

Joint Probe Of Hughes' Gift Cash

Washington

The special Watergate prosecutor and the Internal Revenue Service are jointly conducting what sources describe as an intensive investigation into the handling of a \$100,000 cash payment from Howard H. Hughes that allegedly was used by members of President Nixon's family and White House staff.

According to several well-placed sources, the inquiry is focusing on possible campaign finance and income tax violations involving several persons, including Charles G. (Bebe) Rebozo, the President's long-time business associate and friend, who received the money from a Hughes employee in 1969 and 1970.

IRS agents, working with aides to special prosecutor Leon A. Jaworski, have reportedly obtained evidence from the Senate Watergate committee that \$23,000 in 100 bills — the same denominations in which the Hughes money was delivered to Rebozo — was passed through Rebozo's bank in Key Biscayne, Fla., to pay for improvements to the President's home in Key Biscayne.

One source said that any violation of the federal campaign finance laws uncovered in the investigation would be prosecuted by Jaworski's office and that income tax violations would be referred to the Justice Department's tax division.

The Senate Watergate committee's investigation determined that Rebozo filed no federal gift tax declaration between 1969 and 1972, the period in which he authorized the expenditure of more than \$30,000 on Mr. Nixon's behalf.

The committee and the special prosecutor have also taken testimony alleging that Rebozo had conceded giving or lending part of the \$100,000 received from Hughes to F. Donald and Edward Nixon, the President's brothers, and to Rose Mary Woods, Mr. Nixon's personal secretary.

All three have denied receiving any of the funds, and the President and Rebozo have insisted that the money was kept unused in a bank vault for three years before being returned to a Hughes representative in June, 1973.

The Watergate committee has reportedly provided "wholesale" documentation of its investigation to Jaworski and a group of about a half-dozen IRS agents working on the case.

New York Times