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Hidden Loan To Md. GOP Investigated

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Federal and Maryland authorities began separate investigations yesterday into the manipulation of \$50,000 in Nixon campaign funds that were used to inflate the reported proceeds from a 1972 testimonial dinner for Vice President Spiro T. Agnew.

The investigations were aimed at apparent violations of both federal and state campaign financing laws by some of Maryland's most prominent Republicans.

Meanwhile, in a telephone interview yesterday, B. H. (Bubby) Wharton, a vice president of the Maryland National Bank and a long-time GOP fund-raiser in the state, acknowledged that he knowingly signed false campaign finance reports to conceal the use of the \$50,000, which came from contributions to President Nixon.

In reports filed last year with state and federal election authorities and signed by Wharton as "complete, true and correct," the true source of the \$50,000 was concealed by listing the money as contributions from 31 separate contributors who in fact had not given the money. The falsely listed contributors included two Republican state senators, the wife of a close associate of Agnew and Wharton himself.

Amended reports acknowledging that the money actually came from the Finance Committee to re-elect the president were filed by Wharton last week after it became clear that the fund manipulation would be disclosed at the Senate hearings on the Watergate scandal.

Alexander Lankler, chairman of the Maryland Republican Party, conceded Wednesday that he had asked

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for and received the \$50,000 cash loan from the National finance committee.

Lankler made the revised circumstances of the \$50,000 known after Hugh Sloan, former treasurer of the Nixon finance committee, testified before the Senate

select Watergate committee that he had turned the money over to Lankler.

Lankler and other Republicans now say the falsification to make the May 19, 1972, "Salute to Ted Agnew Night" "look like a success" was "stupid" and "dumb."

Robert L. Higgins, counsel for the Office of Federal Elections of the General Accounting Office, said yesterday his office is investigating possible federal election law violations by both the "Salute" committee and the national Finance Committee to Re-Elect the President.

Anne Arundel County prosecutor Raymond G. Thieme said yesterday he will begin investigating the "Salute" committee reports as well. "We are going to prosecute anybody who has violated the Maryland election law," Thieme said at an Annapolis press conference. "I expect to move very quickly on this."

There were these other developments in the case yesterday:

- U.S. Rep. Lawrence Hogan (R-Md.) called for Lankler to resign as chairman of the Republican State Central Committee. Hogan, a conservative who generally has been aligned against the liberal Lankler, said Lankler "is a divisive element in the party" and that "his usefulness has been so eroded that we should get a new chairman." Lankler said in a telephone interview he has no intention of resigning.

- Sen. Charles McC. Mathias (R-Md.) said in Annapolis the question of Lankler continuing as state chairman should be "resolved immediately" by the state central committee.

Federal official Higgins declined to specify precisely what parts of the money transfers were being investigated. However, according to the state party officials' own recollections of how the money was transferred, these apparent violations of state and federal election laws are indicated:

- Sloan said he could not recall when he gave the money — in \$100 bills — to Lankler. Lankler says he believes he got the cash after April 17. If that is so, the national finance committee violated a federal law effective April 7 requiring that such transfers be reported.

- Lankler says he held the money for about one month, in a safe before turning it over to Lynn Meyerhoff, chairman of the Agnew night committee. Holding

such campaign money for more than five days without transferring it to the intended campaign treasury is a federal violation.

- The Agnew night committee did not report receiving the money from the national committee, hiding it instead as phony ticket sales. This is an apparent violation of state and federal laws.

In addition, there are conflicting accounts of whether the money was passed from the Agnew night committee to the Maryland Finance Committee to Re-Elect the President or whether the money went directly from the Agnew group back to the national finance group.

Several of the violations could be erased if an "amended" version of the Agnew night committee's report—filed at both state and federal levels within the last two weeks—is accepted by Higgins office.

The Agnew night committee's reports were amended after the suicide of Rep. William O. Mills (R-Md.) last month. Mills shot himself after it was disclosed his campaign fund received an unreported \$25,000 contribution from the national Finance Committee to Re-Elect the President.

Higgins said there is no time limit on when an amended campaign contribution report can be filed.

"We decide whether or not to accept that amended report on the circumstances surrounding it," Higgins said. "We decide whether the second report corrected an error or a deliberate falsification."

Higgins said his office policy has been "very liberal" up to now in accepting amended reports.

In a lengthy telephone interview from the Pittsburgh area, where he is vacationing, Wharton, who was treasurer of the Agnew night committee, acknowledged that he knew it was illegal to sign the campaign reports listing contributors who in fact had not given money to the Agnew affair. But he said he felt he had no choice but to go along with the scheme when, faced with a deadline for filing a report with state authorities, he first discovered that the Agnew committee had more funds than it could account for from legitimate ticket sales.

Asked why he did not refuse to sign the report and resign as treasurer, Wharton said, "That would have been a hell of a reflection on Ted Agnew . . . He's more important than me. It was foolhardy more than it was dishonest."

Wharton said the purpose of the scheme was "window dressing, not to deceive anyone or influence anyone," that he knew "technical violations" were involved but that he thought the consequences of filing the false reports would not be "very bad."