

# Justice Dept. Gets Nixon Fund Charge

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By John Hanrahan  
Washington Post Staff Writer

The General Accounting Office yesterday sent to the Justice Department for possible prosecution a report charging President Nixon's campaign finance committee with four new "apparent violations" of the Federal Election Campaign Act.

The report deals with a secret contribution of \$200,000 by Robert L. Vesco, the key figure in an alleged multi-million dollar international swindle. Vesco's contribution—all in \$100 bills—was handed over last April 10 to Maurice Stans,

the head of the Finance Committee to Re-elect the President, and it remained secret until newspaper accounts of it appeared this January.

The Nixon re-election committee was fined \$8,000 earlier this year on eight counts of a federal indictment stemming from a GAO investigation last summer. It was the first such punitive action since campaign reporting laws were instituted in 1925.

The GAO, the investigative arm of Congress, is charged with enforcing the election campaign act but any decision to prosecute is made by the

Justice Department. The GAO report yesterday asked Justice for a second time to investigate a \$350,000 cash fund that was kept in Stans' safe. A GAO request last August for a Justice Department probe of these funds has gone unanswered.

The Vesco money was part of this \$350,000, according to federal investigators, and some of this money reportedly was used to finance the bug-ging of Democratic headquarters at the Watergate and other spying on the Democrats.

In its report yesterday, the

GAO said its interest in the \$350,000 was rekindled in light of the recent disclosure of the Vesco contribution and Sloan's testimony at the Watergate conspiracy and bug-ging trial that he had made "large unaccounted for disbursements to . . . Liddy and others . . ."

In the report, Phillip S. Hughes, director of GAO's Office of Federal Elections, said that Stans and Paul E. Barrick, former committee treasurer, have refused to provide affidavits as to what the \$350,000 was used for after April 7.

See VESCO, A11, Col. 1

## VESCO, From A1

The President's finance committee immediately responded to the GAO report yesterday, terming it irresponsible and asserting that the VESCO contribution was handled in a legal manner.

A Justice Department spokesman said the department "will look into this as we normally would," but had no other comment.

Specifically, the report, prepared by Hughes contends that the contribution was received three days after the new Federal Election Campaign Act went into effect last April 7, but had never been publicly reported.

The President's finance unit responded yesterday, as it had previously, that the contribution had been arranged for far in advance of April 7. This meant that the money was "constructively" in the committee's hands before the April 7 deadline and, under the law, did not have to be reported.

The violations alleged by GAO include:

- That the media committee did not have the \$200,000 cash on hand on April 7, reported and therefore its June 10 report was incorrect.
- That the name, address, occupation and place of business of all persons contributing more than \$100 is required by law but was not provided in the Vesco contribution.
- That a person receiving any contribution of more than \$10 must inform the treasurer of this and the name, address and business of the contributor. This was not done in the Vesco case, GAO alleged.
- That the treasurer must keep a detailed account of every person contributing more

than \$10, and that this was not done in the Vesco case.

The President's finance unit said yesterday there was a "conclusive precedent" for not reporting the Vesco contribution. It said that a \$25,000 contribution from Dwayne Andreas, of Minneapolis, that also physically arrived in the

committee's hands on April 10 was investigated by the Justice Department. On Jan. 11 of this year, the Justice Department reported it had found no violation of federal statute in that case. The committee said yesterday the same should be applicable in the Vesco case.

The GAO said Stans said he received the money and turned it over to Hugh W. Sloan Jr., then the committee treasurer, for counting and storage. Stans said "no receipt was given for the funds and no record was made of the transaction," the report said.

The report said Sloan's lawyer gave the GAO a letter stating that Sloan knew nothing of the circumstances surrounding the Vesco contribution. Sloan acknowledged Stans gave him the money and that he counted it and put it in the safe, but that he did not know the identity of the donor or the exact date the money was received, the report says.

In its report, the GAO says it is "undisputed" that the money physically arrived in Stans' office on April 10. GAO investigators reported that Stans told them "that, on advice of counsel, he considered the contribution to have been

made before April 7 . . . and, accordingly, it was not itemized as a contribution on the June 10 . . . reports . . ."

The finance unit, in a memorandum submitted to GAO by attorney Kenneth W. Parkinson, contended that Vesco's promise of a \$200,000 contribution before April "constituted a completed contribution before April 7," the GAO report says.

The report says that this position runs contrary to the finance unit's position on another aspect of the law requiring that large contributions received within a week prior to the election must be reported within 48 hours after receipt.

"There," the report says, "the finance committee's position was that the reportable event did not occur until the committee treasurer actually received the contribution, even though the funds may have been delivered to another committee agent or official at an earlier time."

Vesco is the main subject of a civil suit also filed against 20 other individuals and 21 corporations, charging them with misappropriating \$224 million from mutual funds managed by IOS, Ltd., a Geneva-based financial complex.

A New York grand jury reportedly is investigating whether the contribution was given by Vesco in an effort to avoid prosecution. The contribution came to light last month when Harry L. Sears, an attorney who headed the President's re-election campaign in New Jersey last year, gave a deposition in the SEC suit against Vesco.

Sears acknowledged discussing the contribution with Stans before April 7, while at the same time discussing the SEC investigation of Vesco. Sears also stated that former Attorney General John N. Mitchell had once arranged to get Vesco out of a Swiss jail and later set up a meeting with SEC officials for Vesco.

However, Sears denied there was any "quid pro quo" in the contribution. He said he even said this to Stans at the time the money was delivered to Stans' office on April 10.

The President's finance unit returned the money to Vesco on Jan. 31 of this year, stating in a letter: "It has come to our attention that you and your business interests are under investigation by the SEC for alleged violations of the Securities and Exchange Act of 1934."