

Probers Focus on '72 Money Deals

Washington

A Florida homebuilder testified yesterday that Nixon re-election officials promised to solve his legal problems with the Federal Housing Administration in exchange for a \$100,000 cash campaign contribution.

The builder, John J. Priestes, was called to testify as the Watergate committee left its investigation of "dirty tricks" to go into a new phase—the role of money in the 1972 election.

Priestes, of Coral Gables, told the Senate Watergate committee that he discussed the deal with former Commerce Secretary Maurice H. Stans but that it fell through after Priestes was told the re-election committee had been unable to help him.

Stans was chairman of President Nixon's finance re-election committee.

In a statement read into the committee record, Stans denied that any favors were ever arranged for Priestes and all contracts with him were dropped when Nixon administration officials reported Priestes' background was not "clean."

MEETING

Stans did confirm some aspects of Priestes' testimony, including the homebuilder's account that he met with Stans and that Stans told him a check for the Nixon committee was made out improperly.

Two days after meeting with Priestes, Stans said, he was told by a Housing Department official that further contact with Priestes would not be appropriate.

TROUBLE

Stans said that he advised adies to drop further contacts with Priestes and that

SFChronicle NOV 8 1973 Watergate Sentencing

Washington

Six of the men whose bungled midnight break-in of Democratic party headquarters set off the dramatic chain of events known as Watergate will be sentenced tomorrow.

U.S. District Judge John J. Sirica, who accepted the guilty pleas of five of them and presided over a jury trial for the sixth, turned down a last-ditch series of motions yesterday and set 10 a.m. tomorrow for the sentencing.

Associated Press

no money ever was received from the builder nor were further meetings held with him.

Priestes, who had built about 600 low-cost houses with FHA assistance, said he was in trouble with the agency for registering under a factitious corporate name.

He testified that Ben Fernandez of the Hispanic Finance Committee to Re-Elect the President approached him in February, 1972, and offered to fix his problems for \$100,000.

Priestes said he was to give \$25,000 down, another \$25,000 in a meeting with Stans in Washington and the balance of \$50,000 after Stans talked to Housing Secretary George Romney and an FHA suspension against him was lifted.

ITT

Priestes said he borrowed \$25,000 in the form of a check made out to the Republican National Commit-

tee and took it to a meeting with Stans at the re-election committee headquarters in Washington in mid-March.

When he arrived in Washington, Priestes said, newspapers were reporting that International Telephone & Telegraph Corp. had pledged \$200,000 to the Nixon campaign.

"I thought it was unfair that one of the biggest corporations paid \$200,000 and I had to pay \$100,000," Priestes testified.

"I told Fernandez so. He said ITT's was really \$400,000 and my contribution would be \$50,000" — \$25,000 to meet Stans and \$25,000 when the FHA trouble was taken care of.

Priestes said he met with Stans and Fernandez and took along a scrapbook of newspaper clippings about his problems with the FHA. He said Stans spent about 15 minutes reading through the scrapbook while he explained his problem.

CHECK

Fernandez had promised that as soon as Priestes gave Stans the money, Stans would pick up the phone and call Romney, the homebuilder said. But Stans took the check and didn't make the call, Priestes said.

Priestes said he asked Stans about calling Romney and Stans said he would make the call later and would return the check if Priestes' problems couldn't be solved.

Priestes said he told Stans the only reason he was making the contribution was to get help with the FHA. He added that Stans noted that the check "was made out to the wrong committee" and suggested that Priestes get smaller checks signed by people with Spanish surnames or a new check made



AP Wirephoto

JOHN PRIESTES
Florida home builder

out to the re-election committee.

Stans said he did not want Priestes' name to appear on the check and that final payment had to be made before the new campaign reporting law went into effect on April 7, 1972, Priestes said.

MINORITIES

Earlier, William Marumoto, a former White House aide, testified that politics played a big role in deciding who among minority groups would be given government jobs and grants. He argued such activity wasn't illegal.

Marumoto said that while he was at the White House he tried to win \$61 million in grants for Spanish-speaking groups through nine government departments and agencies. He said he never kept track of the success of his program.

He acknowledged sending weekly "brown Mafia" reports to former White House Special Counsel Charles W. Colson on who was receiving grants, contracts and appointments.

A.P. & U.P.