

Kalmbach's Story Of Secret Funds

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Before pleading guilty to campaign financing law violations yesterday, Herbert W. Kalmbach gave the Watergate prosecutors an accounting of about \$6 million in secret contributions and expenditures of two secret funds for the political campaigns of 1970 and 1972, according to informed sources.

Among the previously unreported contributions in that accounting is \$125,000 in secret cash gifts made in 1970 by two government officials and an airline executive.

The \$125,000 in cash included \$50,000 contributed by Fred J. Russell, then the under secretary of the Interior and later the ambassador to Denmark, another \$0,000 from Vincent de Roulet, then the ambassador to Jamaica, and \$25,000 from Dudley Swim, the late chairman of the board of National Airlines.

All this money went into a secret fund of nearly \$2 million held by Kalmbach—much of it in untraceable cash—which was used during the 1972 Nixon re-election campaign to finance undercover political work, including the campaign sabotage carried out by lawyer Donald Segretti and the investigations of politicians' private lives conducted by former New York policeman Anthony T. Ulasewicz.

Special Watergate prosecutor Leon Jaworski is investigating this money and all other cash contributions to the 1972 Nixon campaign, internal sources said, because many of them are believed by the prosecutors to involve illegal contributions made in exchange for ambassadorships or other government favors.

Yesterday, Kalmbach

pleaded guilty to violating the old Corrupt Practices Act in the handling of a separate \$4 million secret campaign fund for use by Republican congressional candidates during the 1970 elections. Kalmbach also admitted promising a European ambassadorship to Maryland Republican J. Fife Symington Jr. in return for \$100,000 contribution by Symington — \$50,000 for the secret fund for the 1972 presidential campaign and another \$50,000 for the \$4 million 1970 congressional campaign fund.

Kalmbach, according to reliable sources, is ready to testify that H.R. Haldeman, while White House chief of staff in 1970, organized the \$4 million congressional campaign fund. Kalmbach himself collected about \$2.8 million of that \$4 million, the sources said.

Haldeman is under investigation for his role in organizing the \$4 million fund drive, the sources said. One source with firsthand knowledge said: "Haldeman organized the fund-raising drive, and money was collected from about 100 people and it went to the candidates that Haldeman designated."

Those designated were favored Republican House and Senate candidates, including Senator Lowell P. Weicker Jr. (Rep-Conn.), who as a member of the Senate Watergate committee has become one of the President's most outspoken critics. Weicker received about \$65,000 at Haldeman's direction, the sources said.

The decision to collect as much cash as possible for the 1970 congressional and 1972 Nixon re-election campaign also was Haldeman's, the source said. One source quoted Kalmbach as saying, "Haldeman said, 'Take it in cash—whenever you can get cash, get it.'"

It is known that Kalmbach has voiced distress at the treatment he has received from some of the President's former top aides, especially John D. Ehrlichman. Kalmbach testified at the Senate Watergate hearings that he raised about \$210,000 to aid the Watergate conspirators only after receiving assurances from Ehrlichman.

According to knowledgeable sources, Kalmbach has refused to talk with Ehrlichman after learning that Ehrlichman taped a telephone conversation between the two men in April, 1973, about ten days before Ehrlichman's resignation from the White House staff.

Kalmbach also was distressed, the sources said, when the White House indicated last year that he was no longer acting as the President's personal attorney. "Herb was signing all the President's checks for everything down to the bill from Joe's Laundry," one source said, "And he didn't know what to do... he kept signing the checks, but it's been 18 months of increasing alienation."