

NYTimes JAN 14 1973
**4 Watergate Defendants
Reported Still Being Paid**

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Special to The New York Times

WASHINGTON, Jan. 13—At least four of the five men arrested last June in the Watergate raid are still being paid by persons as yet according to sources close to the case.

One of the defendants, Frank A. Sturgis, acknowledged that payments continued after his arrest but also said that his funds had been sharply reduced in the last few months. Another closely involved source said that payments to the four men now range from \$400 a month up.

Mr. Sturgis mentioned his cutback in funds during a meeting in Miami nearly two weeks ago, before the start of the trial, now under way, in which he and six others are accused of attempting to plant eavesdropping devices in the Democratic National Committee headquarters in the Watergate complex here.

The trial has been recessed until Monday amid indications that some of the defendants may try to plead guilty. One defendant, E. Howard Hunt Jr., already has.

Mr. Sturgis's statements on the financial arrangement of the arrested group were corroborated later by a source close to the defense.

The conversation with Mr.

Sturgis was one in a series by The New York Times with Federal investigators, political figures and defense lawyers, all familiar with various aspects of the Watergate case.

Major Points Listed

Among other points made by more than one of those interviewed were the following:

High officials of the Committee for the Re-Election of the President have acknowledged privately that they are unable to account for \$900,000 in cash raised for President Nixon's 1972 campaign—far more than the \$235,000 mentioned in court as the cost of the activities of the Watergate group.

A Nixon supporter working in the Democratic Headquarters, apparently either recruited or infiltrated by the intelligence team, taped open the latches on the doors leading to the basement of the Watergate offices, allowing the five men to enter the building.

One member of the Watergate team, Eugenio Rolando Martinez, was an active employe of the Central Intelligence Agency at the time of the break-in and kept a diary. He was stricken from the C.I.A.'s payroll within a day of his arrest, and the diary was subse-

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quently found by Federal investigators in a trunk of his car parked at Miami International Airport.

These same sources provided, in interviews over the last two months, further details of the intelligence operation that were described in court this week by Earl J. Silbert, the chief Assistant United States Attorney who is prosecuting the case.

The Times sources said, for example, that the Republicans had planted an undercover agent in the campaign staffs of Senator Edmund S. Muskie and Senator George McGovern, the two leading candidates for the Democratic Presidential nomination.

Mr. Silbert told the court that the Republican team had recruited Thomas J. Gregory, a 25-year-old Utah student, as a spy, first on the Muskie staff and then on the McGovern staff.

The New York Times information was obtained after it was learned two months ago that Andrew St. George, a freelance writer with close connections with anti-Castroites in Miami was circulating an outline to New York publishing houses of what he described as the experiences of Mr. Sturgis.

Allegations Checked

In checking on the allegations in the book outline, The Times talked on a number of occasions with its author, Mr. St. George, and with Mr. Sturgis. Their statements were subsequently checked, wherever possible, with others who might have knowledge of the events.

Some of the allegations were corroborated in these independent checks. Some allegations were denied. Still others were neither corroborated nor denied.

One allegation in the St. George outline was that the bugging had extended to Democratic Senators' offices on Capitol Hill, and that former Attorney General John N. Mitchell had been kept informed of the intelligence group's activities. This allegation was supported by Mr. Sturgis but not independently corroborated by other sources.

Sources were reluctant to talk about specific aspects of the intelligence operation because the trial judge, Chief Judge John J. Sirica, had forbidden those concerned with the trial to discuss the case publicly.

Republican Aide Replies

DeVan L. Shumway, director of public affairs for the Republican campaign committee, issued a sharply worded statement in response to The Times article, describing the allegations in connection with the committee as "outrageously false and preposterous."

Mr. Shumway's statement added:

"If The Times chooses to publish these unsupported statements, it will be a serious act of journalistic recklessness and irresponsibility. Mr. John Mitchell has authorized me to say that he joins fully in this statement."

The campaign press aide was asked specifically to respond to the allegation that the Republicans were unable to account for more money than previously known, to the assertion that Mr. Mitchell knew more than has been disclosed about the extent of the political intelligence activities and to the allegation that some funds—initially from the Republicans—were still being used to pay the Watergate defendants.

Mr. St. George signed a contract last month with Harpers' Magazine Press for a book based on Mr. Sturgis's life experiences, including his activities for the political intelligence team. Mr. St. George has also negotiated a contract with the National Broadcasting Company calling upon the Watergate defendant to provide in a television interview a first-hand account of the intelligence operation. Mr. Sturgis said that the contract was for \$8,000.

