

(9)/20 O'Brien

SCREENED
By *dlp* Date *9/20/20*

Plumbers - O'Brien
Preparation for
Nixon Auditing

Nixon's Testimony on O'Brien

Inform Nixon of the scope of our inquiry -- an investigation to determine to what extent White House affiliated persons attempted to influence the IRS to audit or otherwise harass Lawrence F. O'Brien, Sr. and an investigation to determine to what extent the White House attempted to secure confidential tax information or other financial information as to O'Brien for purposes of public dissemination. The investigation primarily is focused upon the period of July through late September, 1972, but some of the evidence relates to late Fall, 1972, and the Winter and Spring of 1973.

Relevant documents have been given to your attorneys and we will rely on those [Howard + Decht]

~~Knowledge of O'Brien-Hughes relationship in general.~~

~~Were you aware of O'Brien's contractual relationship with Hughes from as early as January, 1971? were you not? as indicated by 1/71 memo?~~

~~Did you at that time -- or at anytime in 1971 have reason to believe that O'Brien's involvement in this regard might have resulted in criminal or tax violations?~~

~~Did you at that time -- or at anytime in 1971 -- communicate or have someone else communicate with anyone at Treasury or at IRS regarding this matter?~~

Hughes might have had dealings with certain political figures

~~General knowledge of O'Brien-Hughes relationship in the summer of 1972. During the course of an extensive IRS investigation of Howard Hughes and related associates there developed information that O'Brien and two associates of his -- Joseph Napolitan and Claude Desautels -- had received considerable sums from Hughes in 1969 and 1970.~~

When did you first become aware of this ~~knowledge~~ *information?*

What did you understand the IRS's interest in the relationship to be?

Who first informed you of this IRS information?
- Shultz?

Did you receive or did you ask for written information concerning this matter?

What, if anything, did you request that the IRS do in further developing information in this regard?

From the documents we have it is apparent that you discussed this matter with others at the White House at least as early as August 3, 1972.

You then had a meeting with Ehrlichman and Haldeman and there is the notation -- regarding the IRS and Justice that you would or should "use our powers" and that this should be done as to the "contributors" and as to "O'Brien"?

Also, there is the notation -- with obvious reference to O'Brien -- "better drop him now because," was there discussion about talking to McGovern about this and scaring them off O'Brien because of the possible tax problems he faced? Was anyone approached about this, i.e. did you direct that anyone be contacted to serve as the courier or liaison for this message? "they"

Later in the same meeting there is another note -- which seems to relate to Shultz that:

"must be political
"give him an external tip, e.g. Larry O'Brien"
"check his returns"

Was Ehrlichman to contact Shultz and give him some anonymous message? What was meant by an "external tip"?

-WHAT WAS IT?

-8/3/72 - SOMEONE LIKE RHW HAD HEARD ABOUT O'B BUT WAS NOT DIRECTING THAT THINGS BE DONE?

Two other matters crystallizing or occurring at about this same time.

First, in the course of the IRS inquiry they had scheduled an interview with O'Brien and he had not shown up. There was some suggestion that IRS was not pursuing it? Was there a discussion of this? Any direction that they do this immediately? That they be forced to report back to you on it? If you were told about this, by whom? And did you know that Mr. Roger Barth was providing such information? Identify

Also, turning back to this reference in the August 3, 1972, meeting to "contributors," evidence establishes that on this very day Mr. Chotiner and Mr. Ehrlichman started a project of collecting the names of major Democratic contributors and the names of McGovern staff people

of relevance was only insofar as it relates to interest in O'Brien; if it does - does it?

Now on August 9, 1972, you appear to have had a conversation with former Secretary Connally, and as a result of that apparently prepared two memoranda for Haldeman.

Do you remember a precise conversation? Or conversations? If so, where, when, with whom?

ONE OF THOSE MEMORANDA

If you don't remember the conversation let me show you ~~the memoranda~~ and ask you some questions about them.

(1) O'B'S NAME HAD "POPPED UP" WHO TOLD YOU? SHULZ?

First, one is directly concerned with O'Brien and there are several references to "getting out information" on O'Brien; thus the memorandum states:

"Connally feels very strongly that any information we get in this matter should not be held, but should pop out just as quickly as possible"

"Connally's very strong conviction is that dropping something on O'Brien will have far more effect now than at a later time"

"Be sure to emphasize to John . . . that we are not trying to develop a legal case that is air tight. The very fact that O'Brien and Associates received any money at all from Hughes, when it is firmly established, it should be put out."

Now do you recall this aspect of conversation with Connally?

With whom else did you discuss the interest in "putting out" IRS information as to O'Brien? When?

Were any efforts made to "put out" such information? By whom? Was anything accomplished?

Now, also from this Connally memorandum, it notes that Connally spoke about some very specific figures, e.g. [redacted]; had you given these figures to Connally? If so, from where had you received them? If they were not from you where did Connally get them?

Finally, ~~Connally~~ from this memorandum, on the bottom line of the first page you indicate that "the IRS audit of O'Brien, begin Thursday -- that means tomorrow -- at the very earliest;" had you earlier directed that an audit be commenced? If so, what was the basis for that direction? In other words, what facts were known which justified an audit? Did you

FOIA(b)6
FOIA(b)7 - (C)

know that, in the normal course, the IRS had audited Mr. O'Brien's returns?

If you did not direct an audit how did you believe that the audit had been started? Who had told you that the IRS had started an audit? What had you been told as to the basis for any audit?

