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SF Examiner

9 'Violations'

Cited in

Nixon Fund Charges

—From Page 1

fusal by the President's Re-election Committee to account for an estimated \$10.2 million received before the new accounting law became effective April 7 has been seized upon by the Democrats as campaign ammunition.

A spokesman for the Nixon committee charged the report was inaccurate and incomplete and "omits mentioning important information given to the GAO by the finance committee bearing on the transactions."

The committee will furnish information to the Justice Department "which the GAO has ignored and believes that the 'apparent' violations will be nothing more than minor and technical," the spokesman said.

Finances Only

He added that the report was notable in that "it asserts no connection whatever between the finance committee and the so-called Watergate affair."

The actual break-in and bugging incident at the Democratic National Committee was beyond the scope of GAO investigation which involved finances only.

However, Jean Westwood, new chairman of the Democratic National Committee, says she foresaw "the possibility" that high administration officials might eventually be indicted in connection with the "Watergate caper," as the case has been called.

"All the lead-ins tie right back to the Nixon Administration and to his committee which was set up to re-elect him," Mrs. Westwood said.

She said that since Nixon helped choose members of the committee, he is either "willing to overlook corrupt people or he does not know what is going on."

O'Brien Irony

Sen. George McGovern, the Democratic candidate for President, had no comment, but Lawrence O'Brien, his national campaign chairman noted the GAO report would be investigated by "Mr. Nixon's Justice Department."

"It is the same department that apparently has decided to delay — through its control of Federal Grand Jury proceedings — criminal indictments in the Watergate case until it is clear there can be no trial before election day," said O'Brien.

The "apparent" violations dealt with the mystery transactions involving Barker. One contribution of \$25,000 was received by Kenneth Dahlberg, a Midwest GOP fund-raiser, from Dwayne Andreas, a Minneapolis businessman who had given money in the past to Sen. Hubert H. Humphrey (D-Minn.).

'4 Texas Demos'

(The Miami Herald reported that the \$89,000 mentioned in the report which also went into the bank account of Barker "came from four rich Texas Democrats.")

(The Herald story, which contained no attribution and did not name the four Democrats, stated:

("It now appears that Republicans in Texas sent a courier to Mexico City with checks collected from Democrats. There, a wealthy Mexican lawyer, Manuel Orario Daguerre, ran them through his account at the Banco Internacional, converting them to cashier's checks on specific banks in

Juggling Of Election Gifts Told

WASHINGTON—(UPI)

—The General Accounting Office turned over to the Justice Department yesterday its "Watergate bugging" report listing nine possible violations of the new election law by President Nixon's campaign committee in the handling of \$350,000 in contributions.

The report by the Office of Federal Elections was a direct outgrowth of the June 17 Watergate break-in at Democratic National Committee headquarters by five men who were arrested with bugging equipment.

At San Clemente, the Western White House had a terse "no comment" on the GAO decision. When deputy Press Secretary Gerald Warren was asked whether the President was "concerned" about the report, he again said "No comment."

The GAO, a watchdog agency which serves Congress, categorized five of the violations as "apparent" and the other four as "possible." Violations of the 1971 Federal Elections Law carry a maximum penalty of one year imprisonment and a \$1000 fine.

It is up to the Justice Department whether to proceed with prosecution.

Of the amount involved, \$114,000 was traced to Florida bank accounts of Bernard Barker, one of the five found in Democratic headquarters at the Watergate apartment-office complex.

The report said GAO investigators were unable to find out exactly how the funds were deposited in Barker's account or what was done with the money.

The break-in and the re-

—Turn to Page 8, Col. 1



KENNETH DAHLBERG
Midwest fund raiser

—AP Photo



DWAYNE ANDREAS
\$25,000 contribution

—AP Photo

close certain gaps in the information we have been able to obtain."

Stans Questioned

The report noted that G. Gordon Liddy, who was fired as counsel to the re-election committee, had refused to discuss anything connected with the case.

However, GAO investigators said they questioned former Commerce Secretary Maurice Stans, who is committee finance chairman; Hugh Sloan Jr., who resigned recently as committee treasurer; and other GOP personnel.

"Both Stans and Sloan stated that they never met Mr. Barker," the report said.

the United States. That made them easily negotiable.

("This was April 4—three days before a new law requiring full disclosure of campaign donations became effective.")

Apparent Violations

The GAO report, issued by Phillip Hughes, director of the Office of Federal Elections, and Acting Comptroller General Robert Keller, said there were these "apparent" violations:

- The Nixon Re-election Committee's failure to keep a detailed and exact account of the \$25,000 contribution and its failure to disclose the contribution as required on June 10.
- The committee's failure to keep a detailed and exact account of money spent from the \$25,000 and the four Mexico City checks and their failure to report the expenditures on June 10.
- The committee's failure

to keep and maintain adequate books and records on the transactions and the balance of \$350,000 in currency with which they were eventually lumped.

Possible Violations

Under "possible" violations, the GAO cited these points:

- The committee's failure to keep detailed account of contributions that went into the \$350,000 currency fund and to list them in a June 10 official report.
- The possibility that expenditures may have been made without authorization of the committee chairman and treasurer.
- The possibility that committee funds "may have been commingled" with the personal funds of officers in violation of the law.

The GAO said that because of a Grand Jury investigation of the Watergate incident, "it was impossible to