

New Report on The Coverup Cash

Washington

President Nixon's former personal attorney has told federal investigators that the White House directed him to undertake a money-raising effort that netted at least \$210,000 for the seven men arrested in the Watergate break-in last summer.

A person close to the attorney, Herbert W. Kalmgach, told a reporter yesterday,

that the directive was issued late last June — several days after the break-in — at a meeting with "several officials at the White House, not including the President."

The source declined to identify the officials, but a federal investigator identified one of them as then White House counsel John W. Dean III. Dean told Kalmgach there was an "emergency" need for funds, the investigator said.

Newsweek, in the latest issue, said the directive to Kalmgach was issued by Dean as well as by John D. Ehrlichman, then assistant to the President for domestic affairs, with the knowledge of former Attorney General John N. Mitchell and re-election campaign aide Frederick C. Larue.

Kalmgach's associate said that the White House officials he declined to name assured Kalmgach that it was "perfectly proper and right" to raise money for the Watergate defendants, because the money was intended to pay legal fees and "sustain" their families.

At the time, the Finance Committee to Re-Elect the President had at least \$10 million in cash on hand, but, under the election-financing disclosure law that took effect in April, it would have been obligated to report ex-

penditures for the defendants to the General Accounting Office.

The GAO, in a report last Saturday, said Kalmgach had told its investigators that he had solicited, received and transmitted the minimum of \$210,000. This should have been reported to the GAO by one of the committees or individuals involved because the funds were "on behalf of the President's re-election effort," the GAO said. Comptroller General Elmer B. Staats referred these "apparent violations" to the Justice Department.

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