

Vesco Gift

U.S. Probing Big Nixon Donation

Washington

A former Republican campaign official said yesterday he had no idea that Robert L. Vesco was under federal investigation when he solicited a large campaign gift from the New Jersey entrepreneur in February, 1972.

"If I had known then what I know now, I would obviously not have asked for it," said Daniel W. Hofgren, an ex-White House aide who was vice chairman of the Finance Committee to Reelect the President.

Hofgren said he was "flabbergasted" to learn that Vesco contributed \$200,000 in cash after Hofgren made contact with a Vesco associate, Gilbert R. J. Straub.

CASH

The General Accounting Office, the auditing agency of Congress, began an investigation yesterday into circumstances surrounding the donation. The money, in \$100 bills in a black attache case, was turned over to Maurice H. Stans, President Nixon's finance chairman, last April 10 in Washington.

Phillip S. Hughes, director of the GAO's Office of Federal Elections, said he will determine whether the committee's failure to report the donation was a violation. Under federal law, all campaign gifts received after

last April 7 were reportable.

The committee contends the money was "constructively" in its hands last April 6, because Vesco intended to give it to Stans at a dinner on that date. But Stans was unable to attend.

According to court testimony, the money represented a personal loan to Vesco from a Bahamian bank which he controlled. Vesco was the principal defendant in a \$224 million civil fraud action filed by the Securities and Exchange Commission last November.

SOURCE

Asked if GAO would investigate the source of the political contribution, Hughes replied: "If it's corporate funds, the government is obviously interested in that. But that's probably the Justice Department's jurisdiction."

Corporations are forbidden by law from making political contributions. A Justice Department spokesman declined comment on whether that aspect was being investigated.

The SEC suit charged Vesco, 20 other persons and 21 corporations with misappropriating \$224 million from mutual funds managed by IOS Ltd., a Geneva-based financial complex of which Vesco was chairman.

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