

AUG 26 1972

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Stans-O'Brien Bjt 330, Two Takes 490

By DILLON GRAHAM

Associated Press Writer

WASHINGTON AP - Maurice H. Stans says his meeting a few days ago in Miami Beach with Government Accounting Office auditors was "proper and necessary" to assist them in finishing their probe into Republican campaign fund handling.

"We turned over hundreds of documents, which GAO had requested, and which I believe satisfied their inquiry in those respects. At no time did Phillip Hughes show me or anyone a draft of his report," Stans said Friday.

Stans, chief fund raiser for President Nixon's campaign, said criticism of the meeting by Lawrence F. O'Brien, national campaign manager for Democratic presidential nominee George McGovern, was "a cynical attack," and said O'Brien "suffers from the panic of a hatchet man who has to wield his attack with marshmallows."

"Mr. O'Brien's notion that I have some ability to influence the General Accounting Office is ludicrous," Stans said. He called it "a flat smear and a contemptible lie."

O'Brien charged on Wednesday that a delay in releasing the GAO report was part of an "outrageous conspiracy of suppression and called it "an example of the frantic Republican effort to conceal, lock up or otherwise submerge a growing scandal that reaches into the White House itself."

Stan's statement was issued through the Committee for the Re-election of the President. He said he called GAO last Tuesday and asked for an opportunity to meet with them on his return to Washington from the Republican National Convention for a review of information the GAO had requested.

To save time, he said it was decided it would be more expeditious for GAO representatives to meet him in Miami Beach.

The GAO report has not yet been made public. Reports last week said GAO had found violations in the handling of up to \$500,000 in Republican campaign funds, including \$25,000 deposited in the bank account of a suspect in the June 17 Democratic headquarters break-in at the Watergate complex here.

Chairman Wright Patman, D-Tex., of the House Banking Committee threatened Friday to use subpoena power if necessary to obtain facts in the bugging case at Democratic headquarters.

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WASHINGTON Stans-O'Brien Bjt, A007WX, Take Two: headquarters. 200

Patman said the public "is under a growing impression that there is a high-level effort to suppress and modify revelations about the case and it would be improper for the Congress to be a party to this suppression through inaction."

It also was revealed Friday that a \$25,000 political contribution that wound up in the bank account of a man arrested in the bugging case came from Dwayne O. Andreas, a Minneapolis investment executive, who also was a heavy contributor to Hubert H. Humphrey's presidential campaign.

Kenneth H. Dahlberg, midwest financial chairman for President Nixon's campaign, said Andreas made a cash contribution in Florida Aug. 9.

Dahlberg has said he converted this into a cashier's check, then turned it over to Stans. The check later turned up in the bank account of Bernard L. Barker, one of the men arrested June 17 in the Watergate bugging.

In another statement Friday, O'Brien said, "We know that Maurice Stans received the money that subsequently paid off the individuals who were apprehended at gunpoint in the Democratic National Committee headquarters."

"On the basis of Mr. Stans' new job," as chairman of the GOP Finance Committee, "we can only conclude that Richard Nixon not only condones but actually approves of these outrageous acts," he said.

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Insert Stans-O'Brien Lead 220

WASHINGTON Stans-O'Brien Lead a108-109-203 insert after 6th graf: committee.

The Federal Election Campaign Act does not give the GAO power to subpoena. The GAO report left up to the Justice Department the decision as to the next steps to be taken.

Chairman Wright Patman, D-Tex., of the House Banking Committee, threatened Friday to use subpoena power if necessary to obtain the facts in the bugging case at Democratic headquarters.

Informed of the GAO report Patman said Saturday he was relieved the GAO "has finally released its report and shed some official light on Republican campaign financing.

"The GAO report, however, can be considered as nothing more than chapter one of what must be a top-to-bottom investigation of all the allegations involved in the Watergate incident and the closely related areas of political fund-raising. Anything less can only destroy the public's confidence in the nation's democratic processes.

"As required by the Campaign Financing Act the General Accounting Office has referred the possible law violations to the Justice Department. We are now faced with another dilemma. We are asking Richard Kleindienst—a strongly partisan attorney general—to prosecute wrongdoings of the political party which boosted him to such high places in government. This cries out for the appointment by the courts of a special prosecuting team outside the political arena. Mr. Kleindienst should disqualify himself and his department and request the appointment of a special prosecutor.