A spokesman for Harper & Row, which is affiliated with Harpers' Magazine Press, confirmed that a contract had been signed with Mr. St. George for what was termed "under \$5,000." The work is tentatively titled "Inside Watergate," the official said.

An official at N.B.C. also acknowledged that a contract with Mr. Sturgis was signed early this month but said that less than \$8,000 was involved.

Mr. St. George was given a "finder's fee" of about \$1,000 for delivering Mr. Sturgis to the network, the official said. The contract calls for Mr. Sturgis to be interviewed on the network's "First Tuesday" monthly news show, after the trial.

Controversial Figures

Both Mr. St. George and Mr. Sturgis are controversial figures in their own circles, where they have mixed reputations. While some praise Mr. St. George's intelligence and his passionate devotion to his work, others describe him as a journalist who sometimes confuses fact and fantasy.

While there are many in the Miami area who have denounced Mr. Sturgis as a fabricator, there are obviously those who thought him reliable enough to join the intelligence team.

Mr. St. George, about 45 years old, lives in Dobbs Ferry, N. Y., with his wife and two children. He has written and reported about the anti-Castro Cuban community in Miami since the late nineteen-fifties. Mr. St. George talks constantly

Regate Trial Defendants Are Reported Still Being Paid



Arriving at courthouse in Washington are, from left to right, Frank A. Sturgis, Virgilio R. Gonzales, defendants in the Watergate case; Henry R. Rothblatt, their lawyer; Eugenio R. Martinez and Bernard L. Barker, also defendants and Mr. Rothblatt's clients.

Associated Press

about Fidel Castro, the Premier of Cuba.

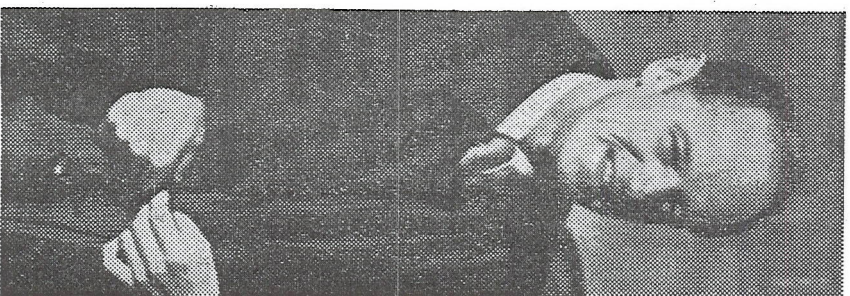
Once a free-lance photographer who worked for Life magazine, Mr. St. George became—as did Mr. Sturgis—a friend of Mr. Castro in the early days of the revolution. He won two awards in 1959 for his exclusive photographs of the Cuban leaders.

Over the next few years, however, his fortunes waned, and he became involved in a number of abortive projects—including an alleged attempt by a Cuban exile group to invade Haiti. He sold his account as exclusive television property to the Columbia Broadcasting Company in 1967. The invasion never took place.

Mr. St. George's contacts in Latin America apparently remained firm during these years, however, and enabled him to



Other defendants are G. Gordon Liddy, left, and James W. McCord Jr., at right. Peter Maroulis, a defense attorney, is between them.



E. Howard Hunt Jr. arriving at courthouse Thursday. He pleaded guilty.

come up with a world journalistic beat in 1968—the diaries of the slain revolutionary, Ernesto Che Guevara.

Has No Steady Job

Mr. Sturgis, 48, is a native of Norfolk, Va. He has no steady job but has been heavily involved in anti-Castro, anti-Communist activities since the Cuban revolution. Mr. Sturgis contended in a recent meeting that he had once served as a Vice Chief of Staff for the Cuban Air Force under Mr. Castro. He said that he fell out with Mr. Castro over the Premier's leftward drift.

Since the 1961 Bay of Pigs invasion, for which Mr. Sturgis says that he helped to train Cuban guerrillas in Guatemala, he has been linked to a number of highly publicized exploits, including an airborne propaganda leaflet raid in 1962 over Cuba that he later said during a court hearing never took place.

Mr. Sturgis was arrested and jailed a few years later, for the alleged hijacking off the coast of Mexico of a ship that he said he planned to use for a commando raid on Cuba.