~~As to the other memorandum to Haldeman following upon the Connally conversation, the direct reference there is to a Mr. Kimmelman but the interest is in "getting information out;" this meant putting information out in the press?~~

~~Now, did you have personal conversations with Haldeman about these matters -- on or about the same day as these memoranda?~~

~~Did Haldeman get back to you? If he did send memoranda back to you where would they be filed? As far as your filing system was concerned was there any basis for keeping track of these requests of Haldeman?~~

OF COURSE
YOU
WERE
INTERESTED
IN
THAT -
AS 8/19
NOTES
REFLECT

Now, going on in time, shortly after your conversations with Connally -- actually the next day -- the IRS had arranged an interview, but not with O'Brien, rather with his son; a memorandum reflecting this was prepared and ~~was~~ I ~~show~~ had a copy ~~shown~~ to you. Had you ever seen that or anything like it?

Did you find out that the IRS had arranged a meeting with the son rather than the father?

On August 11, 1972, according to Ehrlichman's notes of a meeting between yourself, Ehrlichman and Haldeman which took place at 9:40 a.m., evidently at Camp David, there is a notation that the "IRS-O'Brien" was discussed, and the reference -- apparently to you speaking -- "Shall I call George Shultz to get IRS?" -- Was this, then, conversation about "straightening out" IRS? What was the resolution as far as insuring that O'Brien, Sr., rather than Jr., be interviewed? Did you discuss with others the interest or importance of interviewing him before the Republican Convention?

11 - early
a.m.
8/14
calls
to
Coast.
- how was it
reported?

- Now, in any conversations regarding O'Brien and the IRS, did you know of the IRS official position which was to delay interviews or other action involving politically known individuals until after the election?

- Who told you about it?
- In what context did it come up?

Now, on August 17th Mr. O'Brien was interviewed; were you briefed on this by anyone? Ehrlichman? Shultz? This Roger Barth (did you ever discuss the O'Brien matter directly with Barth?)

There were a number of reports prepared of the O'Brien interview; ~~we have sent some of these to you through Mr. Miller~~ and I will show ~~them~~ to you now one by one; did you ever receive one of these? Did you ever read one? Do you know of any others at the White House who received any of these reports or substantially similar reports? Do you know of any efforts to release any information coming from O'Brien in his interviews to the press? By whom were such efforts made?

IMP ↓

- 1 page discussion about last

Now, the Republican Convention took place from August 21 to August 23; were there discussions then -- to which you were a party -- concerning O'Brien's tax situation? Or discussions of which you were aware?

sentance as to go 2nd interview until after election

According to Ehrlichman's notes of a meeting between you and him on August 26, 1972, at 11:20 a.m., apparently at San Clemente (this would be the day after the convention ended) there is the notation as to O'Brien that the "press (is) investigating tax returns." ~~Had efforts been made to notify the press about O'Brien's situation? Were you then making such efforts? Who from the press? What efforts to "press"?~~ Any belief or information that he had not reported income?

(A)

Now, after O'Brien's interview the IRS was requested to review his tax returns and prepare reports; and they did that. ~~We have supplied Miller with several of these -- and I show them to you singly.~~

IMP ↓
- DID YOU EVER ASK FOR RECEIVE OR TAX RETURNS OF O'B. PERSONALLY?
- SUGGESTED BY 9/14

Did you ever receive one? Did you ever read one? - Know whether anyone else at the White House did? Discuss this information with Ehrlichman, Shultz, Barth? Did you ever receive a memorandum from Ehrlichman digesting or summarizing this? Any efforts to "put out" this information?

OR ANYTHING SUBSTANTIALLY SIMILAR?

FLOW SHEET?

In the course of this period Ehrlichman -- probably while he was at San Clemente -- had a telephone conversation with Shultz, Walters and Barth, which conversation concerned O'Brien and became acrimonious?

An agent Ein Las Vegas?

At the same time Ehrlichman was dealing directly with Barth -- unknown to Walters; were you aware of this? Aware of who the officials were at IRS with whom Barth was dealing?

(A)

By the way, did you have information or belief that ~~it~~ had been paid to O'Brien as channel for contribution? - or information - or belief - that this was singly a channel for O'Brien's salary as DNC chairman? - DID THIS COME FROM OTHER SOURCE? - 8/9/72

9/5 - is IMPORTANT:

Now, there are Ehrlichman notes of what appears to have been a conversation between the two of you, aboard Air Force One on September 5, 1972, where there is the reference: "Anonymous: to Hart re Hughes and O'Brien; warn Senator McGovern." I take it that was a reference to Mr. Gary Hart and a discussion about indicating to McGovern that O'Brien had problems. //

Did you discuss using this route? //

Was anything done in that connection? //

There is also the reference in these same notes as to "Mrs. Westwood." Was she referred to in the same context? Did anything happen? //

Then there is the reference in these same notes to "Get someone in Las Vegas do it" and "Ask how much he got." Was Ehrlichman indicating to you that he had a channel through Las Vegas to get information on O'Brien? Did you know anything about having secured information from Las Vegas? //

~~Now what appear to be the notes of a meeting between you and Ehrlichman on September 30, 1972, also note references to O'Brien, of the following nature:~~

[O] "Larry O'Brien worry him," "Kalmbach, [O] O'Brien will worry," "Gossy-plant," "Bobby Baker blowing whistle on Larry O'Brien and others," "Get it to O'Brien -- don't publish."

(1) These all appear to relate to conversations to in one way or another use the IRS information? Can you explain how you intended to "worry" O'Brien? Why was Bobby Baker to assist? Were there efforts to communicate with Baker -- or actual communications?

(2)

There is also the thought that you would not publish the material on O'Brien but get it to him in some private way? What discussions were there about this? In this regard it appears that Dean was to handle the matter? That Dean was to contact O'Brien through Duane Andreas? What actually happened here? Why Andreas?

Was Mitchell to contact Andreas?

"via Duane Andreas"

Were there discussions of telling O'Brien about the tax problem and getting him to drop the Watergate civil suit in return for your not going ahead with his civil tax problems?

Finally, how about the notation "offer him retention" - a retain for O'Brien?

