

Hot on the trail of political cash

NOT ONLY finding the answers, but determining the questions are the job of the investigative reporter, according to James Polk, staff writer for the *Washington Star-News*.

Polk's award-winning series of stories about a trail of cash leading to the national political campaigns began with asking himself the right questions.

When the Securities and Exchange Commission filed a fraud suit against financier Robert L. Vesco, Polk — aware of Vesco's Nixon-family connections — began digging through six boxes of SEC legal materials. Buried in one of the transcripts was a reference to \$250,000 brought in from the Bahamas. The delivery date was suspicious. It was the last day of the Nixon campaign's collections under the loopholes in an old contribution law.

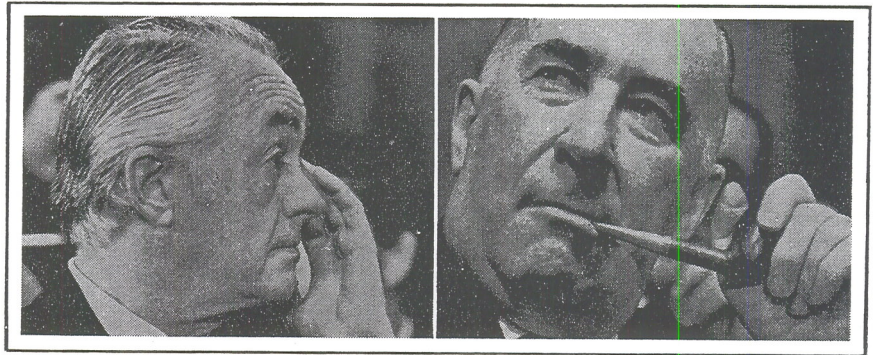
The SEC refused to make public the rest of its testimony under the *Star-News'* freedom of information request. So Polk set out finding other sources for more information.

On Long Island, he tracked down a private detective, Philip Beck, who had acted as an armed guard when the \$250,000 was picked up.

James Polk



PHOTOGRAPH BY BOB JONES JR.



Maurice Stans and John Mitchell

Polk wrote what he found out.

Beck [said] he was instructed by the detective firm to act as an armed, plainclothes guard for [Wall Street Broker Ralph] Dodd on April 6. He said he met the broker in his office and they went downstairs to the bank on the main floor at the closing hour of 3 p.m.

Beck said the cash was stacked in a corner behind the tellers' cages. He said he saw nothing but \$100 bills, bound in wrappers.

The money, he said, was placed in Dodd's attache case. The two men walked to the broker's Cadillac. The attache case was tossed on the back seat, and the men drove through the mounting rush-hour traffic into New Jersey, to the distant suburb of Fairfield.

Beck said Dodd stopped at the small local airport near Vesco's firm. A taxi was waiting at the airport to take the detective back to New York City. As he left, Beck said, he saw Dodd driving away with the money still in his car.

After that, Polk's story said, it was difficult to trace the money. He said Dodd was believed to have told the SEC that he was asked to come to Vesco's home, pick up the cash there and take it to the International Controls Corp. in Fairfield, one of Vesco's conglomerates. Polk was convinced the money had gone into the Nixon race.

On Jan. 26, 1973, the *Star-News* ran its story on the cash from the Bahamas. Five days later, the Nixon campaign sent back its entire contribution from Vesco — the \$200,000 given secretly on the final day,

and the remainder given publicly.

Later, one of Vesco's business associates who had declined to answer Polk's questions walked into the U.S. attorney's office in New York and became a government witness. The grand jury investigation began. A few months later, indictments were voted.

A top SEC enforcement official told Polk later, "You can really be proud of what you did."

A month after the original story about the Vesco money, attorney Harry Sears, a director of Vesco's ICC, confirmed the secret campaign contribution in pretrial testimony in the SEC fraud suit. Polk got advance access to the Sears deposition.

Polk then followed up with a story on the indictment of Former Atty. Gen. John Mitchell and Commerce Secretary Maurice Stans for alleged obstruction of justice in the Vesco inquiry. Sears had said in SEC testimony that he took the illegal Vesco donation to Stans while Mitchell allegedly was intervening on Vesco's behalf.

Polk, 36, has been a Washington political reporter for seven years, joining the *Star-News* after being with the Associated Press investigative team in Washington.

He says there are three methods of investigative reporting: the piggyback approach of reporting someone else's work; finding information in public records, and the word-of-mouth method which is "the most expensive, frustrating and least successful, but most important."

But fortunately, he says, there is a move to underwrite the expensive trend in journalism. ■