

Mills' Death Clouds Fund Of \$25,000

By Bill Richards

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Interior Secretary Rogers C. B. Morton made an unusual personal appeal to Attorney General John Mitchell for money from an undisclosed presidential campaign fund to help finance Rep. William O. Mills' (R-Md.) special election campaign in 1971.

Mills' death yesterday, and the deaths of his chief financial campaign managers in an car accident last year, have rendered virtually untraceable the reason for, and the destination of, the \$25,000 cash contribution from the Finance Committee to Re-elect the President to the Mills campaign.

Morton said he made the appeal to Mitchell in early April of 1971 after discussing the financial problems of the Mills' campaign with advisers to the Republican congressional candidate.

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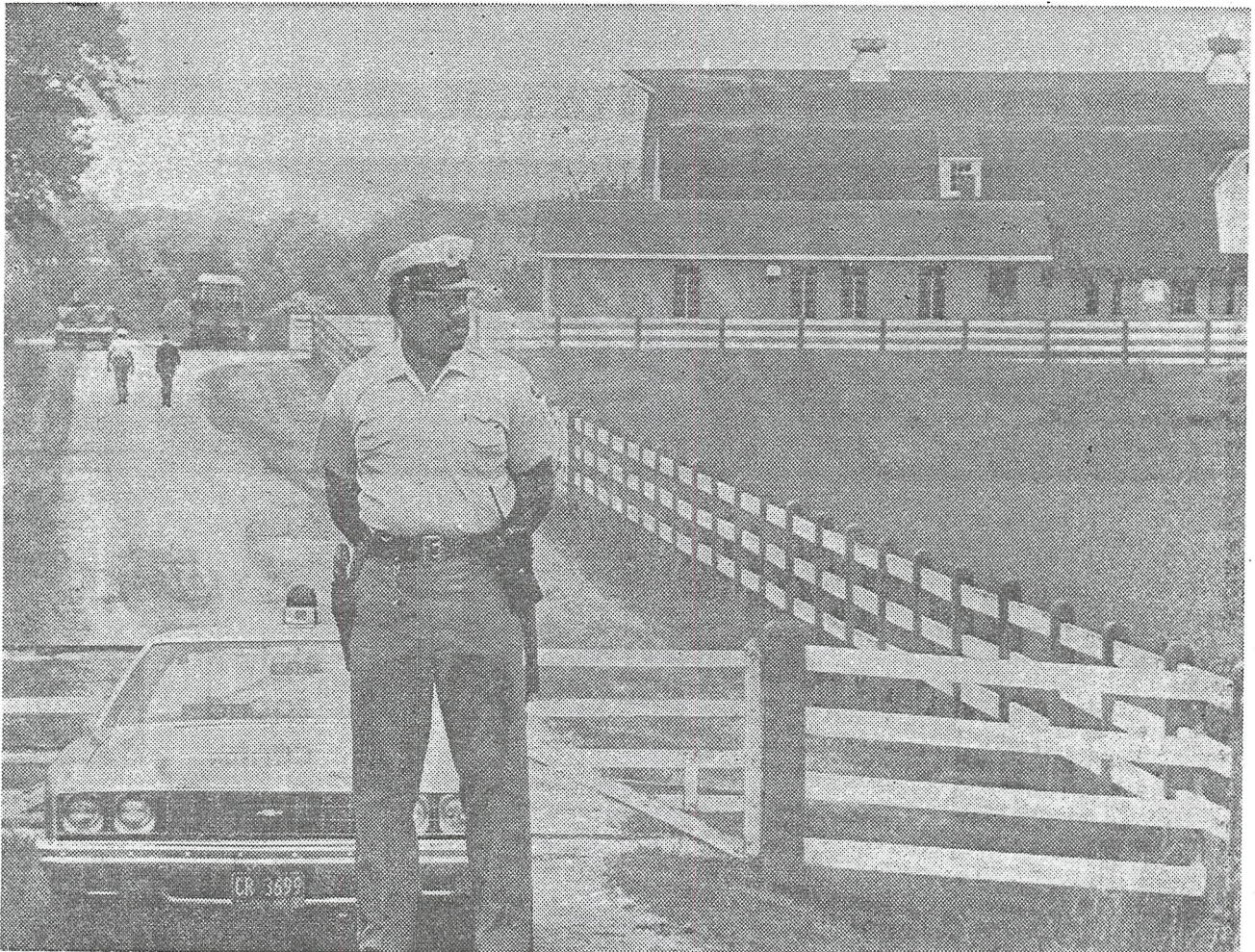
Mills was running in a May 25, 1971, special election for the Eastern Shore seat which Morton had been re-elected to six months earlier and had then vacated when he was sworn in as Secretary of the Interior in January, 1971.

"We discussed how difficult it was to raise money almost right on top of my own campaign and I said I'd see what I could do nationally to get help," Morton said yesterday. Mills had been Morton's long-time Capitol Hill aide, and the two men were close friends.

Morton said he could not remember whether he went to Mitchell at the Attorney General's home or his office at the Justice Department to request financial help for Mills. "I told John Mitchell that any way the national finance committee could help would be a good thing to do," Morton recalled. "I told him I thought we could win there."

Mitchell did not resign as Attorney General until almost a year later—when he became head of the Committee to Re-elect the President.

