

# Nixon Fund Laundering Told

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An accountant for the Nixon re-election organization has described in a sworn deposition how he laundered about \$11,000 in committee funds, which he then returned to the committee in cash and in checks used to secretly supplement a campaign employee's income.

Accountant Henry M. Buchanan, a brother of White House aide Patrick Buchanan, described how his firm set up a special bank account, which disguised the identity of committee funds, some of which were converted to cash for unknown uses.

Buchanan's handling of campaign committee funds and records have become an issue in contempt of court proceedings brought by

Common Cause against Maurice Stans, chairman of the Finance Committee to Re-elect the President.

Common Cause, a non-profit public interest lobbying group, contends that Stans violated a court order requiring him to turn to Common Cause all the committee's records of receipts and expenditures.

Stans had agreed to turn over the records as part of proceedings in a lawsuit in which Common Cause contends that the Nixon campaign committee illegally failed to make public reports of its receipts and disbursements prior to April 7, 1972.

Buchanan, in describing the work done by his accounting firm for the campaign organization in 1971, said:

- His special bank account was used to pay five checks to a committee employee who he was told was not earning what he deserved because of jealousies within the campaign organization.

- His special bank account was used to draw cash on 10 occasions and totalling \$5,132 which he sent by messenger to the committee.

- Stans questioned him in late October, 1972, whether any of the money had been paid to H.R. Haldeman, then White House chief of staff, or to Donald Segretti, who has been charged with undertaking political sabotage for the re-election committee.

- Stans, in a long distance telephone call to Buchanan in Florida on April 20, 1973, told him to bundle up his records, including those of the secret bank account, and deliver them to Stan's attorney. Instead, Buchanan received a subpoena for the records on April 21 and turned them over to the federal district court.

Common Cause is expected to contend that Stans had knowledge of the records and bank account from a meeting he had with Buchanan in late October or early November, 1972, but failed to turn them over as provided by a No. 1, 1972, court order. Stans telephoned asking for the records in April, the day after Common Cause Chairman John Gardner told Stans he was violating the court order by failing to turn over all his records.

Buchanan said his accounting firm was hired to do work for the initial

Nixon campaign organization during a period from March to December, 1971. He said he worked for Jeb Magruder, who later became the deputy campaign director, and for Hugh Sloan, the first campaign treasurer.

Buchanan said he set up the special bank account at a bank near his Bethesda, Md., office at the request of Sloan.

Buchanan said committee funds were deposited in the bank account, and that he then signed checks or got cash out of the bank account at the direction of Magruder.

On one occasion, Buchanan said he followed orders to get \$24 in cash from the Bethesda bank account, and then spent \$5 sending the cash by messenger to Magruder's downtown office. Other similar cash deliveries ranged in size from \$200 to \$1,450.

Common Cause attorneys asked Buchanan whether he did not consider it strange that he should be asked to go a half-mile to a bank to get \$24 to send eight miles by messenger to the committee headquarters at 1701 Pennsylvania Ave., when the committee could have used a bank one floor below its offices.

Buchanan said he had set up similar bank accounts for other clients and did not consider this practice unusual, but that he became nervous about the cash transactions.

"When it got to the cash," said Buchanan, "I said, 'Wait a minute Buchanan, what are you doing? I said, 'think it through; are you committing any impropriety,' but I couldn't think

of any, so, I never knew what this money was used for."

One receipt in Buchanan's records indicates that \$200 of the money was given Kenneth S. Reitz by Magru-

der in September, 1971. Reitz, at that time, was forming a youth-for-Nixon organization that was later alleged to have been involved in sabotage aimed at Democratic candidates.