

NYTimes JUL 1 1974
**REPORT QUESTIONS
 REBOZO'S ACCOUNT
 ON HUGHES FUNDS**

**Watergate Panel Staff Cites
 Data on Loans to Nixon's
 Secretary and Brothers**

\$100,000 GIFT AT ISSUE

**President's Statement on
 Handling of 'Campaign' Aid
 Is Also Contradicted**

By **JOHN M. CREWDSON**
 Special to The New York Times

WASHINGTON, July 10—The staff of the Senate Watergate committee disclosed today what it described as additional information to support the charge that Charles G. Rebozo gave or lent part of a \$100,000 "campaign contribution" to President Nixon's personal secretary and his two younger brothers.

A draft report by the committee's staff, made public today, contradicted public assertions by the President and sworn statements by Mr. Rebozo, his close friend, that the money was returned untouched to its donor last year.

The report strongly suggested that part of the \$100,000 "contribution" from Howard R. Hughes may have been included in more than \$50,000 that it said Mr. Rebozo had spent between 1968 and 1972 for the President's personal benefit.

Purchase of Earrings

That sum, the staff said, included \$4,562.33 in 1968 contributions to the Florida Nixon for President Committee that had been used to purchase a birthday gift of platinum and diamond earrings from the President to Mrs. Nixon.

Among other major elements, the 350-page document reports the following:

¶That James O'Connor, a Phoenix, Ariz., lawyer, had submitted a sworn affidavit affirming that Herbert W. Kalmbach, the President's personal attorney, had told him in the spring of 1973 of a conversation in which Mr. Rebozo conceded having given part of the Hughes money to Rose Mary Woods, Mr. Nixon's secretary, and his brothers Donald and Edward.

Other Details in Report

¶That more than \$50,000, including \$23,500 in \$100 bills—the form in which the Hughes money was delivered—was spent by Mr. Rebozo, or on his behalf, for numerous improvements to the President's home on Key Biscayne, Fla., including an \$18,000 swimming pool. The report said Mr. Rebozo had filed no Federal gift tax report for the years 1969 through 1972, however.

¶That the President's domestic adviser, John D. Ehrlichman, repeatedly put pressure on the Internal Revenue Service to find something wrong with the tax returns of Lawrence F. O'Brien, the Democratic party chief. The report contrasted these alleged efforts with the treatment given Mr. Rebozo in an I.R.S. inquiry. The draft report, described by Watergate committee officials as a bipartisan effort, contained other previously unknown details about the handling of the Hughes contribution, the concern at the highest levels of the White House that it eventually generated, and Mr. Rebozo's apparent role as an unofficial Nixon Administration and campaign fund raiser.

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The report also cited testimony contradicting White House statements that Mr. Nixon, while a Presidential candidate, in 1968, had no knowledge of any attempt to solicit a contribution from Mr. Hughes, and that the President had never asked Mr. Rebozo to raise funds for his personal use.

According to the report, Richard G. Danner, a Nixon campaign worker who, as a Hughes employe, later delivered the \$100,000 to Mr. Rebozo, had testified that Mr. Nixon and Mr. Rebozo took part in a 1968 discussion in which he was asked to solicit a campaign donation from Mr. Hughes.

The report said that part of the Hughes money delivered by Mr. Danner to Mr. Rebozo, who heads the only bank on Key Biscayne, may have come from the Sands Hotel in Las Vegas, Nev., owned by Mr. Hughes's Summa Corporation. If so, the money would represent a corporate contribution prohibited by the Federal Corrupt Practices Act.

Receipt of \$100 Bills

At another point the report noted that information provided by the Federal Reserve Board on the origin of the 1,001 \$100 bills that Mr. Rebozo testified were the ones he received from Mr. Danner supported Mr. Rebozo's revised testimony that the money had been delivered

in mid-1970—but not his initial assertion, later amended, that the first payment had been made in 1969.

On another point relating to the contribution, the report said that an I.R.S. investigation checking the ownership of the \$100,000 for tax purposes had been delayed for 10 months by top I.R.S. and Treasury Department officials, and that "advance notice" of the impending investigation had been given both Mr. Rebozo and the President.

The Watergate Committee staff said that its efforts to resolve fully the question of what happened to the Hughes money had been "frustrated" by the refusal of Mr. Rebozo, Donald and Edward Nixon and others to comply with subpoenas for their personal financial records.

Miss Woods and the Nixon Brothers have denied under oath, however, receiving any of the Hughes funds from Mr. Rebozo.

Last October, the President declared in a news conference that Mr. Rebozo, whom he has known since 1950, had "turned back" the Hughes money "in exactly the form it was received," and did "not touch it."

Rebozo's Contention

Mr. Rebozo has maintained that the money lay in the vault of his Key Biscayne bank from the time he received it—whether in 1969 or 1970 is unclear by all accounts—until he returned it to a representative of Mr. Hughes in June of last year.

"I think that is a pretty good indication that he is a totally honest man," the President added, "which he is."

Although the evidence provided by the Federal Reserve on the origin of the bills Mr. Rebozo handed back "raises a question whether Rebozo maintained the two deliveries intact," the report said, the only had evidence that it did not lie follow for at least three years is Mr. Kalmbach's testimony, supported by two collaborating statements.

Mr. Kalmbach told the committee that on April 30, 1973, he was subpoenaed to Washington by Al Rebozo, who he met at the White House.

Mr. Albozo, the lawyer testified, "said the President had asked him to speak to me about this problem, and not Maurice Stans," the former commerce secretary, who had headed the

Nixon re-election campaign's fund-raising arm in 1972.

