

The San Clemente Audit Defended

New York

Officials of the accounting firm that audited President Nixon's real estate transactions in California and Florida said yesterday they are confident their report gives an accurate picture of the dealings.

They said the presidential pardon given three former associates last December played no part in their selection to conduct this audit.

Two officers of Coppers and Lybrand, one of the county's largest accounting firms, said they were surprised last month when they were approached to conduct the audit, but decided there was no reason to disqualify the firm.

REPORT

On Monday, Nixon aides released the auditors' report, which showed that the President was able to buy a 25.5-acre property in San Clemente chiefly because of loans from Robert H. Abplanalp and that he sold the bulk of the property to an investment company owned by Abplanalp and C. G. (Bebe) Rebozo.

Both of those men are long-time friends and supporters of President Nixon.

Questions were raised about the report because last December, the President unconditionally pardoned three former associates of the Coopers firm. The three—one general partner, one partner and one senior associate—had been convicted of fraud in connection with Continental Vending Corp.

The three were fined a total of \$17,000 but were not sentenced to any time in prison.

Harris Amowitz, general counsel of the Coopers firm, said yesterday that he was initially approached to take the assignment by Kenneth Gammell, a partner in the Philadelphia law firm of Dechert, Price and Rhodes, a Coopers and Lybrand client. Gammell and H. Chapman Rose, a Cleveland attorney, conferred with President Nixon in Key Biscayne, Fla., last month and suggested that he employ an independent accounting firm to audit the records of the real estate dealings.

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After specialists at the Coopers firm decided that the transactions could be audited, Amowitz said, "I sat down with Mr. Gammell and I indicated to him how we would have to conduct the engagement—the freedom and what have you we would need."

Amowitz said he also told Gammell about government matters in which the firm had been involved, including the Continental Vending case. He said Gammell answered, "What the hell relevance does that have?" Amowitz noted that the auditors' report contained no

"exceptions," indicating that the examiners felt they had been provided with everything they needed to do a thorough search. "If he (the auditor) didn't do that (make exceptions) in his report, then there were no qualifications to which he felt he had to make reference," Amowitz said.

Amowitz said the three former associates are no longer with the firm.

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