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Stans-O'Brien Lead Add

WASHINGTON Stans-O'Brien Lead A108-109 add: committee.

In addition the report by GAO Director Phillip S. Hughes and approved by Robert F. Keller, acting comptroller general, recommended "the following possible violations," of the act and referred the matter to the attorney general "for further investigation:"

-The committee's failure to keep a "detailed and exact account of the \$350,000 currency fund and the contributions that may have been received therein on or after April 7, 1972."

The report also said that the failure to disclose these contributions in the June 10 report also "possibly constituted violation." Under the federal election campaign act the campaign reporting procedures went into effect April 7.

-The committee's lack of accounting control over the funds, which the GAO said "indicates the possibility that expenditures may have been made for or on behalf of the committee without the authorization of its chairman or treasurer or their designated agents," in violation of the act.

It also said: "The possibility exists that every person who received contributions for the committee may not have rendered a detailed account thereof to the treasurer and that committee funds may have been comingled with personal funds of the officers, members or associates of the committee," in violation of the act.

Earlier Maurice H. Stans said his meeting a few days ago in Miami Beach with GAO auditors was "proper and necessary" to assist them in finishing their probe into Republican campaign fund handling.

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BULLETIN

Stans-O'Brien Lead

WASHINGTON AP - The General Accounting Office today referred to the Justice Department "apparent and possible violations," of the Federal Election Campaign Act by the Finance Committee to Re-elect the President.

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WASHINGTON Stans-O'Brien Lead a108 add: President.

The GAO report said the committee financing President Nixon's re-election effort made the following "apparent violations," of the 1971 act requiring detailed reporting of campaign contributions:

-The committee's failure to keep a detailed and exact account of a \$25,000 contribution made to the Republicans through Kenneth H. Dahlberg, chairman of the Minnesota Finance Committee to Re-elect the President, on April 9. It also said the committee's failure to disclose details of the \$25,000 contribution in its June 10, 1972 report also was "an apparent violation," of the act.

-The committee's failure to keep a "detailed and exact account," of the amount expended from the proceeds of the \$25,000 check and four Mexican bank checks totaling \$89,000, and the failure of the committee to disclose details of the expenditures in the June 10 report.

-The committee's failure to keep and maintain "adequate books and records on a current basis with respect to the \$25,000 check and its proceeds, the proceeds of the four checks totaling \$89,000, and the balance of the \$350,000," that constituted a bank deposit made on May 25, 1972, to the credit of the Media Committee to Re-elect the President, an affiliated committee.

The \$25,000 check and the four checks from the Mexican bank have been linked to the June 17 break-in and alleged attempted bugging of the Democratic National Committee.

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Stans-O'Brien INSERT 230

WASHINGTON Stans-O'Brien a108-109-212 insert after 6th graf: Committee.

One of the five men arrested in the posh Watergate Democratic headquarters was James W. McCord Jr., then a security coordinator for the re-election committee. The five were nabbed by security guards and had a number of \$100 bills and electronic eavesdropping equipment in their possession.

A \$1-million civil suit against the persons involved charging an invasion of privacy has been filed by former Democratic National Committee Chairman Lawrence F. O'Brien.

Commenting on the GAO report, O'Brien cited what he said was the Justice Department's delay of criminal indictments in the case "until it is clear there can be no trial before election day."

On the basis of that record, and Mr. Nixon's repeated rejection of my suggestion that an impartial and independent special prosecutor be entrusted with this case, I continue to be pessimistic about the likelihood of a fair, thorough, and speedy investigation of the GAO allegations," O'Brien said in a statement.

On the other hand, the Finance Committee to Re-elect the President called the report "inaccurate."

It also said the report is incomplete because it "omits mentioning important information given to the gao." The committee also said the report "disregards" the fact that some of its actions in handling the money were supported by legal opinions furnished GAO.

"One notable fact about the report is that it asserts no connection whatever between the finance committee and the so-called Watergate affair," the committee said.

The Democratic presidential candidate, Sen. George S. McGovern, declined to comment on the report when asked to Saturday by newsmen.

The federal: 7th graf.

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