

The Watergate break-ins and the Howard Hughes connection

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June 18, 1972 was a mostly uneventful news day in the pages of America's leading newspapers. The *New York Times* reported on its front page that the musical 'Fiddler on the Roof' had just completed its 3,225th performance on Broadway. Anyone scanning the front of the *Washington Post* learned that Democratic candidate George McGovern was gaining delegates in his bid for the presidential nomination, another bomb had exploded in Belfast, and Chris Evert led the U.S. women's tennis team to victory over Britain in the Wrightman Cup.

But on the bottom of page one an intriguing *Post* headline announced, '5 Held in Plot to Bug Democrats' Office Here'. The story by police reporter Alfred E. Lewis began:

Five men, one of whom said he is a former employee of the Central Intelligence Agency, were arrested at 2:30 a.m. yesterday in what authorities described as an elaborate plot to bug the offices of the Democratic National Committee here.

It remarked that the suspects, who included three native-born Cubans, were wearing rubber surgical gloves and carried telephone bugs, lock picks, door jimmies, a walkie talkie, two cameras, 40 rolls of film, three 'pen-sized tear gas guns', and 'almost \$2,300 in cash, most of it in \$100 bills with the serial numbers in sequence.' The story added:

There was no immediate explanation as to why the five suspects would want to bug the Democratic National Committee offices or whether or not they were working for any other individuals or organizations.

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Thus began Watergate, the mother of all modern political scandals – not with a bang but with what Nixon’s press secretary famously called a ‘third-rate burglary attempt’.² In the ensuing years, more than 70 people in the Nixon administration would be convicted or plead guilty to crimes. Yet only a handful of convictions related to what gave the scandal its name: the June 17 break-in at the Democratic National Committee – or DNC – in the Watergate office complex. No one ever proved that President Nixon ordered the burglary. None of his top aides was ever prosecuted for planning or even authorizing it. The highest level of responsibility ever assigned by a court of law was to the deputy director of the Committee to Re-Elect the President, Jeb Magruder, a 38-year-old cosmetics executive from southern California.³

The other extraordinary fact is that no one knows for sure what motivated this particular crime. Former senior White House aide Charles Colson talked over that very issue while passing the time in prison with former White House counsel John Dean:

It’s incredible. Millions of dollars have been spent investigating Watergate. A President has been forced out of office. Dozens of lives have been ruined. . . . And still nobody can explain why they bugged the place to begin with.⁴

Richard Nixon himself didn’t know the answer. He got the news while vacationing in Key Biscayne with his banker buddy Bebe Rebozo. He recalled in his memoirs:

It sounded preposterous, Cubans in surgical gloves bugging the DNC! I dismissed it as some sort of prank. The whole thing made so little sense. . . . Anyone who knew anything about politics would know that a national committee headquarters was a useless place to go for inside information on a presidential campaign. The whole thing was so senseless and bungled that it almost looked like some kind of a

² Ironically, one of the leading historians of Watergate, Stanley Kutler, also dismissed the break-in as ‘trivia’ that ‘parted the veil’ on Nixon’s more important crimes. Quoted in Karlyn Barker and Walter Pincus, ‘Watergate Revisited; 20 Years After the Break-in, the Story Continues to Unfold’, *Washington Post*, June 14, 1992.

³ See Earl J. Silbert comments in Leon Friedman and William Levantrosser (eds.) *Watergate and Afterward: The Legacy of Richard M. Nixon*, (Westport, CT: Greenwood Press, 1992) p. 49.

⁴ John Dean III, *Blind Ambition* (New York: Simon and Schuster, 1976) p. 391.

setup.⁵

Journalists and scholars still don't agree, either.⁶ In fact, a couple of enterprising journalists once compiled a list of no fewer than 43 theories of why Watergate happened.⁷

I will argue in this essay that the official planners of the break-in did have a primary mission. Their target wasn't 'inside information on a presidential campaign'. Rather, they wanted inside information on the chair of the Democratic National Committee (DNC), Lawrence O'Brien. And they wanted it to protect one of Nixon's darkest secrets: his financial and political ties to one of America's richest industrialists, Howard Hughes.⁸

Hughes personified the deep state: he was infamous for his secrecy, for his back-room manipulation of politicians and government agencies, and for making billions of dollars from his work for the Pentagon and intelligence community as their budgets soared through the Cold War and Vietnam era. Nixon was his kind of politician: willing to trade favors for power, and above all, committed to growing the national security state and enriching its private-sector partners.

As we will see, Watergate was in part the product of secret payoffs by Hughes to protect his business empire, and a frantic effort by Nixon to head off potential exposure of their relationship lest it kill his chances for re-election. O'Brien was a key target of the White House because he had business and political relationships of his own with top Hughes aides, putting Nixon all the more at risk. It's a story that tells us much about the

⁵ Richard Nixon, *RN: The Memoirs of Richard Nixon* (NY: Grosset and Dunlap, 1978) p. 626.

⁶ J. Anthony Lukas, author of one of the best histories of Watergate, told a major conference on the scandal: 'One of the astonishing facts about this whole affair is that . . . after prodigious testimony, litigation, journalistic examination, and scholarly exegesis, we still cannot say with any certainty why those burglaries were carried out, what they were meant to accomplish, and what in fact they did accomplish.' Friedman and Levantrosser (see note 3) p. 39.

⁷ Edward Epstein and John Berendt, 'Did There Come a Point in Time When There Were 43 Different Theories of How Watergate Happened?' *Esquire*, November 1973.

⁸ I and other researchers have been influenced by the pioneering work of the Senate Watergate Committee's deputy counsel Terry Lenzner, who wrote an unpublished memorandum on the Hughes connection and Watergate. This staff study is addressed in Ron Rosenbaum, 'What Were They Hoping to Hear on Larry O'Brien's Phone?' *Village Voice*, August 8, 1974.

corrupting power of personal and corporate wealth and how it can severely distort our democratic institutions and legal order. It's a story that sheds light on Watergate as an outgrowth of secret financial deals and political maneuvers in the 'deep state'.

GEMSTONE

As White House counsel John Dean reported the 'basic facts' of Watergate to Nixon in a famous Oval Office conversation on 21 March 1973, the break-in traced its origin back to a 1971 request by White House Chief of Staff Bob Haldeman to Dean to set up a 'campaign intelligence operation over at the Re-election Committee'.⁹ Dean turned first to an ex-New York City policeman who had undertaken sensitive assignments for the White House, including digging up dirt on Senator Edward Kennedy. But Dean and other top White House officials agreed this gumshoe was 'an incredibly cautious person' and therefore a bad choice.

Dean knew of another candidate, the lawyer and former FBI man Gordon Liddy, who had 'done some extremely sensitive things for the White House', like investigating leaks and 'going into Ellsberg's doctor's office'.¹⁰ Liddy accepted the assignment with glee. In late 1971 he moved over to the Committee to Re-elect the President from the Plumbers team, where he had worked with former CIA officer Howard Hunt on the Fielding break-in as part of their efforts to discredit Daniel Ellsberg, leaker of the highly embarrassing secret history of the Vietnam War known as the Pentagon Papers. Liddy began reporting to deputy campaign manager Jeb Magruder, a devoted Nixon loyalist who was running the show until John Mitchell resigned as Attorney General to take charge of the President's reelection.

In January 1972, Liddy unveiled his master intelligence plan, code-named GEMSTONE, in a lavish presentation to Magruder, White House Counsel John Dean and Attorney General John Mitchell. Here's how Dean described their almost speechless reaction a year later to President Nixon:

I came over and Liddy laid out a million dollar plan that was the most incredible thing I have ever laid my eyes on. All in codes, and

⁹ All quotes in this section are from the White House tape transcript for March 21, 1973, 10:12 to 11:55 a.m., at http://nixon.archives.gov/forresearchers/find/tapes/watergate/trial/exhibit_12.pdf.

¹⁰ Reminded of this, Nixon said, 'Oh, yeah.'

involved black bag operations, kidnapping, providing prostitutes to weaken the opposition, bugging, mugging teams. It was just an incredible thing. . . . Mitchell just virtually sat there puffing and laughing. I could tell 'cause after . . . Liddy left the office I said, 'That's the most incredible thing I've ever seen.' He said, 'I agree.' And so then [Liddy] was told to go back to the drawing boards and come up with something realistic.¹¹

The problem was that Mitchell was too nice to say no to those he was working with. Instead of shutting Liddy down, he let the overeager operative work on a Plan B. Though pared down, his risky list of proposed criminal operations was still an expensive disaster. Dean said he told Haldeman, 'The White House has got to stay out of this.' Haldeman said he agreed, and that was the last Dean heard of it, or so he said.

But Liddy wouldn't take the hint. He enlisted White House aide Charles Colson, a political hatchet man who had the President's ear, to call Magruder and push for a decision on Liddy's plan.¹² Chief of Staff Haldeman was also pushing Magruder at the same time, asking when the intelligence operation would launch.¹³ Dean speculated – reasonably enough, in the light of all the evidence we have today – that 'Magruder took that as a signal to probably go to Mitchell and say, "They're pushing us like crazy for this from the White House." And so Mitchell probably puffed on his pipe and said, "Go ahead." And never really reflected on what it was all about.'

Magruder, meanwhile, was getting heat from White House chief of staff Haldeman and White House special counsel Charles Colson to build the campaign's political intelligence capabilities, with an initial focus on Larry

¹¹ March 21, 1973 White House conversation between President Nixon and John Dean.

¹² Haldeman writes, 'Chuck Colson had become the President's personal "hit man"; his impresario of "hard ball" politics. . . . Nixon was behind him all the way on projects ranging from his long-dreamed-of-hope of catching Senator Teddy Kennedy in bed with a woman not his wife, to more serious struggles such as the ITT antitrust "scandal".' He also notes, 'By 1971 Colson was one of the few on the small list of people who saw the president frequently.' See H. R. Haldeman with Joseph DiMona, *The Ends of Power* (NY: Times Books, 1978) pp. 6, 59.

¹³ In his memoir, Haldeman said he was responding to constant reminders from the President about campaign intelligence: "'When are they going to *do* something over there?" he would ask over and over again, drumming his fingers on the desk.' Haldeman (see note 12) pp. 10-11.

