

4 Years After Watergate,



ROSE MARY WOODS
... \$100,000 kept in White House

By Bob Woodward
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Despite all the investigations, hearings and trials, serious questions still remain unanswered about Watergate four years after the arrest of five burglars in Democratic National Committee headquarters. Many of those questions are about money.

The Nixon tapes pose some of these money questions. For example, President Nixon said to his White House counsel, John Dean, during a key Watergate cover-up meeting on March 21, 1973: "... a million dollars. And you could get it in cash. I, I know where it could be gotten."

Where did Nixon think he could get \$1 million in cash that Dean estimated would be needed for the continuing cover-up payments? No one has ever provided an answer.

On April 17, 1973, Nixon again discussed money as the Watergate cover-up was beginning to unravel: "Legal fees will be substantial ... But there is a way we can get it for you, and uh—two or three hundred thousand

dollars ... No strain. Doesn't come outta me."

But who would it come out of? No one has ever answered that question.

In the same conversation, Nixon continued: "I didn't, I never intended to use the money at all. As a matter of fact, I told B-B Bebe, uh, basically be sure that people like uh, who, who have [been] contributing years ago, uh, favored."

Who, if anyone, was ever favored? There has never been an answer to that question.

Lawrence M. Higby, an aide to White House chief of staff H. R. Haldeman, testified that Haldeman told him there were \$400,000 available for legal fees from a cash fund kept under the control of Nixon's friend Charles G. (Bebe) Rebozo.

Government investigators never found more than the \$100,000 that billionaire Howard Hughes had given to Rebozo.

Rebozo testified that after keeping the Hughes \$100,000 cash in a safe deposit box for three years he re-

Money Questions Linger

turned the money to the Hughes organization.

This Hughes \$100,000 triggered broad investigations of both Rebozo's and Nixon's personal finances in 1972-74, but no charges were ever brought.

Locked in the files of the Watergate special prosecutor's office are the results of two investigations never made public which focused on unanswered Nixon money questions.

First, according to well-placed sources and on-the-record confirmation by some principals, the prosecutors established that Nixon and his secretary, Rose Mary Woods, collected \$100,000 in cash at the White House in November, 1971.

It is the first known example that Nixon or Woods actually collected money at the White House.

This \$100,000 was kept in Woods' safe at Nixon's direction for about 18 months—until six months after the 1972 election. It was returned in June, 1973, within several days of the return of the Hughes \$100,000.

This was several weeks after the

Internal Revenue Service had begun an investigation of the Hughes \$100,000.

The prosecutors have also discovered that Saudi Arabian businessman Adnan Khashoggi, now a central figure in the foreign payoff scandal, kept an account in Rebozo's bank in Key Biscayne.

Two separate cash withdrawals of \$100,000 from the account—one in May, 1972, and the other in November, 1972—could never fully be traced. When the withdrawals were made, Khashoggi was lobbying to get a presidential endorsement for a multi-billion dollar plan to allow the Saudis to get advances of American capital for Saudi oil reserves.

The current Watergate prosecutor, Charles Ruff, flew to London to interview Khashoggi's wife three months ago in the continuing investigation of Khashoggi's Key Biscayne account.

The \$100,000 received by Nixon and Woods at the White House in 1971 was

See WATERGATE, A20, Col. 1



DWAYNE ANDREAS
... \$125,000 in campaign contributions

WATERGATE, From A1

given by Minnesota millionaire Dwayne O. Andreas. Andreas told investigators that the money was an early 1972 campaign contribution.

On the surface this might be no more than a footnote to the Watergate story.

But there was another Andreas secret contribution

to the Nixon campaign. This was \$25,000 in cash given through Nixon Midwest fundraiser Kenneth H. Dahlberg. This \$25,000 was eventually, in the form of a cashier's check made out to Dahlberg, deposited in the bank account of one of the Watergate burglars.

It provided investigators in 1972 with the first con-

crete connection between the Watergate burglars and the Nixon campaign committee.