Mr. Sturgis said that he had never seen the outline for the book that Mr. St. George presented to the New York publishers. But he said that there had been many meetings between them, and that he knew that Mr. St. George was preparing a book about him.

In the outline, Mr. Sturgis is depicted as joining the political surveillance group in the late summer of 1971 and working directly for Hunt, a former Central Intelligence Agency official who was then serving as a consultant to the White House on narcotics traffic.

Hunt, who is said by the prosecutor to have recruited some members of the political intelligence team, has pleaded guilty in the Watergate trial.

A Drug Investigation

Mr. St. George's book outline also asserted that Mr. Sturgis worked for months under Hunt's direction in an undercover investigation of alleged illicit drug traffic in Mexico, Panama and Paraguay. He was then recalled to Washington, according to the outline, where he began assisting Hunt in an extensive investigation into the background and activities of Senator Edward M. Kennedy, with special emphasis on the death of a young woman in an automobile accident at Chappaquiddick, Mass.

The outline quotes Mr. Sturgis as saying that he joined the political surveillance operation, known as S.O.G., or Special Operations Group, sometime in early 1972.

The New York Times has been told by a source close to the defense that Mr. Sturgis gave basically the same account of his recruitment and of the drug investigation to one of the Watergate defense lawyers. The Times has also been told that at the time of his arrest, Mr. Sturgis was carrying a false passport and other false documents that he believed had been prepared by the C.I.A. at Hunt's request.

Hunt had served for many years as a counter-intelligence expert for the agency and was said by sources close to the defense to have often worked with his wife, Dorothy, while on operations for the agency.

Mrs. Hunt, a former employe of the Spanish Embassy here, was killed in the crash Dec. 8 of an airliner in Chicago. She

was later found to have been carrying \$10,000 in cash and to have purchased more than \$200,000 worth of flight insurance.

High-Risk Operation

Counter-intelligence is one of the most clandestine and high-risk operations of the Central Intelligence Agency and involves the close observation of men and women said to be agents in the United States of the Soviet Union and other nations.

In another interview, a legal source with close connections to the financial arrangements inside the Committee to Re-elect the President reported that Hugh W. Sloan Jr., the

campaign treasurer who resigned shortly after the Watergate break-in, has said that the committee cannot account for \$900,000 in cash contributions.

"That's the amount he says the books just won't jibe with," the source said. This account was supported by a source close to the defense.

The \$900,000 is far greater than previous estimates of the cash available for a Republican fund that the prosecution contends was involved in intelligence work. Assistant United States Attorney Silbert, in his statement to the court this week, said that \$235,000—most of it apparently in \$100 bills—had been given by Republican officials to George Gordon Liddy for the intelligence operation, although his investigators could account for only \$50,000 of it.

Mr. Sloan, a pending witness in the Watergate trial, said that he was unable to discuss any aspect of the case in view of the court's ban on outside discussion.

In corroborating Mr. Sturgis's statement that four of the five men seized in the Watergate were still being paid a source close to the defense said that the payments had been made without interruption since the arrests.

"They're not getting big money," said another source, who complained that the persons responsible for "parceling it out" were stingy.

In addition to Mr. Sturgis and Mr. Martinez, the other men arrested at the Watergate are James W. McCord Jr. of suburban Washington, a former F.B.I. and C.I.A. agent who was working as a security official for both the Republican National Committee and the Committee to Re-elect the President and two Miami men—Bernard L. Barker and Virgilio R. Gonzales.

All had been active in anti-Castro and anti-Communist activities in Florida since the Cuban revolution.

Fund Cutback Reported

Mr. Sturgis indicated during a meeting that he was angry because of a cutback in funds, and because of an insistence on the part of those dispensing the money that he deal through Mr. Barker—known as "Macho"—to the Watergate intelligence team.

The four defendants from the Miami area—Mr. Barker, Mr. Martinez, Mr. Sturgis and Mr. Gonzales—are said to be receiving monthly cash payments of \$400 and up. None of those interviewed knew whether a similar financial arrangement had been worked out for the fifth defendant, Mr. McCord.

While he has cited no evidence, Mr. Sturgis apparently believes that the funds are coming, in part, from accounts activated by the still-operating Committee to Re-elect the President through a variety of intermediaries.

Other money, said by Mr. Sturgis to come from right-wing businesses and individuals, is also reportedly available.