→ Haldeman's notes indicate that S is to be told to give JWD what he wants

Now, by September 15, 1972, it appeared that IRS might not do anything on O'Brien. But there is evidence that at about this same time there were discussions about that list of Democratic contributors. Thus, on September 15, 1972, you discuss with Haldeman the fact that Dean was, according to Haldeman -- "moving ruthlessly on the investigation of McGovern people," and Haldeman adds, "Chuck, Chuck has gone through, you know has worked on the list, and Dean's working the, the thing through IRS."

Now were the efforts regarding O'Brien linked in any way to these efforts?

For example, was there any effort to use the IRS's inaction on one matter to force action on another? -

- Did you discuss it in House with Schultz?

Now, in September, there was some IRS inquiry into O'Brien's tax treatment of some stock he had owned in a brokerage company for which he had taken an ordinary loss. Did you know anything about this issue? Any discussion about the fact that O'Brien would not face a criminal liability but probably would face a civil liability?

In fact, in April, 1973, an audit was started of O'Brien on this issue. What did you know about this? Did you have any conversations about it?

~~In summary, you tried to get information from the IRS about O'Brien to use against him for political purposes?~~

~~You believed that IRS had been used against you -- but you knew that was wrong and yet felt that it was legitimate to do it against O'Brien?~~

Henry?

Discusses any of those things re
O'Brien with - Schultz?
Walters?
Mitchell?
Conally - at any other
time than 8/19?
Who else was party
to this?

- ASK THE G.J. IF THEY HAVE QUESTIONS?

AUGUST 1972

HOROWITZ

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

SEPTEMBER 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JUNE 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30 Keeney memo to Venable re payment to O'Brien	31	1 Lund memo to Hanlon 2 National Office receives report that O'Brien, Jimmy the Greek and Midwest Associates (Robert Humphrey) have received payments from Hughes Tool Co. on public relations account		3

JUNE 1972

SUNDAY

11

MONDAY

12

Shultz becomes
Sec'y of Treasury
replacing Connally

TUESDAY

13

WEDNESDAY

14

THURSDAY

15

FRIDAY

16

SATURDAY

17

JUNE 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
25 SCR re John Meirer refers to Donald Nixon and Rebozo (but no mention of O'Brien). Barth says he saw this.	26	27	28	29	30	1

JULY 1972

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

2

3

4

5

6

7

8

Shultz talked to
Ehr. in San Clemente

Shultz at IRS for
briefing

JULY 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
9	10 DNC Convention starts in Miami	11	12 IRS Status Report refers to Rebozo advising Maheu not to be interviewed	13	14 DNC Convention ends in Miami 3:00 -- Shultz meets Walters re AC for Inspection	15

JULY 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
16	17 Beginning of agents' attempts to set interview with O'Brien	18 12:00 -- Shultz meets Barth 3:32 -- Shultz called Walters 3:40 -- Shultz pls. call Dean	19 11:30 -- Shultz meets Walters & Geibel	20 IRS Status Report that agents intend to interview O'Brien	21	22

JULY 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
23	24 IRS Status Report that O'Brien is to be interviewed in NYC 7/25/72	25 O'Brien fails to appear for interview in NYC	26 Walters learns that O'Brien did not show and apparent agreement that interview will not be pursued Hanlon suggests interview of Robert Humphrey	27	28	29 Napolitan interviewed

AUGUST 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31 Dean calls Barth	1 4:00 -- Shultz sees Barth	2 Status Report on O'Brien's failure to appear & info. from Napolitan interview on divide [redacted] w/O'Brien and Desautels Ehr. notes 2:20 -- Chotiner	3 Walters writes "keep trying" Ehr. w/Pres. & Halde. 9:45a.m.-10:45a.m. IRS Justice Investig. of us when we were out Ed Nixon-Oceano- graphic Fund Use our power Contributors Larry O'Brien- better they drop him now because Ck. McGovern IRS Files Jas. Coleman Ck. him Shultz Must be political Give him an ex- ternal tip E.g. Larry O'Brien Ck. his returns	4 9:56 -- Shultz calls Ehr 11:15 -- Shultz sees Ehr. at White House 2:24 (left word & 47) Ehr. calls Shultz re Dr. Ryland 2:30 -- Walters calls Shultz (left word)	5 9:30 -- Shultz speaks w/Walters 10:15-- Shultz calls Ehr. (two times)

FOIA(b)3 - 26 USC 6103, Tax Information

NW#:36514

DocId:31443853

AUGUST 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
6	7	8	9	10	11	12	
	<p>11-1:15 -- Ehr. w/Nixon</p> <p>1:42 -- Shultz calls Walters</p> <p>1:47 -- Shultz calls Ehr.</p> <p>2:00 -- Ehr. w/Connally</p>	<p>4:30 -- Shultz w/Pres. Cabinet at Camp David</p>	<p>Status Report mentions summon O'Brien</p> <p>2:30 -- Shultz at IRS (receives call fr. Mitchell)</p> <p>3:30 -- Walters to airport Nixon memos to HRH Connally confident material in Kimmel man files (Mitc. said file in Int. & DOJ) Get files within 24 hrs. See if derogatory info. could be put out</p> <p>O'Brien's name in IRS investig. of HTC- [redacted] to O'B & Asso. [redacted] to Napolitan Connally feels info. should be put out Ehr. says O'B will be subpoenaed if not appear Follow up on Napol. and O'B's ret. for 1968 \$9M debt but Napol. bills paid O'B claim using aid Nat. Chairman IRS audit to begin Thurs.</p>	<p>Status report on attempts to see O'Brien, set appt. Jr. for 8/18</p> <p>2:25 -- Ehr. w/Dean</p> <p>Shultz Note: Ehr. call to "bug Sec'y about progress report he is working on"</p> <p>4:10 -- Shultz</p> <p>5:00 -- Ehr. w/Nixon</p>	<p>9:20 -- Shultz talks Ehr.</p> <p>9:40 -- Ehr.w/Nixon*(notes)</p> <p>12:05 -- Shultz talks Walker</p> <p>12:09 -- Shultz calls Henkel After 2:00 -- Shultz talks Tod Hullin (Ehr. w/ Pres. Camp David)</p> <p>Ehr. notes w/Pres. IRS-O'Brien Shall Pres. call Shultz to get IRS</p>		
NW#: 36514	DocId: 31443853						