O'Brien at the DNC.¹⁴ It appears that on March 30, 1972 Mitchell finally did give his nod to a \$250,000 plan to infiltrate and bug various Democratic campaign targets, including O'Brien.¹⁵ From then on, the action passed to Magruder, Liddy, and Liddy's right-hand man, the former CIA officer Howard Hunt.

Liddy, who stayed mum for years, eventually confirmed the target:

The orders I received were to break into the office of Larry O'Brien . . . and to put in two bugs. One [on] his telephone to monitor those conversations and the other, a room bug to monitor any conversations in the room. And photograph anything lying about. Those are the instructions I gave to Mr. Hunt.¹⁶

After two inept failures to get into the DNC offices, the team assembled by

¹⁴ For Colson's pressure on Magruder, see Magruder testimony, in U.S. Senate, Select Committee on Presidential Campaign Activities, hearings, *Presidential Campaign Activities of 1972* (hereafter *SWH*) (Washington, D.C.: U.S. Government Printing Office, 1973), Book 2, 793. On March 28, 1973, Haldeman confirmed to Nixon that Colson had called Jeb Magruder twice to 'tell him to get going' on the political intelligence plan, 'and he specifically referred to the Larry O'Brien information, was hard on that.' Responding to a question from Nixon, using an odd present tense, Haldeman reiterated that information related to Larry O'Brien 'is what they're bugging the Watergate for.' See March 28, 1973 White House tape, quoted in John Dean, *The Nixon Defense: What He Knew and When He Knew It* (New York: Viking, 2014), pp. 355-356. Haldeman also pressured Magruder for results, in response to constant reminders from the President about campaign intelligence: "'When are they going to do something over there?'" he would ask over and over again, drumming his fingers on the desk.' Haldeman (see note 12) pp. 10-11.

¹⁵ Jeb Magruder, *An American Life: One Man's Road to Watergate* (New York: Athenium, 1974) p. 195. Mitchell and his colleague Fred LaRue both denied approving Liddy's plan at the meeting, but most experts believe Magruder would not have authorized large expenditures on Liddy's plan without Mitchell's approval.

¹⁶ Quote from A&E network documentary, 'The Key to Watergate', September 18, 1982, cited in Roger Stone with Mike Colapietro, *Nixon's Secrets* (New York: Skyhorse Publishing, 2014) p. 432. Liddy gave similar instructions to Watergate burglar James McCord. McCord recalled that on April 12, 1972, Liddy handed him \$65,000 in \$100 bills to buy all the necessary electronic equipment – telephone transmitter bugs, receivers, walkie-talkies and the like. Liddy told him that his superiors wanted the first target to be the DNC headquarters, and O'Brien's apartment in the same building, 'because they were extremely worried about O'Brien and "wanted to know what he was up to" . . . Liddy said that he had talked Mitchell out of "taking on" O'Brien's apartment, arguing that the DNC would likely be a more productive target where the DNC files could be looked over.' (James McCord, *A Piece of Tape* [Rockville, MD: Washington Media Services, Ltd., 1974] pp. 18-19) Liddy says that Magruder instructed him to bug O'Brien's office, but puts the date at the end of April. (G. Gordon Liddy, *Will: The Autobiography of G. Gordon Liddy* [New York: Dell, 1980] p. 302)

Liddy and Hunt finally managed to pick all the necessary locks and sneak in on May 28 to photograph documents and plant a couple of bugs.¹⁷ They got away free and clear, but the mission was a nonetheless a failure. Only one bug, apparently placed on the phone of an office assistant, ever worked. It picked up only random gossip of no political interest.

Two weeks later, Magruder called Liddy on the carpet. Liddy had already drawn \$170,000 from the campaign with no results. Magruder didn't want any more excuses. Instead, he wanted the team to re-enter the Watergate to photograph many more documents in O'Brien's files and fix the malfunctioning bugs. Liddy recalled Magruder saying in a forceful, agitated voice:

"I want to know what O'Brien's got right here!" At the word "here" he slapped the lower left part of his desk with his left palm, hard. "Take all the men, all the cameras you need. That's what I want to know!" . . . He was referring to the place he kept his derogatory information on the Democrats. . . . The purpose of the second Watergate break-in was to find out what O'Brien had of derogatory nature about us, not for us to get something on him or the Democrats.¹⁸

What Did O'Brien Know?

Now we get to the interesting question: What did O'Brien know – or what might he have known – that was worth risking a felony arrest to uncover? O'Brien was a legendary political strategist and organizer – in Nixon's own words, 'a grand master in the art of political gamesmanship'.¹⁹ He had directed JFK's brilliant presidential campaign in 1960. In 1968 he brought Hubert Humphrey back from near oblivion to a dead-even race. After Humphrey's narrow defeat, O'Brien never let up on Nixon. By 1972, he was demanding investigations of revelations by columnist Jack Anderson, that ITT Corporation had paid a \$400,000 bribe to win a favorable antitrust ruling

¹⁷ Liddy (see note 16) pp. 320-321.

¹⁸ Liddy (see note 16), pp. 324-5; cf. E. Howard Hunt, *Undercover: Memoirs of an American Secret Agent* (London: W. H. Allen, 1975) p. 232. Liddy recounts some of this on video at <<https://www.youtube.com/watch?v=oWQBAhIYju8>>.

¹⁹ Nixon, *Memoirs* (see note 5) p. 677.

from the Justice Department.²⁰ The ITT affair was the administration's biggest scandal before Watergate.

Although Nixon and O'Brien were sworn enemies, they had something embarrassing in common: each had a special relationship with Howard Hughes, the larger-than-life business tycoon. Over his notable career, Hughes was variously a dashing aviator and airline owner, filmmaker and romancer of Hollywood starlets, and fabulously wealthy owner of a business empire based on his father's oil-drilling patents, government defense contracts, and gambling casinos. Toward the end of his life, Hughes became notorious as a phobic recluse, never seen and rarely heard from by the outside world. In fact, he never once showed his face to his top aide of nearly 15 years, Robert Maheu.²¹

Hughes was also a megalomaniac who told Maheu, 'You just remember that . . . I, Howard Hughes, can buy any man in the world, or I can destroy him.'²² Certainly he bought more than a few politicians and government officials. During World War II, Hughes spent \$170,000 to ply Air Force officers – including President Roosevelt's son Elliott – with women and booze, which helped him obtain \$40 million in military contracts.²³ In later years his political agent would pull wads of cash out of a Las Vegas casino to pass out to politicians ranging from presidents to local officials in Nevada, where Hughes moved in late 1966.

Hughes's financial relationship with Nixon began with campaign contributions in 1946 and blossomed during the anti-communist witch hunts of the late 1940s and early 1950s. For example, in 1952, Nixon lauded Howard Hughes and his studio, RKO Pictures, for taking legal action against screenwriter Paul Jarrico who had refused to answer questions before Nixon's House Un-American Activities Committee. Nixon declared that Hughes deserved the 'approval of every man and woman who believes that forces of

²⁰ See J. Anthony Lukas, *Nightmare: The Underside of the Nixon Years* (New York: Viking, 1976) p. 185.

²¹ Robert Maheu and Richard Hack, *Next to Hughes: Behind the Power and Tragic Downfall of Howard Hughes by His Closest Adviser* (New York: HarperCollins, 1992) p. 4.

²² Donald L. Barlett and James B. Steele, *Empire: The Life, Legend, and Madness of Howard Hughes* (New York: W. W. Norton, 1979) p. 451

²³ Barlett and Steele (see note 22) pp. 125-127, 145-147. The authors note that Hughes 'delivered exactly nothing' for all his government money.

subversion must be wiped out'.²⁴ Their relationship became really serious in late 1956.²⁵ That year, at Vice President Nixon's personal request, Hughes provided a loan of \$205,000 – worth nearly two million dollars today – on the flimsiest of collateral to Nixon's brother Donald using lawyers and accountants to cloak the transaction. Don owned a drive-in hamburger joint in Los Angeles; unfortunately, his signature 'Nixonburger' never achieved the popularity of the Big Mac and his venture failed. None of that mattered to Hughes, who told a top aide when approving the loan, 'it's a chance to cement a relationship'. Just weeks later the Internal Revenue Service reversed a ruling on a dubious tax shelter engineered by Hughes, saving him millions of dollars.²⁶ Not long after, Hughes also received favorable rulings by the Civil Aeronautics Board and Justice Department on critical regulatory and antitrust matters worth millions of dollars more.²⁷

Four years later, in the middle of the 1960 election, Kennedy's campaign staff, led by Larry O'Brien, caught wind of this transaction and paid one of Hughes's accountants a large sum to turn over incriminating documents,

²⁴ See Donald Critchlow, *When Hollywood Was Right: How Movie Stars, Studio Moguls, and Big Business Remade American Politics* (New York: Cambridge University Press, 2013) p. 113.

²⁵ Anthony Summers and Robbyn Swan, *The Arrogance of Power* (London: Penguin, 1999) p. 153.

²⁶ This coincidence was noted in a memorandum from John Dean to John Ehrlichman on February 3, 1972 regarding the Hughes loan, reprinted in Bruce Oudes (ed.) *From the President: Richard Nixon's Secret Files* (New York: Harper & Row, 1989) pp. 364-365. Also Barlett and Steele (see note 22) pp. 199-204.