Another source—not a defendant—who is receiving cash payments said in an interview that the men being paid did not know who was responsible for putting up the money and, they did know, would not say.

"The sources say if you're going to embarrass us, you won't get a dime," this man said. "In that sense, we have to be very, very sensitive."

Another source, who knows the defendants, complained about the limited amount of cash that he said was being given to the Miami men and said that those responsible were "not doing what they should be doing."

"Everything is supersecret," he said. "All the money has to go through several washings before we get it. They're afraid that the word might get back."

The 'Big Paranoia'

"Their big paranoia is that somewhere along the line it would be found out that they were feeding money to us."

At least one cash payment was reportedly made by Mr. Barker to Henry B. Rothblatt of New York, the attorney for

four of the five Watergate defendants. Mr. Rothblatt refused, in an interview, to discuss the source of his "fee," as he put it.

Federal investigators with detailed knowledge of the case suggested in subsequent interviews that any traceable connection between the Republican re-election committee and the Watergate defendants had been severed, and funds—even if they had stemmed from cash accounts once in the control of the Republicans—had long since passed into the control of those unknown men still paying the Watergate group.

According to conversations with Mr. St. George and Mr. Sturgis and substantiated by another source close to the defendants, the Watergate break-in followed this scenario:

The plan for the entry was simple. An inside man, who was said to be on both the Democratic and Republican payrolls, was to tape a number of door latches on the bottom, or basement, level of the building so the intruders could gain quick entry. Once inside, they were to be aided by keys made by Mr. Gonzales, a locksmith.

He had made casts of at least one lock in the sixth-floor area of the Democratic National Committee offices during an earlier illegal entry. The Washington police disclosed that they had found a key to the Democrats' office hidden in an ashtray by an elevator on the sixth floor and theorized that an insider had placed it there.

Guard Found Tape

The inside man did his job, but an alert guard noted the tape and pulled it off. The Watergate five retaped the doors. One source, asked about this detail, said that it was Mr. McCord who decided to go ahead with the entry, although the four others believed that the mission had been compromised.

When the suspicious guard returned a few moments later to the basement level of the building to double-check the doors, he found them retaped and telephoned the police. Meanwhile the five men had begun their operations inside the Democratic offices.

In an interview with The Los Angeles Times, Alfred C. Baldwin Jr., a former F.B.I. agent who was working with the political intelligence team, said that he had been assigned as a lookout at the motel across the street from the Watergate early June 17.

He saw the police pull up, he said, and relayed a warning to one of the security men. Mr. Baldwin said that he was then told that his contact was unable to reach the men on the sixth floor. The police arrived about 15 minutes after they had been summoned by the guard.

At this point, another factor came into prominence: Mr. Barker's reputation for being stingy.

Mr. Barker had served as a paymaster for the C.I.A. during the Bay of Pigs invasion and was said to be proud of his reputation for being careful with money. He was said to walk out of restaurants if the menu seemed too expensive.

He was also said to be a patron of an all-night 15-cent hamburger stand in Miami. On the night of the Watergate break-in, he boasted that he had paid only 39 cents for the tape used to secure the door latches.

Saved on Batteries

Once the men had gained access to the Watergate complex without, they believed, being spotted, Mr. Barker turned off the batteries on his walkie-talkie. He explained later that he did it "to save the batteries." He thus did not hear Mr. Baldwin's advance warning.

Mr. Barker's alleged deficiencies as an "operative" that night still rankle Mr. Sturgis, who when interviewed referred repeatedly to his colleague, now a Miami real estate man, as "that idiot."

One of the bizarre aspects of the case is the C.I.A. connection of those involved. The name

for the political operations conducted by Hunt—Special Operations Group—is identical with that given by the C.I.A.'s clandestine services—the so-called "dirty tricks" department—to its covert paramilitary operations.

In addition, nearly all of the seven indicted men had some connection with the C.I.A., either as an agent or as a contract employe hired for specific operations.

In his outline, Mr. St. George alleged that Mr. Martinez was still on the C.I.A. payroll at the time of the Watergate break-in, a statement that was subsequently confirmed by Federal sources. Officials also confirmed that a diary kept by Mr. Martinez—who is known as "El Practico" to his colleagues—had been found by F.B.I. agents and was in the Government's possession.

