

'Laundering' Of Campaign Fund Probed

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The Senate select Watergate committee is investigating allegations that \$200,000 in campaign contributions to the Nixon re-election campaign was funneled through other Republican committees to disguise the source and the intended recipient.

Sources close to the Senate committee said yesterday that the committee has evidence that the money was passed from the Republican congressional campaign committee and the Republican senatorial campaign committee to the Republican National Finance Committee and then to the Finance Committee to Re-elect the President in an effort to "launder" the contributions.

Because the transactions were reported according to the law and federal regulations prevailing at the time, committee sources said, alleged the laundering operation was not illegal.

Public records indicates that C-TAPE, the Committee for Thorough Agricultural Political Education which was one of the committees of the Associated Milk Producers, Inc., contributed \$150,000 to the Republican congressional committee and \$50,000 to the Republican senatorial committee on Oct. 27, 1972.

Within the next 10 days, the senatorial committee transferred \$120,000 to the Republican National Finance Committee and the congressional committee transferred \$101,000.

An official of the senatorial committee, who asked not to be identified, said he had been informed just prior to the C-TAPE contribution that it would be coming and that "we would be expected to share some money with the Republican National Committee." This official said, however, that he was not aware of any attempt to launder the money. He said that his committee and the Republican National Committee were continuously passing money back and forth as a necessary and legal part of their operation.

Within a week of the Nov. 7, 1972 election, the Republican National Committee transferred \$200,000 to the Finance Committee to Re-elect the President.

Sources said that although it has conflicting testimony concerning the transaction, it has some evidence that Lee Nunn, then a fund-raiser for the Nixon re-election campaign, was instrumental in arranging the matter.

George Mehren, general manager of AMPI testified in a sworn deposition that he had been approached by Nunn on Oct. 17, 1972, soliciting a \$650,000 contribution. Mehren said he told Nunn, "No, we weren't going to do that."

In 1971 the milk industry had given the Nixon re-election campaign \$427,500 in contributions as the Nixon administration decided to raise government milk price supports. The Senate committee is investigating to determine whether the contribution and the price decision were related.