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Washington Post Staff Writer By Walter Pincus

in the 1972 campaign. million and spent \$56.1 million organization that raised \$60.2 Elect the President, the Nixon the Finance Committee to Re-Internal Revenue Service has been auditing the records of Since early this year, the

position on all adjustments proposed," the resulting tax According to a report filed with the Federal Election the trust. to the total current assets of \$1.5 million—an amount equal "if IRS is able to sustain its the Nixon finance committee, the successor organization to Campaign Liquidation Trust Commission by The 1972 nability could run as high as

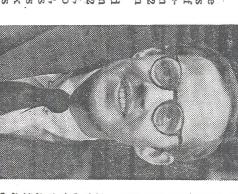
... target of lawsuit JOHN W. DEAN III

he was fired by President John W. Dean III. The funds former White House Counsel also disclosed that a lawsuit had been brought by the election commission filing Dean in April, 1973, at the time The trust's most recent audit and an IRS spokesman discuss the specifics of the trust. Trust lawyers refuse to the IRS and lawyers for the the subject of discussions preliminary audit, which has any investigation beyond a said regulations prohibit any between the national office of been completed, is currently The scope and direction of

sought represented

trustees to collect \$15,200 from

campaign fund cash held by



ing 72 Nixon Finance Col

comment about audits.
Historically, the IRS has not required political parties or campaign organizations to file campaign gifts began to raise parties in receiving aphowever, the practice of both tax returns. In the fall of 1972, tax questions. preciated corporate stock as

campaigning would not be appreciated stock. In addition, expenses not would tax income gained from committees to file returns and associated with the sale of property such as nounced in August, 1973, that it deductible. would require political After a study, the IRS anpolitical

deductible campaign exthat could not be considered Watergate burglars—funds be over \$400,000 in alleged the donors. Also at issue may mittee with no tax liability to the campaign finance comas contributions and sold by derived from contributions. penses though they hush money paid to in appreciated stock received may be several million dollars At issue in the Nixon audit the

> of the national finance com-mittee, audits of many 1972 Nixon state campaign com-

In addition to the main audit ...listed as consultant MAURICE H. STANS

Oct. 1

mittee." Republican National Comsame time for services rencapacity Stans was paid \$2,175 in August. Stans also was discussions dered on "trust lawsuits and listed as receiving \$1,500 at the campaign, as a consultant on finance chairman of the Nixon Maurice H. Stans, former federal tax matters." In that In its report, the trust listed with the

role in the Watergate coverfederal prosecutors about his he was beginning to tell in his Executive Office The trust lawsuit against Dean was filed in 1974 and by Building office safe at the time Shaffer, Dean had the money resolution. According to May, 1975, appeared ready for Dean's lawyer, Charles

After restoring \$4,800 that he used from the \$15,200 to Dean and Shaffer took the help finance his honeymoon

employment taxes.
The trust's filed report

been required to pay back

completed and

several have

mittees have already been

disclosed IRS assessments

totaling \$73,000 have been

Connecticut, Ohio and Georgia made this year covering \$2,025.40 had been paid as of committees, though only

him and Dean from any release is signed protecting turther legal action. money over to the trust once a he was prepared to turn the Shaffer said yesterday that

The debts totaling \$650,000. The Sept. 30, 1975. Against that amount, however, it showed some \$1.5 million on hand as of \$200,000. trust has already paid the firm volving Robert Vesco. The General John N. Mitchell in the bribery-perjury case indefended former Attorney owed to a New York law firm. largest of these is \$271,390 The trust report showed firm successfully

prosecutors who photocopied each bill' Thereafter the Maryland bank where it is today. account in a suburban money was put in a checking Thereafter the the federal

Watergate cases. the bulk of that for time spent totaling \$108,000 covering Stans owed two Washington in connection listed as being owed \$31,100 attorney fees on behalf of law firms. Stans himself is The trust also lists debts With