

# GAO Seeks Probe Of Nixon Backer

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The General Accounting Office has asked the Justice and Treasury departments to investigate \$605,000 in contributions pledged by a Texas man to the 1972 presidential campaigns of Richard Nixon and Sen. Hubert Humphrey.

"There is a need for the Justice and Treasury departments to further examine this matter to see whether tax laws or other federal statutes have been violated," said GAO Director Phillip S. Hughes.

"Our report does not provide a basis for asserting that any of the individuals involved violated the law," Hughes said, but he added that the pledges were "highly unusual."

The pledgers were reported under the Federal Election Campaign Act as contributions made by Texas real estate millionaire Walter T. Duncan, who is currently under indictment along with five other men for conspiracy to make false statements in obtaining a \$3.15 million bank loan in 1971.

The GAO report says there is a question as to who actually made the \$300,000 in contributions to Humphrey's campaign chest and another \$305,000 to the Committee to Re-elect the President that was attributed to Duncan.

GAO's investigation covered two contributions made to the Humphrey campaign

in 1972, which actually were the proceeds from two short-term loans guaranteed by other individuals on Humphrey's campaign staff

Duncan has never paid the interest or principal on the first loan for \$100,000, which has cost Humphrey's campaign staff \$20,000 to date, GAO says.

The second loan for \$200,000 was settled out of court when Duncan gave Dwayne O. Andreas, board chairman of a large soybean enterprise in Minneapolis who put up \$400,000 in stocks as collateral for the loan, a deed of trust on certain Texas real estate holdings, said GAO.

Duncan's pledge of \$305,000 to President Nixon's campaign committee was in the form of a note endorsed by the treasurers for the Republican National Finance Committee and the Finance Committee to Re-elect the President. Duncan was later released from this commitment at a cost of \$11,000 to the Committee to Re-elect the President, the GAO report states.

"The circumstances where the beneficiary of a contribution would in effect guarantee its own loan for that contribution seems highly unusual," said Hughes. "I think this whole series of events shows the need for better regulations covering disclosure of this kind of transaction."