FOIA(b)3 - 26 USC 6103, Tax Information

AUGUST 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
13	14 9:25 -- Shultz calls Walters in SF 11:15 -- Nossen told by Han- lon to have Sr. out 3:30 -- Olzsecki meets Shultz 4:52 -- Harless call 6:35 -- Shultz talks Henkel (tried to reach 9:35, Perlot inquiry to Bonomi re O'B. & Napolitan Shultz leaves for Miami	15 Shultz ret. fr. Miami Shultz sees Harless (?) (?) Walker 11:36	16 7:18 -- Shultz calls Halde. (talks Higby)	17 10:50 --O'B int. Desautels int. 4:52, 5:44 -- Shultz talks Halde. (2 times) 6:10 -- Shultz leaves word Ehr. O'Brien interview	18 Memo of inter- view prepared & summaries Shultz to Miami Walters to Las Vegas	19

AUGUST 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
20 Query -- When does Dean speak to Shultz on lounge chairs	21 Shultz returns to D.C. 10:55 -- Shultz calls Walters 11:25 -- Walters calls Shultz Walters calls Walker in Miami Shultz leaves for Miami	22 Shultz in Miami (?)Barth reviews O'B. returns w/ Rankin Walters calls Walker at home Nixon nominated	23 Shultz in Miami Agnew nominated Nixon accepts	24 Nossen status rep. on O'B. not avail. w/ election (?)if secure ret. 2:15 -- Ehr. calls Shultz (Ehr. in transit) Shultz leaves Miami	25 Harless requests Nossen memo Shultz reminder to call Ehr. late afternoon if not talked 9:30 -- Shultz-Walters aft. staff meeting 12:15 -- Ehr. conf. call w/Halde., Mitchell, Connally 2:05 -- Ehr. calls Shultz	26 Nossen dictates overview w/O'B. & Desautels int. att. Ehr. notes w/ Pres. (11:30) Larry O'Brien-- press investiga- tion; tax ret.

AUGUST 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	31	1	2
	Walters receives overviews w/3 exh.	10:00 -- Walters, Barth, Shultz-Ehr.	???Undtd. Notes ?/30/72	Walters requests first revision	Shultz log: Walters called to advise Barth in Columbus, will to discuss item Mon.	
	8:25 -- Shultz calls Walters	Walters instruct. to McGowan	GAO Larry O'Brien worry him	Delete extraneous info.		
	8:55 -- Walters-McGovern	12:48-2:10 -- Ehr., Rebozo, Kissinger	Kalmbach O'Brien will worry	Tax returns rec'd. by National Office	Revision to Walters (Walters hand. changes over week-end)	
	10:30 -- Walters-Barth	2:07 -- Shultz calls Ehr.- Left word	Jack Anderson Bobby Baker blowing whistle on O'Brien & others			
	1:30 -- Ehr. calls Shultz from San Clemente (Talk 2:15)	6:50 -- Shultz calls Ehr.- Talked	Get it to O'Brien don't publish via Andreas			
	5:00 -- Walters-McGovern Walters calls Mar-dian	Ehr. tapes 4-way in S. Cl.	Work thru Dean Offer him retainer			
	Ehr. tape w/Barth in San Clemente	Shultz reports (apparently using overview)				
	Walters learned of inquiry	Napolitan to be divided, payments directly to O'B & Asso., attempt to int. 7/25, int. on 8/17, int. of Desautels				
	Guy in Las Vegas noted to pick up records	Ehr. aware "Wall St." went bankrupt				
	Walters puts freeze	Shultz repots rets. being cked re income reported				
	Not send guy back to San Francisco	Shultz says found nothing wrong				
		Ehr. questions if for lobbying				

SEPTEMBER 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
3	4 LABOR DAY	5 Final Draft-Flow Chart Walters fails to deliver Barth given copy 8:25 -- Walters calls Shultz Talked 8:30 -- Walters w/Barth, Hanlon 8:45 -- Shultz-staff incl. Walters 12:03 -- Ehr. calls Shultz-Talked 1:30 -- Walters to NYC 4:00 -- Shultz meets Barth 4:16 -- Shultz calls Ehr.-ofc. suggests secure phone Updated Ehr. notes on AF One by Ehr. Anonymous to Hart re Hughes & O'Brien warn Sen. McG. Mrs. Westwood Get someone in Las Vegas do it Ask how much he got	6 9:20 -- Ehr. calls Shultz-Talked 9:37 -- Martin Bailey - Talked 9:44 -- Shultz calls Walters (cancel call-in NYC) 9:45 -- Shultz talks Barth 11:06 -- Barth talks Shultz 11:40 -- Bailey talks Shultz 2:00 -- Mitchell talks Shultz Revenue agents in NYC expect to meet w/ McGovern	7 10:30 -- Shultz w/Pres. w/Burnes & Ehr. (tape allegedly not relevant) 5:45 -- Ehr. meets Shultz Shultz calls Walters (cancel call-in NYC) 9:45 -- Shultz talks Barth 11:06 -- Barth talks Shultz 11:40 -- Bailey talks Shultz 2:00 -- Mitchell talks Shultz Revenue agents in NYC expect to meet w/ McGovern	8 10:20 -- Ehr. w/Nixon 2:30 -- Shultz w/Henkel re Deputy Chief Counsel	9

