

Rebozo Trail Leads to Switzerland

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Congressional investigators have traced a curious cash flow through presidential pal Bebe Rebozo's Key Biscayne bank in 1970-71.

The trail leads to Switzerland, where money can be hidden in numbered bank accounts.

As part of the investigation into President Nixon's tax returns, the Joint Congressional Committee on Internal Revenue Taxation has checked a number of accounts in Rebozo's bank. It has taken lengthy statements from Rebozo.

Elaborate charts, covering two large desk tops, have been prepared showing how mysterious cash sums were routed through the bank, our committee sources say. The investigators have not established that Rebozo himself has a secret Swiss bank account. But a committee investigator will fly to Paris and Geneva in an attempt to follow the flow of cash to Switzerland.

We were unable to reach Rebozo for comment. But he has denied to committee investigators that he has been involved in any improper cash transactions. The investigators are trying to

determine whether the sudden movement of cash through the Rebozo bank in 1970-71 is linked to efforts to raise money for the President.

It has now been established, for example, that the \$100,000 cash gift from billionaire Howard Hughes was delivered to Rebozo in 1970. We have also traced at least two other smaller cash contributions to Rebozo, who was not an authorized Republican fund raiser. He has insisted, nevertheless, that the contributions were intended for the President's political campaigns.

Both Chairman Russell Long (D-La.) and Co-Chairman Wilbur Mills, (D-Ark.) have agreed that the committee should establish only how much more taxes the President owes and should not make any judgments about possible tax fraud.

Footnote: The committee staff members are amazed at the number of petty tax deductions Mr. Nixon claimed. Apparently, it was his policy to claim a deduction for even the most doubtful items.

In contrast, the staff advised Gerald Ford, before he became Vice President, that he could

take a deduction for an item he questioned. Later, the IRS challenged the deduction. "If there is the slightest question about it," staff members recall Ford saying, "I would prefer to pay." He immediately wrote out a check for the amount rather than contest it.

Political Prosecutions—In the wake of Watergate, federal prosecutors suddenly have started pouncing upon politicians. From Oklahoma to Missouri, top political figures have come under intense federal investigation.

The latest victim is the legislative assistant to Rep. Fred Rooney (D-Pa.), a young man named William Kovacs who simply carried out the congressman's orders. He filed a suit to free impounded sewer and water funds on behalf of five townships in the home district.

For filing this mandamus action, the young assistant has now come under criminal investigation. Assistant Attorney General Henry Petersen notified Rooney in a Feb. 19 letter that the Justice Department "has initiated an investigation to determine whether your legislative assistant, William Kovacs, has violated" the law.

It's true that the law prohibits government employees from acting as agents or attorneys in cases against the government. But an exception is made for an employee who acts "in the proper discharge of his official duties."

The criminal investigation, meanwhile, has effectively blocked the impoundment case.

After repeated unsuccessful efforts by Kovacs' attorney to arrange a meeting with Justice Department officials, Rooney put through a personal call to Petersen.

The congressman's notes on the conversation quote Petersen as saying he is "waiting for the facts" and doesn't want "to make any conclusions at this time." Rooney also quotes Petersen as wishing to check out the technicalities of the "god-damn statutes."

Petersen told us he did not recall his exact words but said "I'm not responsible" for what the law says. He hoped the matter would be resolved shortly, he said. Meanwhile, he stressed, it was "not the intent" of the probe to interfere with the lawsuit.

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