

CPA May Have Passed Nixon Gift

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NEW YORK—An obscure certified public accountant may have been the main pipeline for \$135,000 in secret contributions made by oil tycoon Leon Hess to the Finance Committee to Re-elect the President, a Washington Post investigation shows.

The CPA, in turn, apparently funneled the money through other conduits—his wife, relatives, friends, business associates and a client's widow—who then were listed by the committee for 15 contributions of \$9,000 each.

None of the 15 persons claims to have contributed his or her personal funds. And Hess' personal attorney, responding to a reporter's questions, pointedly refused to disclaim Hess as the source of the \$135,000.

The CPA, Isidore (Irving) Warshauer, was a partner in N. Tannenbaum & Co., a small accounting firm at 570 7th Ave. He was, until his death on July 18, the long-

time personal accountant of Hess, the publicity-shy chairman and chief executive of Amerada Hess Corp.

Warshauer and his wife, Dora, were listed for \$9,000 each.

One of the Warshauer's clients was Julius Tuvin, operator of vitamin stores in New York and California, before his death in 1971.

Tuvin's widow, Leigh, was listed for \$9,000 at her old address in Yonkers, although she long since had moved to Florida. She was astonished to hear she'd been listed.

"I never gave away any money to anybody for President," Mrs. Tuvin said in Ft. Lauderdale. "I don't have that kind of money to give away . . . I have barely enough to live on," she said.

The Tannenbaum firm had been the accountant for Hess Oil Co., which merged with Amerada Corp. in 1969 to form a corporation with

See HESS, A6, Col. 1

HESS, From A1

1972 revenues of \$1.35 billion.

Five officials of the oil company, board chairman Leon Hess among them, were listed by the finance committee for a total of \$135,000.

All but \$20,000 of the money reported to have been given by the oil executives was recorded as having been received on April 4, 1972, three days before a disclosure law became effective.

The 15 contributions of \$9,000 also were recorded as received on April 4. Indeed, only a random name separates the oil executives from the 15 contributors in a finance committee print-out, which was made public recently under a court order obtained by Common Cause.

On May 31, 1972, the Interior Department ended an investigation into alleged violations by an Amerada Hess subsidiary of an agreement under which it operates the only refinery in the Virgin Islands.

The finance committee listed Hess for a contribution of \$10,000 that was expected to be secret and for \$15,000 that was publicly reported. H. W. McCullum, chairman of the executive committee of Amerada Hess, was listed for a pre-April 7, 1972, secret contribution of \$42,000.

Why Hess would pass contributions expected to be secret in any event through Warshauer (if he did) is unclear, except for possible benefits under the gift tax law.

The major possibility of a violation of the election laws of record before April 7, 1972, is believed to have existed only if the money came from corporate funds. Hess's attorney, Roger B. Oresman of the leading Wall Street firm of Milbank, Tweed, Hadley & McCloy, denies emphatically that corporate monies were involved.

Hess has been known as a Democrat. In 1968, he was a major and open supporter of the presidential campaign of then-Vice President Hu-

bert H. Humphrey, making a \$100,000 "loan" to the Minnesota Democrat that has yet to be repaid.

Hess's wife is the former Norma T. Wilentz, daughter of the New Jersey Democratic national committee man, David T. Wilentz. He is a director of Amerada Hess.

Irwin S. Gleich, a Tannenbaum partner, continues to oversee certain Amerada Hess financial operations, although the firm's accountant for some time has been the national CPA firm of Arthur Young & Co.

Gleich was listed for \$9,000. In an interview, he said, "I didn't say that I made it, and I'm not denying it, either."

However, the contribution was confirmed moments later by another Tannenbaum partner, Philip Warshauer, Irving's brother, who acknowledged that Irving had "probably instigated" the multiple \$9,000 contributions.

Gleich became especially edgy after he was asked how a person of his apparently relatively modest means—particularly because he has been putting two daughters through college—could afford a political contribution of \$9,000.

Gleich lives at 656 Westfield Ave., Westfield, N.J. Union County assesses that lot and the two-story house for tax purposes at a supposed 100 per cent of value, or \$34,500, although the indicated fair-market price might be 25 per cent higher—on the order of \$43,000.

Gleich was shown a photo of the property and asked what it was worth. "The house behind me went for 40-something thousand," he said. "That doesn't mean that mine would."

Bruce and Judie Baker, friends of Irving and Dora Warshauer, live at 47 Orange Dr. in Jericho, Long Island. Their home is, if anything, more modest than Gleich's. Yet Baker, who is in a brokerage business, and his wife are listed for \$9,000 each.

When it was suggested to Mrs. Baker that the combined contribution of \$18,000 might seem out of proportion, considering the appearance of the property as shown by a photo, she termed the whole matter "very personal" and hung up the phone.

To afford a political contribution of \$18,000, according to the senior partner in a national accounting firm (not Arthur Young, which is retained by Amerada Hess), a family ordinarily would

need annual income of at least \$100,000.

But Philip Warshauer conceded that the income of his late brother—who with his widow was listed for \$18,000—was less than \$100,000. He also said that the total value of Irving Warshauer's estate was about \$300,000—much too small a sum to permit a plausible inference that he had been the ultimate source of the \$135,000.

Irving Warshauer's home, which was in the Hollis Hills section of Queens, was sold after his death for \$67,000, Philip Warshauer said.