SEPTEMBER 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	<p>11</p> <p>11:30 -- Shultz meets Barth</p> <p>2:30 -- Dean meets Walters BOB (500 list) See note 9/11</p>	<p>12</p> <p>4:00 Shultz to meet Walters (cancelled)</p> <p>Note: Walters needs to see Shultz(unable)</p>	<p>13</p> <p>9:45 -- Walters tells Shultz of 500</p> <p>12:00 -- Walters meets Barth Walters calls Dean Hullin calls Walters</p> <p>See note 9/11</p> <p>4:30 -- Ehr. w/Connally</p>	<p>14</p> <p>4:00 -- Pres, Shultz, Connally, Stein, Burns, Ehr.</p> <p>Ehr. notes w/Pres, Rizzo, Cole, after the election</p> <p>See his tax rets.</p> <p>Shultz withdraw fed. funds</p> <p>No banker can be for McG. w/o some- thing being wrong</p>	<p>15</p> <p>10:14 -- Shultz calls Dean-- Talked</p> <p>5:25-6:15 -- Dean, Haldeman, Pres.</p> <p>Tape & Halde. notes</p> <p>Prior to Dean's entry Dean's moving on investigation of McGovern people, Kennedy stuff</p> <p>Dean's work list through IRS (Chuck's worked on)</p> <p>Dean present</p>	<p>16</p> <p>UNDATED -- Walters calls Flynn w/ inquiry re Arthur Murray (informant said prominent Dean had cer- tain items not properly handled)</p> <p>Note: Harless to NYC Fri. 9/22 Meets Murray</p> <p>NOTE: MARDIAN'S CALENDAR 9/21 JVM - Millbank, Galtner, J. Murray, O'Grady</p>

OCTOBER 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
8	9	10	11 Walters calls Shultz (from Cal.) 1:03 - Talks	12 Shultz log: Charls. Walker wants to see	13 12:00 -- Shultz meets Walker 3:00 -- Walters meets Barth	14 Ehrlichman calls Shultz - Talks

OCTOBER 1972

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
15	16 2:20 -- Colson calls Shultz 2:29 -- Shultz calls McGreg- Talked 2:30 -- Shultz calls Colson- Left word 2:30 -- Shultz calls Halde.- Call Cancelled 2:31 -- Shultz calls Ehr.- Cancelled 2:32 -- Shultz calls Cole- Talked 5:00 -- Shultz sees Barth Note on calendar -- Walters needs 15 min. [(?)McGovern tax program]	17 3:00 -- Shultz sees Walters See note 10/17 of Walters	18 10:00 -- Shultz talked Ehr. 4:32 -- Walters calls Shultz 5:08 -- Shultz talked Cole (called Ehr.) 5:30 -- Henkel calls Shultz- please call 5:50 -- Halde. calls Shultz- Talked 5:55 -- Shultz calls Walters- Talks	19 10:30 -- Shultz w/Pres. prior to press conf. on taxes	20	21

O'Brien Exhibits

- 1/31 Air Force One
- 1 page memo of interview
- 8/10 memorandum
- 1 report - 9/1/72

PTW - review abt Hughes
but will use @ Duker
© McDonnell

Nixon's Testimony on O'Brien

Inform Nixon of the scope of our inquiry -- an investigation to determine to what extent White House affiliated persons attempted to influence the IRS to audit or otherwise harass Lawrence F. O'Brien, Sr. and an investigation to determine to what extent the White House attempted to secure confidential tax information or other financial information as to O'Brien for purposes of public dissemination. The investigation primarily is focused upon the period of July through late September, 1972, but some of the evidence relates to late Fall, 1972, and the Winter and Spring of 1973.

Knowledge of O'Brien-Hughes relationship in general.

You were aware of O'Brien's contractual relationship with Hughes from as early as January, 1971, were you not?

Did you at that time -- or at anytime in 1971 have reason to believe that O'Brien's involvement in this regard might have resulted in criminal or tax violations?

Did you at that time -- or at anytime in 1971 -- communicate or have someone else communicate with anyone at Treasury or at IRS regarding this matter?

General knowledge of O'Brien-Hughes relationship in the Summer of 1972. During the course of an extensive IRS investigation of Howard Hughes and related associates there developed information that O'Brien and two associates of his -- Joseph Napolitan and Claude Desautels -- had received considerable sums from Hughes in 1969 and 1970.

When did you first become aware of this knowledge?

What did you understand the IRS's interest in the relationship to be?

Who first informed you of this IRS information?

Did you receive or did you ask for written information concerning this matter?

What, if anything, did you request that the IRS do in further developing information in this regard?

From the documents we have it is apparent that you discussed this matter with others at the White House at least as early as August 3, 1972.

You then had a meeting with Ehrlichman and Haldeman and there is the notion -- regarding the IRS and Justice that you would or should "use our powers" and that this should be done as to the "contributors" and as to "O'Brien"?

Also, there is the notation -- with obvious reference to O'Brien -- "better drop him now because;" was there discussion about talking to McGovern about this and scaring them off O'Brien because of the possible tax problems he faced? Was anyone approached about this, i.e. did you direct that anyone be contacted to serve as the courier or liaison for this message?

Later in the same meeting there is another note -- which seems to relate to Shultz that:

"must be political
"give him an external tip, e.g. Larry O'Brien"
"check his returns"

Was Ehrlichman to contact Shultz and give him some anonymous message? What was meant by an "external tip"?

Two other matters crystallizing or occurring at about this same time.

First, in the course of the IRS inquiry they had scheduled an interview with O'Brien and he had not shown up. There was some suggestion that IRS was not pursuing it? Was there a discussion of this? Any direction that they do this immediately? That they be forced to report back to you on it? If you were told about this, by whom? And did you know that Mr. Roger Barth was providing such information?

