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# Nixon Campaign-- GAO Urges Probe

Washington

President Nixon's principal re-election committee was formally cited yesterday for a fourth time for violations of the campaign reform act that Mr. Nixon, in signing last year, had predicted would "restore public confidence in the electoral process."

The General Accounting Office, an auditing arm of Congress responsible for enforcing the federal election campaign act, said in a new report to the Justice Department that the Republicans' Finance Committee to Re-Elect the President, headed by former Secretary of Commerce Maurice H. Stans, had concealed or failed to report "substantial expenditures" in cash.

In bureaucratic language that was a thinly veiled criticism of the Justice Depart-



HUGH SLOAN JR.  
False report charged

ment's inaction on other GAO referrals involving the Republicans, the accounting office urged the department

"in the strongest terms to take the initiative" in investigating what it called reports of "additional cash in huge amounts." still not accounted for by the Nixon campaign.

## FALSE

The GAO said it was recommending the prosecution of Hugh Sloan Jr., a former White House aide and the former treasurer of the Finance Committee to Re-Elect the President, "for knowingly and wilfully" submitting a false federal report of campaign receipts and expenditures that had failed to account for \$11,000 in cash.

The maximum penalty for conviction on the charges, the most stringent punishment in the act, is a \$10,000 fine or five years in prison, or both.

The accounting office has no subpoena or enforcement powers under the campaign finance law. The act directs it to refer findings of violations to the Justice Department for prosecution. It is up to Attorney General Richard G. Kleindienst, a Nixon appointee, to decide which cases will be presented to a grand jury.

Both Phillip S. Hughes, the outspoken director of the GAO's Office of Federal Elections, and his superior, Controller General Elmer B. Staats, took the unusual step in the report of reminding Kleindienst that the accounting office has had "no direct response from the Department of Justice as to the nature of its efforts or intentions, if any," in obtaining full financial disclosure from Mr. Nixon's campaign treasurers.

## FAILED

The report noted that the Nixon committee had failed to "furnish us with any statement as to the total amount of cash funds held for the committee on or after April 7, 1972" — the effective date of the reporting and disclosure requirements of the new law.

The report went on to say:

"Our findings today substantiate our earlier concern and indicate that the responsible officials of the Finance Committee to Re-Elect the President have failed to report to this office substantial expenditures made in currency after April 7."

## VIOLATIONS

Hughes' office had previously referred to the Justice Department audit reports citing the following violations by the committee:

- An undisclosed, \$350,000 cash fund kept in Stans' office safe and used, according to other government discoveries, in part to finance the Watergate burglary and wiretapping incident.

- The acceptance of a \$15,000 contribution from Eric Ho Tung of Hong Kong, not an American citizen. Contributions by foreign nationals are forbidden. The committee said it had returned the money.

- An unreported \$200,000 cash contribution from Robert L. Vesco, a New Jersey financier who had sought the private intervention of former Attorney General John N. Mitchell in his release from a Swiss prison and who later obtained Mitchell's intercession with officials of the Securities and Exchange Commission.

The SEC has charged Vesco with massive securities fraud. The committee returned the \$200,000 to Vesco, but only after keeping it for nine months, and also returned an additional \$50,000 that he had contributed later.

N.Y. Times Service