

Failure to Report 'Spy' Fund Probed

By Brooks Jackson

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Federal auditors are investigating the failure of the Nixon re-election campaign to report \$1,000 weekly salaries paid to two correspondents.

The existence of a second Nixon agent, correspondent Seymour Freidin, was disclosed yesterday. Both Freidin and Lucy Goldberg, while acting as reporters, fed daily secret reports to Murray Chotiner, a campaign official and long-time personal friend of the President.

Freidin began his work sometime in 1971, Chotiner said, and continued through last September, when he quit and Mrs. Goldberg was hired. Both Freidin and Mrs. Goldberg claimed at the time to be working on books about the campaign. Neither has published such a book.

Each received \$1,000 a week, plus expenses, Chotiner said. Neither showed up on campaign spending reports filed with the General Accounting Office under a federal law requiring disclosure of salaries

and other payments.

The GAO's Phillip S. Hughes said his Office of Federal Elections is looking into the \$1,000 weekly payments.

He said the Finance Committee to Re-elect the President had the responsibility to report the payments under the campaign finance disclosure law that took effect April 7, 1972.

"We want to know whether they were reported, and reported adequately" said Hughes. He said a finding could come within two weeks.

A spokesman for the Nixon finance unit said the payments showed up on Chotiner's expense accounts as "surveys."

Freidin, who is now London bureau chief for the Hearst Newspapers, was traveling in Europe and could not be reached immediately.

He was quoted as denying that he had acted as a spy, but reportedly confirmed that he had accepted a total of \$10,000 or more to supply Chotiner with what he called

"journalistic" appraisals of the campaigns.

Chotiner said Freidin gave him first-hand reports about the primary campaigns of Sens. Edmund S. Muskie, Henry M. Jackson, Hubert H. Humphrey and the eventual Democratic nominee, George McGovern.

Robert E. Thompson, national editor for the Hearst chain, said he had been unaware of Freidin's role with the Nixon campaign when Freidin was hired for the London job.

Thompson said he first heard about the matter last week from columnist Jack Anderson. Thompson said he spoke to Freidin by telephone, and that Freidin confirmed that he had accepted money from Chotiner for the reports.

Thompson said he asked Freidin to write his version of the affair in a memorandum.