

Rebozo's Alleged Spending

Nixon 'Gift' Report

Washington

President Nixon's friend Charles G. (Bebe) Rebozo paid \$45,621.15 for improvements at Mr. Nixon's private estate in Florida, and at least some of that money may have come from political contributions, according to a staff report issued yesterday by the Senate Watergate committee.

The report also said that \$4562.33 from campaign contributions was used to buy a platinum and diamond earring set Mr. Nixon gave to his wife for her birthday.

The report does not directly charge criminal activity was involved and, in fact, federal law does not prohibit the use of campaign funds for personal purposes.

But the report indicates indirectly that if campaign funds were used for the personal benefit of President Nixon, someone — either Rebozo or Mr. Nixon — should have declared these funds to the Internal Revenue Service as taxable income.

Mr. Nixon's personal tax records, which he made public last December, do not reflect any of these expenditures on his private property as personal income.

Rebozo's income tax records have not been made public. But yesterday's report states that Rebozo paid no U.S. gift taxes in 1969 through 1972, the years in which he, according to the report, paid for the improvements on the President's two houses on Key Biscayne.

The money was used to install a swimming pool and accessories, to convert a garage into living quarters, to extend a roof and to pay for a fireplace, a billiard table, a putting green, architectural fees and an architectural model of one of the houses.

The Watergate committee staff noted the more than

\$45,000 in expenditures on the property was not included in the audit prepared for the President last year by the accounting firm of Coopers & Lybrand.

The staff report said Rebozo had concealed these expenditures from the accountants. But the report also said its investigations showed that "President Nixon was aware of and concurred" in at least some of the improvements to his properties.

The Coopers & Lybrand audit lists no liabilities payable by Mr. Nixon to Rebozo, suggesting that Rebozo was not laying out funds for the President temporarily.

A spokesman for the accounting firm, interviewed by telephone, said its report had covered only expenditures by Mr. Nixon and specifically stated that it did not include amounts paid on the estate by "the government of the United States or others."

"If we had known about Rebozo's expenditures we would most likely have included them," said the spokesman, the firm's general counsel, Harris J. Amowitz.

The report said many of the bills paid by Rebozo for the President's homes were paid in cash. It also said much of the money came from trust funds set up through \$100 deposits.

The report said that testimony and evidence available to the committee indicated campaign contributions were the most likely source of funds available to Rebozo.

It went on to suggest that campaign contributions from a representative of Howard Hughes, and A.D. David, an executive of the Winn-Dixie Corp., were the probable source of the funds used by Rebozo. It noted that the \$100,000 Hughes contribution and at least half

the \$50,000 Davis contribution was in \$100 bills.

The Hughes contribution was made in 1969 or 1970 and was said to have been returned to Hughes in June, 1973.

Davis made his gift in April, 1972. What was done with his contribution has been a matter of dispute.

The report charged that leftover campaign funds were used to buy a set of platinum and diamond earrings from Harry Winston, the New York jeweler, on March 17, 1972.

The earrings cost \$569 of this amount. "\$4562.38 of funds originally derived from campaign contributions were used," the report said.

A "complex four-stage process of payment for this gift, concealed the fact that the funds originated from contributions to the 1968 campaign and were ultimately used by Rebozo on behalf of President Nixon," the report said.

The staff said its conclusions could not be definitive because Rebozo had refused to comply with subpoenas to provide additional documents needed as evidence.

However, the committee, before it had determined the extent of his expenditures on the President's behalf, asked Rebozo if he had been reimbursed by the President.

Rebozo replied, "Yes, I say, usually I'm not going to nitpick with the President. If there's something I think he should have, I might just go ahead and do it without even him knowing about it. He just doesn't concern himself at all with financial problems ever; never has."

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