

G.O.P. Facing Its 2d Criminal Citation For Violation of Campaign Fund Law

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WASHINGTON, April 25—The General Accounting Office will cite the Republicans' 1972 campaign organization for the second time for criminal violations of the financial disclosure law, it was learned today. The charges involve unreported expenditures designed to demonstrate purportedly spontaneous public support for one of President Nixon's most controversial military decisions in Vietnam.

The audit report by the G.A.O., the Government agency that enforces the new Federal Campaign Finance Act, will go later this week to the Justice Department, which has the final say about bringing charges, and will recommend prosecution.

This disclosure came today as a senior official of the 1972 Nixon re-election campaign acknowledged, and defended as "routine" the placement of a newspaper advertisement and the generating of telegrams to the White House in support of the President's decision May 8, 1972, to mine the harbor of Haiphong, North Vietnam's principal seaport. The G.A.O. audit centers on these activities.

According to Government auditors, the \$4,400 advertisement, placed in The New York Times on May 17, 1972; the campaign to produce messages supporting the President, and the cost of apparently spontaneous public rallies favoring the blockade were paid for out of a secret cash fund.

According to the auditors, the fund was kept in a safe at the Committee for the Re-election of the President, Mr. Nixon's main campaign headquarters here.

These "campaign expenditures" were not reported, as required by law, and officials emphasized today that this was the violation involved; rather than any of the results achieved.

Hurried Phone Calls

A high-ranking former Nixon campaign leader, who asked not to be identified, said that after Mr. Nixon's decision May 8 to mine the Haiphong harbor, the President's campaign aides "routinely" began generating a show of popular support. Anxious about criticism that they felt might cost Mr. Nixon the election, they moved to counter public and editorial protests, the Republican official said.

At the request of White House aides, a sum described by Government auditors as at least \$8,400 was drawn from the cash supply held by the re-election committee. The secret fund fluctuated from \$350,000 to \$700,000, Government sources have said.

On May 10—24 hours after the mining decision was announced—the White House press secretary, Ronald L. Ziegler, told reporters that telegrams and phone calls in favor

of the President's blockade were running five or six to one. Many, if not most, of these messages, it was learned today, were the result of hurried phone calls by White House and Nixon campaign aides to friendly officials of such organizations as the American Legion and the Veterans of Foreign Wars, who in turn relayed the request for telegrams to rank-and-file members.

Whether the cost of the messages was paid for with Republican campaign funds, as reported in The Washington Post today, could not be immediately confirmed. The Post said that the expenditures had been authorized by Jeb Stuart Magruder, then Mr. Nixon's deputy campaign manager under former Attorney General John N. Mitchell.

A week later, using 44 \$100 bills sent to him by campaign officials here, Peter H. Daily, former president of the November Group, a group of advertising campaign, paid for the ad in The Times of May 17.

The ad copy, criticizing a May 10 editorial in The Times that attacked Mr. Nixon's harbor-mining decision as "counter to the will and conscience of the American people," appeared over the names of 10 persons.

The "coordinator" of this group group—a "Mrs. O'Leary"—was identified today as a former secretary of the November Group and the wife of one of its former executives, Stephen O'Leary. Mr. O'Leary, now with Marschalk Company, Inc., a New York advertising agency, said today that his wife knew none of the other people on the list and did not know who was paying for the ad.

In a telephone interview, Mr. Daily, the head of a Los Angeles advertising agency, said, "I only know that it [the money for the ad] came from the committee. It came in cash. We passed it on in cash."

Mr. Daily said that he assumed "complete responsibility" for the ad, saying, "I'm responsible for everything that the November Group did. I don't think we were in violation of the law."

Advertising officials at The New York Times said that the ad had been paid for by a check from SFM Media Services, a New York media-buying agency. But Ann Carver, the media agency's merchandizing manager, said today that she could find no record of the transaction. "We didn't place it," she said.

Another person whose name appeared on the ad, Rabbi Abraham Gross, president of the Rabbinical Alliance of America at 156 Fifth Avenue, recalled today that "someone called me about the ad, I agreed with what they said, and I said I would sign it."

Asked who had called, Rabbi Gross said, "That is something I don't recall."

Last January, the Committee for the Re-election of the President pleaded nolo contendere—no contest—to eight charges of violations of the Federal Election Campaign Act involving failures to disclose required financial data. The committee was fined \$8,000 in United States District Court here.

Asked today about the prospect of new charges, DeVan L. Shumway, the committee's press spokesman, said that the Republican aides who had arranged the ad and the telegrams had merely "asked people who supported the President to say that they did, and it was a perfectly legitimate effort to show that support."

Mr. Shumway said that he had no knowledge of the financial arrangements for the telegrams or the ad. "I would have retary at the November Group preferred it not to have a sign it," he said. "But I have no pangs of conscience about a secretary wanting to support the President."

Two similar campaign stratagems devised by Mr. Nixon's aides were recalled here today. The first was a series of ads in the 1970 mid-term elections that represented 10 Democratic senatorial candidates as tolerant of "extremists." The second involved a mailed "poll" of conservative Democrats in the 1962 California gubernatorial election designed to weaken the campaign of Mr. Nixon's opponent, Gov. Edmund G. Brown. The "poll" in reality was sponsored by Mr. Nixon's campaign aides.

As for the ads in the 1970 campaign, Elly Peterson, then the assistant Republican National chairman, attributed them to Charles W. Colson, the President's special counsel. He has acknowledged that he was the mover behind many letter and telegram campaigns, especially among vet-support for the president's actions in Southeast Asia.

Mrs. Peterson later said, "Those ads were his baby totally. Then he tried to dump it on the [Republican National] Committee."