²⁷ Oudes, (see note 26) p. xxvii; Summers and Swan (see note 25) p. 155; Noah Dietrich and Bob Thomas, *Howard: The Amazing Mr. Hughes* (New York: Fawcett, 1972) pp. 281-285. Some of the benefits Hughes received after his loan included 'approval of previously denied St. Louis-Miami route for TWA, government reversal of a ten-year-old decision against letting Hughes lend TWA \$5 million from HAC coffers, recomputation of mail transport credits to TWA generating a multimillion-dollar refund out of what had been a TWA debt, SEC approval of a TWA stock transfer that it had turned down four times previously, reversal of an unfavorable IRS judgment against Hughes's Medical Institute in Miami, and the dropping of a Justice Department antitrust action against Toolco.' See Carl Oglesby, *The Yankee and Cowboy War: Conspiracies from Dallas to Watergate* (Kansas City: Sheed, Andrews and McMeel, 1976) p. 186. According to George Washington University Professor Mark Feldstein, 'Later evidence would show that the vice president had personally phoned Hughes to ask for the money, which was used to help Nixon pay for an elegant, 9,000-square-foot Tudor house in Washington with eight bedrooms, six bathrooms, a library, a butler's pantry and a solarium.' (Mark Feldstein, 'JFK's Own Dirty Trick', *Washington Post*, January 14, 2011).

which they passed to nationally syndicated columnists Drew Pearson and Jack Anderson. The columnists' exposé, which ran in many newspapers and broadcast outlets, seriously damaged Nixon's reputation. Nixon and his advisers blamed their extremely narrow loss to Kennedy on the Hughes loan story.²⁸ The same scandal haunted Nixon again in his 1962 gubernatorial campaign in California.²⁹ In fact, Gov. Edmund Brown, father of the current governor, reportedly 'credited his election victory' over Nixon that year to a magazine article about the Hughes loan.³⁰

That should have been the end of it, but Nixon and Hughes had an irresistible affinity for each other – power attracted money and vice versa. In 1968, Hughes told his top aide, Robert Maheu that he saw a special opportunity – 'a really valid possibility of a Republican victory' that 'could be realized under our sponsorship and supervision every inch of the way'. Hughes made a disguised but legal donation of at least \$50,000 to the Nixon campaign, and asked Maheu to see Nixon 'as my special confidential emissary'.³¹ This wasn't charity. As with his 1956 loan, Hughes expected a handsome return for his money. Hughes told Maheu, 'If we select Nixon, then he, I know for sure, knows the facts of life.'³²

In early 1969, with Nixon in the White House, Maheu hired an old friend and fellow FBI alumnus named Richard Danner to manage one of Hughes's

²⁸ Mark Feldstein, 'JFK's Own Dirty Trick', *Washington Post*, January 14, 2011; cf. Mark Feldstein, *Poisoning the Press: Richard Nixon, Jack Anderson and the Rise of Washington's Scandal Culture* (New York: Farrar, Straus and Giroux, 2010) pp. 61-74; Jack Anderson and James Boyd, *Confessions of a Muckraker* (New York: Random House, 1979) pp. 326-333; Summers and Swan (see note 25) p. 157. The loan to Don Nixon was secured by a lot worth only about \$13,000. See Clayton Fritchey, 'Henry Ruth Strikes Out', *Washington Post*, October 28, 1975.

²⁹ During the campaign, a Democratic trickster slipped a Chinese-language sign reading 'What about the Hughes loan?' into a Nixon appearance in Los Angeles's Chinatown. See Bruce Felknor, *Political Mischief: Smear, Sabotage, and Reform in U.S. Elections* (New York: Praeger, 1992) p. 142.

³⁰ 'James R. Phelan, 85, is Dead', *New York Times*, September 12, 1997; cf. Haldeman, (see note 12) p. 20.

³¹ Michael Drosnin, *Citizen Hughes* (New York: Holt, Rinehart & Winston, 1985) p. 300.

³² Summers and Swan (see note 25) p. 279. But the obligations flowed both ways. Maheu said that after Danner's visit to Mitchell, he told the Hughes executive in charge of political contributions that 'certain political obligations had to be met' and that \$50,000 should be made 'available to Mr. Danner'. Lukas (see note 20) p. 115.

hotel casinos in Las Vegas and, more important, to help manage their relationship with the new administration. Danner had run the FBI office in Miami during World War II and became city manager of Miami during the heyday of Mafia influence in the late 1940s. Around that time he befriended a young Cuban-American businessman named Bebe Rebozo, and in 1950 introduced him to a vacationing congressman named Richard Nixon. Danner and Rebozo stayed friends; in 1968, while Danner was working on the Nixon campaign, they had discussions with a Hughes lawyer about how to further open up the billionaire's pockets for Nixon. Danner would remain a close confidant of Rebozo throughout the Nixon administration.³³

Hughes's relations with the new administration flourished almost from the start. In June 1969, President Nixon gave his crucial approval for Hughes's purchase of Air West, an international carrier serving Las Vegas.³⁴ Apparently, Nixon did know the facts of life. Then, in early 1970, Danner held two meetings with Attorney General John Mitchell to seek an antitrust exemption that would let Hughes continue a buying spree of Las Vegas hotels that began in 1967. Justice's antitrust division warned that yet

³³ Among other matters, Rebozo consulted Danner in 1969 to learn about Donald Nixon's unseemly relationship with Hughes, a matter of great concern for the new President. See *Appendix 1: The Don Nixon Connection*.

³⁴ Jack Anderson, 'What Happened to the Money?' *The Free Lance-Star* (Fredericksburg, Virginia), September 27, 1973. On Don Nixon's connection to the Air West deal, see note 28 above. In July 1974, television producer David B. Charnay was indicted (and separately sued by the SEC) with Robert Maheu, Howard Hughes, and a top Hughes lawyer on charges of stock manipulation, fraud and conspiracy in connection with the 1968 purchase of Air West, though the indictment was subsequently dismissed by a federal judge who called the alleged behavior 'reprehensible and an abuse of the power of great wealth' but not criminal. (J. Y. Smith, 'Hughes Re-Indicted in Air West Deal', *Washington Post*, July 31, 1974; 'Indictment Charging Hughes and 3 Others is Again Turned Down', *Wall Street Journal*, November 14, 1974; 'Hughes Accused of Manipulation, Fraud by SEC', *Wall Street Journal*, March 28, 1975; Wallace Turner, 'Appeals Court Reinstates Indictment of Hughes and 3', *New York Times*, May 12, 1976; John Berry, 'Hughes Estate Agrees to Pay Airline's Stockholders \$30 Million', *Washington Post*, January 20, 1979).

In 1950 Charnay, whose public relations firm had been signed to a \$60,000-a-year retainer by the Soong family's Bank of China, sent one of his employees to Los Angeles to organize 'Independent Voters for Nixon', allegedly paid for by Major Louie Kung, a nephew of Chinese dictator Chiang Kai-shek. See *The Reporter*, April 15, 1952, p. 21 and Drew Pearson, 'Nixon's on a Slow Boat to Quemoy Because of China Lobby Funds', *St. Petersburg Times*, October 17, 1960. Kung was a heavy investor in oil with President Eisenhower's golfing partner and financial benefactor George E. Allen. (Drew Pearson and Jack Anderson, *The Case Against Congress* [New York: Simon and Schuster, 1968] pp. 219, 438).

another Hughes acquisition would violate its guidelines, but Mitchell told Danner not to worry. Nixon's attorney general just squashed his own department's objections.³⁵ In a separate case, the Treasury Department quietly decided not to enforce its tax regulations on Hughes's holdings, saving his empire 'tens of millions of dollars'.³⁶

Hughes expressed his thanks the old-fashioned way. In the fall of 1969, after Nixon's approval of the Air West acquisition, Maheu authorized Danner to deliver \$50,000 in cash personally to Rebozo. In the spring of 1970, after Danner let Maheu know that his antitrust negotiations with Mitchell had incurred for Hughes certain 'political obligations', Maheu arranged for Danner to carry another \$50,000 in cash from a casino vault to Rebozo in Key Biscayne.³⁷ The money was never recorded as a political contribution; it went instead into a secret cash slush fund administered for Nixon by Rebozo. Haldeman writes that Nixon told him in 1976 'there was much more money in Bebe's "tin box" than the Hughes \$100,000. For example, Dwayne Andreas, a Minnesota financier, had contributed another \$100,000 . . . Bebe Rebozo . . . maintained a private fund for Nixon to use as he wished.'³⁸ Haldeman's assistant Lawrence Higby testified his boss had spoken of a \$400,000 secret fund controlled by Rebozo. On April 17, 1973, Nixon urged

³⁵ Memorandum from FBI Director Hoover to Assistant Attorney General, Antitrust Division, March 23, 1970, *SWH* (see note 14) Book 26, 12878; Memorandum for Attorney General Mitchell from Assistant Attorney General Richard McLaren, March 26, 1970, *SWH* (see note 14) Book 26, 12876-12877; Memorandum from FBI Director Hoover to Attorney General Mitchell, November 24, 1970, *SWH* (see note 14) Book 26, p. 12879; Barlett and Steele (see note 22) pp. 449-450; Lukas (see note 20) p. 115. A Senate Watergate Committee staff report called Mitchell's 'secret, ad hoc' decision 'a classic case of governmental decision-making for friends' of the Nixon administration. See John Crewdson, 'Ervin Staff Says Mitchell Bypassed Aides on Hughes', *New York Times*, June 23, 1974.

³⁶ Barlett and Steele (see note 22) pp. 464-466; cf. Bill Richards, 'Hughes Institute Wins Round at IRS', *Washington Post*, January 20, 1979.

³⁷ Lukas (see note 20) pp. 114-115; Jerry Landauer, 'Investigators Believe Hughes Case Provides Motive for Watergate', *Wall Street Journal*, May 6, 1974; Jack Anderson, 'President Nixon, Hughes and Rebozo', *San Francisco Chronicle*, October 9, 1973. The timing, location and number of these cash deliveries is highly uncertain. See U.S. Senate, Select Committee on Presidential Campaign Activities, *Final Report*, 93rd Cong., 2nd sess. (Washington, D.C.: U.S. Government Printing Office, 1974) pp. 944-1001 (hereafter *SWR*), and compare Lukas to Barlett and Steele (see note 22) p. 452. For the approximate date of Maheu's approval (summer 1969), see Danner's testimony in *SWH* (see note 14), Book 20, p. 9531.

³⁸ Haldeman (see note 12) pp. 21-22.

his aides Haldeman and Ehrlichman to accept 'two or three hundred thousand dollars' toward their legal fees. He said, 'No strain. Doesn't come outta me. . . . As a matter of fact, I told Bebe, basically, be sure that people . . . who have contributed money over the contributing years are favored and so forth in general. And he's used it for the purpose of getting things out, paid for in check and all that sort of thing.'³⁹

The money also represented an enormous political liability for Nixon if word ever got out. At the height of Watergate, these payments would be the subject of major investigations by the Senate Watergate Committee, special prosecutor, and IRS.