Not on Witness List

Mr. Sturgis indicated that he thought much potentially damaging information about his group's extensive operations had been provided to the Government both by the Martinez diary and by Felipe De Diego, a sixth member of the Watergate group who was granted partial immunity by the prosecution after his interrogation last year by the F.B.I. in Miami.

Mr. De Diego is known to have stayed at the Watergate Hotel on three occasions up to the day of the break-in. The prosecution's witness list, made available on the first day of trial last Monday, did not include Mr. De Diego.

Allegations in the St. George outline about wider bugging than that mentioned in the Watergate indictment were corroborated in general by Mr. Sturgis, but he refused to discuss any specifics.

"I'm not going to be a stoolie," he said. "If I'd wanted to have done something and make some money, I would have gone to McGovern."

The Times was unable to find any independent confirmation for the allegations. However, the prosecutor, Mr. Silbert, said in court that the intelligence team made two attempts to plant a listening device in the McGovern headquarters but was unable to do so. He did not mention any attempt to bug any other Senator or Representative.

The only public complaints about telephone service on Capitol Hill since the Watergate break-in came from Representative Bella S. Abzug, Democrat of Manhattan, and Senator Muskie.

Other Bugging Denied

Another source close to the four other Watergate defendants acknowledged in a series of interviews that the activities of the intelligence team had been more extensive than was previously known, but he emphatically denied any bugging efforts other than the eavesdropping on the Watergate headquarters.

He described the St. George account in the book outline as "absolutely absurd."

"They never got to tap McGovern," this source went on. "They tried but blew it, and it didn't work out." The attempt allegedly took place after Senator McGovern's victory in the Wisconsin primary in early April, the source said.

In his Los Angeles Times interview, Mr. Baldwin told of an attempt to bug a McGovern campaign office near the Capitol.

Security for Convention

Another source, who said that he had heard full accounts of the political intelligence operations from the defendants, asserted that extensive surveillance operations involving Senators Muskie and McGovern—both Presidential aspirants—had been carried out in addition to the placing of informers in each man's campaign offices.

The source also said that another of Mr. Sturgis's assertions—that he had traveled to California and other places, such as Atlanta, on behalf of the Republicans—was accurate. But he refused to say why the trips to the West Coast and

elsewhere had been authorized.

The prosecution in the Watergate trial said that the group had been interested in making the Republican convention hall in San Diego secure. The convention was eventually moved to Miami Beach.

There were indications from a number of sources, including Mr. Sturgis, that many of the intelligence group's operations were prompted by a belief that the Cuban Government was attempting to contribute cash—through various conduits—to the McGovern campaign in return for a promise of a liberalized party platform on Cuban-United States relations.

These operations, the sources said, seemed to have no immediate connection with the Republican campaign committee.

Surveillance of political opponents, and even placing informers among them, is not necessarily illegal and has been a standard operating technique in many political campaigns.

Mr. Silbert told the court this week that Mr. Liddy, a former White House aide and re-election campaign counsel, had been placed in charge of various intelligence activities after a meeting with Jeb S. Magruder, a former Justice Department official who was then deputy director of the committee.

The prosecutor did not mention Mr. Mitchell in his opening remarks to the jury, and he was not listed as a prosecution witness although he testified before the grand jury investigating the case last year.

The prosecutor also did not mention any White House official as being responsible for the Watergate break-in.

The St. George book outline said that Mr. Mitchell had been informed of the operation. Subsequently, Mr. Sturgis stated in a conversation his belief that Mr. Mitchell had a role in the operation, saying, "Mitchell kept pushing and pushing" the Watergate team. But he offered no evidence for his belief, and no other source checked by The Times would confirm the report.

'In Charge of Operations'

Mr. Liddy, a White House aide who later became counsel to the re-election committee, was described by Mr. St. George in the book outline as being "in charge of operations on a day-to-day basis."

"He was the chief control officer and arranged all payments of money," Mr. St. George said.

Mr. Liddy was dismissed by the Republican committee after refusing to answer questions asked by F.B.I. agents about the Watergate affair.

The prosecutor, Mr. Silbert, told the court that Mr. Liddy and Mr. Hunt had been given the job of mounting an intelligence operation for the committee.

As for the operations group itself, Mr. Sturgis confirmed a report that duties had been refined to the point where Mr. McCord was responsible for electronic eavesdropping, Mr. Sturgis was responsible for photographing documents, Mr. Gonzales was utilized as a locksmith and Mr. Martinez and Mr. Barker were responsible for security.