

G.A.O. Asks an Inquiry Into Ad Paid for by Nixon Election Unit

NYTimes

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Special to The New York Times

WASHINGTON, May 3—The General Accounting Office today referred to the Justice Department for "further investigation and action" the placing in The New York Times of an advertisement that was secretly paid for by President Nixon's re-election committee, in apparent violation of Federal law.

The report from the agency, which is responsible for enforcing the Federal Campaign Finance Act, also disclosed that Charles W. Colson, who was special counsel to President Nixon at the time, "informed us that he reviewed the draft [of the advertisement] and probably made changes in it."

The advertisement, which appeared in The Times on May 17, 1972, purported to be sponsored by 14 individuals, whose names were listed at the bottom, as a demonstration of support for Mr. Nixon's decision to mine Haiphong harbor in North Vietnam. The accounting offices, however, reported that "the advertisement was initiated by officials of the Committee for the Re-election of the President" and prepared by the November Group, the advertising agency set up for the campaign.

Officials Are Quoted

The report quotes officials of the November Group as saying, "The re-election committee officials did not want either the name of the committee or the names of its officers shown in the ad."

The auditing agency concluded by stating its opinion "that the advertisement was published in apparent violation" of Section 612, Title 18 of the United States Code, which requires that an advertisement for any candidate for Federal office include the names of those responsible for it.

Last week, the accounting office cited the advertisement as one of several violations of the campaign finance act by the committee. The committee failed to account for and report the expenditure of the \$4,400 cost of the ad, the accounting office said.

The report was signed by Phillip S. Hughes, director of the agency's office of Federal elections. The report was explicit in its charges, such as saying that the advertisement "was paid for from cash funds supplied by the Finance Committee to Re-elect the President," which requested it. It recapitulated its findings about transmittal to the November Group of the \$4,420 by Herbert L. Porter, scheduling director of the re-election committee.

Investigation Urged

But the report added: "We have been unable to determine which committee officials were responsible for the ad and we recommend that this be further investigated by the Department of Justice."

And in its conclusion, the report repeated that "although we have not determined which individuals involved may be considered liable" under Federal law, it is the agency's opinion that the publication was "in apparent violation" and "we recommend that this matter be referred to the Attorney General for further investigation and action."

The agency has neither subpoena nor enforcement powers and can only make recommendations for action to the Justice Department; recently it has noted a lack of "direct response from the department concerning full disclosure of the Nixon campaign treasury."

Peter H. Dailey, a Los Angeles advertising executive who served as president of the November Group, said in response to inquiries last week after the first citation of the ad by the General Accounting Office:

"I don't think we were in violation of the law. If we violated the law by placing the ad, The New York Times violated the law by accepting it."

Today's report noted that The Times "appears to have had no knowledge" of the re-election group's involvement. It also said that none of those who agreed to let their names be used as sponsors saw the ad before it appeared, and none contributed to it.