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Steinbrenner Will Repay Company for Illegal Gifts

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WASHINGTON, May 7—A special review committee recommended today that George M. Steinbrenner 3d be required to reimburse the American Ship Building Company \$42,325.17 for illegal political campaign contributions that he authorized or permitted in 1972 for the Nixon re-election campaign.

In a statement from the company's Cleveland headquarters, Mr. Steinbrenner, a principal owner of the New York Yankees, said he was pleased with the committee findings and stood ready to reimburse the corporation. He said that while the contributions "were made in the full belief that they were legal, I will honor the recommendations and comply with any action taken by the board with respect to its requirements."

The Securities and Exchange Commission, which had placed the amount of Mr. Steinbrenner's illegal corporate contributions at more than \$120,000, reserved judgment on the special panel's report pending a study of the documents underlying its conclusions.

The review panel was created under a consent agreement that grew out of an S.E.C. complaint last October. Under the terms of the agreement, the commission may reject the panel's recommendations and apply to the court for such further relief as it deems appropriate.

First Executive Charged

As chairman of American Ship Building, Mr. Steinbrenner was the first corporate executive charged with a felony in the Special Watergate Prosecutor's investigation of campaign financing. He was indicted on 14 felony counts carrying a maximum of 55 years in prison and fines of \$100,000.

The Cleveland industrialist



The New York Times

George M. Steinbrenner 3d

ultimately pleaded guilty to two criminal charges including conspiracy to violate the campaign contribution laws and devising a "false and misleading explanation" of a \$25,000 contribution to the Nixon campaign.

Mr. Steinbrenner was fined \$15,000. Because of his conviction he was suspended from participation in professional baseball for two years by Bowie Kuhn commissioner of baseball.

The review committee dealt in its report with "bonuses" paid to certain employees in 1970, 1971 and 1972 along with instructions to make political contributions to designated candidates or campaign committees. But the focus of its findings was on the \$42,325.17 paid in bonuses to nine em-

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ployes on April 6, 1972.

On the same day they wrote personal checks totaling \$25,000 that were given to "various committees for the re-election of President Nixon." The bonuses totaled more than the contributions because the employees had to pay income tax on the bonuses, which showed up on their tax returns as income.

The review panel found that the fact that the employees' receipt of the bonus and their contributions occurred on the same day made the bonus payment "a questionable corporate expenditure."

No reimbursement to the company by Mr. Steinbrenner was recommended by the panel of a total of \$55,000 in allegedly illegal expenditures made in the form of bonuses in 1970 and 1971. The Special Prosecutor's Office charges that the contributions resulting from these bonuses also were illegal.

However, these charges were dropped when Mr. Steinbrenner pleaded guilty to making illegal contributions to the Nixon campaign in 1972.

The after-tax proceeds of the \$55,000 went to the campaigns of Senator Vance Hartke, Democrat of Indiana; Representative Charles A. Mosher, Republican of Ohio, the late Representative Frank T. Bow, Republican of Ohio, and to various Democratic committees.

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