White House tapes have since shown that within six days of the June 17, 1972, Watergate burglary, President Nixon knew that the \$25,000 check was the immediate vulnerability for his campaign from the ini-

tial FBI probe of Watergate.

According to June 23, 1972, tapes, Nixon ordered the Watergate cover-up and directed the CIA to divert the FBI from an investigation of the \$25,000 Dahlberg check and several Mexican checks, which were also traceable to the Nixon campaign committee.

But if Nixon knew an FBI

investigation of Dahlberg could lead to Andreas, then his cover-up order was issued, in part perhaps, to prevent the FBI from learning of the Andreas \$100,000, then still in Woods' White House safe.

As one government source familiar with the investigation said: "There is no proof that Nixon knew the \$25,000 Dahlberg check was actually another Andreas contribution . . . But if he did, then the FBI would soon learn from an interrogation of Andreas—that is, if the right questions were asked—that Andreas also had given [another] \$100,000 and that was a personal problem for Nixon and Rose Mary."

It is clear from the public record that Nixon's chief aides knew Andreas was the actual donor of the \$25,000.

White House Counsel Dean testified at the Senate Watergate hearings about a meeting on June 21, 1972—two days before Nixon ordered the CIA to thwart the FBI investigation. That day Dean met with Nixon campaign manager John N. Mitchell and chief Nixon fundraiser Maurice Stans.

Dean said of that meeting: "Stans was concerned about the Dahlberg check. I was informed because it was in fact a contribution from Mr. Dwayne Andreas, whom I did not know, but I was told was a longtime backer of Sen. Hubert Humphrey. Neither Stans nor Mitchell wanted Mr. Andreas to be embarrassed by disclosure of the [\$25,000] contribution."

In addition, Haldeman later testified at the cover-up trial in late 1974 that he was aware on the morning of June 23, 1973, that the \$25,000 was from Andreas.

"The undersanding I had that morning," Haldeman testified, "was that there was concern reported to me by Mr. Dean on the part of the people at the re-election committee that the FBI investigation was in fact going to uncover the fact that Mr. Andreas, through Mr. Dahlberg, had given \$25,000."

Haldeman based much of his defense on this contention that the cover-up was to protect Andreas.

In a current series of articles Haldeman has written on Watergate, the former White House chief of staff maintains the cover-up was to prevent political embarrassment and protect donors like Andreas.

"It was purely a question of trying to prevent a source of campaign donations from being disclosed," Haldeman wrote. "And that was poli-

sat." did not win Nixon's endorsement and was eventually abandoned by Khashoggi.

Rebozo declined to answer the prosecutors' questions about the Khashoggi account, according to informed sources. His attorney, James



CHARLES G. REBOZO

... held Hughes contribution tical. So maybe we used the CIA and FBI politically—but not in terms of obstructing justice."

There is no indication that Haldeman knew on June 23, 1972, about the other secret Andreas \$100,000 which was then in Woods' safe.

However, Haldeman later learned of it, according to a White House tape of an April 25, 1973, Haldeman-Nixon conversation. Nixon and Haldeman considered but rejected paying the Andreas \$100,000 to the original Watergate defendants.

According to the transcript of that conversation, Nixon told Haldeman: "We didn't furnish any money, thank God."

"Right," Haldeman said. "Remember," Nixon said. "I told you later that I could get a 100,000."

"That makes—that rings a bell," Haldeman answered. "because you talked about Rose having some money or—something. I remember that."

This tape transcript was introduced at the Watergate cover-up trial. At that time the prosecutors did not know what the "100,000" reference meant. They pursued the subject with Woods and learned from her that there was \$100,000 given by Andreas.

Neither Woods nor Nixon could be reached by a reporter to discuss the \$100,000.

In part, because the money was kept after the election, the prosecutors concluded that Nixon and Woods never intended to use the \$100,000 in the 1972 campaign, according to the sources.

Moreover, the Andreas \$100,000 was not on Woods' secret list of early contributors. This so-called "Rose Mary's Baby" list was later made public and the An-

Sharp, told the prosecutors that Rebozo would not answer questions before the grand jury because he had already testified more than a dozen times.