Also, turning back to this reference in the August 3, 1972, meeting to "contributors," evidence establishes that on this very day Mr. Chotiner and Mr. Ehrlichman started a project of collecting the names of major Democratic contributors and the names of McGovern staff people?

Now on August 9, 1972, you appear to have had a conversation with former Secretary Connally, and as a result of that apparently prepared two memoranda for Haldeman.

Do you remember a precise conversation? Or conversations? If so, where, when, with whom?

If you don't remember the conversation let me show you the memoranda and ask you some questions about them.

First, one is directly concerned with O'Brien and there are several references to "getting out information" on O'Brien; thus the memorandum states:

"Connally feels very strongly that any information we get in this matter should not be held, but should pop out just as quickly as possible"

"Connally's very strong conviction is that dropping something on O'Brien will have far more effect now than at a later time"

"Be sure to emphasize to John . . . that we are not trying to develop a legal case that is air tight. The very fact that O'Brien and Associates received any money at all from Hughes, when it is firmly established, it should be put out."

Now do you recall this aspect of conversation with Connally?

With whom else did you discuss the interest in "putting out" IRS information as to O'Brien? When?

Were any efforts made to "put out" such information? By whom? Was anything accomplished?

Now, also from this Connally memorandum, it notes that Connally spoke about some very specific figures, e.g. [redacted] had you given these figures to Connally? If so, from where had you received them? If they were not from you where did Connally get them?

Finally, from this memorandum, on the bottom line of the first page you indicate that "the IRS audit of O'Brien, begin Thursday -- that means tomorrow -- at the very earliest;" had you earlier directed that an audit be commenced? If so, what was the basis for that direction? In other words, what facts were known which justified an audit? Did you

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know that, in the normal course, the IRS had audited Mr. O'Brien's returns?

If you did not direct an audit how did you believe that the audit had been started? Who had told you that the IRS had started an audit? What had you been told as to the basis for any audit?

As to the other memorandum to Haldeman following upon the Connally conversation, the direct reference there is to a Mr. Kimmelman but the interest is in "getting information out;" this meant putting information out in the press?

Now, did you have personal conversations with Haldeman about these matters -- on or about the same day as these memoranda?

Did Haldeman get back to you? If he did send memoranda back to you where would they be filed? As far as your filing system was concerned was there any basis for keeping track of these requests of Haldeman?

Now, going on in time, shortly after your conversations with Connally -- actually the next day -- the IRS had arranged an interview, but not with O'Brien, rather with his son; a memorandum reflecting this was prepared and we had a copy shown to you. Had you ever seen that or anything like it?

Did you find out that the IRS had arranged a meeting with the son rather than the father?

On August 11, 1972, according to Ehrlichman's notes of a meeting between yourself, Ehrlichman and Haldeman which took place at 9:40 a.m., evidently at Camp David, there is a notation that the "IRS-O'Brien" was discussed, and the reference -- apparently to you speaking -- "Shall I call George Shultz to get IRS?" -- Was this, then, conversation about straightening out IRS? What was the resolution as far as insuring that O'Brien, Sr., rather than Jr., be interviewed? Did you discuss with others the interest or importance of interviewing him before the Republican Convention?

Now, in any conversations regarding O'Brien and the IRS, did you know of the IRS official position which was to delay interviews or other action involving politically known individuals until after the election?

Now, on August 17th Mr. O'Brien was interviewed; were you briefed on this by anyone? Ehrlichman? Shultz? This Roger Barth (did you ever discuss the O'Brien matter directly with Barth?)?

There were a number of reports prepared of the O'Brien interview; we have sent some of these to you through Mr. Miller and I will show them to you now one by one; did you ever receive one of these? Did you ever read one? Do you know of any others at the White House who received any of these reports or substantially similar reports? Do you know of any efforts to release any information coming from O'Brien in his interviews to the press? By whom were such efforts made?

Now, the Republican Convention took place from August 21 to August 25; were there discussions then -- to which you were a party -- concerning O'Brien's tax situation? Or discussions of which you were aware?

According to Ehrlichman's notes of a meeting between you and him on August 26, 1972, at 11:20 a.m., apparently at San Clemente (this would be the day after the convention ended) there is the notation as to O'Brien that the "press (is) investigating tax returns." Had efforts been made to notify the press about O'Brien's situation? Were you then making such efforts? Who from the press?

Now, after O'Brien's interview the IRS was requested to review his tax returns and prepare reports; and they did that. We have supplied Miller with several of these -- and I show them to you singly.

Did you ever receive one? Did you ever read one? Know whether anyone else at the White House did? Discuss this information with Ehrlichman, Shultz, Barth? Did you ever receive a memorandum from Ehrlichman digesting or summarizing this? Any efforts to "put out" this information?

In the course of this period Ehrlichman -- probably while he was at San Clemente -- had a telephone conversation with Shultz, Walters and Barth, which conversation concerned O'Brien and became acrimonious?

At the same time Ehrlichman was dealing directly with Barth -- unknown to Walters; were you aware of this? Aware of who the officials were at IRS with whom Barth was dealing?

Now, there are Ehrlichman notes of what appears to have been a conversation between the two of you, aboard Air Force One on September 5, 1972, where there is the reference: "Anonymous: to Hart re Hughes and O'Brien; warn Senator McGovern." I take it that was a reference to Mr. Gary Hart and a discussion about indicating to McGovern that O'Brien had problems.

Did you discuss using this route?

Was anything done in that connection?

There is also the reference in these same notes as to "Mrs. Westwood." Was she referred to in the same context? Did anything happen?

Then there is the reference in these same notes to "Get someone in Las Vegas do it" and "Ask how much he got." Was Ehrlichman indicating to you that he had a channel through Las Vegas to get information on O'Brien? Did you know anything about having secured information from Las Vegas?

