

# Nixon Campaign Unit De

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By Morton Mintz

Washington Post Staff Writer

President Nixon's re-election fund-raisers have disclosed that they raised "somewhere between \$1 million and \$2 million" in cash from unidentified sources and destroyed records of the transactions before a law requiring disclosure took effect last year.

In a related development, Herbert W. Kalmbach, Mr. Nixon's personal attorney, was reported to have admitted that he destroyed all of his personal campaign-financing records for the period preceding April 7, 1972, the effective date of the law. The White House said last Tuesday that as of then Kalmbach was not handling Mr. Nixon's personal legal affairs. *LMAY*

The Corrupt Practices Act of 1925, which was in effect until April of last year, provided criminal penalties for treasurers of political committees who failed to maintain records for two years. The Justice Department never prosecuted a violation of this kind.

The 1925 law covered general elections, not primaries. For that reason, the Finance Committee to Re-elect the President claims it was exempt. Mr. Nixon, the committee says, was for legal purposes seeking nomination, not re-election, until the Republican National Convention formally designated him as the candidate last August.

However, the issue will be decided by the courts because Common Cause, a citizens' lobby that disagrees

with the committee's argument, sued last September to compel disclosure of the President's pre-April 7 financing.

A few weeks after the suit was filed, Kenneth W. Parkinson, a lawyer for the committee, assured U.S. District Court Judge Joseph C. Waddy that none of the pre-April 7 records had been destroyed.

But in a deposition taken last October and filed yesterday, Hugh W. Sloan Jr., who was treasurer of the committee and its pre-April 7 predecessor, gave Common Cause this sworn testimony about cash contributions of \$1,000 or more:

"There was one working copy of a sort of day-to-day log, of cash contributions, from which a summary sheet had been prepared. At

Secretary [of Commerce Maurice H.] Stans' instruction, I personally destroyed the working copy, as it was no longer deemed necessary, and turned the summary sheet over to the secretary. I have been since led to understand that that has been destroyed." Stans is chairman of the finance committee.

Later in the questioning in October, Sloan qualified his testimony to express belief that records of the cash gifts existed. But Common Cause said none has shown up as of yesterday.

Some sources speculated that corporations, which are prohibited from making political contributions, accounted for some of the \$1 million to \$2 million in cash gifts.

Chairman Stans, without

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distinguishing cash gifts from others, testified that some donors give anonymously to keep their names off lists that might become available for repeated political or charitable solicitations.

Attorney Kalmbach, the President's leading fundraiser in 1971, routed some of the money he raised to the committee, but it was unclear whether any of this was cash.

A close associate of Kalmbach acknowledged that the attorney destroyed his pre-April 7 files. Kalmbach, of Newport Beach, Calif., is said to have raised most of his funds from wealthy Southern Californians.

The associate said Kalmbach had not only a legal right to destroy the records,

but an obligation to do so in order to keep the pledge of confidentiality he had made to donors.

This defense was rejected by Kenneth J. Guido, associate general counsel of Common Cause, and William Dobrovir, lawyer for consumer groups, in a suit involving \$422,500 in contributions to the Nixon campaign by dairy groups.

Guido termed the destruction of records by the finance committee officials as well as by Kalmbach "outrageous." Dobrovir termed Kalmbach's action "terrible" and "probably" indicating "improper or illegal activities by someone."

Many finance committee records, including those for contributions made by check or in the form of stock, were sent off to a warehouse in New York City. "We were

an obvious target for political espionage and what have you," treasurer Sloan said in the deposition.

The committee raided about \$20 million in the pre-April 7 period and about \$30 million afterward. One reason such large sums were necessary was that Mr. Nixon had two opponents a year ago, Reps. John Ashbrook (R-Ohio) and Paul McCloskey (R-Calif.), Stans testified.

"Was there not concern expressed about coming in with too high a cash-on-hand figure as of April 7?" Common Cause attorney Mitchell Rogovin asked Sloan.

"As a political consideration, yes," Sloan replied.

Also during the pre-April 7 period, the committee was enabling large donors to avoid gift taxes by dividing

their contributions among some 450 "paper" committees, including Americans United for Objective Reporting.

Kalmbach has been reported to have kept up to \$500,000 in an account in the Bank of American Branch in Newport Beach. At least \$30,000 went from the account to California lawyer Donald H. Segretti to conduct political sabotage, federal sources say.

The largest cash fund, varying between \$350,000 and \$700,000, was kept in Stans' safe in Washington. Sources have said that at some point before April 7 the re-election organization transferred \$350,000 to a safe in the White House, on orders of then top presidential aide H. R. (Bob) Halde- man.