SFChronicle We MAY 3, 1977

Senator Charges Fund Hoax

Washington

The FBI is investigating claims by Indiana Republican Senator Richard, Lugar that unidentified plotters tried to link him falsely to an alleged attempt to launder \$1.35 million in illegal contributions to President Nixon's 1972 campaign.

Lugar and the bank involved said that bank documents bearing Lugar's signatures are forgeries.

Allegations that Lugar had concealed holdings in Switzerland first surfaced in his successful campaign to unseat three-term Democratic Senator Vance Hartke.

Lugar, who was once called Richard Nixon's favorite mayor, has produced documentary evidence to show that he was in the mayor's office in Indianapolis on April 10 and 11, 1972, when the deposit forms allegedly were filled out in Basel, Switzerland.

Copies of the bank forms supplied by Lugar's office allege that the funds were deposited in the "Ellanbee Fund" by Lugar and L. Keith Bülen, a prominent Indiana Republican and former state GOP national committeeman active in the 1968 Nixon campaign.

Correspondence about the account was directed to be sent to Cornelius O. Allig Jr. at the Euratlantis Maritime Bank Ltd. in the Cayman Islands.

Allig has been vice chairman of the Indiana National Bank of Indianapolis, which is part owner of both the London Interstate Bank and the Euratlantis Bank, according to Lugar's office.

Lugar's office said that the

Euratlantis bank had not been organized at the time the deposit allegedly was made.

In a telegram to Lugar, H. R. Kuchler, senior vice president at the Union Bank of Switzerland's New York branch, declared that all the documents involved are "falsifications."

He cited numerous misuse of documents, internal bank codes and other practices as evidence.

Kuchler said that an account was opened under the account number used. But he said it was opened under a different name in October, 1965.

He said the clerk alleged to have opened the account for Lugar and Bulen in 1972 "has been working at the counter only since 1976."

Associated Press