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AUG 1 1972

Nixon-Audit 330

WASHINGTON AP - The General Accounting office announced Tuesday that it will audit the finances of President Nixon's campaign committee because of possible links to a break-in and alleged bugging of Democratic party headquarters.

Philip S. Hughes, director of the elections office of the GAO, said the audit was prompted by a Washington Post story. The Post reported that a \$25,000 check apparently earmarked for the President's campaign found its way into the bank account of one of the five men arrested for the break-in at the Democratic National Committee offices here June 17.

For the first time, said Hughes, "the bugging incident was related to the campaign-finance law" by the story which appeared in the Post Tuesday.

The GAO, a congressional agency, is empowered to make such an audit by the Federal Campaign Expenditures Act which went into effect April 7.

Hughes said the audit would take little time or effort and added that the Committee for the Re-election of the President has promised to cooperate fully.

Sen. William Proxmire, D-Wis., requested such an audit Tuesday in a letter to the GAO.

The \$25,000 check came from Kenneth H. Dahlberg, the President's Midwest campaign finance chairman, the Post reported.

Dahlberg told the Post he delivered the check on April 11 to Maurice Stans, former secretary of commerce and now the President's national campaign finance chief.

Dahlberg said he had no idea how or why the check was deposited nine days later in the bank account of a Miami realtor named

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L. Barker, one of the break-in suspects, the Post said in Wednesday's editions.

The White House and the President's campaign chief, Clark MacGregor, have said comment on the issue would be improper in view of the continuing federal investigation in the matter.

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WASHINGTON AP - President Nixon has asked all of his staff and the staff of the Committee to Re-elect the President to cooperate in the current investigations stemming from the break-in incident at Democratic National Committee headquarters June 17.

Deputy press secretary Gerald L. Warren said "the President's view is that all those asked to cooperate should cooperate."

The statement came on the heels of a General Accounting Office announcement that it will begin a full audit of Nixon's campaign finances in connection with the break-in investigation.

The director of the GAO's office of federal elections, Philip S. Hughes, said he was ordering the audit because of possible links between Nixon campaign financing and the break-in and alleged bugging at Democratic National Committee offices in the post Watergate complex.

Hughes said that audit was called for because of reports in a Washington Post story that \$25,000, apparently earmarked for the President's campaign fund, ended up in the bank account of one of five men arrested in the incident.

The White House, Warren said, would continue its policy of not commenting on the case while it is under investigation by appropriate agencies.

He was asked if Nixon's order to cooperate applied to the staff of the Committee to Re-elect the President as well as Nixon's own staff. "It does indeed," Warren said.

He was asked if it also applied to Charles W. Colson, special counsel to the President who has been mentioned in connection with the investigation. Warren said he would not want to relate it to any individual member of the White House staff.

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