

GAO Says Fund Use In Error

8 'Apparent' Violations Seen In Agnew Gala

By Richard M. Cohen
Washington Post Staff Writer

The General Accounting Office reported yesterday that it has uncovered eight "apparent violations" of federal election and perjury laws in connection with the use of \$50,000 in Nixon re-election funds to inflate the proceeds from a 1972 testimonial gala for Vice President Spiro T. Agnew.

The apparent violations—which include a citation for alleged perjury—could result in jail terms or fines for about 20 of Maryland's most prominent Republicans, including state party chairman Alexander Lankler, a Washington lawyer, and Baltimore banker Blagden H. Wharton, treasurer of the Maryland Salute to Ted Agnew Committee.

Wharton has been indicted by a state grand jury of violating the Maryland election laws. He has pleaded innocent.

The GAO is the investigative arm of Congress and is charged with enforcing the federal election campaign law. It lacks the authority to prosecute and can only make recommendations to the Justice Department.

Late yesterday a spokesman for Watergate prosecutor Archibald Cox said the GAO report "will be referred to us. It is in our jurisdiction."

It will now be up to Cox's office to review the GAO report—and the reports of GAO investigators who have been conducting interviews over the last month—to determine if any individuals or committees should be prosecuted.

The committees cited by the

The committees cited by the GAO are the Agnew committee and the Finance Committee to Re-elect the President.

The GAO has already referred 21 different reports of alleged violations to the Justice Department, of which three have resulted in the payments of fines.

Wharton was the only mem-

See REPORT, A8, Col. 1

REPORT, From A1

ber of the Salute to Ted Agnew Night Committee who was specifically named in the GAO report. The GAO said Wharton lied in attesting to the validity of the committees report, which showed \$50,000 contributed to the Agnew committee by 31 persons who in fact had not made the donations.

The report also said that Wharton apparently lied again when he attested to the truth of his original report during a routine GAO audit of the records of the Agnew committee.

Lankler and other Republicans say the \$50,000 was borrowed from the Finance Committee to Re-Elect the President to exaggerate the proceeds from a May, 1972, testimonial gala for Agnew held in Baltimore. They say they were worried that the event would look like a failure, and that the Agnew committee borrowed the money and listed it as donations. The money was subsequently returned and an apparently false report filed with both GAO and state officials.

The \$50,000 contribution came to light when former Finance Committee treasurer Hugh W. Sloan Jr. told Watergate investigators of the money transfer. Sloan also disclosed an unreported \$25,000 gift of Nixon money to Rep. William O. Mills (R-Md.) Mills committed suicide May 24 after the gift was made public.

The Agnew Night committee amended its report to delete the names of the phony donors after Mills shot himself and it became apparent that the true source of the committee's \$50,000 would be made public.

In its report, the GAO listed the following apparent violations of federal law:

- A false report by the Salute committee for "falsely reporting contributions" and for "failing to keep a detailed and exact account of contributions received . . ."

- Participation "by persons acting for the Agnew committee

tee who knowingly and willfully participated in the effort to falsify, conceal or cover up the committee's receipt of \$50,000 . . ." This violation could result in a 5-year prison term and a \$10,000 fine or both to members of the committee or others convicted of this charge.

- False statements by Wharton when he signed his name to the report and again when he told the GAO the report was true. The GAO said Wharton may have violated two federal statutes that carry prison terms upon conviction of up to 10 years and fines of up to \$20,000, or both.

- The acceptance of corporate contributions and the committee's failure to report the corporate contributions to the GAO. The GAO said \$47,600 in corporate contributions were received by the Agnew committee.

- Failure of the Finance Committee to Re-elect the President to report the \$50,000 transfer to the Agnew salute committee.

State GOP Chairman Lankler, who received the money for the Agnew group, was not singled out by the GAO and his name appears only in an account of the events surrounding the transfer of the money. The GAO report says committee members "contacted friends and acquaintances, soliciting names to be shown as contributors . . ." Among those who solicited the names, the GAO said, was Roy Pfautch, a professional campaign consultant who was hired as an adviser to the committee.

According to a GAO spokesman, everyone involved in the alleged scheme could be prosecuted, including persons who simply allowed their names to be used, although such an extensive prosecution is unlikely.

The GAO spokesman said the corporations also could be prosecuted. The corporate contributions were reported to Maryland officials. Corporate donations to campaigns for state offices are legal in Maryland.