Morton said Mitchell told him he would have to discuss the request with Com-



United Press International

A policeman guards the entrance to the barn where Rep. William O. Mills (R-Md.) was found shot to death. The congressman apparently took his own life and died of a 12-gauge shotgun wound in the chest, officials said.

merce Secretary Maurice H. Stans, who later resigned to become chairman of the Presidential Finance Committee, and would also have to seek "other opinion" as well. He did not elaborate on who besides Stans was contacted regarding the money.

Mitchell made it clear at the time of their discussion that the money would be in the form of a loan and not a contribution by the finance committee, Morton said.

However, according to Mills' campaign consultant James Allison the money was never returned or repaid by the Mills staff.

The fact that the Mills campaign received \$25,000 from the finance committee was disclosed last Saturday by the General Accounting Office in a report on \$1.7 million that was raised and distributed by the finance committee before a new federal election law went into effect in April, 1972.

The Washington Post reported Wednesday that the Mills campaign did not report the \$25,000 to Maryland's Board of Elections, in apparent violation of state law.

Mills issued a statement saying: "I have done nothing improper." He declined to say whether or not his campaign had received the money and said he "personally did not receive or disburse any money during my campaign."

Maryland law requires that any money received or spent in the state on behalf of a congressional candidate be reported to the State Board of Elections.

Morton said yesterday that the amount of \$25,000 was decided on by him and Mitchell.

According to the GAO report, the money—in cash in an envelope—was forwarded from Hugh W. Sloan, then treasurer of the Finance Committee to Re-elect the President, to Robert J. Hitt, Morton's executive assistant.

Hitt was unavailable for comment yesterday. He said earlier this week that he had kept the money for only five minutes before handing it to Gary D. Beall, a secretary at the Interior Department.

Morton said in an interview yesterday that he never saw the money during the time it was in either Hitt's or Mrs. Beall's hands and did not know where it ended up or what it was used for.

Mrs. Beall was also unavailable for comment yesterday but earlier this week told reporters she had given the envelope with the money to Ken Rietz, then a partner in the campaign consulting firm of Allison, Treleven and Rietz, which had been retained by the Mills organization.

Rietz, later youth director of the Committee for the Re-election of the President,

resigned last month from a job at the Republican National Committee after it was reported that he was linked with political espionage. He is presently employed as an assistant to the president of MGM records in Los Angeles and could not be reached yesterday.

Rietz' partner Allison said yesterday Rietz delivered the envelope to Mills' campaign manager Col. James L. Webster.

Both Webster and James Glover, who was second in command of the Mills campaign's financial affairs at the time, were killed in an auto accident in February, 1972.

Allison called the \$25,000 offer "unusual" because it was delivered in the form of cash and not a check.

"This was certainly not the normal way to contribute," he said in an interview. "If someone came to me with \$25,000 in cash for a political contribution, I'd tell them 'that's fine with me but it's going to be reported one way or the other.'"

Allison said he was not aware of what the money was going to be used for by the Mills' staff. "We thought it was going for campaign expenses, but the only one who would really know is Col. Webster," he said.

Webster, a retired Air Force colonel, handled campaign money and was responsible for its disbursement in the Mills organization, said Allison. Webster formerly served as an aide to Rogers Morton when Morton was in Congress.

"I really feel that whatever happened to the money it went for legitimate campaign bills," said Allison. "It is true that most of our campaign expenses were paid by check and there was no record of where this particular money went but Col. Webster was a very honorable guy."

In his statement issued last Tuesday, Mills said: "My campaign manager (Webster) 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."

"Col. Webster was a totally honest man and I am satisfied that all expenditures were legal and proper," Mills' statement said.

Peter Thompson, Mills' official campaign treasurer and an Easton, Md., stockbroker, handled only fund raising and not disbursement, Allison said yesterday. Thompson, who had been a political fund raiser for Morton in the past, signed on as a volunteer for Mills in 1971, Allison said.

"If Peter Thompson went before a grand jury he couldn't say where that money went," Allison said.

Thompson was out of the country and could not be reached yesterday for comment on details of the Mills campaign funds.

Both Morton and Allison claimed that the unusual request to the Finance committee for money had been made to allay fears that not enough money would be forthcoming from regular Eastern Shore Republican contributors. But Allison said yesterday the Mills campaign ended up with only a relatively small debt of under \$10,000.

In statements filed in 1971 under the Maryland state election law, Mills' campaign was listed as receiving a total of \$134,522, including \$21,283 raised at a bull-roast that featured Vice President Spiro T. Agnew and Morton.

No mention was made in this report of the \$25,000 the Mills organization had received from the finance committee.

Under the federal Corrupt Practices Act then in effect, which contained numerous loopholes involving campaign finance reporting, the Mills 1971 campaign listed only \$9,395 in contributions and an end-of-campaign surplus of \$1,836.07, according to records on file with the House office of records and registration.

This filing did not include numerous contributions and excluded one of the three Mills campaign funds located in the First Congressional District.

On Wednesday Del. Charles A. Docter (D-Montgomery) demanded that Maryland's administrator of elections seek "appropriate legal action" on the unreported \$25,000 contribution made by the finance committee. Docter's statement was in a letter to Willard A. Morris, state administrator of elections.

Morris said Tuesday he would probably initiate a state investigation into the contribution by referring the matter to the state attorney general's office if a formal written complaint was filed.