

## Mitchell Aide's Story

# Watergate Payoffs

## --- New Testimony

### '\$250,000

### Paid for Silence'

By Bob Woodward  
and Carl Bernstein

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Frederick C. LaRue, a top campaign aide to former Attorney General John N. Mitchell, has stated that he paid about \$250,000 in cash to the Watergate conspirators for their silence, according to government sources.

LaRue's statement implicates the following persons in the payoff scheme, the sources said: Mitchell; Herbert W. Kalmbach, who was then the President's personal attorney; and John W. Dean III, then the President's White House counsel. Kalmbach no longer is the President's lawyer and Dean has been fired from his position.

LaRue, the sources said, has testified to the Watergate grand jury that he delivered about \$200,000 in cash to Watergate conspirator E. Howard Hunt Jr. and his attorney, William O. Bittman; another \$25,000 to the four Miami defendants in the Watergate case; and another \$20,000 to \$25,000 to Peter Maroulis, the attorney for Watergate conspirator G. Gordon Liddy.

The \$200,000 delivered to Hunt and Bittman apparently was for distribution to the other Watergate conspira-

tors, too, according to the sources.

#### ENVELOPES

Bittman reportedly received three or four sealed envelopes for delivery to Hunt and has said that he did not know that the envelopes contained money.

It previously had been reported that Hunt's late wife,

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Dorothy, was the intermediary who supplied Watergate conspirator James W. McCord Jr. and the four Miami defendants with cash payments prior to her death in a Chicago plane crash in December.

LaRue testified that he sent the money to the conspirators or their attorneys on about seven or eight occasions, by messenger from

his office at the Committee for the Re-Election of the President, the sources said.

The first payments, according to the account of LaRue's testimony, were made in July just weeks after the June 17 arrests in the Democrats' Watergate headquarters. The money came from a \$80,500 cash campaign fund that LaRue testified he received from former Commerce Secretary Maurice H. Stans, the chief Nixon fundraiser, and former Nixon campaign treasurer Hugh W. Sloan Jr.

Stans and Sloan were not aware of the use of the cash campaign funds, according to government sources.

In addition, the sources said, LaRue later drew payoff money from a \$350,000 cash fund that was turned over to him by the White House after the November presidential election.

That \$350,000 was raised

for the President's reelection and kept in the White House from about April, 1972, to November, 1972 on orders of former White House chief of staff H. R. (Bob) Haldeman, the sources said.

Kalmbach had previously told the General Accounting Office that he raised at \$210,000 last summer for distribution to the Watergate defendants and their attorneys.

LaRue's \$250,000 and Kalmbach's \$210,000 mean that at least \$460,000 was spent on the Watergate cover-up.

#### TESTIMONY

According to the sources, LaRue testified that most of the payments were approved by Dean and that at least on one occasion a payment was approved by Mitchell.

LaRue, Mitchell, Kalmbach and Dean are under investigation for obstructing justice in the initial Watergate probe last year. Reliable sources said that the prosecutors have sufficient evidence to indict LaRue, Mitchell, Dean and others in the case.

According to the sources, LaRue expects to be indicted on fewer charges or receive a lighter sentence in exchange for his testimony and cooperation with the investigation.

LaRue has dealt with the prosecuting team headed by the principal assistant U.S. attorney, Earl J. Silbert. Former U.S. Solicitor General Archibald Cox is the special prosecutor in the case now, and he made it clear yesterday that all decisions about indictments, theory of prosecution and immunity will be made by him.

Most of the information

received from Dean deals with his own role in the case and that of former presidential deputies H. R. Haldeman and John D. Ehrlichman, the sources said.

That information includes the initial tip that led to the discovery of the break-in at the office of Daniel Ellsberg's psychiatrist, and the destruction of Watergate evidence by former acting FBI director L. Patrick Gray III.