Prosecutions Near Of Firms, Officers Over Gifts to Nixon

Jaworski, Armed With IRS, FBI and Watergate Panel Data, Seen Ready to Act

By MITCHELL C. LYNCH
Staff Reporter of The Wall Street Journal WASHINGTON—The Watergate special prosecutor's office is getting ready to haul into court a bevy of corporations and their top officers on charges of illegally contributing money to President Nixon's 1972 reelection campaign.

While the task of complling data supplied the Internal Revenue Service, Federal Bu-reau of Investigation and Senate Watergate Committee is a monumental one, a breakthrough for another round of prosecutions appears imminent. "The grapevine has it that a lot of guys are really beginning to sweat," says a Washington lawyer specializing in corporate law.

The IRS alone has turned over enough information to the special prosecutor's office to bring in at least a dozen more companies, sources say. Federal law prohibits corporations from making political contributions.

Moreover, the new round of prosecutions will be aimed at companies that haven't been willing to come forward and confess. In the first round of court action, 11 companies that haven't been willing to come forward and confess. nies and some of their officers were convicted on charges of making illegal cam-paign contributions. But those companies had either come forth voluntarily or scampered with a plea to the special prosecutor's office when they felt the federal heat.

New prosecutions soon would be a feather in the cap of special prosecutor Leon Jaworski, who has been the butt of cracks about foot-dragging in the corporate-contribution part of his overall Watergate investigation. The special prosecutor's office declines to give a specific status re-

port on its corporate-contribution investigation, but in its first annual report released over the weekend it describes that task force as the one "with the largest number of criminal investigations still pending.'

Similarly, the IRS refuses to comment on its investigation, but sources say the tax agency already has begun questioning suspect executives and has turned over information to the special prosecutor.

The IRS got a big break earlier this year when the U.S. district court here ruled that the tax agency could receive from the Watergate grand jury certain evidence about illegal corporate contributions.

Also, the Senate Watergate Committee is giving the special prosecutor evidence it has compiled from a questionnaire it sent out to more than 80 corporate executives. The questionnaire asks, for example, if an executive "directly or indirectly" was urged by his company to make a campaign contribution, and if the executive was reimbursed by the company for his contribution. The committee's report on corporate donations is expected to be completed by June 30.

Tracking down illegal contributors has brought investigators into some hazy legal areas, sources say. For example, if a company channels funds through its own employes to a political party, it would be breaking the law. This could be done by giving top executives hefty "bonuses" and then "suggesting" that the officials send that money to a political party. The problem, though, is proving the direct link between corporate-coffer bonuses and the campaign donations.

Common Cause, a citizens' lobby group, last year won a court suit forcing the White House to give up a list of contributors to the 1972 campaign to reelect President Nixon. The special prosecutor's office, in tandem with the IRS and FBI, is using that list and other information to track down illegal corporate donors.

So far, convicted executives have been So far, convicted executives have been let off with fines, though the charges gave the judge the option to impose jail sentences. "I think the special prosecutor owes it to those who came forward" to push for harder sentences against corporate officials who are brought into court in the future. says a spokesman for Common Cause.