Now what appear to be the notes of a meeting between you and Ehrlichman on September 10, 1972, also note references to O'Brien, of the following nature:

"Larry O'Brien worry him," "Kalmbach," "O'Brien will worry," "Gossip-plant," "Bobby Baker blowing whistle on Larry O'Brien and others," "Get it to O'Brien -- don't publish."

These all appear to relate to conversations to in one way or another use the IRS information? Can you explain how you intended to "worry" O'Brien? Why was Bobby Baker to assist? Were there efforts to communicate with Baker -- or actual communications?

There is also the thought that you would not publish the material on O'Brien but get it to him in some private way? What discussions were there about this? In this regard it appears that Dean was to handle the matter? That Dean was to contact O'Brien through Duane Andreas? What actually happened here? Why Andreas?

Were there discussions of telling O'Brien about the tax problem and getting him to drop the Watergate civil suit in return for your not going ahead with his civil tax problems?

Now, by September 10, 1972, it appeared that IRS might not do anything on O'Brien. But there is evidence that at about this same time there were discussions about that list of Democratic contributors. Thus, on September 15, 1972, you discuss with Haldeman the fact that Dean was, according to Haldeman -- "moving ruthlessly on the investigation of McGovern people," and Haldeman adds, "Chuck, Chuck has gone through, you know has worked on the list, and Dean's working the, the thing through IRS."

Now were the efforts regarding O'Brien linked in any way to these efforts?

For example, was there any effort to use the IRS's inaction on one matter to force action on another?

Now, in September, there was some IRS inquiry into O'Brien's tax treatment of some stock he had owned in a brokerage company for which he had taken an ordinary loss. Did you know anything about this issue? Any discussion about the fact that O'Brien would not face a criminal liability but probably would face a civil liability?

In fact, in April, 1973, an audit was started of O'Brien on this issue. What did you know about this? Did you have any conversations about it?

In summary, you tried to get information from the IRS about O'Brien to use against him for political purposes?

You believed that IRS had been used against you -- but you knew that was wrong and yet felt that it was legitimate to do it against O'Brien?

Jay

4

I prepared these additional
fact memos for your
background.

HLH

- ① Andreas
- ② 1/71 info
on O'Brien
- ③ Kalmbach
- ④ McDonnell

O'Brien -- Andreas

According to Dean, Mitchell was to approach Andreas who was a personal friend of Mitchell's

Mitchell was to offer the IRS dropping its intended actions if O'Brien dropped the DNC suit (suit initiated by DNC and O'Brien 6/20/72)

This story is corroborated by Paul O'Brien.

But --

Andreas, through his attorney, Edward Bennett Williams, has stated that he was never approached (although Mitchell's logs show calls to Andreas in October, 1972)

Larry O'Brien stated that he was never approached on such a matter

This incident might be remembered in light of a counteraction proposals in a Dean/Haldeman memo of 9/12/72

CRP and FCRP top file complaint for malicious abuse of process against O'Brien (or counterclaim to amended DNC complaint)

Stans to sue O'Brien for libel for statement to the press that Stans funded the Watergate break-in with \$114,000 in checks transmitted to Barker

Other parties as plaintiffs were considered

Complaint to the Fair Campaign Practices Committee

Complaint re McGovern fundraising through a DC corp.

Note: No mention of O'Brien's personal affairs

White House Knowledge re O'Brien in 1/71

O'Brien formed NYC-PR firm in 1969

O'Brien negotiated with Maheu for \$100,000 fee, but did not materialize

Desautels formed DC-PR firm
Handled Hughes interests

Caulfield expresses concern re counter scandal and indicates following:

- (1) Maheu dealt with Nixon fundraiser, Vic Johnson (now deceased)
- (2) Maheu retained former Congressman Pat Hillinger, a friend of Murray Chotiner's
- (3) Maheu hired former FBI agent Dick Danner, an associate of former Senator Smathers and professed friend of Rebozo
- (4) Clark Clifford's firm has represented higher interests in DC

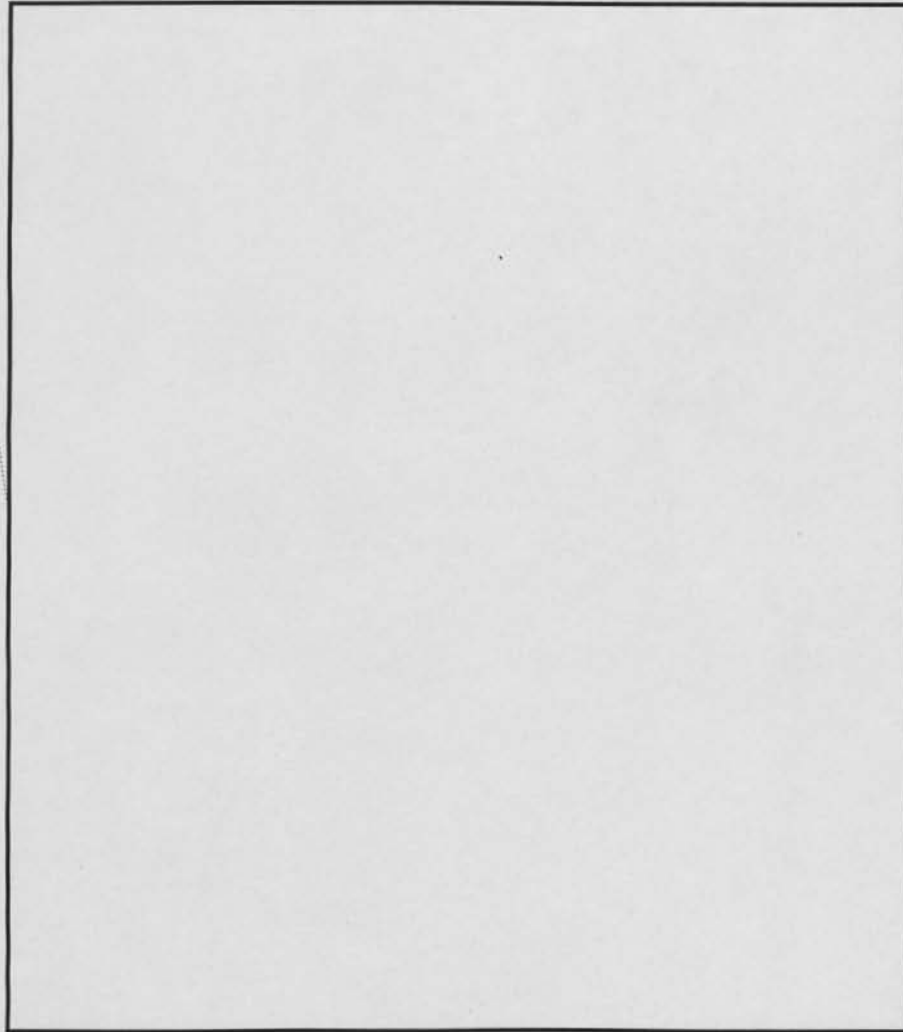
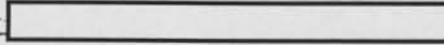
Rebozo reported that Maheu had told him of retaining O'Brien

