

SEC Suit Over Campaign Funds

Washington

The American Ship Building Co. and its chairman, George M. Steinbrenner III, were charged in a Securities and Exchange Commission suit yesterday with failing to report illegal campaign contributions.

The SEC suit, filed in federal district court, charges that more than \$120,000 in corporate funds have been illegally spent for political campaigns and other non-corporate purposes and that these funds were disguised in company books.

Steinbrenner, majority owner of the New York Yankees baseball team, was indicted by a federal grand jury in Cleveland two weeks ago for allegedly contribut-

ing corporate funds to the campaigns of President Nixon and influential members of Congress.

An SEC attorney said the SEC suit resulted from an independent investigation and was not directly related to the Cleveland grand jury action.

The SEC alleges that the expenditures were made during the period from September, 1970, to present.

The SEC asked the court to force Steinbrenner to repay the company all corporate funds used for political campaigns and other unauthorized purposes.

Federal laws prohibit expenditure of corporate funds for political purposes.

Associated Press