

Nixon Campaign Aides Named

Secret Fund Tied to Intelligence Use

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By Carl Bernstein
and Bob Woodward

Washington Post Staff Writers

Two of President Nixon's top campaign officials each withdrew more than \$50,000 from a secret fund that financed intelligence gathering activities against the Democrats, according to sources close to the Watergate investigation.

The two officials, both former White House aides, are Jeb Stuart Magruder, deputy director of the Committee for the Re-election of the President, and Herbert L. Porter, scheduling director of the committee.

Until April 1, when he was succeeded by former Attorney General John N. Mitchell, Magruder was acting manager of

President Nixon's re-election campaign. Previously, he was deputy to White House communications director Herbert G. Klein. Porter is a former staff assistant to President Nixon.

In addition to the money withdrawn by Magruder and Porter, more than \$50,000 was withdrawn from the same secret fund by G. Gordon Liddy, the former finance counsel of the Nixon re-election committee and former White House aide, sources said. Liddy was among seven men indicted by the federal grand jury Friday on charges of conspiring to bug the headquarters of the Democratic National Committee inside the Watergate.

There is no indication that the money allegedly with-

drawn by Porter and Magruder was used directly to finance the Watergate bugging.

Magruder said yesterday it is "absolutely untrue" that he received any such funds. "I only received my salary and expense account," he said.

He acknowledged that government investigators had been told that he received \$50,000 from this fund. "I was questioned about it, but it was discarded . . . and agreed by all parties that it is incorrect," Magruder said in a telephone interview.

A Nixon committee spokesman, Powell Moore, said Porter could not be reached for comment on the report that he also received in excess of \$50,000 from the fund.

Moore went on to say that

any use of cash funds by Nixon committee officials has been and is only for legal and proper purposes.

The fund from which Liddy, Magruder and Porter withdrew the money was earmarked for especially sensitive political projects — including gathering information about the Democrats — and totaled well in excess of \$350,000, according to sources.

Although there is no known direct tie to the bugging, the withdrawals indicate that top officials of the Nixon campaign were deeply involved in at least the financing of widespread intelligence-gathering operations against the Democrats.

Meanwhile, it was learned that the Nixon committee of-
See WATERGATE, A4, Col. 1

WATERGATE, From A1

official assigned to disburse money from the secret fund—former campaign treasurer Hugh W. Sloan Jr.—resigned his post after the Watergate break-in because he "wanted no part of what he then knew was going on," in the words of one source.

The only record of the secret fund—a single sheet of lined ledger paper listing the names of about 15 people with access to the money and the amount each received—was destroyed by Nixon committee officials about April 7, according to sources. On that date the new federal campaign finance law, which requires detailed ac-

counting of all election funds, took effect.

About the same time, sources reported, Nixon committee officials also destroyed between five and seven ledger books, each about 1½ inches thick, listing all campaign contributions received before April 7, and the names of the donors.

The updated single-sheet accounting of the secret fund—along with the money—was kept in a safe in the office of former Secretary of Commerce Maurice H. Stans, the finance chairman of the Nixon campaign, the sources said.

The job of distributing the money and keeping a record of the transactions was assigned to committee treasurer Sloan, who cited "personal reasons" when he resigned July 14.

After the Watergate break-in of June 17, the sources said, Sloan said he didn't like what he saw going on and submitted his resignation.

Chief fund-raiser Stans

"begged him to stay, but he couldn't beg hard enough," according to one source. Stans could not be reached for comment. When Sloan resigned, Stans issued a statement saying Sloan was leaving for "personal reasons."

Sloan "left because he . . . didn't want anything to do with it," one source said. "His wife was going to leave him if he didn't stand up for what was right."

Sloan has refused to discuss the matter with reporters.

From various sources, including federal investigators and Nixon campaign officials and employees, the following picture of the secret fund has emerged:

It was established early in the Nixon campaign, probably in 1971, and immediately separated from all other accounting operations within the finance division of the Committee for the Re-election of the President. Though physically in the finance division, the fund was controlled by the political side of the re-election committee headed by former Attorney General Mitchell.

"Very few people knew about it," said one source, identifying them as "the 15 or so people on the list (ledger-sheet), John Mitchell's assistants, Hugh Sloan, Maurice Stans and one person who made the computations on an adding machine."

Among those who knew of the fund, sources said, it was common knowledge that the money was to be used for sensitive political projects that Nixon campaign officials wanted to remain secret.

The secret fund is presumably the same one that the General Accounting Office cited

in an Aug. 26 report as a violation of the new campaign disclosure law.

Putting the sum at \$350,000, the GAO, which is the investigative arm of Congress, said the Nixon committee failed to make the required public disclosure of receipts and expenditures from the fund.

The \$350,000 was deposited in a bank account May 25—more than six weeks after the new campaign disclosure took effect April 7, the GAO said.

The GAO said receipts and expenditures from the fund should have instead been publicly disclosed beginning April 7.

According to sources, the amount of money in the secret fund was changing constantly because of withdrawals and deposits and at one point probably contained more than \$500,000. The \$350,000 apparently is the amount of money that was left on May 25.