Bob Bennett, son of Senator Bennett, and head of Mullen PR, confirms O'Brien retained

Haldeman suggests after final report from Bennett that Dean and Colson meet re leaking appropriate information

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O'Brien --



NW#: 36514

DocId: 31443853

O'Brien -- McDonnell & Co., Inc.

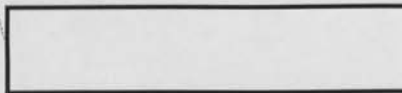
President McDonnell & Co., Inc., a brokerage firm

Condition of becoming President

Purchased 1000 shares

Valued at purchase -- \$78,000

December, 1969, surrendered shares -- no market value



Note:

Mardian's calendar for Sept. 21, 1972

JNM - Milbank, Arthur J, Murray - O'Brien

*** Harless was in NYC the next day interviewing Murray
Mardian's Calendar for Oct. 3, 1972

Johnnie Walters - JNM Discussion

O'Brien

- RTM / Waldman know about the O'Brien/Hughes kiss but in 1971 - why no request to IPS then

~~- date of [unclear] / 3/72 - 4/72 Connally involvement of [unclear] / Dan Nixon involvement in Hughes - was this delayed by RTM?~~

- Summer '72 - knowledge of the IPS policy on this case - to delay interviews of political figures until - after the election.

- give him an original O'Brien
8/3 - Ehr with ^{Mr} Nixon - "see my papers" - 500 list - after this?

8/10 - the report as to efforts made to schedule an interview w/ O'Brien; directed - or seen - by RTM?

8/9 - 8/10 - Ehr. calling Schultz for a "status report"

8/9 - do Walden.

- putting out information on 8/3
- does not breach delay
- how RTM knows these facts

(2)

8/9 - to Hallman
- getting out "discreetly"
info. on Kineman

8/11 - Chr. with Nixon in Camp David
8/11 Chr. notes - Nixon suggests that he
personally call Shultz

- 8/14 - the N.O. calls to interview
D.B. - made to the field - Chr.
unhappy about interview of Jr.
rather than Sr.

- the suggestion that the
interview was to be conducted
prior to the Republican Convention
(get dates).

8/17 - O'Brien interviews
- my notes resulting from
8/18 - a memo is prepared
& sent to W.H. (whose
is RMA)

go further? (C)

8/21 - 8/25 - Republican Convention; my
discussions between JWD, III and
Mitchell as to the relationship
bet. W/G Civil Suit and
O'Brien's tax problems

8/21 - 8/25 - RVB is active
in reviewing O'Brien returns

(Saturday) 8/26 - in San Clemente - Nixon
& Ehr. refer to L O'Brien - press
investigation tax returns

8/28 - in San Clemente - Ehr. talks
with Barth abt latter's
efforts → Nixon aware at all?!

8/29 - Tuesday

- 3-way conv. with Ehr (who is in S.C.)
- ending w/ getting the tax returns as to O'B, Nyquist, DeSardis

8/27 - 9/5 - a series of reports written → after the tax-returns had been filed down

9/5 - "flow sheet" report - which JMW gives to RUB, RUB probably takes to Schultz, & latter & have conversation w/ Ehr. over a "separate line"

has to ask about

- Air Force One - Nixon/Ehr. - wanted to give info to Hart (Gary?) to "warn" Meacham - or Mrs. Astorwood

~~9/14~~



9/14 - Ehr./RUB - "See his tax returns"

- first a discussion between Holdeman + Nixon about the McCain people
 - 9/15 - discussions about the civil w/o suit + the Patman hearings
 - then disc. as to how to get IRS busi. working after the election - pull a lot of Dem's - but also Repub's - to blunt criticism
 - then complaining abt Schultz.
 - Much disc. about getting loyal R/W people in all agencies - including Treasury
-

Generally in
Seydentes -

- Larry O'Brien - worry him
- Kulmbach
- plant a story - but then "get it to O'Brien - don't publish" - via Andrews
work through Dean

Other Civil Issues

- 5/15/72 Joyce

- McDonald Loss < O'B given better
treatment than
5/12/72

- the Andrews approach

- 4/73 re-opening as to
O'B's other loss.

~~debt
1/1/73~~

~~- Fabrizio/Dixie Nixon pattern
- interviews of them
raised by Walders on
or about 5/18 in the Vegas~~

~~- also in early 10/70~~

~~- 2/73 - JMW memo ->
Shultz learned of RTW?~~

~~- in early 4/73 IAS
"given permission" to contact
Babe & D. Nixon~~