

# Nixon Finance Unit Guilty of Fund Violation

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The Nixon 1972 campaign finance committee was found guilty yesterday of violating campaign disclosure laws by concealing a \$200,000 cash contribution from financier Robert L. Vesco.

U.S. District Judge George L. Hart fined the committee the maximum of \$1,000 on each of three counts, but stayed the payment of the fine at the committee's request pending a possible appeal.

A federal grand jury in New York has indicted Vesco, former Attorney General John N. Mitchell, former Commerce Secretary and chief Nixon fund-raiser Maurice H. Stans, and New Jersey Republican politician Harry L. Sears in connection with the contribution. Yesterday's action was not directly related to that pending case.

It was the second time the committee has been fined the maximum penalty on campaign financing violations. The committee pleaded no contest in January to eight violations of the law in connection with money paid to convicted Watergate conspirator G. Gordon Liddy.

The January fine marked the first time that a campaign committee had been penalized since nonfiling of financial reports first became an offense under the Corrupt Practices Act of 1925. Those charges were also the first to be brought under the Federal elections Campaign act that took effect April 7, 1972.

In pleading innocent yesterday, the Finance Committee to Re-elect the President made what Justice Department representatives said was the first serious legal challenge to the new act.

The committee claimed in court, as it had in legal briefs, that the Vesco donation did not violate the law because the funds were pledged prior the April 7 effective date of the disclosure law and therefore was legal. The funds were actually delivered in cash to Stans on April 10.

In addition, the committee continued to claim that it had acted on the "good faith reliance of its counsel"—including Liddy, later con-

victed as a Watergate conspirator—in thinking it was following the proper course in failing to report the contribution of Vesco.

Committee attorney Kenneth Wells Parkinson also attributed the events leading to the charge to the confusion caused by the law's taking effect while fundraising was already in progress.

"We were in a very strange situation . . . with laws changing in the middle of a Presidential campaign," Parkinson said.

Craig Donsanto, an attorney with the elections fraud unit of the Justice Department's criminal division, disagreed with that argument and with the committee's interpretation that Vesco's pledge constituted a donation.

"With all due respect, we believe this (committee position) is absurd," Donsanto said.

Donsanto asked Judge Hart to make it "crystal clear that the elections financing law will be enforced," and that it contained no loopholes.

In pleading innocent yesterday, the re-election committee detailed how a Vesco associate flew to Washington on April 10, bearing 2,000 \$100 bills in a suitcase, to hand the contribution to Stans.

The hour-long hearing yesterday contrasted sharply with the January hearing in which the committee pleaded no contest to offenses concerning money given to Liddy.

By entering that plea, the finance committee avoided having to account for how it spent the unreported money or to respond to any evidence presented by the Justice Department. But at the time of that earlier ruling, Judge Hart said he had never seen the difference between a *nolo contendere* (no contest) plea and a guilty plea.

The Justice Department complaints in the handling of the Vesco donation, known technically as criminal informations, grew out of a General Accounting report last August.