

Spy Funds Linked to GOP Aides

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Funds for the Watergate espionage operation were controlled by the principal assistants of former Nixon campaign manager John N. Mitchell and were kept in a special account at the Committee for the Re-election of the President. The Washington Post has learned.

The Mitchell assistants, all of whom still hold policy-making positions on a high level in President Nixon's re-election campaign, were among 15 persons who had access to the secret fund of more than

\$300,000 earmarked for sensitive political projects.

Included in those projects was the espionage campaign against the Democrats, for which seven persons—including two former White House aides—were indicted Friday by a federal grand jury.

It could not be learned whether the Mitchell aides, who include persons who once worked at the White House, knew that funds would specifically be expended for the purpose of illegal electronic surveillance. However, associates told The Post that the aides were aware that the money would be spent generally on

gathering information about the Democrats.

A spokesman for President Nixon's re-election committee, informed of The Post's story, said late yesterday afternoon that "there have been and are cash funds in this committee used for various legitimate purposes such as reimbursement for expenditures for advances on travel. However, no one employed by this committee at this time has used any funds (for purposes) that were illegal or improper."

The Post's information about the funds and their relationship to the Watergate case was obtained from a variety of

sources, including investigators, other federal sources and officials and employees of the Committee for the Re-election of the President.

The \$300,000 fund also was used for travel and entertainment that campaign officials did not want known outside the campaign organization. One source said the money was in part used for routine and legal intelligence gathering about Democrats.

The fund was kept in the safe of former Secretary of Commerce Maurice H. Stans, the chief Nixon fund-raiser. It is presumably the same money

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that the General Accounting Office cited in an Aug. 26 report as a violation of the new campaign disclosure law, because it had not been properly accounted for. The GAO, the investigative arm of Congress, said the fund contained \$350,000.

Sources said that Stans had no previous knowledge of the Watergate bugging—a position he has taken in public on numerous occasions, though he has not answered reporters questions directly.

Only one accounting of the special fund—a single piece of lined ledger paper listing the names of 15 persons with access to the money and the amount each received—was

maintained. It was purposely destroyed shortly before April 7, the date that the new campaign finance law requiring detailed accounting of election funds took effect, the sources told the Post.

A spokesman for the Nixon re-election committee denied late yesterday that such a list ever existed.

On the day it was destroyed the list showed that the largest individual sums of money were distributed to a handful of campaign aides closest to Mitchell, then still the President's campaign manager.

Mitchell resigned that post on July 1, saying it was because his wife, Martha, insisted he leave politics.

She said at the time that "I love my husband very much,

but I'm not going to stand for all those dirty things that go on." The former Attorney General has repeatedly denied any knowledge of the Watergate bugging.

The Mitchell aides who received money from the secret account include individuals who reportedly were sent confidential memos containing information obtained from a tapped telephone at Democratic headquarters.

The names of those Mitchell aides also appear in an account of the espionage operation told by Alfred Baldwin, a self-described participant in the Watergate affair who has been interviewed by both the FBI and lawyers for the Democratic Party.

Baldwin reportedly was

granted immunity from prosecution in the Watergate case, in exchange for telling the federal grand jury his version of the espionage conspiracy. He has described himself as a former FBI agent who was hired as a security guard for Martha Mitchell and subsequently was assigned to monitor conversations intercepted from the telephone of a Democratic official with offices in the Watergate.

Yesterday the FBI said the only agent who ever worked for the Bureau with the same name is Alfred C. Baldwin III, age 37, who was an agent from 1963 to 1965. Meanwhile, a spokesman for the Nixon re-election committee confirmed that an Alfred Baldwin "worked briefly" as a security guard for Mrs. Mitchell, though his name does not appear on the committee's payroll.

In his account to the Democrats, Baldwin said that one of the men indicted Friday in the Watergate case — James W. McCord Jr., the former security coordinator of the Nixon re-election committee—sent memos and transcript of the bugged conversations to a White House aide and several high officials in the Nixon campaign — including the Mitchell aides.

According to Baldwin's account, McCord brought him into the espionage operation as a wiretap monitor on May 10 or 11 and told him that he would be assigned the same task in Miami during the Democratic National Convention.

Baldwin also said he was assigned by McCord to infiltrate Vietnam Veterans Against the War for the purpose of "embarrassing the Democrats" if the veterans demonstrated at the Republican convention.

The secret fund that supplied the money for Baldwin's Watergate activities and other aspects of the intelligence-gathering campaign was managed by the "political side" of the Nixon re-election committee—that part directly under Mitchell's control—but physically kept on the financial side, headed by former Commerce Secretary Stans.

In some cases, individual aides to Mitchell received nearly \$50,000 from the secret account. Except for ex-White House aide G. Gordon Liddy, the former finance counsel of the Nixon campaign who was indicted in the Watergate Friday, no other officials of the finance operation are known to have obtained money from the account.

The actual distribution of money from the fund to the

intelligence operation was described to The Washington Post as being an "extremely complex transaction." It was designed to eliminate the possibility of tracing any of the funds to their original source—thought to be campaign contributions—or to reveal the point of distribution in the Finance Committee for the Re-election of the President.

In the interest of secrecy only one person was assigned to maintain the single-sheet list of transactions. Usually, the money was distributed by Liddy, the sources said.

Besides the Mitchell aides "very few people" knew that the funds were used for intelligence-gathering and political espionage, according to one source. However, others at the Nixon committee knew of existence of a secret fund earmarked for sensitive political projects.

On June 18, "when we read about the Watergate break-in in the papers," said another source, "we put two and two together."