

WXPST APR 16 1974  
SEC SuesFirm on  
Nixon Gift

The American Ship Building Co. and its chairman, George M. Steinbrenner III, were charged in a Securities and Exchange Commission suit yesterday with failing to report illegal campaign contributions.

The SEC suit, filed in U.S. District Court, charges that more than \$120,000 in corporate funds have been illegally spend for political campaigns and other noncorporate purposes and were disguised in company books.

Steinbrenner, majority owner of the New York Yankees baseball team, was indicted by a federal grand jury in Cleveland two weeks ago for allegedly contributing corporate funds to the campaigns of President Nixon and influential members of Congress.

An SEC attorney said the suit resulted from an independent investigation and was not directly related to the Cleveland grand jury action.

The SEC alleges that the expenditures were made during the period from September, 1970, to present.

The SEC asked the court to force Steinbrenner to repay the company all corporate funds used for political campaigns and other unauthorized purposes.

It also asked the court to appoint a "special master" to examine the books of the company to determine the exact amount involved.

The SEC's specific charges against the company and Steinbrenner are that they failed to include information on the alleged illegal contributions in annual reports to shareholders.

The SEC recently said it would require that such contributions, although illegally made, must be reported to the shareholders and to the SEC.