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GAO Official Disagrees With Stans

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Philip S. Hughes, director of the office that monitors the federal election financing law, yesterday disputed statements by Maurice Stans, President Nixon's chief fund-raiser, that the President's finance re-election committee had complied fully with the disclosure law.

Hughes, director of the General Accounting Office's Office of Federal Elections, took exception to several key points in Stans' testimony before the Senate select Watergate committee.

One case in point was the payment of \$350,000 by the committee to Gordon Strachan, who was an aide to then White House chief of staff H. R. (Bob) Haldeman, shortly before the law took effect on April 7, 1972.

"Perfectly proper," Stans told the committee Tuesday.

"I say, 'No,'" Hughes said in an interview.

He renewed the charge made in a GAO report on May 19: the payment was "an obvious attempt to evade the law."

The committee "filed all public reports required by the new law," Stans testified.

True, Hughes said. But he attached a footnote: "All the reports weren't complete or accurate."

Last June 23, committee treasurer Hugh W. Sloan Jr. found a balance of \$81,000 in cash on hand. "We discussed it and concluded that the funds were of a nature which did not classify them as funds of the current committees," Stans said.

That is to say, the former Commerce Secretary explained, the funds "were more properly funds of earlier committees"—those that closed up shop when the disclosure law became effective.

Consequently, Stans said, the money was "not part of what we had to account for" to the GAO.

Again, Hughes disagreed. "The money had to be accounted for," he said.

On June 29, Herbert W. Kalmbach, the President's personal lawyer at the time,

phoned from the Statler-Hilton Hotel. "I dropped everything and went over to see him," Stans said.

Kalmbach told him, "I am here on a special mission on a White House project and I need all the cash I can get . . . this has nothing to do with the campaign. But I am asking for it on high authority," Stans testified.

Stans insisted that he had "no cash belonging to the committee." He did have "two parcels of cash," and he gave them to Kalmbach. They added up to \$75,000 but, he reiterated, it was "funds outside the committee."

Well, said Hughes, "what kind of cash was it? It had

been held by the committee treasurer, in the committee safe." That being so, he said, it must be counted as committee funds subject to the law.

Of the \$75,000, Stans testified, \$45,000 had been given him by Kalmbach for "unusual expenses that I might incur, such as using jet transportation by charter if I needed to get around the country quickly."

But cash in his possession on the effective date of the disclosure law had to be accounted for, although in this case it wasn't, Hughes said. And disbursements for jetting by charter or any other campaign purpose also had to be accounted for.