

# Plea by Stans Delays Audit Report on GOP

The investigation report of a federal audit of campaign donations tied to the Watergate bugging caper has been held up after a long-distance telephone appeal by President Nixon's chief fund-raiser, Maurice H. Stans.

Within hours after an eight-page document had been drawn up by the General Accounting Office, its elections director, Phillip S. Hughes, disappeared from Washington last night amid speculation he may have flown to Miami Beach to confer with Stans.

A source close to the investigation said Republicans were asking a chance to offer their explanation of money handling methods before any findings were referred to the Justice Department.

GAO officials, after telling The Star-News that the report would be issued yesterday, suddenly changed signa's.

They indicated that the report may still be issued later today or tomorrow.

STANS, ATTENDING the Republican National Convention in Miami Beach, declined any comment last night. But other Republican figures again denied any violation of campaign fund disclosure laws.

The GAO findings, in part, are believed to focus on a batch of checks that bounced, causing a belated banking of a few contributions that were part of the \$10 million raised from unidentified donors for Nixon earlier this year.

The audit had been triggered by a separate \$25,000 check that wound up in the Miami bank account of a suspect in the break-in at Democratic headquarters after the check had been delivered originally to the Finance Committee to Re-elect the President.

That check was missing from the Nixon committee's itemized reports under the new campaign disclosure law, which requires public listing of all money dealings from April 7 on.

A GAO spokesman had been promising the investigation report would be issued yesterday afternoon before Hughes reversed that in mid-afternoon and vanished a few hours later.

His wife said he had left Washington for an undisclosed destination.

THE STILL-SECRET report was already under dispute in GOP circles because of its interpretation of various money transactions after April 7. Among the points in question were:

● Embarrassingly, some checks from Republican fat

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cats bounced. One check for \$5,000 came back, for example. These checks, all donated before the law took effect, were deposited again after April 7 and sent through a second time.

Although the GAO is questioning whether these re-deposited checks should have been listed in detail, the GOP says the actual contributions were made prior to the reporting date.

● The Nixon campaign used a separate bank account for its early-bird money and closed out that operation on April 6. However, cash was left in the account to cover outgoing checks that were written earlier but were slow in clearing the bank. In what may be a thin technicality, the GAO is asking whether this spending should have been listed.

● The \$25,000 cashier's check made out to GOP fund-raiser Kenneth Dahlberg was lumped as part of the "cash on hand" total of \$10 million on April 7, even though it was not delivered to Stans until four days later.

Republicans have said Dahlberg took possession of the donation on April 5 and, there-

fore, shouldn't be covered by the campaign law. This is the check that was found later in bank records for a bugging suspect. The GOP has denied any mishandling of the money.

● Four transfers for \$89,000, mysteriously moved through a bank in Mexico City, were also deposited in the suspect's bank account, then later withdrawn.

This \$89,000 apparently had been included among the same \$10 million as "cash on hand" from pre-April donors in the Nixon committee reports. The GAO, unsatisfied, wants the movement of this money, in its full circle, made public in detail.

The Finance Committee's new treasurer, Paul E. Barrick, said the Nixon campaign had sought to comply with every aspect of the law.

He said the committee "has never been advised that any irregularities have been alleged by government officials."

Dropping out of contact along with Hughes last night was one of his field investigators, Robert Higgins. His wife also said she didn't know

where her husband had gone.

THE GAO, which has been sifting the Nixon campaign records for nearly a month, customarily discusses its audit findings in advance with government agencies under review. However, it is still feel-

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, Patrick Collins, Jeremiah O'Leary and Barry Kalb.

ing its way under the new campaign law.

Both Hughes and the GAO's Comptroller General, Elmer B. Staats, were understood to have received telephone calls from Stans before the decision to withhold the report was suddenly announced yesterday. GAO officials are still calling the delay temporary.

The Nixon campaign filings under scrutiny were made by the committee's original treas-

urer, Hugh W. Sloan Jr., who has been quizzed as a witness in the federal grand jury's investigation of the Watergate affair, Sloan resigned from the campaign last month.

**FIVE MEN**, including a security consultant to the Committee for the Re-election of the President, were seized with bugging equipment in the break-in at the Democratic National Committee headquarters June 17.

The attorney for the Finance Committee, G. Gordon Liddy, was dismissed from the Nixon campaign a few days later after he reportedly refused to answer FBI questions.

Liddy was considered close to White House consultant E. Howard Hunt who disappeared when his name was found in two suspects' address books.

At GAO yesterday, Hughes told the Star-News several times the audit was nearly finished and would be issued in mid-or-late afternoon.

Shortly before 3 p.m., Roland Sawyer, GAO public information officer, said:

"There's a hold on the release" but gave no explanation. Hughes, returning from Staats' office said: "Not today, Josephine."

**HUGHES AND SAWYER** later contended the reason for holding up the document was because changes had to be made.

GAO, the fiscal investigative agency for the federal government is not normally subject to pressures from the executive branch or political committees.

The agency's counsel, L. Fred Thompson, said last night: "The GAO's arm will not be twisted by anybody. When the GAO has finished the report, it will be issued."

Sawyer, asked about the dis-

appearance of Hughes and Higgins last night, said: "It sounds like you've got a pretty good yarn."

Meanwhile, Sen. George McGovern's campaign manager had some questions for Stans.

Lawrence O'Brien today released a letter noting Stans was reported ready to assume a new role as at the Republican National Finance Committee. O'Brien said Stans' "continued silence . . . can only contribute to the further dissolution of public confidence in the entire system of campaign financing."

**O'BRIEN WANTS** Stans to answer these questions:

Who authorized establishment of a reported \$100,000 campaign security fund and who contributed to it?

Did the Nixon campaign committee collect \$89,000 traced to the bank account of a suspect in the Watergate break-in, Bernard Barker as previously reported? What services did Barker render for the money?

Did Stans personally receive a \$25,000 check from Dahlberg that was also traced to Barker's bank account? Why was the check exchanged for cash rather than simply deposited in the campaign committee bank account?

In another development yes-

terday, U.S. District Judge Charles Richey ordered all depositions sealed in the related \$1 million invasion of privacy suit filed by the Democrats against the five break-in suspects.

However, the judge said he would not maintain any seal once it was shown release of the information would not violate the constitutional rights of anyone involved.

"**IF THERE'S** something wrong, it ought to be exposed," the judge said.

The Democrats' attorney, Edward Bennett Williams, begins taking depositions tomorrow from Liddy.

Williams has subpoenaed records of toll calls from Liddy's Oxon Hill home. Previously, it was revealed that many calls were made to Liddy's office from Barker's Miami home.

Williams has already received phone records of calls made from the homes of Charles Colson, a White House special counsel, and Sloan.

Williams has also subpoenaed the phone records of the Committee for the Re-election of the President, the Finance Committee to Re-elect the President, Douglas Caddy, a lawyer who first represented the five break-in suspects and Hunt.