The Larry O'Brien-Hughes Connection

Howard Hughes was an equal opportunity influence peddler. During much of this period, following discussions in mid-1968, the billionaire paid Democratic Party operative Larry O'Brien for political and public relations counsel in Washington.⁴⁰ As Maheu later put it, 'Larry became one of my favorite people in the world.'⁴¹ This was both an opportunity for Nixon and a threat. The opportunity was to smear O'Brien's reputation by linking him to the biggest of 'big business' interests. As Haldeman recalled in his memoirs:

For years Nixon had been trying to track down proof that Larry O'Brien was on Howard Hughes' payroll as a lobbyist at the same

³⁹ 'Rebozo Silent on Revelation of Slush Fund', *Miami Herald*, December 6, 1974; 'Nixon's Taped Remarks on Apparent Slush Fund Called Key Evidence in Rebozo Inquiry', *New York Times*, December 9, 1974.

⁴⁰ After the assassination of Bobby Kennedy, O'Brien's candidate, Hughes sent a memo to Maheu asking, "What is O'Brien going to do? Why don't we get hold of him?" See Victor Lasky, *It Didn't Start With Watergate* (New York: Dial Press, 1977), 263. O'Brien said his contract extended from October 1, 1969 to February 11, 1971. See Lawrence O'Brien oral history, XXXII at <<https://tinyurl.com/2m6h6fdt>> or <<http://www.lbjlib.utexas.edu/johnson/archives.hom/oralhistory.hom/OBrienL/OBRIEN32.PDF>>. According to Maheu, Hughes began using O'Brien in 1968 through Joseph Napolitan Associates. O'Brien specialized in giving political counsel on tax legislation, FCC ruling, and antitrust issues. (Maheu and Hack [see note 21] pp. 1, 210, 220.)

⁴¹ CBS 60 Minutes, 'Watergate: "Aviator" Connection?' at <<http://www.cbsnews.com/news/watergate-aviator-connection/>>. Maheu and O'Brien spent Thanksgiving Day, 1970 together – the same day that Hughes aides spirited the billionaire out of Las Vegas to the Bahamas, prior to firing Maheu. (Maheu and Hack [see note 21] pp. 1-2.)

time that he was Chairman of the Democratic National Committee. This could be hot ammunition to discredit O'Brien, Nixon believed. What had O'Brien done in exchange for Hughes' money (reportedly a huge \$180,000-a-year retainer)?⁴²

Nixon's shadowy political consultant Murray Chotiner had been quietly tracking information on the Democratic Party leader in more than half a dozen states. The goal of 'Operation O'Brien' was to find derogatory information 'to keep the heat on the DNC and O'Brien', in Haldeman's words. Then, in January 1971, Nixon told his chief of staff that he had learned details of the Hughes-O'Brien relationship from Rebozo. The President thought it might be time to hold O'Brien 'accountable for his retainer with Hughes' by planting damaging stories in the press.⁴³ Nixon was fixated on O'Brien. As late as August 1972, two months after the Watergate break-in, Nixon was demanding an IRS tax audit of O'Brien and pressing his staff to leak information on the Democratic Party boss's Hughes connection to 'dirty up O'Brien'. Nixon swore, 'If anybody brings up that God damn Hughes loan again, I'll break this over O'Brien's head.'⁴⁴

Back to January 1971. Haldeman asked Dean to check into the Hughes-

⁴² Haldeman (see note 12) p. 19.

⁴³ Haldeman to Lyn Nofziger, March 9, 1970 and Nixon dictabelt message to Haldeman, January 14, 1971, in Oudes (see note 25) pp. xxix, 202; cf. H. R. Haldeman, *The Haldeman Diaries: Inside the Nixon White House* (New York: G. P. Putnam's Sons, 1994), p. 134 (March 4, 1970). Nixon's political hatchet man Murray Chotiner told White House investigator Anthony Ulasewicz, 'O'Brien's nothing but a lobbyist for Hughes. His turn is coming.' Tony Ulasewicz and Stuart McKeever, *The President's Private Eye* (Westport, CT: Publishers Group West, 1990) p. 184. For more on Chotiner and other White House officials targeting O'Brien, see pp. 186, 228, 248. News of O'Brien's work for Hughes was actually published well before Nixon learned of it, in an Evans and Novak column in the *Los Angeles Times*, March 3, 1970.

⁴⁴ See transcripts of White House conversations on August 3, August 7, and August 19, 1972 in Stanley I. Kutler, *Abuse of Power: The New Nixon Tapes* (New York: The Free Press, 1997) pp. 113-114, 123, 131-132. See also John Dean, *The Nixon Defense: What He Knew and When He Knew It* (New York: Viking, 2014) pp. 133, 149. Nixon reported in his memoirs that 'The IRS had planned to interview O'Brien at some point regarding the Hughes retainer; I ordered Haldeman and Ehrlichman to have the audit expedited and completed before the election. . . In the end the IRS cleared O'Brien after a routine audit.' (Nixon, *Memoirs* [see note 5] p. 677) A White House ally within the IRS got O'Brien's tax forms and reported that he earned about \$43,500 from Hughes in 1969 and \$100,000 in 1970. John Ehrlichman told the President on September 8, 'he paid tax on all that, so it's a dry hold

This note continues at the foot of the next page.

O'Brien connection, but 'at all costs' to keep out of the public eye two key sources of information: Bebe Rebozo and Robert Bennett, a Republican operative and son of a Utah senator, who succeeded O'Brien as head of the Hughes Washington account.⁴⁵ Bennett warned Dean that O'Brien had to be handled carefully since he was close to Maheu, and thus 'there was a presumption that he knew a great deal' about Hughes's secret dealings with the Nixon administration.⁴⁶ Dean heard a similar message from Rebozo, who cautioned that no action be taken to expose O'Brien's relationship with Hughes 'because of . . . the delicacy of the relationships as a result of his' – meaning Rebozo's – 'own dealings with the Hughes people'. That was an obvious euphemism for his receipt of the \$100,000 in cash payoffs. Meanwhile, Dean's investigator reported the worrisome news that Maheu had been friends with O'Brien for many years. Dean learned that Maheu was 'the man who forwarded all Hughes' political contributions, personally, over the last ten years' and that 'his tentacles touch many extremely sensitive areas of government, each one of which is fraught with potential for Jack Anderson type exposure.'⁴⁷

That meant O'Brien had a direct pipeline into the heart of the Hughes Empire, if Maheu chose to confide in him, as some in the White House

Note 44 continued

from that standpoint'. (Kutler, *Abuse of Power* p. 136) Haldeman nonetheless leaked the leaked the information to the *Las Vegas Review Journal* a few days later (Dean [see note 14] p. 151), after Kalmbach refused a request by Ehrlichman to leak it to Hank Greenspun at the *Las Vegas Sun*. (Kalmbach testimony, 3 HJC 615-617). O'Brien later observed, 'As the target of Watergate, I was at various times placed under surveillance, my telephones were wiretapped, my files were ransacked. But for me the stunning manipulation of the power of the IRS can be considered the most shocking phase of the Watergate scandal.' See Lawrence O'Brien oral history, XXXI, at <<https://tinyurl.com/bdzxzwrb>> or <<http://www.lbjlib.utexas.edu/johnson/archives.hom/oralhistory.hom/OBrienL/OBRIEN31.PDF>>. For more on the IRS audit, see Senate Watergate Committee *Final Report*, pp. 1025-1030. The O'Brien case became part of the House Judiciary Committee's larger impeachment case against Nixon. See House Committee on the Judiciary, *Impeachment of Richard M. Nixon, President of the United States*, Report, pp. 93-1305, 93/2 (1974), pp. 142-143.

⁴⁵ Dean (see note 4) pp. 66-70.

⁴⁶ Dean (see note 4), pp. 66-70.

⁴⁷ John Caulfield to John Dean, 'Hughes Retainer to Larry O'Brien and Related Matters', in *SWH* (see note 14) Book 21, p. 9749; John Dean to H. R. Haldeman, January 26, 1971, in *SWH* (see note 14) Book 21, pp. 9751-9753; cf. Dean (see note 4) p. 391. According to O'Brien, he did not know Maheu until 1968. See Lawrence O'Brien oral history (see note 44) p. XXXI.

thought likely. It meant, as Dean's investigator put it, 'There is a serious risk here for a counter scandal if we move precipitously.' He warned further that 'forced embarrassment of O'Brien' in the matter of Howard Hughes 'might well shake loose Republican skeletons from the closet'.⁴⁸ In particular, it meant the potentially explosive secret of Hughes's cash payments in exchange for White House favors could end up in the hands of Nixon's most dangerous political foe, O'Brien. Nixon's team blamed O'Brien for leaking the devastating story of the Hughes loan to Drew Pearson and Jack Anderson in 1960.⁴⁹ He had to be neutralized before he could do it again.

In normal times, Maheu would not have been a threat to the White House. As a Hughes loyalist, who routinely bought politicians from both parties to suit his corporate agenda, Maheu would have exercised total discretion. But owing to an epic and very nasty power struggle within the Hughes Empire, Maheu had been summarily fired in December 1970.⁵⁰ Maheu in return filed a \$50 million lawsuit. Now the man who had managed the \$100,000 cash payments to Rebozo was a free, hostile and litigious agent – in possession of many damaging memos to and from Howard Hughes that documented their wheeling and dealing. Making matters worse, he was a friend of muckraking columnist Jack Anderson.⁵¹ Another free and dangerous agent was Maheu's friend Larry O'Brien, who lost his retainer with Hughes shortly after Maheu was fired. As Dean's investigator put it, 'the whole situation out there in Nevada was getting very sticky and very ugly'.⁵² Dean recalled learning from the same investigator that the Hughes Empire

⁴⁸ John Caulfield memo to Dean, February 1, 1971, *SWH* (see note 14) Book 21, p. 9755.

