

Dean Ran the Payoffs, Source Says

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White House counsel John Dean III supervised cash payments of more than \$175,000 in Republican campaign funds to the seven Watergate defendants and their attorneys after the bugging of the Democratic headquarters in June, 1972, sources close to the case said yesterday.

The payments, all in \$100 bills, were made to the de-

fendants in return for their silence, the sources said. The payoff was said to have continued at least until January of this year.

Dean could not be reached. His attorney, Robert C. McCandless, said the report that Dean had supervised the payments was "absolutely untrue."

Late last night, William G. Hundley, attorney for John N. Mitchell, said the former attorney general had been prepared to tell the grand jury during his appearance yesterday that "he had

some knowledge that Republican campaign funds were being used to pay the legal fees for the defendants."

Hundley, a former Justice Department official, quoted Mitchell as saying that such payments were normal practice in the corporate business world, where firms often take care of their employees' legal fees.

At no time, Hundley quoted Mitchell as saying, were the payments made in return for silence on the part of the defendants.

It was not told how Dean,

a key White House aide, had received the payoff cash from the Republican Re-election Committee or how the money had been delivered to the men and their attorneys.

Sources said that the top leaders of the break-in team — G. Gordon Liddy, E. Howard Hunt Jr., and James W. McCord Jr. — had each received \$3000 a month in return for their silence, and that the four other defendants — all from Miami, got \$1000 a month each.

According to the sources,

McCord told the grand jury investigating the case and the Senate Watergate investigating committee that he received \$18,000 in cash — all in \$100 bills — in one lump payment in September. The funds were to cover his monthly "salary" from June through November, he reportedly testified.

At least four of the attorneys who represented the defendants during their pretrial hearings last fall and during the subsequent Federal trial here were paid fees — in \$100 bills — rang-

ing from \$11,000 to at least \$25,000, the sources said.

In his testimony, McCord reportedly said that the Republican re-election officials had established a payroll totaling \$13,000 a month for the seven defendants, and that most of the cash was delivered to the men by Hunt's wife, Dorothy, who was killed in an airliner crash in December.

Two weeks ago, the New York Times reported that McCord had cited Kenneth W. Parkinson, an attorney

for the Committee for the Re-Election of the President, as the source named by Mrs. Hunt for the cash payments.

Last weekend, Jeb Stuart Magruder, a former White House and re-election committee official, met with Federal prosecutors and told them that former Attorney General John N. Mitchell and Dean had conspired to set up the payoffs after the break-in.

A Government source subsequently acknowledged that

Dean had been named in Federal grand jury testimony as the official who supervised those payments.

The only Watergate attorney to acknowledge receiving a cash payment is Henry B. Rothblatt, who said that he was paid \$22,000 in \$100 bills by Bernard L. Barker, one of his four Miami-area clients, last August. After that, he said in a telephone interview, he received no more payments, although he repeatedly sought them. He subsequently submitted a bill for \$125,000 to his clients