It is normal practice for prosecutors not to force testimony through subpoena

hoggi account were apparently kept by Warner in his Las Vegas home. But Warner reported that his house was burglarized on Aug. 4, 1974, and his financial records for 1972 were all that was listed as missing, according to Las Vegas police.



ADNAN KHASHOGGI

... "a drop in the bucket" Andreas \$25,000 given through Dahlberg was listed.

The \$100,000 has another twist. When Andreas wanted to give the money in 1971 he contacted a golfing friend, Hobart Lewis, chairman of Reader's Digest and a close friend of Nixon's.

Lewis put Andreas in contact with Woods and the \$100,000 was soon delivered personally by Andreas to the White House.

Andreas declined to comment on the matter through his attorney, Edward Bennett Williams.

For reasons that are not clear when Nixon and Woods decided to return the \$100,000 in June, 1973, Woods asked Lewis—not Andreas—to come to the White House. She then gave him \$100,000 in cash—all \$100 bills in 10 packets of \$10,000 each.

According to the sources, Lewis then had Woods inform Andreas the money had been returned. Lewis kept it for several days and then borrowed it from Andreas to pay off personal debts.

Lewis, in a recent interview, confirmed the details of the transactions and said his role was "perfectly innocent."

Lewis said that he took the cash home and then several days later called Andreas and asked to borrow the money. The loan was confirmed by a letter which Lewis said he sent to Andreas. In addition, Lewis said that he later signed a formal promissory note for the \$100,000 loan, which has not been paid back.

The transactions involving the \$100,000 did not violate any law because there was no evidence that the \$100,000 was anything more than a political contribution

for someone who is a target of a criminal investigation. Rebozo was a target of the probe in 1974-75 but no charges were brought.

Sharp also declined to answer a reporter's questions.

Warner's attorney, R. Paul

which was returned and then loaned to another person.

The discovery by the prosecutors of Saudi businessman Khashoggi's account in Rebozo's Key Biscayne bank became part of the Rebozo grand jury investigation, according to government sources.

In interviews earlier this year Khashoggi confirmed the two separate \$100,000 cash withdrawals.

"I know it looks suspicious," Khashoggi said, acknowledging that he could provide no records to document where the money went. He said that the cash was spent gambling in the Caribbean and to pay off other gambling debts.

The \$200,000 was "a drop in the bucket," said the Saudi businessman. He is a fabulously wealthy man and, for example, has been the recipient of at least \$100 million in commissions from

Lockheed alone for acting as agent in the sale of aircraft to the Saudi government.

"If President Nixon asked me for a million dollars, I would have given it to him," Khashoggi said, adding, however, that neither Nixon nor Rebozo ever asked for any money in 1972.

As previously reported, Khashoggi gave \$50,000 to the 1968 Nixon campaign through John Pochna, a wealthy consultant to oilman J. Paul Getty.

Khashoggi confirmed the details of his Key Biscayne account. It was a trustee account set up in 1968. Las Vegas real estate agent and longtime Khashoggi friend Eugene Warner was the trustee for the account and empowered to write checks on it and withdraw money.

More than \$1 million was transferred into the account from foreign banks from 1968 to 1972. Khashoggi said he set up the account in Rebozo's bank because he wanted to win favor with the President's best friend.

Khashoggi said he sent Warner from Las Vegas twice to withdraw \$100,000 in cash from the trustee account. Other sources provided the dates which Khashoggi said "sound about right."

On each trip, according to Khashoggi and government sources, Warner saw Rebozo and asked him to get a presidential endorsement for a \$218 million annual plan which would enable the Saudis to buy marketing and refining facilities in the United States in exchange for a guaranteed supply of Arab crude oil.

The plan, called "Petro-

Sorenson of Las Vegas, confirmed that Warner had testified before the grand jury here last year in the Khashoggi investigation and also declined to answer a reporter's questions.

Records of the transactions involving the Khas-

The burglary was reported within days after the prosecutors learned about the Khashoggi account and indicated they had questions to ask.