⁴⁹ Ulasewicz and McKeever (see note 43) p. 184.

⁵⁰ Elaine Davenport and Paul Eddy with Mark Hurwitz, *The Hughes Papers* (London: Sphere Books, 1977) p. 188. This incident was reported at the time: 'Fight for Hughes Holdings Emerges in His Absence', *New York Times*, December 6, 1970. It was also significant enough to warrant a mention in Nixon's memoirs in connection with the cash held by Rebozo: 'In 1970, a serious power struggle erupted within the Hughes empire, marked by vicious infighting among several factions.' Nixon (see note 5) p. 965. White House political aide Charles Colson saw an opportunity for the administration, remarking, 'This move could signal quite a shift in terms of the politics and money that Hughes represents.' See Colson to Roy Goodearle, January 15, 1971, reprinted in Oudes (see note 25) pp. 202-203.

⁵¹ Maheu and Hack (see note 21) p. 132.

⁵² John Caulfield testimony, *SWH* (see note 14) Book 21 p. 9716. Caulfield said he warned investigating that O'Brien's financial relationship with Hughes might unlock even more embarrassing information on financial relationships between Hughes and the Republicans.

'was embroiled in an internal war, with two billion dollars at stake, private eyes swarming, nerve-jangling power plays going on, and Mafia figures lurking in the wings.'⁵³

Maheu had reason to be angry with the White House as well as with Hughes. Within days of his firing, no doubt at Hughes's request, the IRS demanded an audit of Maheu.⁵⁴ As Dean's investigator had warned, angering Maheu unlocked the 'potential for Jack Anderson-type exposure'. In August 1971, with help from Maheu, Jack Anderson first broke the Hughes-Rebozo scandal story in his national column. Now the same muckraker who had exposed the 1952 Nixon slush fund and the 1956 Hughes loan revealed that the former Hughes aide Maheu had donated \$100,000 to Rebozo for Nixon, using cash pulled from the Silver Slipper casino.⁵⁵

To Nixon's good fortune, this explosive news was buried in a wider story about Hughes's political dealings. Other reporters didn't immediately pick up on what would later become one of the most hotly investigated scandals in the entire Watergate affair because they didn't have the documents or sources. Coming briefly out of obscurity to address reporters by telephone in January 1972, Hughes was asked about reports of his dealings with Nixon and Rebozo. Hughes replied that he had no personal dealings with Rebozo, and 'regarding Mr. Nixon, I have tried not to bother him since he has been in

⁵³ Dean (see note 4) pp. 66-67. Representing the Hughes Empire after the ouster of Maheu was the private intelligence firm Intertel, which conducted hundreds of investigations of Maheu and his associates to dig up dirt for defending against a \$50 million lawsuit filed by Maheu against Hughes for wrongful dismissal and libel. See James Phelan, *Howard Hughes: The Hidden Years* (London: Fontana, 1977) p. 104; Davenport and Eddy (see note 50) p. 215; Maheu and Hack (see note 21) p. 252. Intertel was owned by Resorts International, which also owned the hotel on Paradise Island, where Hughes holed up after fleeing Las Vegas in the middle of the night around Thanksgiving, 1970. Nixon and Rebozo had a close financial relationship with the owner of the Paradise Island hotel and casino, James Crosby. And the head of security on Paradise Island, who protected Hughes's privacy, was Jim Golden, the former Secret Service agent detailed to Vice President Nixon. Golden would soon join Hughes Tool Company as chief of security for Hughes's Nevada operations. See Barlett and Steele (see note 22) pp. 333-335, 437-439, 448, 474; Lukas (see note 20) p. 182. Intertel also investigated the Dita Beard memo for ITT, on which see note 68.

⁵⁴ Maheu and Hack (see note 21) p. 293.

⁵⁵ Through Maheu, Anderson had access to Hughes's private papers, which were still under court seal. Jack Anderson, 'Howard Hughes: Hidden Kingmaker', *Washington Post*, August 6, 1971; Jack Anderson with Daryl Gibson, *Peace, War, and Politics: An Eyewitness Account* (New York: Tom Doherty Associates, 1999) p. 272. To protect his source, he included a quote from Maheu, refusing to comment.

office, and I have made no effort to contact him.⁵⁶

But Maheu's stash of incriminating Hughes memos showed otherwise. They were ticking time bombs. On January 24, 1972, Anderson repeated his allegation about the Rebozo cash, adding that he had access to secret Hughes memos 'which are supposed to be under court seal in Nevada'.⁵⁷ 'This time', notes Anderson biographer Mark Feldstein,

Anderson's story produced immediate alarm in the White House, where Chief of Staff H. R. Haldeman closely guarded a file on Hughes that was marked "Top Secret – CONFIDENTIAL". Hours after Anderson's column was published, the President privately cursed "that goddamned Hughes thing". The next day, John Ehrlichman asked the White House counsel, John Dean, to "very discreetly" look into the matter.⁵⁸

Dean learned with alarm that Jack Anderson was continuing to dig relentlessly into Hughes' connections to Nixon, along with other scandals that could hurt the administration.⁵⁹

On February 3, 1972, the *New York Times* reported that 'the biggest collection' of Hughes memos, obtained from sources 'very close to Mr. Hughes' was held by Herman 'Hank' Greenspun, the combative publisher of

⁵⁶ 'Excerpts from Transcript of Newsmen's Conversation with Howard R. Hughes', *New York Times*, January 10, 1972. Hughes held the news conference to denounce as fraudulent an alleged new autobiography, which was actually authored by Clifford Irving.

⁵⁷ Jack Anderson, 'Two Ghosts Haunt Nixon's Campaign', *Washington Post*, January 24, 1972.

⁵⁸ Feldstein (see note 28) pp. 222-223.

⁵⁹ In 1969, Pearson and Anderson had broken a story about Bebe Rebozo and Herbert Klein, Nixon's communications director, visiting Nevada 'to smooth the feathers of Howard Hughes, the biggest owner of Nevada real estate, who has protested vigorously against previous underground nuclear tests'. See June 26, 1969 column at <<http://dSPACE.wrllc.org/doc/get/2041/54123/b21f06-0626ztext.txt>>.

In late January 1972, Dean learned that Anderson was once again snooping around the 1956 Hughes loan, including new information, which suggested that Hughes had received a hugely favorable IRS ruling shortly after Nixon received the loan. See Bruce Kehrl to Haldeman re Howard Hughes, January 18, 1972; John Dean to Haldeman and Ehrlichman re Hughes Loan to Don Nixon, January 31, 1972; and John Dean to Haldeman, February 3, 1972, reprinted in Oudes (see note 25) pp. 357, 360, 364-365.

the *Las Vegas Sun*.⁶⁰ Greenspun, who had developed an extremely profitable relationship with the former head of the Hughes empire in Las Vegas, was correctly viewed by the White House as a 'political ally' of Robert Maheu and an 'enemy' of the Hughes organization which had fired him.⁶¹ If the memos in Greenspun's possession corroborated the Hughes payoffs, and shed light on Nixon's favoritism toward Hughes's business interests, they could damage Hughes and ruin Nixon. The danger was especially acute because Greenspun and Jack Anderson were close allies; Anderson actually owned an interest in Greenspun's newspaper, and the two had collaborated on journalistic crusades going back to the McCarthy era.

Worse yet, the White House had learned the previous fall that Greenspun knew further details of his own about the Hughes money – indeed, the publisher told Nixon's communications director that he understood that much of the cash went to spiff up one of Nixon's personal residences. Greenspun added that if the facts got out, they could potentially 'sink Nixon'.⁶²

One day after the *Times* story ran on Greenspun and the Hughes memos, Nixon intelligence operative Gordon Liddy presented his revised plan for campaign spying and dirty tricks to Magruder, Dean and Mitchell. They

⁶⁰ 'Hundreds of Copies of Hughes Memos are Readily Available in Las Vegas', *New York Times*, February 3, 1972.

⁶¹ E. Howard Hunt testimony, *SWH* (see note 14), book 20, p. 9354. His understanding was based on discussions with Hughes's top lobbyist in Washington, D.C., Robert Bennett.

Biographies of Hughes offer great detail on business transactions between Greenspun and Maheu which helped Hughes gain a foothold in Las Vegas and the publisher become a multi-millionaire. A federal judge in a 1977 antitrust case noted that Maheu arranged to give Greenspun's newspaper a \$500,000 advance on advertising in 1967 but never drew on it. Soon thereafter, Greenspun testified before the Nevada Gaming Commission in support of issuing multiple gaming licenses to Hughes, and he 'published articles favoring Hughes' acquisition of his complex of casinos, and adopted a favorable editorial stance that continued for several years'. From 1967 through 1969, 'Maheu arranged for payments and loans on extremely favorable terms from [Hughes] to Mr. Greenspun and the *Sun* totaling \$11,373,064.45. The day after Mr. Greenspun received the largest single payment in those transactions, he "loaned" \$150,000 to Mr. Maheu. No payment of principal or interest has been paid by Mr. Maheu to Mr. Greenspun.' After Hughes fired Maheu, 'the *Sun* reversed its laudatory editorial stance and began attacking Hughes and his businesses'. See Larry Kramer, 'Judge Accuses Vegas Paper of Kickback to Hughes Empire', *San Francisco Examiner & Chronicle*, May 22, 1977.

