

# Report Charges Rebozo

## Dipped Into Hughes Fund

### Probers Claim New Evidence

Washington

The staff of the Senate Watergate committee disclosed yesterday what it described as additional information to support the charge that Charles G. (Bebe) Rebozo gave or lent part of a \$100,000 "campaign contribution" to President Nixon's personal secretary and his two younger brothers.

A draft report by the committee's staff, made public yesterday contradicted public assertions by the President and sworn statements by Rebozo, his close friend, that the money was returned untouched to its donor last year.

The report strongly suggested that part of the \$100,000 "contribution" from Howard R. Hughes may have been included in more than \$50,000 that it said Rebozo had spent between 1968 and 1972 for the President's personal benefit.

That sum, the staff said, included \$4562.33 in 1968 contributions to the Florida Nixon for President Committee that had been used to purchase a birthday gift of platinum and diamond earrings from the President to Mrs. Nixon.

(After the report was released, White House press secretary Ronald L. Ziegler said, "These unsubstantiated charges have been leaked and leaked and now the committee is trying to serve them up for the third time around. It's just warmed-over baloney.")

(Deputy press secretary Gerald L. Warren said he repeats the President's as-

surance that he never instructed Mr. Rebozo to raise and maintain funds to be expended on his personal behalf, nor, so far as he knows, was this ever done.")

Among other major elements, the 350-page document reported the following:

- That James O'Connor, a

Back Page Col. 6

#### From Page 1

Phoenix, Ariz., lawyer, had submitted a sworn affidavit. Kalmbach, the President's personal attorney, had told him in the spring of 1973 of a conversation in which Rebozo conceded having given part of the Hughes money to Rose Mary Woods, Mr. Nixon's secretary, and the President's brothers, Donald and Edward.

- That more than \$50,000, including \$23,000 in \$100 bills — the form in which the Hughes money was delivered — was spent by Rebozo, or on his behalf, for numerous improvements to the President's home on Key Biscayne. The report said Rebozo had filed no federal gift tax report for the years 1969 through 1972, however. (See Page 10.)

- That the President's domestic adviser, John D. Ehrlichman, repeatedly put pressure on the Internal Revenue Service to find something wrong with the tax returns of Lawrence F. O'Brien, the Democratic party chief. The report contrasted these alleged efforts with the treatment given Rebozo in an IRS inquiry. (See Page 11.)

The draft report — described by Watergate committee officials as a bipartisan effort — contained previously unknown details about the handling of the Hughes contribution, about the concern at the highest levels of the White House that it eventually generated, and about Rebozo's apparent

role as an unofficial Nixon administration and campaign fund raiser.

The report also cited testimony contradicting White House statements that Mr. Nixon, while a presidential candidate in 1968, had no knowledge of any attempt to solicit a contribution from Hughes, and that the President had never asked Rebozo to raise funds for his personal use.

According to the report, Richard G. Danner, a Nixon campaign worker who, as a

Hughes employee, later delivered the \$100,000 to Rebozo, had testified that Mr. Nixon and Rebozo took part in a 1968 discussion in which he was asked to solicit a campaign donation from Hughes.

The report said that part of the Hughes money delivered by Danner to Rebozo may have come from the Sands Hotel in Las Vegas, owned by Hughes's Summa Corp. If so, the money would represent a corporate contribution prohibited by the federal Corrupt Practices Act.

At another point the report noted that information provided by the Federal Reserve Board on the origin of the 1001 \$100 bills, which Rebozo testified were the ones he received from Danner, supported Rebozo's revised testimony that the money had been delivered in mid-1970 — but not his initial assertion, later amended, that the first payment had been made in 1969.

On another point relating to the contribution, the report said that an IRS investigation checking the ownership of the \$100,000 for tax purposes had been delayed for ten months by top IRS and Treasury Department officials, and that "advance notice" of the investigation had been given to Rebozo and the President.

The staff said that its efforts had been "frustrated"

by the refusal of Rebozo, Donald and Edward Nixon and others to comply with subpoenas for their financial records.

Miss Woods and the Nixon brothers have denied under oath, however, receiving any of the Hughes funds from Rebozo.

Last October, the President declared in a news conference that Rebozo had "turned back" the Hughes money "in exactly the form it was received," and did "not touch it."

Rebozo has maintained that the money was in the vault of his Key Biscayne bank from the time he re-

ceived it until he returned it to a representative of Hughes in June of last year.

Although the evidence provided by the Federal Reserve on the origin of the bills Rebozo handed back "raises a question whether Rebozo maintained the two deliveries intact," the report said, the only hard evidence that it did not lie fallow for at least three years is Kalmbach's testimony, supported by two corroborating statements.

Kalmbach told the committee that on April 30, 1973, he was summoned to Washington by Rebozo, whom he met at the White House.

Rebozo, the lawyer testified, "said the President had asked him to speak to me about this problem, and not Maurice Stans," who had headed the Nixon campaign's fund-raising arm in 1972.

"He said that the IRS had scheduled a meeting with him, 'on the disposition of the Hughes money,'" Kalmbach said, "which would be held in two or three weeks."

"He said that he had dispersed part of the funds to Rose Woods, to Don Nixon, to Ed Nixon and to unnamed others during the intervening years, and that he was now asking for my counsel

on how to handle the problem," Kalmbach was quoted as saying.

Kalmbach said he recommended making a full disclosure of what had happened to the IRS, but that Rebozo had replied that "This touches the President and the President's family, and I just can't do anything to add to his problems at this time, Herb."

Kalmbach told the Watergate committee that he had received Rebozo's approval to discuss the Hughes matter in "hypothetical" terms with Stanley Ebner, then general counsel of the Office of Management and Budget.

Ebner's records show that he saw Kalmbach on April 30, Ebner has confirmed that he had a "hypothetical" discussion of a potential tax problem with Kalmbach that day.

Rebozo requested a second meeting with Kalmbach early this year, according to the report, and the two men talked at San Clemente on Jan. 7, 1974.

Kalmbach testified that Rebozo told him then: "Undoubtedly, Herb, I have not told you that after you and I talked last spring regarding the Hughes money, I found that I (had) not in fact disbursed any of the Hughes cash to the several people I named.

"When I went into the safe and so that was clear that no part of this money had been used during the several years it was in my box."

*New York Times*