

Northrop's Illegal Gifts Are Detailed

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Northrop Corp. made illegal cash contributions of some \$250,000 over a period of a decade to a wide range of Democratic and Republican political figures, many of whom were in a position to influence the defense contractor's business, documents on file with the Securities and Exchange Commission show.

The first detailed accounting of the illegal payments shows those who received contributions included Rep. Charles H. Wilson (D-Calif.), a member of the Armed Services Committee; Sen. Alan Cranston (D-Calif.), a member of the Budget Committee; and the late Sen. Richard B. Russell (D-Ga.), who headed the Armed Services Committee.

Other sums went to Presidential contenders, including Richard M. Nixon, Sen. Henry M. Jackson (D-Wash.), and Sen. Hubert H. Humphrey (D-Minn.), the documents show.

In addition to the contributions that violated federal law, substantial cash contributions went to political figures in California, where the large defense firm is based.

It is unclear whether these payments might have violated state laws.

A Northrop spokesman in Los Angeles had no comment.

The accounting of the payments is made in a report prepared for Northrop directors by Ernst & Ernst, a major national accounting firm. Although the report was filed with the SEC last year, officials involved in the case said its breakdown of where the illegal money was spent has not previously been publicly reported.

The SEC and the Senate Foreign Relations Committee's Subcommittee on Multinational corporations have been investigating Northrop contributions since the Watergate special prosecutor's office charged the firm with illegally contributing \$150,000 to Pres-

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ident Nixon's 1972 re-election campaign.

Most of the \$150,000 was not included in the Ernst & Ernst accounting.

Last year, Northrop and its chief executive, Thomas V. Jones, pleaded guilty to felony charges in connection with the contributions. They were each fined \$5,000, and a Northrop vice president, James Allen, was fined \$1,000.

Last month, the SEC charged in a civil complaint filed in U.S. District Court here that Northrop improperly disbursed or proposed to spend \$30 million in funds disguised as consultants' fees and other charges.

An unknown portion of

these payments went to political coffers, the SEC said. The recipients of the payments were not mentioned in the SEC complaint.

Most of the political contributions were funneled through a European consultant, William Savy, the Ernst & Ernst report said.

While payments to Savy were listed on Northrop's books as consulting fees, substantial portions of the money were returned to Northrop and disbursed in cash to political candidates by Allen, the Northrop vice president, according to the Ernst & Ernst report.

Savy and Allen are no longer with Northrop. Jones continues as chairman and president but plans to give up the presidency.

In a letter to the accounting firm last October, Wilmer, Cutler & Pickering, a law firm retained by Northrop directors, stated that some \$250,000 of \$338,000 contributed for political purposes by Northrop from 1962 through 1973 violated the Federal Election Campaign Act of 1971.

The letter does not say whether all of the illegal contributions were made after the act was passed. It states that the law firm's opinion is based only on the 1971 law, indicating that no determination was made on whether the payments might have violated other laws.

Among the contributions listed for federal candidates were a total of \$6,175 to Sen. Humphrey in 1966 and 1968;

\$26,200 to Sen. Cranston for the years 1966, 1968, 1972, and 1973; a total of \$2,350 to Rep. Wilson in 1966, 1971, and 1973; \$1,000 to Sen. Russell in 1966; \$250 to Sen. Mike Mansfield (D-Mont.) in 1964; \$250 to former Sen. Thomas H. Kuchel (R-Calif.); \$1,000 to Sen. Jackson in 1972; and \$2,000 to Sen. John V. Tunney (D-Calif.) in 1970.

Payments of \$20,000 were made between 1962 and 1973 to Eugene Wyman, a California Democratic fund raiser who died in 1973.

Among California politicians, Northrop paid \$800 in 1970 to Edmund G. (Gerry) Brown Jr. when he was running for secretary of state; \$1,085 to California Treasurer Jess Unruh (including use of a

helicopter); a total of \$12,000 in 1969 and 1970 to former Sen. George Murphy (R-Calif.); \$5,000 in 1966 to former Gov. G. (Pat) Brown, and \$6,000 in 1970 to a dinner for Gov. Ronald Reagan and his running mate.

A spokesman for Sen. Humphrey said yesterday that campaign records for the 1968 period were not available in the senator's office. The spokesman said the Oct. 10, 1968, contribution of \$1,000 to the Humphrey for President dinner was in the period when the Democratic National Committee was in charge of the financing of the campaign.

Vincent Clephas, spokesman for the Democratic National Committee, said, "We at present have no knowledge of how this money came in."

Walter Skallerup, treasurer of the Jackson for President Committee, said his records reflected that Allen made a \$1,000 contribution to the 1972 committee. Skallerup added that the committee had "no idea whatsoever" that the money originated with the Northrop firm.

Holmes Tuttle, California Republican fund raiser, said in a telephone interview that the \$30,000 he received from Northrop for use in state election campaigns was legal under California law, which allows corporate campaign gifts.

Other recipients of Northrop payments could not be reached for comment yesterday.