⁶² Lukas (see note 20) p. 178.

discussed Larry O'Brien's office as a primary target for penetration.⁶³ At that point, according to Magruder, Mitchell (or possibly Dean) suggested another target: the office of publisher Hank Greenspun.⁶⁴ What did the two targets, O'Brien and Greenspun, have in common? Both were potential conduits for devastating new revelations from Maheu about Hughes and Nixon. And both had close ties to Jack Anderson.⁶⁵

Significantly, Mitchell's suggestion was the not first time someone had pointed Liddy and his team in the direction of Greenspun's safe. Several days earlier, Larry O'Brien's replacement as Hughes's Washington representative had told [his employee] Howard Hunt an interesting bit of gossip: Greenspun supposedly had dirt on Democratic front-runner Ed Muskie that could 'blow him out of the water'. Liddy was thrilled when he learned the news, and immediately saw the opportunity for a burglary job to grab the information. Better yet, it was a great opportunity to spend several days in a luxurious Las Vegas suite, all expenses paid.⁶⁶

Hughes's Washington man, Robert Bennett, saw a 'commonality of interest' with the White House. He introduced Hunt to Hughes's security

⁶³ Magruder testimony, *SWH* (see note 14) Book 2, pp. 789-90. The Republicans had heard a rumor from conservative columnist Kevin Phillips that O'Brien or the DNC were taking kickbacks from convention vendors. (Magruder [see note 25] pp. 190-191). Confirmation could provide derogatory material with which to silence or 'discredit' O'Brien. Dean generally supported Magruder's recollection. Mitchell denied that any specific targets were addressed at the February 4 meeting, and Liddy supported his claim years later in his memoir. For a discussion of these contradictions, see James Rosen, *The Strong Man; John Mitchell and the Secrets of Watergate* (New York: Doubleday, 2008) pp. 264-268. Each of these individuals had memory gaps at times and lied at other times, but I am persuaded by Magruder's testimony. Also supportive of Magruder is the fact that Dean continued to ask for more information on the alleged convention kickback scheme. (Rosen p. 268.)

⁶⁴ Magruder testimony, *SWH* (see note 14) Book 2, p. 790. According to Magruder, Mitchell (or Dean) mentioned 'information relating to Senator Muskie that was in Mr. Greenspun's office in Las Vegas'. As we will see, this rumor was planted by a Hughes representative in Washington to induce the White House to grab the contents of Greenspun's safe, including any Hughes memos. Again, Rosen (see note 63) believes Magruder's testimony was a fabrication – but it is hard to imagine why he would have come up with such an off-beat story without cause.

⁶⁵ The White House believed that Larry O'Brien was Anderson's source for a damaging story about ITT Corporation's attempt to fix its antitrust problems at the Justice Department with a bribe to the GOP. (Oudes [see note 25] pp. xxxvi-xxxvii).

⁶⁶ Testimony of E. Howard Hunt, *SWH* (see note 14) Book 20, pp. 9345-9347; E. Howard Hunt, (see note 18) p. 193; Lukas (see note 20) pp. 174-175.

chief, who explained his own interest in getting whatever documents Greenspun had acquired from Maheu. The Hughes security man said he could provide a plan of Greenspun's office, hotel rooms for the burglary team, and a limousine at Hughes' expense. The White House crew would break into Greenspun's office, grab the Hughes files, and then divide the spoils later. At a subsequent meeting in Los Angeles, the Hughes operative provided a floor diagram of Greenspun's office but was noncommittal when Liddy asked for a get-away plane to spirit the burglary team off to Mexico or Central America.

Planning for the operation advanced as far as recruitment of the burglary crew, but for various reasons, the break-in never took place.⁶⁷ But when Greenspun later learned of the plot, he said he never had any information on Muskie – that was just bait to entice Liddy and Hunt. Undoubtedly the target was the stash of Hughes-Maheu memos he kept in

⁶⁷ E. Howard Hunt testimony, *SWH* (see note 14) Book 9, pp. 3686-3687 and Book 20, pp. 9345-9347, 9356-9366; Hunt (see note 18) pp. 194-195; Liddy (see note 16) pp. 282-284.

The Hughes security man, Ralph Winte, denied that Hunt requested a floor plan for Greenspun's office or any ground support (Lenzner memo, see note 8). James McCord understood that Gordon Liddy visited Las Vegas twice to 'case' Greenspun's office, in February and April or May, 1972. See McCord testimony, *SWH* (see note 14) Book 1, p. 202.

Hunt's deputy during the Bay of Pigs, Bernard Barker, notes that he had been briefed about the Hughes job (Deborah Strober and Gerald Strober, *The Nixon Presidency: An Oral History of the Era* [Washington, D.C.: Brassey's, 2003] p. 275). Hunt and Liddy both insisted the break-in never took place. However, when President Nixon asked 'did they really try to get into Hank Greenspun's [safe]?' John Ehrlichman allowed, 'I guess they actually got in'. Bob Haldeman added, 'They busted his safe to get something out of it. . . They flew out, broke his safe, got something out, got on the airplane and flew away.' Nixon said there were 'delicate things' at issue. 'They're tied in with O'Brien, I suppose. But maybe they were trying to get it [the safe] for that reason.' See April 14, 1973 White House tape transcript at <<http://nixon.archives.gov/forresearchers/find/tapes/watergate/wsp/428-019.pdf>>

That was indeed the plan, but apparently not the reality. Greenspun wrote years later,

'If Liddy and Howard Hunt, his co-conspirator, did not break in, then the enigma continues. Someone did take a crack at the safe and came through a window. They must have been other bunglers because they cracked the cover but couldn't get in where the supposed loot was stashed.' (Greenspun, 'Where I Stand', *Las Vegas Sun*, November 16, 1986.)

William Gay, executive vice president of Hughes's Summa Corporation, told the FBI that he 'completely opposed' the planned burglary and ended his company's involvement in the spring of 1972. See FBI report, 'Alleged Planned Burglary of the Office of Henry Greenspun, a Las Vegas Publisher, in Early 1972', September 11, 1973, at <<https://tinyurl.com/rhsf5wef>> or <[http://www.irmep.org/ILA/greenspun/1192017-000%20---%20HQ%2062-97007%20---%20Section%203%20\(1109080\).PDF](http://www.irmep.org/ILA/greenspun/1192017-000%20---%20HQ%2062-97007%20---%20Section%203%20(1109080).PDF)>.

his safe.⁶⁸

So it all comes together:

- The White House's obsession with Larry O'Brien, of long-standing but greatly magnified by his connection to Hughes insider Robert Maheu, who had approved the \$100,000 cash payoff to Rebozo.
- The sudden White House preoccupation with Maheu's friend Hank Greenspun – almost leading to an illegal break-in of his office.
- Magruder's orders to Liddy to make O'Brien and the DNC his first major intelligence target.⁶⁹
- Magruder's subsequent orders to send Liddy back into the DNC, both to fix the bugs and to photograph everything they could get their hands on from O'Brien's files.
- And Magruder's particular emphasis with Liddy on finding out what dirt O'Brien had on Nixon.

In other words, the break-in had little to do with the Democratic National

⁶⁸ 'Greenspun Says Hughes File was Sought', *New York Times*, May 23, 1973. Former CIA officer and Watergate burglar James McCord called attention to the Nixon-Hughes connection as an area deserving more investigation, saying the discussion of burglarizing Greenspun's safe apparently 'was an effort to assist Howard Hughes to obtain some documents . . . written to Robert Maheu. I think it was a direct favor, political favor, being done for Hughes by Nixon and John Mitchell. I think there's very little doubt about it.' ('Hints of Hughes Ties with Nixon', *San Francisco Chronicle*, March 22, 1975).

Washington Observer Newsletter, an insider tip sheet with right-wing leanings, which sometimes used McCord as a source, explained Mitchell's interest in the Greenspun break-in this way:

Mitchell hit on the bright idea that he could use this 'National Security' professional burglary team to help his law practice and simultaneously obtain Nixon campaign contributions. . . Mitchell had prospects of a \$100,00 fee from Hughes and a \$300,000 contribution for Nixon's campaign. He dispatched G. Gordon Liddy and E. Howard Hunt to Las Vegas to purloin the Hughes file.

When they failed, Mitchell sent them back twice more to try again, until finally conceding the mission could not work. 'Soon after, the White House ordered the Internal Revenue Service to conduct an intensive tax investigation of Greenspun.' See 'Nixon Knew', in *Washington Observer Newsletter*, September 15, 1973.

⁶⁹ Bernard Barker said he did check O'Brien's desk for documents but found nothing but liquor bottles. 'I thought to myself, this man must be drunk twenty-four hours a day for the amount of whiskey he had', Barker later commented. (Strober and Strober, [see note 67] pp. 304-305.)

Committee per se. It had everything to do with O'Brien. All the evidence fits with the well-founded fears of Nixon and his top staff that another spate of Hughes stories could sink his campaign.⁷⁰

Admittedly this is just a theory – a theory that apparently first surfaced in September 1972 in an obscure but highly informed right-wing Washington newsletter with close ties to Watergate bugger James McCord.⁷¹ Evidence for it was first fleshed out by a Senate Watergate investigator but never published as part of the committee's official report, which remained silent on the causes of the break-in.⁷² It's a theory, admittedly, that Larry O'Brien ridiculed.⁷³ But it's a theory supported above all by the man who should know, Jeb Magruder himself. He told a conference of Watergate scholars in 1987 that during a phone call with himself and campaign director John Mitchell in March 1972, Haldeman

. . . indicated to us that it was important to get as much information about Larry O'Brien, particularly any information that referred to cash that Howard Hughes had supposedly given to Bebe Rebozo and then possibly given to the president. Therefore, the purpose for the break-in and the wiretapping was to find out what information Larry O'Brien knew so that we would be able to keep it under wraps during the

⁷⁰ A closely related theory holds that it was the Hughes Empire that prompted the Nixon burglars to go after O'Brien. See Appendix 2, The Robert Bennett connection.

⁷¹ On September 15, 1972, *Washington Observer Newsletter* – a right-wing publication close to James McCord – reported that 'the Democratic organization had a damaging investigative file on the Nixon-Rebozo business partnership . . . ammunition that Democratic strategists intended to drop as a bombshell in the campaign. This was the urgency that prompted James W. McCord Jr. . . . to personally participate in the Watergate burglary – he did not trust his Cuban cohorts to steal such highly incriminating documents – they might be tempted to peddle their wares to the highest bidder.'

⁷² For Lenzner's views, see 'Nixon, Hughes and Watergate', *San Francisco Chronicle*, December 11, 1973; Jerry Landauer, 'Investigators Believe Hughes Case Provides Motive for Watergate', *Wall Street Journal*, May 6, 1974; 'A New Watergate Theory', *San Francisco Chronicle*, July 5, 1974; Ron Rosenbaum, 'What Were They Hoping to Hear on Larry O'Brien's Phone', *Village Voice*, August 8, 1974, pp. 7-9, 73; 'Watergate: "Aviator" Connection?' (see note 41).

