

Kalmbach Tells of Secret Fund

Unreported Funds Said to Total \$6 Million

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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 ambassador to Denmark, another \$50,000 from Vincent de Roulet, then 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 reelection 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.

Kalmbach, President Nixon's attorney for his personal affairs, has given Special Watergate Prosecutor Leon Jaworski the first full accounting of all receipts and expenditures of the nearly \$2 million secret fund, according to informed sources.

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

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Yesterday, Kalmbach pleaded guilty to violating the old corrupt campaign practices law 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 a \$100,000 contribution by Symington—\$50,000 for the nearly \$2 million 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 drive. Kalmbach himself collected about \$2.8 million of that \$4 million, the sources said.

In accepting yesterday's guilty plea from Kalmbach, the Watergate prosecutors made clear that they considered the collecting of the \$4 million without making required disclosure reports to be a criminal action.

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 Sen. Lowell P. Weicker Jr. (R-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 campaigns also was Haldeman's, the sources said.

In the numerous campaign fund raising drives coordinated by the White House in which Kalmbach was involved from 1969-1972, he criss-crossed the country dozens of times and collected about \$50,000 in expense money from the \$2 million secret fund.

Kalmbach, 52, a tall man with a gentle manner, met Haldeman in the early 1960s and was introduced to Richard Nixon in 1964 by Robert H. Finch, who would later become Secretary of Health, Education and Welfare in the first Nixon administration.

In 1968, Kalmbach was second only to Maurice H. Stans in the amount of money he raised for the Nixon campaign. Just days before Mr. Nixon was inaugurated in January, 1969, Kalmbach took charge of nearly \$1.7 million left over from Mr. Nixon's 1968 campaign. About \$1.1 million of this money was in cash; another \$600,000 was in checks.

These funds were supplemented with another \$300,000 in the next two years, adding up to the \$2 million total used for 1972 campaign under cover work. Included was the \$125,000 from Russell, de Roulet and Swim.

Reached by telephone in Los Angeles yesterday, Russell said he thought he was contributing to the 1970 campaigns of Republican congressional candidates when he turned over \$50,000 in cash to Kalmbach.

"The reason I contributed in cash," Russell said, "was because I dealt with senators as under secretary (of the Interior) and I didn't want to be identified with any individual's campaign."

Another \$100,000 in cash came from the dairy industry in 1969; a previously reported \$22,000 more came from de Roulet, \$25,000 from Chicago real estate investor Henry Crown, and \$28,000 from New York businessman Charles Mitchell.

Of the total of \$2 million, disbursements included \$520,000 for political campaigns including \$400,000 to the 1970 opponent of Alabama Gov. George C. Wallace; about \$350,000 for

polling of public opinion; \$130,000 to investigator Ulasewicz and political saboteur Segretti; and about \$915,000 that went to Nixon campaign treasurer Hugh W. Sloan Jr.

Sloan in turn maintained a secret cash fund in Washington for Stans. About \$235,000 from the Stans fund was disbursed to Liddy and was used for the Watergate bugging operation; another \$350,000 was given to Haldeman at the White House and later went to buy the silence of the Watergate conspirators.

While acting as the President's personal lawyer, Kalmbach negotiated the purchase of Mr. Nixon's San Clemente, California estate. It was Kalmbach who was called to a California hotel to quiet Martha Mitchell, wife of former Attorney General John N. Mitchell, in the days of Mrs. Mitchell's first public outbursts about "dirty politics" after the June 17, 1972 Watergate arrests.

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 10 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."