An additional \$18,000 was recorded for the Warshauers' daughter and son-in-law, David I. Schaffer of Great Neck, L.I.

Schaffer, vice president and general counsel of Avis Rent-a-Car System, Inc., was asked if it was his money. "I'm not going to comment on that," he replied. But he said it was not Avis or other corporate money. Was it Warshauer's? Schaffer refused to say.

Julius Epstein of Cedarhurst, L.I., a cousin of Dora Warshauer, was listed for \$9,000. Asked if he had contributed, he told Philip Greer, of The Washington Post's New York Bureau, "That's right."

Was it in fact your money? Greer inquired. "I'll have to talk to my attorney," Epstein said. He said he would call Greer back, but hasn't.

Jules Posner, a tire dealer in Queens, and his wife, Ada, were each listed for \$9,000. Dora Warshauer calls them "good friends." Asked if the money was theirs, Posner told Washington Post staff writer Stephen Isaacs that he had no proof Isaacs was with The Post. Isaacs suggested he look up The Post's phone in the Manhattan telephone directory and call back. Posner said he would have someone call. No one has.

Lawrence Leeds, a securities broker with Shields & Co. in White Plains, and his wife, Sylvia, a cousin of Mrs. Warshauer, were listed for \$9,000 each.

"I wouldn't answer anything on the phone," Leeds said. But he declined an offer of a personal visit. "You're just fishing, and I'm not answering," he said. Alone among members of the Warshauer group, Leeds said he had supplied all of his information to "a governmental agency." He declined to identify it.

The final \$18,000 was listed to Saul Kahan—a partner in N. Tannenbaum whose brother, Jerome, is handling Irving Warshauer's

estate—and Kahan's wife, Sylvia. Kahan is in a hospital with a severe stroke.

Dora Warshauer disclaimed any specific knowledge of how the 15 contributions happened to have been made, although she vaguely recalled that the matter had been discussed by some of the contributors.

Told she was listed for a \$9,000 contribution, she said, "I am?" and added, "I know that I signed checks. Whatever my husband asked me to sign, I signed.

Was \$18,000 out of line for a couple of their means? Mrs. Warshauer made no direct reply, saying instead, "I really don't know very much about business."

She said that her husband was at the time he contributed a supporter of President Nixon. "I can't say the same thing about me right now," she remarked.

Her brother-in-law, Philip, said that after Irving Warshauer's death, Leon Hess came to the Tannenbaum firm to announce that he was transferring his personal business to a larger accounting firm, S.D. Leidesdorf & Co.

Mrs. Tuvin, the client's widow who said "I never gave any \$9,000," emphasized that "I write my own personal checks."

No one had so much as approached her for a contribution, Mrs. Tuvin said. She said that Irving Warshauer would not have solicited

her, because he knew "I don't have any money," her husband's estate not yet being settled.

However, she speculated that Warshauer was responsible for her being listed as a contributor. "That's Warshauer's doing," she said. She complained bitterly about other aspects of his handling of her husband's estate.

The Washington Post summarized the foregoing facts in a phone conversation Wednesday with Roger Oresman, Hess's lawyer, who is also a director of Amerada Hess. He phoned Friday with the following statement:

"No corporate funds, goods or services of any kind were contributed directly or indirectly by Amerada Hess Corp. to the 1972 presidential campaign. The contributions about which The Washington Post has inquired have been the subject of official inquiry by several agencies.

"A full explanation has been voluntarily submitted and continuing cooperation has been offered to such official inquiry if further information is required. Under the circumstances, we believe that newspaper discussion of the transactions at this time would be inappropriate."

Told that the statement contained no denial that Hess has been the source of the Warshauer group's \$135-

000, Oresman declined to comment.

He also refused to identify any of the "several agencies" making inquiry. Spokesmen for the office of Watergate Special Prosecutor Leon Jaworski and the Senate Watergate committee refused to comment.

The Interior Department investigation concerned an Amerada Hess subsidiary, Hess Oil & Chemical Corp. During the Johnson Administration it made an agreement with the government permitting daily importation to the continental United States of 15,000 barrels of refined petroleum products from the Virgin Islands refinery.

Interior's Office of Oil and Gas concluded on May 31, 1972, after a lengthy investigation, that the subsidiary had violated terms of

the agreement, but decided to take no action on the violations, Stephen M. Aug has reported in the Washington Star-News.

A month later, the entire matter was transferred out of the Office of Oil and Gas to an Interior unit that handles territorial matters and was more likely to give the company "sympathetic treatment" because of the economic importance of the refinery to the islands, Aug reported on Jan. 30.

He said that inspectors for the Oil Import Administration found in November,

1970, that Hess Oil & Chemical had not lived up to provisions in the agreement for employment of a specified minimum of Virgin Islands

residents and for spending specified sums for petrochemical and related facilities "which will afford maximum employment on the islands."

Ralph W. Snyder Jr., director of the Oil Import Administration, notified Hess on Aug. 1, 1971, that Interior was opening a proceeding that could lead to revocation of the daily 15,000-barrel quota.

Hess, replying to the allegation of violations, said his company had "exceeded the investment commitment by 150 per cent" and wanted to meet its employment obligations but could not do so because of an acute shortage of skilled labor.

Less than two months after the April 4 contributions, Snyder upheld the original inspectors' allegation of violations but credited Hess' account sufficiently to recommend against revocation or suspension of the import allocation.