⁷³ Lawrence O'Brien oral history (see note 40) p. XXXI: 'To come to a conclusion that all of this that engaged scores of people, hundreds of thousands of dollars, and some two years of activity was for the sole purpose of finding out whether O'Brien knew about Rebozo and a hundred thousand dollars was preposterous.'

election.⁷⁴

The theory was further supported by Watergate burglar Frank Sturgis statement that the burglary team was told to look for 'anything that had to do with Howard Hughes'.⁷⁵ It draws support from Charles Colson's comment to Nixon in January 1973, after the President lamented that 'We didn't get a God-damned thing' from all their campaign spying, to which Colson replied: 'Well, apparently we did, of course, at Watergate, mainly on Hughes.'⁷⁶ Jack Anderson, whose columns triggered the whole affair, endorsed this

⁷⁴ Friedman and Levantrosser (see note 3) p. 45.

In later years, Magruder embellished his story, claiming that during one phone call with his campaign boss, John Mitchell, President Nixon got on the line and said 'John . . . we need to get the information on Larry O'Brien, and the only way we can do that is through Liddy's plan. And you need to do that.' ('Watergate Conspirator Said Nixon Ordered Crime', *Daily Herald* [Arlington Heights, IL], May 17, 2014.) Few historians have been convinced, although Lamar Waldron provides supporting evidence in *Watergate: The Hidden History: Nixon, The Mafia, and The CIA* (New York: Counterpoint, 2013) pp. 552-555.

Moreover, Mitchell apparently did endorse the Hughes-O'Brien connection as the cause of the break-in. According to Robert Mardian, a senior Justice Department official close to Mitchell:

'It was Mitchell's opinion that the White House crowd was trying to get the goods on Larry O'Brien to embarrass not only him but Howard Hughes. . . Mitchell thought it was Nixon going after Larry O'Brien. I know for a fact that Mitchell was convinced that maybe not Nixon himself but people trying to aggrandize themselves with him [would] get the goods on Larry O'Brien and expose Howard Hughes.' (Strober and Strober [see note 67] p. 334)

In numerous settings, however, Mitchell claimed that he personally never approved the bugging plan. Yet when CRP finance committee chairman Maurice Stans asked Mitchell about Liddy's request for a 'substantial' sum of money, Mitchell replied that Magruder had the authority to order the spending. (Rosen [see note 63] p. 279) Mitchell must have known what the money was for – and that he had approved it. But, based on his office logs, he has a strong case that, contrary to Magruder, he never received raw transcripts of the DNC bugs from Magruder.

⁷⁵ Andrew St. George, 'Confessions of a Watergate Burglar', *True*, August 1974, p. 74.

Sturgis also said the team was looking for a Cuban memorandum on CIA and DIA operations against Cuba, including assassination plots, and information about O'Brien or other Democratic Party leaders profiting from kickbacks from concessionaires at the party convention. Presumably such information could be used to embarrass or blackmail O'Brien.

⁷⁶ Transcript of Nixon conversation with Colson, January 8, 1973 at <<https://tinyurl.com/2jbrnzy>> or <http://www.nixonlibrary.gov/forresearchers/find/tapes/watergate/wspf/394-021_395-001.pdf>.

Audio is at <<https://www.youtube.com/watch?v=bpqdgWWG6Gw>>.

explanation.⁷⁷ And so did Bebe Rebozo himself in a deposition made public in 1978.⁷⁸

Ironic, isn't it, when you think of the hackneyed observation about Watergate, 'It wasn't the crime, it was the cover-up' that sank Nixon. Seen in this light, the crime – the break-in – was actually part of an on-going cover-up by Nixon of his financial relationship with Hughes. The subsequent White House cover-up of the burglary was only an extension of the first coverup.

O'Brien never did spill the beans – which he probably never had – on the Rebozo cash.⁷⁹ He didn't need to. Within days of the Watergate break-in, he filed a lawsuit against the Nixon campaign, taking depositions and keeping the case alive until the Senate organized its own hearings. Soon Congress, the special prosecutor, and the IRS were all investigating Rebozo and the trail of cash. They subpoenaed thousands of records and took long depositions to get to the heart of the Hughes-Rebozo-Nixon connection. In the end, they faced an almost impenetrable wall of confused memories, lies and incomplete records.⁸⁰ Investigators learned but could never prove that more than \$45,000 in Hughes cash went to pay for improvements at Nixon's home in Key Biscayne and another \$5,000 paid for diamond-studded platinum earrings that Nixon presented to Pat for her birthday. Bebe Rebozo also confided to Nixon's personal lawyer that he had passed out some of the

⁷⁷ Jack Anderson, 'The Howard Hughes, Watergate Connection', *Times Daily*, March 22, 1977. He also noted that of all the exposes in 1971-72 that concerned the White House,

'What upset Nixon the most, according to our White House sources, was our revelation that billionaire Howard Hughes had sent two \$50,000 cash bundles, one to Key Biscayne, the other to San Clemente, for Nixon's use in between his presidential campaigns. The money was accepted by Nixon's friend Bebe Rebozo. It wasn't national security but political security, on other words, that caused the former President to unleash . . . the White House plumbers . . .'

Jack Anderson, 'Pentagon Plumbers', *San Francisco Chronicle*, September 26, 1975.

⁷⁸ 'Rebozo and Hughes Money', *San Francisco Chronicle*, February 18, 1978.

⁷⁹ Maheu said he never told O'Brien about the cash. CBS 60 Minutes, 'Watergate: "Aviator" Connection?' (see note 41). O'Brien also denied knowing about it. Lawrence O'Brien oral history (see note 40) p. XXXI.

⁸⁰ 'Inquiry Expected to Clear Rebozo', *New York Times*, September 28, 1975. For the story of the Senate Watergate Committee's frustrated attempts to get at the truth, see Samuel Dash, *Chief Counsel: Inside the Ervin Committee – the Untold Story of Watergate* (New York: Random House: 1976) pp. 230-245.

money to Nixon's long-time executive assistant Rose Mary Woods and to Nixon's brothers Don and Ed.⁸¹ Although these claims remained unproven – Rebozo left the country to avoid a subpoena of his records⁸² – the entire affair reeked of impropriety, if not outright corruption. The Hughes connection did much to weaken Nixon's second term and contribute to his loss of political support, culminating in his resignation in August, 1974.

Once again, Nixon had been tripped up by his greed for money. His relationship with Hughes was egregious but far from unique. Nixon took illegal funds from oil companies and defense contractors, the milk producers' association, notorious gangsters, and even foreign dictators, such as the Greek military junta and Ferdinand Marcos of the Philippines. He amassed the biggest political war chest of his era – so big, that when told it would cost a million dollars to buy the silence of the Watergate burglars, he was unfazed, telling John Dean, 'You could get a million dollars. And you could get it in cash. I know where it could be gotten.'⁸³

The Hughes affair sheds light not just on Nixon, but on the power of vast personal and corporate wealth to distort the political system. Hughes was a towering example of favored special interests that wield power through cash, campaign contributions and in-kind favors, distributed through influence networks of lawyers, lobbyists, business suppliers, friendly journalists and others.⁸⁴ As two of his biographers remind us,

By the late 1960s, the Hughes Empire had crafted perhaps the most powerful private political machine in the country. . . For more than

⁸¹ Senate Select Committee on Presidential Campaign Activities, *Final Report* 93/2 (June 1974), pp. 1031-1032; 'Who Got Hughes Gift – New Report', *San Francisco Chronicle*, April 6, 1974; 'Probers Report Fund for Nixon, Pressure on IRS', *Washington Post*, July 11, 1974; 'Evidence of Nixon Fund Diversion by Rebozo', *San Francisco Chronicle*, August 20, 1974; John M. Crewdson, 'Nixon Fund Inquiry Focuses on Bribery and Tax Issues', *New York Times*, August 24, 1974; Summers and Swan (see note 24); CBS 60 Minutes, 'Watergate: 'Aviator' Connection?' [\$46,000 in house improvements]; testimony of Herbert Kalmbach, *SWH* (see note 14), Book 21, p. 10189 [payouts to Woods and Nixon brothers].

⁸² Senate Watergate Committee, *Final Report*, p. 1070.

⁸³ White House conversation of March 21, 1973, at <<https://tinyurl.com/3ppmdvpp>> or <<http://millercenter.org/presidentialclassroom/exhibits/you-could-get-million-dollars>>.

⁸⁴ Other corporations, including oil, aerospace, and agricultural, contributed about a million dollars illegally to Nixon's re-election campaign, no doubt seeking regulatory favors. Lukas (see note 20) pp. 126-127.

two decades the IRS had granted it one special favor after another. So, too, had the Department of Justice, the Civil Aeronautics Board, the Department of the Interior, the army, the navy, the air force, and any number of lesser agencies and departments. The empire spent billions of American tax dollars without public accountability, received billions of dollars in government contracts without competitive bidding, and received millions of dollars in subsidies. It submitted to federal courts fraudulent or forged documents. It ignored federal court orders with impunity. It was exempted from the myriad laws and regulations binding on others.⁸⁵

There's no proof that all of this favorable treatment stemmed from the buying of influence – but as Drew Pearson once commented in regard to the 1956 Hughes loan, 'the reason for conflict of interest laws is because of this very fact – namely that it is difficult, if not impossible, to prove favoritism in high places.'⁸⁶ Even without absolute proof, we certainly have good reason to believe that Hughes' investments in Nixon over the years paid off with millions or tens of millions of dollars in tax, regulatory and government contracting benefits. As Nobel laureate economist Joseph Stiglitz has argued, much of the wealth accumulated by the super-rich represents not superior contributions to society but superior gaming of the system to collect super-profits from government favors and uncompetitive markets.⁸⁷ The Hughes-Nixon relationship demonstrates that hypothesis in spades.

