

\$25,000 Gift to Rep. Mills Unreported

MAY 23 1973

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A \$25,000 cash contribution from secret funds of the Finance Committee to Re-elect the President that was funneled to the 1971 campaign of Rep. William O. Mills (R-Md.) was not reported to Maryland's Board of Elections in apparent violation of state law.

Several intermediaries said yesterday they helped deliver the cash in an envelope to Mills' campaign manager before the May 25, 1971, special election in which Mills was elected to Congress from Maryland's Eastern Shore, succeeding Secretary of Interior Rogers C. B. Morton.

Mills released a statement yesterday saying, "I have done nothing improper." But Mills declined to say whether or not his 1971 campaign had received the large contribution or whether it was reported in accordance with Maryland

The \$25,000 was among \$1.7 million that Hugh W. Sloan Jr., former treasurer of the Finance Committee to Re-elect the President, recently told the U.S. General Accounting Office was raised and distributed by the finance committee before April 7, 1972—the date the federal Election Campaign Act went into effect.



REP. WILLIAM O. MILLS
... 'proper role'

Robert J. Hitt, executive assistant to Interior Secretary Morton, said yesterday that he received the \$25,000 in cash from Sloan in an envelope but only kept it for "five minutes" and didn't count it before turning the money over to Mary D. Beall, an Interior Department secretary.

Mrs. Beall said that she delivered the \$25,000 to Allison, Trealeaven and Rietz, Inc., a campaign consultant firm that worked for Mills

in the 1971 campaign. Jim Allison, one of the firm's partners, said yesterday that Ken Rietz, a former partner, delivered the cash to James L. Webster, who was Mills' campaign manager.

Hitt and Allison said they understood that the \$25,000 originally had been considered a loan to the Mills campaign, but Allison said the money was never repaid.

Maryland's Fair Election Practices Act requires that any money received or spent in the state on behalf of a congressional candidate be reported to the State Board of Elections.

However, the \$25,000 from the Finance Committee to Re-elect the President was not listed by Mills or any of his campaign committees filing statements. The 1971 statements show that Mills otherwise received a total of \$134,522, including \$21,283 collected at a bull roast attended by Vice President Spiro T. Agnew and Morton.

Mills said in his statement, "I personally did not receive or disburse any money during my campaign. This is the proper role for a candidate. My campaign manager advised me that the (Nixon) administration had arranged for funds to be made available. I had no access to the money, nor did I direct or authorize expenditure of any of the money."

Mills continued, "My campaign manager at the time was Col. James L. Webster, now deceased. Col. Webster was a totally honest man and I am satisfied that all expenditures were legal and proper..."

Mills' statement concluded, "He (Webster) advised me that spending approval and all reporting of this fund was being handled by a committee in Washington. Totally trusting the high-level source and relying entirely on the knowledge and judgment of Col. Webster, I accepted the fact without further question."

Jack Shaum, an aide to

Mills, said Mills didn't know whether the \$25,000 had been received and spent by his campaign but that it apparently was not reported by Mills' regular Maryland campaign committees. Shaum said he did not know whether there was a Mills campaign committee in Washington or exactly how much money was received by the Mills' campaign, and said Mills would say nothing beyond his prepared statement.

Under the federal Corrupt Practices Act in effect in 1971, there were many loopholes in campaign finances reporting requirements. For example, congressional candidates did not have to report money raised by campaign committees in the District.

But Deputy Maryland Attorney General Henry R. Lord said Maryland's Fair Election Practices Act does require reporting to the state of any funds received outside the state if they resulted in campaign expenditures within the state.

Lord said the reported handling of the \$25,000 contribution to Mills' campaign appeared to be "most unusual."

Willard A. Morris, state administrator of election laws, said yesterday the apparently unreported \$25,000 had not been officially brought to his attention, but if it is done so by someone in writing, he would probably refer the matter to the Maryland attorney general's office for possible legal action.

The Maryland law provides a general penalty of up to \$1,000 fine and a year in jail for violators.

Mills, 48, of Easton, had been administrative assistant to Morton when Morton was a congressman. In May, 1971, Mills was elected to Congress with 54 per cent of the vote, beating State Sen. Elroy G. Boyer (D-Upper Shore). Mills was re-elected by beating Del. John R. Hargreaves (D-Caroline) last fall.