

Hush Money Role Related By Kalmbach

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Herbert W. Kalmbach broke down on the witness stand yesterday as he told of betraying a friend into putting up some of the hush money for the original Watergate defendants.

Once President Nixon's personal lawyer and chief behind-the-scenes fund raiser, Kalmbach, 53, soon regained his composure but only to come under sharp fire from a skeptical judge for insisting that he first thought the payments were for "humanitarian" purposes.

Openly expressing his disbelief, U.S. District Court Judge John J. Sirica sternly questioned Kalmbach's claims that it took him more than a month to realize that he was involved in "illegal activity."

The judge, who began his interrogation after the jurors at the Watergate cover-up trial had been excused for the day, emphasized Kalmbach's use of aliases, secret code words and pay telephone booths to arrange the payoffs right from the outset.

The tall, sad-faced California lawyer blandly maintained that he still didn't realize the impropriety of the payments until his partner in the covert operation, former New York City detective Anthony Ulasewicz, told him that it "wasn't kosher."

Kalmbach displayed no emotion despite the steady questioning from the bench. He was, by contrast, visibly upset earlier in the day when he told of soliciting \$50,000 for the Watergate burglars in

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early August of 1972 from an old friend, Tom Jones, chairman of the Northrop Corp.

Chief trial prosecutor James F. Neal asked Kalmbach at that point whether he had ever told Jones what the funds were for.

Kalmbach's hands trembled

as he reached for a glass of water. He began to answer, but his face grew white and he began to sob quietly, his eyes filling with tears.

"You feel like you betrayed Mr. Jones, I'm sure," Neal told him softly before obtaining a brief recess so that Kalmbach could pull himself together again.

Back on the witness stand a few minutes later, Kalmbach emphasized that he had kept Jones in the dark. He said the Northrop executive had simply promised him \$50,000 whenever the Nixon campaign had a "special need." Kalmbach said he told Jones nothing more.

"I said to Tom, 'Tom, you just have to trust me,' Kalmbach testified. "He said, 'Of course, I do.'"

As it turned out, Kalmbach said that Jones actually gave him a packet containing \$75,000, but "laughed" off the mistake when it was brought to his attention. Kalmbach said he offered to return the extra \$25,000, but Jones told him to keep it all since he had pledged much more for the Nixon campaign.

Insisting on his own gullibility, Kalmbach said he took on the Watergate assignment

from then-White House counsel John W. Dean II on June 28, 1972, just 11 days after the bungled bugging and break-in at Democratic National Committee headquarters here.

He said Dean summoned him to Washington from the West Coast on an emergency call the day before. The two men met on a bench in Lafayette Park the next morning. Kalmbach said Dean mentioned the arrests of the Watergate burglars and then told him: "We've got to help these fellas. It's important we provide them with attorneys' fees and family support. It's the humanitarian thing to do."

At the same time, Kalmbach admitted, "I think he (Dean) said, 'They're our boys.'" He said Dean stressed the need for "absolute secrecy" in making the payments because otherwise "the word will get out that this is a CRP (Committee for the Re-election of the President) operation." That, Kalmbach said, Dean told him, could jeopardize Mr. Nixon's re-election.

Kalmbach said he agreed to

take on the chore after being assured that it would be just a "one-shot operation" requiring only about \$60,000 to \$100,000. Between them, they agreed to enlist Ulasewicz, who had served as a White House undercover agent in the past, to make the actual deliveries of the money.

Returning to his hotel room at the Statler Hilton, Kalmbach said he first called Nixon campaign finance chairman Maurice H. Stans on a "trust-me" basis for as much spare cash as he could dig up. Stans



HERBERT W. KALMBACH
... his claims questioned

turned up at Kalmbach's room at about noon with a three-inch stack of \$100 bills—\$75,000 in all, the jurors were told.

Kalmbach said he met with Ulasewicz, whom he summoned from New York, the next afternoon in the same hotel room, and stressed the need for secrecy.

"Mr. Ulasewicz said, 'Well, you mean this will be a covert operation,'" Kalmbach recalled. "I said, 'Yes, I guess that's what I mean.'"

Aliases were developed on the spot, Kalmbach testified. He was to "Mr. Novak." Ulasewicz became "Mr. Rivers." Except for preliminary signals, they agreed to talk to each other only in pay phone to pay phone conversations. Finally, Kalmbach said, Ulasewicz wrapped up the money in one

of the hotel's paper laundry bags and left again for New York to await instructions.

Kalmbach said he got his orders from Dean and Nixon campaign deputy Frederick C. LaRue in early July and began conveying them, in turn, to Ulasewicz.

Takers for the first \$25,000, however, were hard to find. Kalmbach said he was first told to disperse the money to Washington lawyer C. Douglas Caddy, one of the first defense lawyers in the case, and then to Nixon re-election campaign attorney Paul O'Brian, but both men refused to take it. Kalmbach said Ulasewicz finally delivered the \$25,000 to William O. Bittman, the attorney for Watergate spy E. Howard Hunt Jr. *When*

Eventually, Kalmbach said he served as the paymaster for some \$187,500 with other installments going variously to Hunt, to Hunt's wife, Dorothy, and to Watergate spymaster G. Gordon Liddy. The witness said he began to grow apprehensive, but was assured at a July 26, 1972, meeting with White House domestic adviser John D. Ehrlichman that there was nothing to worry about.

Troubled by what he called the secret agent "007" aspects of the operation, Kalmbach said he told Ehrlichman "how disquieting it was to me" and then told the White House aide whom he considered a good friend:

"John, I'm looking you right in the eye. . . you've got to tell me here and now that this is something that is proper and that I've got to go forward. I

said my reputation and my family mean absolutely everything to me."

Ehrlichman, Kalmbach said, assured him that it was all very "proper" and that the money was for attorneys' fees and family support for the Watergate defendants.