

GAO Says Nixon Funds Unit Violated Spirit, Intent of Law

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The General Accounting Office said yesterday that President Nixon's campaign organization violated "the spirit" and "clearly the intent" of the election-financing disclosure law in its handling of more than \$1 million contributed just before the November election.

But the GAO recommended against referring any of the apparent violations to the Justice Department because neither the year-old law nor its legislative history nor the GAO's implementing regulations were "sufficiently explicit."

Later in the day, the Finance Committee to Re-elect the President said through spokesman Devan L. Shumway that the GAO had "cleared" it "of any violations of the law." Told of the claim, Phillip S. Hughes of the GAO's Federal Election Office laughed.

All of the contributions in question were made in the 12-day period between Oct. 26, the last day of the final pre-election reporting period, and the Nov. 7 election.

Among the contributors were two dairymen's groups that together gave \$45,000; the Lockheed Employees' Good Citizenship Group of Burbank, Calif., \$15,000; the political committee of the Seafarers' Union, \$100,000; Meshulam Riklis, a previous major backer of Sen. Hubert H. Humphrey's presidential bid, \$150,000; and William Levitt, head of a construction subsidiary of International Telephone & Telegraph Corp., \$102,000.

The elections office, which is planning to tighten the existing rules, also reported apparent violations by the campaign organization of Democratic presidential candidate George McGovern. These involved a relatively small sum in contributions, \$78,000. The GAO recommended against re-

ferral to the Attorney General.

The Federal Election Campaign Act requires that any contribution of \$5,000 or more received after the last pre-election report is filed "shall be reported within 48 hours after its receipt."

When does "receipt" occur? When the contribution is received by the political committee, the GAO says. The Nixon finance committee, however,

contends that the 48-hour period does not begin to run until the committee passes the gift along to its treasurer.

"We do not agree," the Hughes report said. The GAO also rejected the committee's argument that 48-hour reports are not required if contributions are made in the 48 hours immediately preceding the election.

Hughes noted that finance committee records did not show the date when it received contributions, which were not date-stamped upon arrival. The committee conceded that the posting of contributions "was often delayed by the pace of operations, especially during the final days of the campaign," the GAO said. Committee spokesman Shumway said it "has sought to observe the requirements of the law."

In the Lockheed case, the finance committee received and acknowledged a hand-delivered check for \$15,000 on Nov. 3, posted the gift on election eve three days later, but did not report it to the GAO until after the election.

The Seafarers' \$100,000, delivered on Nov. 6 and posted the next day, was not reported to the GAO until Jan. 31, the agency said. The contribution was made several weeks after the Justice Department decided not to appeal a dismissed prosecution of the union begun under the old campaign financing law. An \$11,000 gift from a Texas Team-

sters' Union committee was delivered just before or after the election, but was not posted until Nov. 12.

Some large gifts were divided up among numerous committees, so that each share would be under the \$5,000 covered by the 48-hour rule, the GAO said.

Meshulam Riklis, head of the Rapid-American Corp., told the committee that his \$150,000 was to be allocated among 50 committees, so that each contribution of \$3,000 would be exempted from gift taxes.

Numerous others whose large pre-election gifts were not disclosed until after the election did the same. The GAO renewed a protest to the Internal Revenue Service against a ruling permitting the practice: