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White House Link to I.R.S. In Hughes Inquiry Hinted

By SEYMOUR M. HERSH

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WASHINGTON, April 22—Investigators for the Senate Watergate committee now believe that the White House played a major role in coordinating the Internal Revenue Service's investigation of a controversial \$100,000 campaign contribution from Howard R. Hughes, well-placed sources said today.

The sources said that the investigators had recently interrogated J. Fred Buzhardt, President Nixon's counsel, for more than three hours behind closed doors and decided to order him back for further questioning because of what was depicted as Mr. Buzhardt's "evasive" testimony.

"He played the 'I don't know' game," one highly reliable source said of Mr. Buzhardt. "He didn't remember things that took place three days earlier."

Investigators Criticized

Mr. Buzhardt could not be reached for comment today, but another White House official, who did not wish to be named, was harsh in his criticism of the Senate investigators, led by Terry F. Lenzner, a former Assistant United States Attorney for New York.

"This is wretched and ugly," the White House official said of Mr. Lenzner's inquiry into White House personnel. "They know there's nothing to support this. These people are corrupting law and journalism."

The White House aide was referring to newspaper accounts in the last two weeks about the committee's progress in tracing the \$100,000 contribution, which was given by the Hughes corporation in cash

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to Charles G. Rebozo, one of President Nixon's closest personal friends.

The New York Times and other newspapers have published accounts of testimony by Herbert N. Kalmbach before the committee, in which Mr. Kalmbach, President Nixon's former personal lawyer, reportedly told of an April, 1973, conversation with Mr. Rebozo. In that conversation, according to the accounts, Mr. Rebozo said that he had "used the \$100,000, given him in \$50,000 allotments in 1969 and 1970, for personal gifts or loans to President Nixon's two brothers, F. Donald Nixon and Edward

C. Nixon, and his personal secretary, Rose Mary Woods.

Yesterday, The Times published excerpts from a memorandum privately circulated last week by Mr. Lenzner in which he complained that the I.R.S. was obstructing his inquiry into the \$100,000 by refusing to turn over agreed-upon documents.

Delay in Inquiry Charged

In his memorandum, Mr. Lenzner charged that all of the revenue service's reports on Mr. Rebozo in 1972 and early 1973 were forwarded to John D. Ehrlichman, a former White House domestic aide, who in turn relayed the material to Mr. Rebozo. After Mr. Ehrlichman's resignation last April 30 in the wake of the Watergate scandals, the Senate investigators are said to believe, Mr. Buzhardt assumed the role of intermediary between the revenue service and Mr. Rebozo.

Mr. Lenzner's memorandum also made the accusation that the revenue service delayed a full year before beginning its inquiry into the \$100,000 last May. Once the inquiry was begun, the memorandum further alleged, the revenue service coordinated at least some of its interviews with potentially key witnesses through Kenneth Gemmill, Mr. Rebozo's lawyer, a step that Mr. Lenzner depicted as, "to say the least, unusual."

Because of such steps, one closely involved source said today, the investigators now believe that "there's no question that everything in connection with Bebe [that is, I.R.S. investigation of Mr. Rebozo] has been coordinated by the White House from the evidence, the source said, is a letter written last October 18 by Miss Woods to John Bartlett, a revenue service investigator from Orlando, Fla., who was assigned to the Rebozo inquiry.

Mr. Rebozo and President Nixon have publicly said that the \$100,000 in cash was kept untouched in a safety deposit box until it was returned to the Hughes corporation last June 27, about two months after the Revenue Service began its inquiry. Mr. Rebozo has also said that he told Miss Woods, but not the President, of the contribution before the 1972 election.

Response From Miss Woods

The Time's sources said, however, that Mr. Rebozo told Mr. Bartlett of the revenue service about his conversation with Miss Woods about the

cash in the late spring of 1973. Instead of directly asking Miss Woods to confirm Mr. Rebozo's recollection, the sources said, Mr. Bartlett asked Mr. Rebozo's attorneys to arrange for a re-

sponse from Miss Woods through the White House.

A copy of Miss Woods's subsequent response to Mr. Bartlett was made available to The New York Times. In it, Miss Woods confirms that she did have a conversation with Mr. Rebozo about a campaign contribution "delivered to him by Mr. Danner." Mr. Rebozo has said that the cash was brought to him by Richard G. Danner, a Hughes employe and former Republican campaign worker.

The letter goes on to note that: "Mr. Rebozo told me that he had put this campaign contribution in a safety deposit box and further that he had given his attorney instructions in the event of his death that he should open the box and follow the instructions therein. It was my understanding that those instructions were to deliver the contents to the campaign chairman or finance chairman of the next campaign. I would further like to state that at no time did I ever discuss this matter with any other individual."

The Time's sources said that the Senate investigators were critical of the Woods letter, noting that it did not mention the specific amount of the contribution—\$100,000—nor did it acknowledge that the funds stemmed directly from Howard Hughes. Miss Woods also noted in her letter that "I regret to say I do not recall the date or time of this conversation [with Mr. Rebozo]."

Rebozo's Comment to Newsmen

Mr. Bartlett apparently concluded that aspect of his inquiry after receipt of the Woods letter, the sources said. They also pointed out that Mr. Rebozo had told newsmen that he was informed by the I.R.S.

in late July, 1973—three months before Miss Woods's letter to Mr. Bartlett—that he had been cleared of any wrongdoing in connection with his handling of the Hughes cash.

One source said that Mr. Bartlett should have demanded a personal meeting with Miss Woods. "He didn't even talk to potential witnesses," the source said.

During subsequent interviews with Miss Woods, the sources said, the Senate investigators learned that her response to Mr. Bartlett had been drafted by Mr. Buzhardt and signed by her.

It was this fact that led the Senate team to summon Mr. Buzhardt for secret questioning two weeks ago. That testimony was taken before Senator Lowell P. Weicker Jr., Republican of Connecticut.

Mr. Weicker refused to comment today about the Buzhardt testimony, but other sources described the Senator as being "stunned" by Mr. Buzhardt's

repeated failure to recall specific conversations and events. "Mr. Weicker's jaw dropped," one source said.

Favors Full Inquiry

Senator Weicker did say in a brief telephone interview that he was in favor of a full investigation into the Hughes contribution that was received by Mr. Rebozo. "There's enough conflict wandering around here," he added, "to convince me that we should go ahead and finish it" before May 28, the day the committee is scheduled to go out of business.

In a statement issued yesterday, the I.R.S. denied that it had engaged in any cover-up regarding the committee's investigation. The statement added that the revenue service "has been cooperating with the committee staff to the fullest extent consistent with the disclosure limitations in the tax laws."

In his memorandum, Mr. Lenzner had criticized the I.R.S. for failing to live up to what he was an agreement between the revenue service and the committee to exchange fully all information regarding the Hughes contribution. The committee had done so, Mr. Lenzner complained, but the I.R.S. was yet to provide its interviews and other data.

Senate sources said that many of the requested documents were so-called "sensitive" case reports on Mr. Rebozo, the Hughes Tool Company and others that had been transmitted by the I.R.S. to Mr. Ehrlichman.

Ehrlichman Interview

Informed sources said that the committee had secretly interviewed Mr. Ehrlichman earlier this year about the handling of the I.R.S. sensitive cases. Such reports have traditionally been made available to high I.R.S. and White House officials in politically or otherwise potentially embarrassing investigations. "The only difference in the Nixon Administration," one source said, "was that these sensitive case reports were going to John Ehrlichman and he was taking action [that is, informing those under investigation]."

In his report, Mr. Lenzner noted that "it is crucial to our investigation to get copies of the sensitive reports to determine what information the White House received and was acting upon during the I.R.S. investigation."