

Funds: Improper Handling Of \$11,500 Is Denied

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Vice President-designate Gerald R. Ford yesterday disclaimed any possible impropriety in the handling of \$11,500 in campaign contributions made by special-interest groups to his House re-election race in 1970.

The Minority Leader told reporters that "the checks were made out to me," that he contributed the money to other candidates, and that the matter "should be gone into fully" at his confirmation hearings.

Rep. Ford did not report the contributions in filings made by the Ford for Congress Committee, of which he was treasurer.

Under the Corrupt Practices Act of 1925, Ford swore that the contributions listed by the committee—exclusive of the \$11,500—constituted "a correct and itemized account of each contribution received by me or by any person for me with my knowledge and consent."

The Associated Press reported in February, 1971, that Ford sent the \$11,500—in the form of five checks

that he endorsed—to the Republican Congressional Campaign Committee in Washington in a 10-day period before and after the November, 1970, elections.

Soon thereafter, a GOP fund run by the same person who operated the congressional unit sent \$12,233 into Ford's district in Michigan to pay campaign bills incurred by an advertising agency, a printing firm and two satellite Ford re-election committees.

In a 1971 interview about the episode, which was not investigated by the Justice Department, Ford told James R. Polk of the Associated Press that "my action was within the law."

Then, and again yesterday, Ford flatly denied that he had used a pass-through or "laundering" process.

"It was not planned" that the \$12,233, even if "reasonably similar" to the \$11,500, be sent to pay bills in Grand Rapids, Ford said yesterday. "There was abso-

See FUNDS, A11, Col. 1

FUNDS, From A1

lutely no connection between the two."

The congressman said the reason for sending the \$11,500 to Washington was that the Ford for Congress Committee already had received all that was permitted under Michigan law, \$10,500. Consequently, he said he wanted the surplus to go to other candidates.

The Securities Industry Campaign Committee, which raises money on Wall Street, contributed \$5,000 of the \$11,500. Oil tycoon John M. Shaheen, listed for \$104,000 in contributions to President Nixon's re-election drive, gave \$3,000.

The Bankers Political Action Committee, now known as Bank-PAC, gave \$2,000. A Michigan physicians' fund gave \$500. A union based in Kansas City, Kan., the Boilermakers-Blacksmiths, gave \$1,000.

Although the only issue raised about all of this was disclosure, Ford emphasized

yesterday that "there was never anything that went into my own pocket" or for "aggrandizement."

For his re-election campaign last year, Ford relied in part on a secret District of Columbia committee. Under the Corrupt Practices Act, it was not required to

make any public disclosure of income and expenditures.

The existence of this unit was disclosed by Ford in a report filed under a successor law, the Federal Elections Campaign Act, for the period April 25, 1972, thru May 31, 1972.

Ford said in the report that the "Committee to Re-Elect Jerry Ford, P. O. Box 2014, Washington, D.C. 20013," had contributed \$38,216.61 to the Ford for Congress Committee.

By last Jan. 4, this unit's grand total of contributions was \$78,140.69, including the infusion from the secret committee, which is now defunct.

Ford's drive to raise money before the new disclosure law took effect April 7, 1972, was headed by James G. Morton, director of government relations for the Manufacturing Chemists Association and an Assistant Secretary of Commerce in the Johnson administration, the Washington Star-News said yesterday.

Also by January, the congressman's second fund-raising unit, the Friends of Jerry Ford Committee, had received an additional \$15,252.

The leading publicly disclosed contributors included:

- Two political funds of the Marine Engineers Beneficial Association, AFL-CIO, \$7,500.

- One of the three dairy industry committees that together contributed \$422,500 to President Nixon's re-election bid, \$4,000. This donation was reported by the contributor, the Committee for Thorough Agricultural Political Education, and apparently was made to the now-defunct secret D.C. committee.

- Walter Erman, Chicago businessman, \$3,500.

- Oil man Shaheen, \$3,000.

- Joseph M. Segel, president of the Franklin Mint and a contributor of \$111,601 to the Nixon drive, \$2,546.

- Richard M. Scaife, an heir to the Mellon industrial and banking fortune whose \$1 million gift to Mr. Nixon made him the President's second-largest donor, \$2,500.

- Grand Rapids banker Edward J. Frey (who gave the President \$102,000), \$2,000.

- The Teamsters' Drive: None of 15 legislators who got a total of almost \$6,000 from American President Lines and Pacific Far East Lines was named when the two firms pleaded guilty on Feb. 6, 1970, to having contributed the money illegally from corporate treasuries.

In September, 1970, however, the AP identified the recipients as members of the congressional committees that control the flow of huge maritime subsidies, plus Ford and the late House Majority Whip, Hale Boggs.

Columnist Jack Anderson said in January, 1970, that lobbyist Robert N. Winter-Berger was operating out of Ford's office. Anderson said Ford had told him that some "routine" inquiries, the kind "any congressional office would have done," were made for Winter-Berger by his administrative assistant, Frank Meyer.

Last year, Winter-Berger published "The Washington Pay-Off: A Lobbyist's Own Story of Corruption in Government," a book filled with allegations about numerous Washington politicians.

He said that in 1966 "I paid a friend \$500 in cash for a personal introduction" to Ford. Later, the friend, known professionally as Alice Weston, told columnists Rowland Evans and Robert Novak, that Winter-Berger "did not pay me one penny."

After the book came out, Ford denounced specific allegations in its as "baloney," "hogwash," "ridiculous," "fabrications" and "innuendoes."

His Democratic opponent last year used little of the

Ford material in the book because, said A. Robert Kleiner, Democratic chairman in Ford's congressional district, Winter-Berger indicated at the end that "he considers Jerry one of the most honest congressmen he knows."

Yesterday, Ford said that if there is a congressional inquiry into Winter-Berger's charges he would be glad to discuss them.

Winter-Berger, in the book, said Ford was "the

only congressman who told me outright not to give presents of any kind to him or to his staff." He also said that "each favor Ford did for me involved a contribution by my client, but nothing directly to Ford."

Anderson, in a July, 1972 column, said Ford could recall to him having helped a Winter-Berger client only once, in a "meritorious" immigration case. But the columnist said he uncovered "several cases in which Ford

went to bat for Winter-Berger's clients."

Anderson said he also found that Winter-Berger made campaign contributions in ways that could be of "direct help to Ford," although none of the donations went to him.

"Ford's principal help to Winter-Berger was the use of his office," Anderson said. "This enabled the lobbyist to impress his clients with his friendship with Ford."