

JOHN LOEB IS CITED

ON CAMPAIGN GIFT

NYTimes MAY 17 1973

Wall St. Banker Is Accused
by U.S. on Humphrey Aid

By MAURICE CARROLL

John L. Loeb, a Wall Street investment banker whose philanthropic gifts measure in the millions of dollars, was accused by the Federal Government yesterday of having disguised a \$48,000 contribution to Senator Hubert H. Humphrey's unsuccessful 1972 campaign for the Presidency.

At Mr. Loeb's "urging," according to the office of United States Attorney Whitney North Seymour Jr., eight other people wrote checks for Mr. Humphrey's last-ditch effort to win the California primary on the way to the Democratic nomination, and Mr. Loeb gave them the money.

He was the first contributor to be accused under the new campaign contribution disclosure laws that took effect April 7, 1972, but a Justice Department spokesman in Washington denied that the charge, a misdemeanor, represented any attempt to insert a Democratic case among current charges of violations by President Nixon's campaign committee.

Mr. Loeb, a 70-year-old, tall,

Continued on Page 48, Column 5

U.S. Cites John Loeb for Humphrey Campaign Gift

Continued From Page 1, Col. 5

tanned, ramrod-straight man, is senior partner of Loeb Rhoades & Co., 42 Wall Street.

He is prominent in the city's financial, philanthropic and social life. His wife heads the city's commission for the United Nations and, while the final touches were being put on the Federal information against him Mr. Loeb and his wife, according to a friend, were among the guests at a White House dinner Tuesday evening in Washington.

The contributions allegedly were made five weeks after the law was changed. Mr. Loeb issued a statement yesterday asserting that he had not known about the change in the law and, when he found out, asked the Humphrey people to announce that the money really came from him. This, he said, the Humphrey people did.

Such disguised contributions were "common practice" under the old law, said Mr. Loeb's lawyer, Woodson D. Scott. "He didn't want his name to get on a lot of lists as a generous giver," Mr. Scott suggested as a reason for the use of the employees' names.

Mr. Loeb's name has been featured frequently, however, in stories of contributions of more than a million dollars to Harvard University and, although he is a Republican, as chairman of fund-raising committees for President Lyndon B. Johnson in 1964 and Mr. Humphrey in 1968.

A friend said later that while

Mr. Loeb did not object to seeing his name listed as a donor for universities, hospitals, or other such things, he sometimes felt "squeamish" about politics.

Theory Is Disputed

Some politicians suggested he might have been "hedging his bets," with an attempted silent contribution to the Humphrey campaign while, at the same time, he was giving money to Mr. Nixon.

Mr. Loeb issued a statement disputing that theory. "I did not support Nixon in 1972 until after the Democrats nominated George McGovern," he said. Mr. Scott said his eventual contributions to various Nixon committees totaled about \$62,000.

The General Accounting Office and the Federal Bureau of Investigation in Washington had been investigating the case for months. Mr. Scott said that he and a fellow member of the law firm of Lord, Day & Lord, former Attorney General Herbert Brownell, had conferred with Justice Department officials several times to try to prevent the case from going to court. Mr. Scott said such efforts were common practice among lawyers on behalf of clients.

About a month ago, according to Assistant United States Attorney John J. Tigue Jr., who is in charge of the case, Washington sent it to Mr. Seymour's office for prosecution.

Since the accusations are misdemeanors (Mr. Loeb if con-

victed could get a year in prison and a \$1,000 fine on each of the eight counts), the case was not referred to a grand jury, for an indictment and the information was filed yesterday morning before Federal Judge Sylvester J. Ryan.

Arraignment will be May 29, under the standard timetable that sets arraignment the second Monday after the filing, with, in this case, a day's extra delay for the Memorial Day holiday.

Although the Nixon campaign finances have produced a flood of accusations—one of them, leading to the indictment last week of former Attorney General John N. Mitchell, the Justice Department said that Mr. Loeb was the first contributor to be accused specifically of violating the new election law, which provides that "no persons shall make a contribution in the name of another person."

Contributors Reimbursed

According to the charge, one of Mr. Loeb's secretaries, Arthur Griffiths, had asked other Loeb Rhoades employees to sign checks as Humphrey contributors. Checks not exceeding \$3,000—the highest contribution that can be made without paying a Federal gift tax—were sent to various Humphrey committees (Druggists for Humphrey, Citizens for Humphrey, etc.), some from employees of the firm, one from Mrs. Loeb's personal secretary. But all the money came from Mr. Loeb.

"As a result of inquiries by the press," he said in his state-

ment yesterday, "I became aware that a question might be raised." So, he said, on June 1, he asked the Humphrey committee to publicize "the fact that I had reimbursed the contributors," and that was done the following day.

"There was certainly no intent on my part to evade the laws," Mr. Loeb said. "I did not know of its existence."

Mr. Humphrey said in Washington that he had "no knowledge of the details" but noted that he knew Mr. Loeb "as a distinguished and respected citizen."

He also knew Mr. Loeb as a long-time financial source, according to files of campaign press clippings. In July, 1964, Mr. Loeb was host at a dinner at the 21 restaurant for Mr. Humphrey, who was then seeking the nomination for vice president. That year Mr. Loeb also served as co-chairman of the National Independent Committee for President Johnsons and Senator Humphrey.

In 1968 Mr. Loeb was co-chairman of a committee to help Mr. Humphrey's Presidential campaign.

Mr. Loeb said that the charge involving his 1972 contribution involved "an entirely technical and unwitting violation of a procedural provision." He added: "My concern, of course, is that this incident should not be confused in the minds of the media or the public with the current scandals."