alleged connection with the operation that Mr. Segretti was reported to have headed. White House spokesmen have denied that version of his resignation, and have characterized news reports to that effect as "hearsay, character assassination, innuendo and guilt by association."

Mr. Chapin could not be reached for comment on Mr. Gray's disclosures. He is now an executive for United Air Lines in Chicago at a reported \$70,000-a-year salary. Mr. Segretti has refused to speak with newsmen since his reappearance following the November election after he had disappeared from public view for a month.

Mr. Kalmbach also could not be reached for comment.

Mr. Gray's testimony also disclosed that Mr. Kalmbach had told agents that the money he used to pay Mr. Segretti had come out of Republican party campaign funds that were obtained from contributors before April 7, 1972. The payments were usually in cash, but might



Associated Press
Herbert W. Kalmbach
The President's lawyer



The New York Times
Dwight L. Chapin
Former White House aide

have included "an occasional check," he said.

April 7 was the effective date of the Federal Election Campaign Act. Thereafter political organizations were required to file periodic reports with the General Accounting Office describing all receipts and expenditures.

Payments Recalled

Mr. Kalmbach told the F.B.I. that he specifically recalled one payment of \$5,000 and another of \$20,000 "to cover Segretti's expenses," Mr. Gray said, adding that Mr. Kalmbach denied any knowledge of "what Segretti was doing to justify these expenses or to earn his salary."

Until February, Mr. Kalmbach acted as an unofficial Republican fund-raiser. He was replaced at that time by Maurice H. Stans, who resigned as Secretary of Commerce to become the official finance chairman.

Mr. Segretti was interviewed by the F.B.I. three times last June, following the arrest of five men with electronic bugging equipment inside the Democratic national headquarters at the Watergate office building here.

Mr. Gray has said that the F.B.I. was initially led to Mr. Segretti through the telephone records of E. Howard Hunt Jr., who pleaded guilty to charges of conspiring to tap telephones at the Watergate in the recent criminal trial. Four other men pleaded guilty to the same charges and two others, both employees of the Committee for the Re-election of the President at the time of the break-in, were found guilty.

On Aug. 18, 1972, Mr. Segretti appeared before a Federal grand jury investigating the Watergate case, but he was not among those indicated. The F.B.I. dropped its investigation of his activities at that point because, according to Justice Department sources, it was believed that he had violated no Federal laws.

However, the Justice Department's Fraud Division has recently begun looking into the possibility that Mr. Segretti may have violated a Federal statute that prohibits the distribution of unsigned or falsely attributed campaign literature.

Reports Sent Nixon Aide

Mr. Gray told the committee today that he had included the F.B.I. account of Mr. Segretti's interview in a batch of 82 reports he sent to the White House counsel, John W. Dean 3d, the man appointed by President Nixon to determine

through a separate investigation whether any Administration employees were involved in the Watergate episode.

Mr. Nixon told a news conference after the Dean investigation was complete that he was satisfied that no one "presently employed" in the White House was involved in the bugging.

Senator Sam J. Ervin Jr., Democrat of North Carolina, asked Mr. Gray today about news reports that White House staff members had shown Mr. Segretti a copy of the F.B.I. report a few days before his grand jury appearance and "coached" him on his testimony.

Mr. Gray said that, upon reading the reports, he had called Mr. Dean and was "satisfied with his answer when he said that he did not do this, that he did not even have 'the F.B.I. reports with him in Miami.'" Mr. Dean was in Florida for the Republican National Convention at the time.

Ronald L. Ziegler, the President's press secretary, said to-

day that no White House official had used confidential F.B.I. files to help prepare any witnesses for questioning by the grand jury.

Mr. Gray also disclosed that among the reports of F.B.I. interviews sent to Mr. Dean were three relating to members of the Nixon campaign organiza-

tion who had specifically asked to talk to F.B.I. agents out of the presence of re-election committee lawyers.

In a memorandum written by Mr. Gray to Mr. Dean last July, it was stated that an unspecified number of Nixon campaign workers had gotten in touch with the F.B.I. for additional interviews, presumably because they felt inhibited by the lawyers.

Senator John V. Tunney, Democrat of California, asked Mr. Gray whether "any attempts were made to retaliate against" the three individuals.

"I don't think John Dean would do that," Mr. Gray replied. "He's the counsel to the President."

Report on Tapped Phones

Mr. Gray also said that one of the reports sent to Mr. Dean was an account of an F.B.I. interview with Alfred C. Baldwin 3d, a former F.B.I. agent who monitored the tapped telephones from a motel room across the street from the Democratic national headquarters.

Mr. Gray said that the Baldwin report contained information on the nature of the conversations overheard, "not who did what to whom, but I believe that there were some names in there."

The contents of the conversations were barred from being introduced into evidence at the criminal trial by a Federal appeals court decision.

Senator Tunney criticized Mr. Gray for his willingness to turn over such information to Mr. Dean, but Mr. Gray replied that the documents had been passed along "within the official chain of command of the United States Government—it's not turning them over to third parties."

"I think we need to get John Dean down here," said Senator Tunney, who plans to introduce a motion to call Mr. Dean as a witness. Mr. Ervin said today that he also would vote to call Mr. Dean. Other Democratic Senators, including Edward M. Kennedy of Massachusetts, Birch Bayh of Indiana and Philip A. Hart of Michigan, are expected to support it.

"As I understand it, Mr. Dean was omnipresent in this case," Mr. Tunney said, noting that Mr. Dean had also sat in on 14 F.B.I. interviews with White House personnel and had directed the opening of a safe in the White House office of Hunt, a former part-time consultant there.