

# GAO Claims Nixon's Lawyer Made Payoffs

WASHINGTON — (AP) — Government auditors said yesterday that President Nixon's personal lawyer, Herbert W. Kalmbach, told them he paid at least \$210,000 through intermediaries to the Watergate defendants or their attorneys.

One of the defendants has said the money was used in

**\$210,000**

**Admitted**

an attempt to buy his silence.

Most of the money came from two officials of the Nixon re-election campaign, Maurice Stans and Frederick C. LaRue, the General Accounting Office said.

At least \$50,000 came from a third source, Thomas V. Jones, chairman of Northrop Corp.

### Stans' Contention

The GAO said Stans admitted giving \$75,100 to Kalmbach but contended that it wasn't campaign money and that he was unaware the money was intended for the Watergate defendants.

Jones said he gave \$50,000 to Kalmbach as a political contribution and thought it would be reported as such, as required by law. It wasn't the GAO said.

LaRue refused to talk to GAO investigators.

Watergate conspirator James W. McCord has testified that he and other defendants arrested last June 17 inside the Democratic party headquarters at the Watergate office complex received cash payments to keep silent about others involved in the political espionage scheme.

Specifically, McCord swore that he received \$210,000 in "salary" and \$25,000 for "legal fees" last year from the now-deceased Mrs. E. Howard Hunt, wife of another

of the seven men convicted in the conspiracy. McCord said Mrs. Hunt told him the money came from the Nixon campaign through certain lawyers.

### On June 29

The GAO statement was the first official report that Kalmbach, Stans or Jones were implicated in such payments. LaRue had been identified in news reports as a source of the money.

Kalmbach received the payment from Stans on June 29, less than two weeks after the bugging crew was arrested inside Democratic headquarters and while campaign officials were de-

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nying involvement in the wiretapping.

The GAO said Kalmbach told investigators the money was "solicited and received . . . for distribution through intermediaries to the Watergate defendants or their attorneys" and that "Mr. Kalmbach further advised us that he paid out all of these funds, but his only record of the transactions was a slip of paper which he destroyed."

The GAO, an investigative agency of Congress, said Kalmbach's transactions appeared to violate the federal campaign spending law that took effect April 7, 1972. It forwarded its report to the Justice Department for consideration.

### Other Violations

The Committee for the Re-election of the President denied yesterday that it had done anything illegal but didn't contest Kalmbach's statement about payments to the Watergate wiretappers.

In general, the committee described the GAO's conclusions as incomplete, inaccurate, unbalanced, sensational, premature, unsupported,

hastily drafted and arbitrary. But it conceded that some of what the GAO said was true.

Also reported were what the GAO said were other apparent violations.

It said a briefcase containing \$350,000 in campaign cash was secretly given to an aide to White House chief of staff H. R. Haldeman just before the new law took effect in what it called "an obvious attempt to evade the disclosure requirements of the new act."

The aide who received the cash, Gordon Strachan, has testified before a federal grand jury that the \$350,000 was kept in Haldeman's White House safe during the campaign and was later turned over to LaRue.

News reports have said it was money eventually used to pay off Watergate defendants.

### Sums Listed

The GAO said Kalmbach reported receiving the following sums for payment to the Watergate figures:

- \$75,100 in late June, 1972, from Stans, chairman of the Finance Committee for the Re-election of the President. Stans' lawyer put the date of the gift at June 29, the GAO said. Stans is under indictment on charges of conspiracy, fraud, obstruction of justice and perjury in connection with an apparently unrelated campaign gift from fugitive financier Robert L. Vesco. Arraignment in that case is set for tomorrow in federal court in New York City.
- \$60,000 to \$80,000 in two payments in July and August, 1972, from LaRue, a former official of the Committee for the Re-election of the President. "Mr. LaRue's attorney advised us that his client preferred not to discuss the matter at this time," the GAO said.
- \$75,000 in late August, 1972, from Northrup chairman Jones. "Mr. Jones has acknowledged a payment to

Mr. Kalmbach on July 31, 1972, but stated that it was \$50,000 not \$75,000," the GAO said. "Mr. Jones said he intended the payment as a political contribution to be used in President Nixon's re-election campaign and he assumed it would be reported as required by law."

### Law Cited

The GAO said it concluded that the funds were collected and paid out "on behalf of the President's re-election effort" and therefore "should have been reported."

The GAO noted that the law requires that records be kept of contributions and expenditures by campaign committees. The maximum penalty is a \$1000 fine and a year in jail for each violation.

The GAO said former campaign treasurer Hugh Sloan Jr. had told investigators about a total of \$80,500 in unreported campaign cash given to LaRue on July 4, 1972, shortly before Kalmbach says he received up to \$80,000 from LaRue.

Sloan said \$17,500 of it was in cash which the campaign had on hand but didn't report when the finance law took effect and another \$63,000 was received in three anonymous gifts after that time.

Sloan also was quoted as saying the committee had collected \$1.7 million in cash, plus an undisclosed large amount in checks or securities, before the law took hold.

Sloan said he recalled paying out more than \$900,000 before the April 7 deadline, including previously undisclosed payments of \$250,000 to Kalmbach, \$100,000 to campaign scheduling chief Herbert Porter, \$25,000 to an assistant to former Republican chairman Rogers C. B. Morton and \$2000 to Ron Walker, a White House staff aide.

### GAO Opinion

The \$350,000 given to Strachan was included, as well as \$199,000 paid to Watergate conspirator G. Gordon Liddy to finance the Watergate bugging. The Liddy money was disclosed during the Watergate trial last January.

The GAO said some or all of these sums might constitute violation of the finance law.