

CHARGES ON FUNDS

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Justice Department's Action on Vesco Gift Cites Nixon Panel

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WASHINGTON, May 2—The Justice Department charged the Finance Committee to re-elect the President today with failing to report and maintain records on a \$200,000 campaign contribution by Robert L. Vesco, a New Jersey financier.

The charges, contained in a three-count information filed in United States District Court here, did not charge any individuals. If found guilty, the committee would face a maximum fine of \$1,000 on each count, or \$3,000.

The committee said in a statement that the matter involved "a bona fide action" by the committee that its lawyers believed did not violate the law.

The committee statement said the case reflected "a difference of opinion" on the definition of a "contribution" and noted that the contribution at issue had been returned to the donor "several months ago."

Action Was Urged

The General Accounting Office, the auditing arm of Congress, had referred "apparent violations" of the Federal Election Campaign Act involving the Vesco contribution to the Justice Department for action last March 12. In a follow-up report last Friday, it had expressed impatience that no action had been taken.

In unusually blunt language, the G.A.O. said then that since referring the case to the Justice Department, "We have had no direct response from the Department of Justice as to the nature of its efforts or intentions, if any, in this direction."

Signed by Phillip S. Hughes, director of the agency's Office of Federal Elections, Friday's statement urged "in the strongest terms" that the Attorney General take action against the alleged violations.

Asked for comment this evening on the Justice Department's action, Mr. Hughes said he understood that the department had felt that it had a "prosecutable offense" against the committee but not against any individuals.

Mr. Hughes said that as a nonlawyer he did "not understand the legal reasoning." He

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said he was "concerned" that there be effective penalties in the administration of the Federal campaign law and added: "I question whether \$3,000 is that."

A Federal grand jury in New York City has been investigating the activities and apparently the political contributions of Mr. Vesco, who was charged Nov. 27 in a civil suit by the Securities and Exchange Commission with having "spirited" away some \$224-million from four mutual funds.

Former Attorney General John N. Mitchell and Maurice H. Stans, former Secretary of Commerce and finance chairman of the Nixon campaign, have appeared twice before the grand jury, according to sources close to the investigation.

Vesco Not Mentioned

The Justice Department's announcement today did not mention Mr. Vesco by name, but the information about the date and the amount of the contribution coincided with details of the Vesco contribution that had been sent to the department by the General Accounting Office.

The first count of the charges said that the Nixon finance committee, acting through Mr. Stans, had received a \$200,000 contribution April 10, 1972, three days after the effective

date of a new Federal law requiring public reporting of contributions, and that the committee failed to report the contribution as required within five days of the donation.

The Nixon finance committee has contended in the past that since Mr. Vesco had intended to make his contribution before the April 7 reporting deadline, the money, which was delivered in cash, was "constructively" in the hands of the committee before the deadline. The committee returned the \$200,000, along with a separate contribution of \$50,000, to Mr. Vesco last Jan. 31, five days after The Washington Star-News first reported the large secret contribution.

The second count of the charges alleged that the finance committee, acting through its treasurer, Hugh P. Sloan, Jr., failed to keep records of the amount of the contribution and the name, address, occupation and "principal place of business of the contributor."

The third count charged that the committee also failed to report the contribution to the G.A.O.'s Office of Federal Elections.

Last Jan. 26, the Nixon finance committee was fined \$8,000 for failing to report certain campaign expenditures after its lawyer entered a plea of nolo contendere—no contest—in the case.