"He said that the A.R.S. had scheduled a meeting with him," Mr. Kalmbach said, on the disposition of the Hughes money, "which would be held in two or three weeks."

"He said that he had disbursed part of the funds to Rose Woods, the Don Nixon to Ed Nixon and to unnamed others during the intruding years, and that he was now asking for my counsel on how to handle the problem," Mr. Kalmbach was quoted as saying.

'Touches The President'

Mr. Kalmbach said he recommended making a full disclosure to the I.R.S. of what had happened, but that Mr. Rebozo had replied that "this touches the President and the President's family, and I just can't do anything to add to his problems at this time, Herb."

It was that day, April 30, 1973, that Mr. Nixon went on nationwide television to announce the departures of John W. Dean 3d, H.R. Haldeman and Mr. Ehrlichman from the White House staff and the resignation of Attorney General Richard G. Kleindienst.

Mr. Kalmbach told the Watergate committee that he had received Mr. Rebozo's agreement to discuss the Hughes matter in "hypothetical" terms with Stanley Ebner, then general counsel of the Office of Management and Budget.

Mr. Ebner's records show that he did see Mr. Kalmbach on April 30, and Mr. Ebner has confirmed that he had a "hypothetical" discussion of a potential tax problem with Mr. Kalmbach that day.

Affidavit by O'Connor

Shortly afterward, Mr. Kalmbach spoke with Mr. O'Connor, his lawyer, about the conversation with Mr. Rebozo, the report said. Mr. O'Connor submitted an affidavit affirming that Mr. Kalmbach had reported to him Mr. Rebozo's disclosure that "he had given some of the \$100,000 in question, which had been given to him by Danner, to Rose Mary Woods and to the Nixon brothers, and Mr. Rebozo asked Mr. Kalmbach what he should do."

Mr. Rebozo requested a second meeting with Mr. Kalmbach early this year, according to the report, and the two men eventually talked together at Mr. Nixon's San Clemente estate on Jan. 8, 1974.

Mr. Kalmbach testified that Mr. Rebozo told him then: "undoubtedly, Herb, I have not told you that after you and I talked last spring regarding the Hughes money, I found that I [had] not in fact disbursed any of the Hughes cash to the several people I named."

Wrappers Undisturbed

"When I went into the safe deposit box, I found that the wrapper around the cash had not [been] disturbed, and so what was clear that no part of this money had had been used during the several years it was in my box."

Senator Sam J. Ervin Jr., Democrat of North Carolina, the Watergate committee chairman, asked President Nixon's lawyer, James D. St. Clair, to provide assistance in "clarifying" the questions raised by the staff investigation. In a letter to Mr. St. Clair, Senator Ervin also offered the President an opportunity to comment on the report.

Mr. St. Clair replied in a letter dated June 24, 1974, that an audit of the President's financial affairs released by the White House last August "re-

flected fully his receipts and expenditures for the period covered."

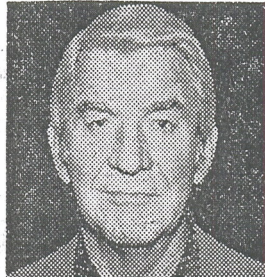
He added that the "only useful comment that can be made in response to your letter is to convey the President's assurance that he never instructed C. G. Rebozo to raise and maintain funds to be disbursed [on] the President's personal behalf, nor so far as he knows was this ever done."

The committee report points out, however, that none of the improvements paid for by Mr. Rebozo or with funds that Mr. Rebozo controlled was shown in the audit, by Coopers & Lybrand of New York City.

NYTimes JUL 11 1974
Principal Characters in Staff Report



United Press International
Charles G. Rebozo



United Press International
Richard G. Danner



The New York Times
Robert A. Maheu

Special to The New York Times

WASHINGTON, July 10 — Following are the principal characters named in today's Senate Watergate committee staff report on the \$100,000 campaign contribution from Howard Hughes and other matters:

CHARLES G. REBOZO, who heads the Key Biscayne Bank and Trust Company in Miami. Mr. Rebozo, who has known President Nixon since 1950, lives next door to the Nixon home on Key Biscayne and is a frequent companion of the President in Florida and at the White House.

RICHARD G. DANNER, former head of the Federal Bureau of Investigation office in Miami and former City Manager there, who now manages the Sands Hotel in Las Vegas, Nev., owned by Mr. Hughes. By most accounts it was Mr. Danner who introduced Mr. Rebozo and the President in Miami in 1950.

ROBERT A. MAHEU, who was discharged as head of Mr. Hughes's Nevada operations in 1970. During his employment, he was the reclusive billionaire's executive arm and his chief contact with the outside world. Mr. Maheu recently won a libel suit against Mr. Hughes for his charge that Mr. Maheu "stole me blind" during his years with the Hughes organization.

THOMAS H. WAKEFIELD, head of the Miami law firm of Wakefield, Hewitt & Webster, who represents Mr. Rebozo and is an officer of the Key Biscayne Bank and Trust Company. Mr. Wakefield controlled a number of bank accounts through which, the committee report asserts, passed cash from Nixon campaign funds and other sources that was ultimately used for the President's personal benefit.

HERBERT W. KALMBACH, a Newport Beach, Calif., lawyer who served as Mr. Nixon's personal attorney until he pleaded guilty to campaign finance violations on Feb. 25. Mr. Kalmbach began serving a Federal prison term of six to 18 months on July 1.



United Press International
Thomas H. Wakefield



The New York Times
Herbert W. Kalmbach