

Held by Watergate Plotter**\$89,000 GOP Fund Probed**

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The Justice Department is conducting criminal investigations into matters surrounding \$89,000 in Mexican checks contributed to President Nixon's re-election committee and later deposited in the bank account of one of the Watergate bugging conspirators.

Henry E. Petersen, assistant attorney general of the criminal division, made the disclosure in a Jan. 11 letter to Rep. Wright Patman (D-Tex.), chairman

of the House Banking and Currency Committee.

The letter is the first public statement by the Justice Department that there are ongoing investigations into matters that surfaced during the FBI probe into the bugging of Democratic headquarters at the Watergate.

Petersen said that there was apparently no violation of the law as had been suggested by Patman because the \$89,000 was contributed by Americans through a Mexican national. He added: "We are, however, presently conducting criminal investigations into several

other aspects of this contribution, and its movement to Washington."

According to reports of the House Banking and Currency Committee made last year, the \$89,000 in four Mexican cashier's checks was part of a \$100,000 contribution that originated in Texas.

After being transferred to Mexico, \$89,000 of the money in the form of the four checks was deposited during April, 1972, in the Miami bank account of one of the Watergate

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conspirators, Bernard L. Barker.

Patman's Committee staff last year conducted a preliminary investigation into financial transactions surrounding the Watergate bugging incident, although the full Committee refused to authorize a complete probe.

Petersen's letter was in response to a request from Patman that the Justice Department review the Patman Committee's reports to determine if there had been violations of the law.

Discussing 10 subjects in his letter, Petersen said that seven of them were not being pursued because they did not appear to be illegal.

In addition to the \$89,000 in Mexican checks, Petersen said that Justice Department's criminal division will pursue an inquiry to determine if there were any illegal disbursements from a cash fund kept in the safe of former Commerce Secretary Maurice H. Stans while he was the chief Nixon fund-raiser.

That cash fund was the source of more than \$235,000 that was given to another Watergate conspirator, G. Gordon Liddy, the finance counsel of the Nixon re-election committee, to conduct an intelligence-gathering operation.

Liddy and six other either pleaded guilty or were found guilty in the Watergate trial that ended Tuesday.

As a result of the Patman report, Petersen said that an "appropriate investigation is presently being conducted" into several allegations in the

Patman reports about "fraudulent financial statements to several banking institutions" by a large Nixon contributor.

In its investigation last fall of the Watergate break-in, the FBI established that the \$100,000 originally was withdrawn on April 3 from a corporate bank account held in Houston by the Gulf Resources and Chemical Corp.

At the time, Gulf Resources' major subsidiary, an Idaho mining operation, was under pressure by the federal Environmental Protection Agency to correct extensive water and air pollution problems. Since then, that pressure has diminished.

Gulf's president, Robert H. Allen, was the chief fund-raiser for the Nixon re-election campaign in Texas.

According to FBI sources, the complicated transactions surrounding the \$100,000 were apparently implemented to disguise its origin as a corporate contribution to the Nixon campaign. Corporate contributions to election campaigns are illegal.

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