

Kalmbach Seen Set to Testify

By Peter Osnos

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Herbert W. Kalmbach, President Nixon's former personal attorney, has agreed with federal prosecutors to testify in criminal proceedings that former presidential aide John D. Ehrlichman directed him to raise money last summer to buy the silence of the Watergate conspirators, informed sources said yesterday.

At least one other Nixon associate, Jeb Stuart Magruder, who was deputy director for the Nixon re-election campaign, has already agreed to testify for the prosecution against higher-ups in the Nixon campaign and the White House.

Former White House counsel John W. Dean III, whose testimony is still considered vital to implicating top White House officials in the Watergate cover-up, has not yet responded to a written offer of leniency, in return for his testimony. The offer was made by the prosecutors two weeks ago according to government sources.

The prosecutors had sent Dean a letter offering to allow him to plead guilty to one felony count in return for his testimony, the sources said. But as of yesterday, Dean and his lawyers had not yet replied.

Magruder, it is understood, has agreed outright to plead guilty to at least one of the charges that will be lodged against him. At this stage, Kalmbach has not decided whether he, too, will plead guilty, if he is charged, but in any event, according to sources close to the case, he has received no offers of leniency in return for his cooperation.

In meetings with the Watergate prosecutors, sources say, Kalmbach has said that he was summoned to the White House late last June for a meeting with several high White House officials who told him there was an "emergency" need for funds that would go towards paying the legal fees of the Watergate defendants and help "sustain" their families.



JOHN W. DEAN III
... no response

raised by Kalmbach, another Nixon campaign aide, Frederick C. LaRue, has said he turned over an additional \$250,000 in cash to the Watergate conspirators and their lawyers.

Some of that money, LaRue has reportedly told the Watergate grand jury, came from a \$350,000 cash fund kept until after the November presidential election by then White House chief of staff H. R. (Bob) Haldeman.

Kalmbach, it is understood, will testify that last September, Haldeman directed Kalmbach to raise still more money for the Watergate conspirators, but that this time Kalmbach refused. Kalmbach's associates say he told Haldeman that the "original coating of propriety" — that the defendants needed the money — had been superseded by what appeared to be efforts at a cover-up.

It is not clear why Kalmbach dealt with Ehrlichman at the first meeting and Haldeman the second time. Nonetheless, on the matter of raising funds for the cover-up, sources said, Kalmbach believes only Ehrlichman is culpable.

Kalmbach, a 51-year-old Newport Beach, Calif., man, who has described his relationship with the President as close, is expected to testify that his principal dealings were with Haldeman until the cover-up fund-raising incident.

The Washington Post reported on May 22 that Kalmbach had told investigators of that meeting and quoted Kalmbach's associates as saying he had been assured by the White House aides that it was "perfectly right and proper for him to raise money for the Watergate conspirators."

Kalmbach, according to a General Accounting Office report issued last month, eventually raised \$210,000 that was turned over to the Watergate defendants and their lawyers. The GAO said those funds should have been reported because they were "on behalf of the President's re-election effort."

Previously, sources have told The Post that Dean was one of those present at the White House meeting at which Kalmbach received his instructions. Yesterday, informed sources said that the session was convened by Ehrlichman, according to Kalmbach's account, and that Kalmbach felt he was acting at Ehrlichman's direction.

Besides the \$210,000

Kalmbach has been portrayed in news accounts in recent months as one of the paymasters of White House and Nixon campaign undercover activities. At least \$30,000 from an account Kalmbach kept in a California bank was paid to Donald Segretti to conduct political sabotage, according to federal sources. In addition, sources close to Kalmbach say that from 1969 until 1971, he was paying Anthony J. Ulasewicz, who was then working as a political undercover agent for the White House.

In all these activities, Kalmbach has told investigators, he was acting under the instructions of Haldeman or his aides.