

GAO Watergate Report Could Jolt Convention

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Like an unwelcome relative at Richard M. Nixon's confirmation rites, the furor over the Watergate bugging affair and its ties to the GOP's secret \$10 million campaign fund may erupt again in the midst of this week's Republican National Convention.

An investigation report by the General Accounting Office is to be issued within the next few days, possibly on Tuesday, the very day Republicans will be renominating President Nixon in Miami Beach.

The GAO has had two field investigators in Florida the past week combing bank records to try to trace \$114,000 that allegedly was routed from Nixon's campaign fund to a suspect arrested in the break-in at the Democratic National Committee.

The probe is aimed at possible violations of the campaign reform law which requires public disclosure of all major money dealings. A federal grand jury is continuing its separate criminal investigation.

A source at GAO said the audit had uncovered a number of campaign checks which the Finance Committee to Re-elect the President failed to itemize in its sworn reports even though the money was delivered after April 7, the day the disclosure law took effect.

Nixon aides have argued all the money was collected before that date, even though it arrived later. The tardy checks were lumped in with the committee's \$10.2 million listed as "cash on hand" as of April 7.

The GAO is empowered to refer its findings to the Justice Department for possible prosecution.

Philip S. Hughes, director of the GAO's Office of Federal Elections, said his report will be made public as soon as it is completed. He said, "It will be the first of the week sometime — Monday or Tuesday."

The probe was triggered by two parcels of money which federal sources say were traced to a bank account for Bernard L. Barker, one of the five men arrested inside the DNC June 17. Involved are:

- A \$25,000 cashier's check made out to Kenneth H. Dahlberg, a Nixon fund-raiser for the midwest. Dahlberg has said he collected the donations in cash before April 7, got the check from a bank in Boca Raton, Fla., on April 10, and handed it to Nixon's finance chairman, Maurice H. Stans, at a Washington hotel the next day. Federal sources said Barker deposited the check in his account at the Republic National Bank in Miami April 20, then withdrew the money five days later.

The \$25,000 wasn't itemized on the Nixon campaign's public filing, and the route of the check from Stans to Barker is still fuzzy.

Nixon campaign chairman Clark McGregor has contended the committee's finance lawyer, G. Gordon Liddy, gave it to Barker in exchange for cash. McGregor said he didn't know why. Liddy was fired by the campaign after reportedly refusing to answer FBI questions.

Stans is reported to be eager to issue a public defense of his role in the financial transaction. He plans to make a statement within the coming week, according to McGregor. Stans is expected in Miami Beach, but it is not known whether he will issue a statement there.

- A series of four drafts for \$89,000 drawn on the Banco International S.A. in Mexico City and also deposited in Barker's account on April 20. The drafts were dated April 4, three days before the disclosure law took effect. Federal sources have said this \$89,000 also passed through the Nixon committee, although when or how is unclear.

Barker withdrew this \$89,000 from his account in early May. When the five suspects were arrested at the Democrats' Watergate headquarters, 53 \$100 bills traced to that withdrawal were found either on their persons or in their nearby hotel rooms.

Among those seized inside the DNC was James W. McCord Jr., then the Nixon committee's security coordinator. The treasurer under Stans, Hugh W. Sloan Jr., also left the campaign staff shortly after Liddy's dismissal.