Last but not least, this story tells us about the importance of behind-the-scenes wars of political blackmail played by powerful figures on the national stage – a subject I explored in two previous *Lobster* articles.⁸⁸ All through this story run White House investigators, campaign intelligence squads, Hughes security forces, and others who wanted possession of memos and other incriminating information to neutralize opponents. This

⁸⁵ Barlett and Steele (see note 22) p. 448. See also their extraordinary series, 'The Silent Partner of Howard Hughes', in *Philadelphia Inquirer*, December 14 to 20, 1975.

⁸⁶ Drew Pearson, 'Campaign is Difficult Time to Get Truth', *Tuscaloosa News*, November 1, 1960.

⁸⁷ Joseph Stiglitz, *The Price of Inequality* (New York: W. W. Norton, 2013).

⁸⁸ 'Sex scandals and sexual blackmail in America's deep politics', and 'Blackmail in the Deep State: From the Bay of Pigs and JFK Assassination to Watergate'. Both are in *Lobster* 73 (Summer 2017).

isn't what we learned about American government and democracy in high school civics. But it's what gave us the Watergate break-in and one of America's greatest political scandals.

Appendix 1: The Don Nixon Connection

In 1968, Hughes hired a swindler named John Meier as his 'scientific adviser'. Before long, Meier, in cahoots with other investors, was using Hughes's money to buy up hundreds of virtually worthless mining claims all over Nevada. At the same time, he befriended Donald Nixon, using their relationship to arrange a meeting with the President-elect in January 1969. Concerned about the scandal potential, President Nixon asked Rebozo to check out Don's activities. Rebozo checked with Danner, who reported that Meier and Don Nixon were just friends, not business partners. In truth, Don was hoping to use Meier to win the food concession at Hughes Aircraft Co. On June 1, 1969, President Nixon took the extraordinary step of ordering Secret Service agents to install a round-the-clock wiretap on Don's phone, as well as physically surveil the younger brother. These measures uncovered the fact that Don was in business with Meier and a shady mining promoter, and that he joined Meier and a mob-linked businessman from Utah on trips to Geneva and the Dominican Republic. Meier was later implicated in tax fraud and scamming Hughes out of millions of dollars.⁸⁹

In February 1972, Jack Anderson ran at least one column on Don Nixon's involvement in the Hughes acquisition of Air West and his demands for the airline's catering business as compensation. The White House was furious with Don for talking with one of Anderson's associates. Haldeman recorded in his diary for February 7, 'We ended up agreeing that Don would

⁸⁹ Barlett and Steele (see note 22) pp. 410-422; Davenport and Eddy (see note 50) p. 243; Lukas (see note 20) pp. 66-67; John Ehrlichman, *Witness to Power: The Nixon Years* (New York: Simon and Schuster, 1982) pp. 170-187; Jonathan Kwitny, 'How an Assorted Cast Used or Misused Name, Cash of Howard Hughes', *Wall Street Journal*, August 1, 1972; Bob Woodward and Carl Bernstein, 'Report of Nixon bug on his Brother', *San Francisco Chronicle*, September 6, 1973; 'Former Hughes Aide Declared a Fugitive', *Los Angeles Times* January 4, 1975; Barry Newman, 'A Con Man, a King, a Polynesian Eden - and a Tangled Tale', *Wall Street Journal*, November 17, 1978.

have to just be completely turned off and handled basically very brutally.⁹⁰ Some have theorized that the Watergate burglars were looking for information in O'Brien's files on Don Nixon's relations with Hughes as well.

Appendix 2: The Robert Bennett Connection

One theory holds that it was the Hughes Empire that prompted the Nixon burglars to go after O'Brien. The agent of influence, in this theory, was Hughes's top lobbyist in Washington, D.C., Robert Bennett, working through his employee Howard Hunt. Hughes operatives would have wanted to know what information O'Brien, their former Washington representative, had that could help Maheu's legal fight against the executives who fired him. During a conversation in prison, John Dean remarked to Charles Colson, 'Bennett might have suggested to Hunt that they bug O'Brien.' Colson replied, 'I think Bennett sure would have reason to go after O'Brien – for the Hughes people, to curry favor with us, or even for the CIA. Who knows? But I'm sure he had a lot of influence over Hunt, even though they didn't seem to like each other particularly.'⁹¹ In a chat years later with reporter, Colson said, 'Perhaps Hunt and Liddy were after the Hughes-Rebozo stuff. But they weren't working for Richard Nixon; they were working for Howard Hughes.'⁹² Nixon speechwriter Ray Price was persuaded by Colson's theory:

I suspect that the break-in can be traced to Howard Hunt, who – in his various roles – tried to ingratiate himself with the director of the CIA, the president, and Howard Hughes, from whom he expected to make a lot of money; all the targets at the DNC headquarters were of much more interest to Hughes than to us. This was especially so in the case of Larry O'Brien – when you take into account that he was then the Hughes's \$100,000-a-month fixer in Washington. And so

⁹⁰ See Larry DuBois and Laurence Gonzales, 'The Puppet: Uncovering the Secret World of Nixon, Hughes and the CIA', *Playboy*, September 1976, p. 188; Jack Anderson, 'Air West Deal Linked to Nixon', *St. Petersburg Times*, September 27, 1973; H. R. Haldeman Diary, February 7, 1971, at <<https://tinyurl.com/2rbbpuz3>> or <<http://www.nixonlibrary.gov/virtuallibrary/documents/haldeman-diaries/37-hrhd-audiocassette-ac18b19a-19720207-pa.pdf>>.

⁹¹ Dean (see note 14) p. 391

⁹² J. Anthony Lukas, 'Why the Watergate Break-In?' *New York Times*, November 30, 1987.

many things from the Kennedy assassination traced back to the same people, and my guess is that some of the connections might have been so politically damaging that they might have destroyed the agency's usefulness. Hughes was at the center of the attempts to assassinate Castro, as was Hunt. To me, the most likely origin of the break-in was Hunt trying to go after Larry O'Brien—not in his DNC capacity, but in his Hughes capacity.⁹³

Victor Lasky also points a finger at Hughes, saying that by targeting O'Brien Hunt 'had hit upon the seemingly brilliant idea of combining public and private service. By supposedly obtaining political ammunition aimed at the Democrats, he would also be serving the interests of "the Hughes people".'

This scenario would also explain why the burglars planted a bug on the phone of a relatively obscure DNC employee named Spencer Oliver. His father, Robert, was in charge of the Hughes Tool Company account at Bennett's PR firm, Robert R. Mullen & Co.⁹⁴ The scenario is not far-fetched. Hunt ostensibly retired from the CIA to work at the Mullen Agency before splitting his time on contract work for the White House. The Mullen Agency was, in fact, a cover for several CIA operatives stationed overseas. Its support for the CIA dated back to before the Bay of Pigs invasion, when it created another CIA front, the Cuban Freedom Committee, as an anti-Castro propaganda operation. Bennett, the son of Republican Senator Wallace F. Bennett of Utah, a prominent Mormon, was selected by Maheu's successors to replace O'Brien at the Hughes Empire's Washington, D. C. representative. On that basis, he became president of the Mullen firm in February 1971. He reported to a CIA case officer, Martin Lukasky.⁹⁵

Charles Colson welcomed Bennett's appointment. Calling him 'a trusted loyalist and a good friend', Colson explained to a colleague in the vice president's office:

We intend to use him on a variety of outside projects. . . I'm sure I need not explain the political implications of having Hughes' affairs handled here in Washington by a close friend. As you know, Larry O'Brien has been the principal Hughes man in Washington. This move

⁹³ Strober and Strober (see note 65) p. 335.

⁹⁴ Victor Lasky, *It Didn't Start with Watergate* (New York: Penguin Putnam, 1977) p. 265.

⁹⁵ Lukas (see note 20) p. 40.

could signal quite a shift in terms of the politics and money that Hughes represents. The important thing from our standpoint is to enhance Bennett's position with Hughes because Bennett gives us real access to a source of power that can be valuable, and it's in our interest to build him up.⁹⁶

But as Senator Howard Baker (R-TE), and his staff later revealed during the Senate Watergate investigation, Bennett directed or manipulated Hunt and the White House more than the other way around. The day after Hunt joined Mullen, Bennett sent him off on a wild goose chase to get 'dirt' on Senator Kennedy, an operation for which Hunt readily got CIA assistance in the form of false identification and disguises. As we have seen, Bennett got Hunt excited about breaking into Greenspun's safe, an operation that likely would have helped Hughes more than President Nixon. It was Bennett who suggested to Hunt that he interview Dita Beard, a lobbyist for ITT who authored an infamous memo, leaked to Jack Anderson, which implicated the White House in bribery. He may well have been the conduit of Milk Producers money that Colson raised to fund the Fielding break-in. Bennett also helped Hunt find an infiltrator into the campaigns of Edward Muskie and George McGovern. Bennett even tried to enlist Hunt in undercover operations against Clifford Irving, author of an unauthorized and damaging 'autobiography' of Howard Hughes, which turned out to be fraudulent. In these and other ways Bennett insinuated himself deeply into White House operations, especially those of Hunt and Colson. In addition, Bennett admitted that he knew about the Watergate break-in three days in advance.⁹⁷

After the Watergate break-in, Bennett delivered messages between Hunt and Liddy, the two leaders of the crime. He became a trusted source of *Washington Post* reporter Bob Woodward and took credit with his CIA handlers for planting stories blaming various White House misdeeds on Colson while shifting attention away from the CIA. Bennett's case officer said that 'a number of people out at Langley' – CIA headquarters – were 'very pleased' with his performance. Bennett also reported to his CIA handlers on March 1, 1973 that 'he could handle the Ervin Committee if the Agency could handle Hunt. Bennett even stated that he had a friend who had intervened

⁹⁶ Colson to Roy Goodearle, January 15, 1971, reprinted in Oudes (see note 25) pp. 202-3.

⁹⁷ Jack Anderson, 'CIA Front Man Knew of Watergate', *Washington Post*, June 25, 1974.

with Ervin on the matter.' He managed to avoid ever testifying in public.⁹⁸ Haldeman later lamented, 'We didn't know that a CIA employee was, in effect, running a White House team.'⁹⁹

⁹⁸ *SWR* (see note 36) 1121-1126; Fred D. Thompson, *At That Point in Time: The Inside Story of the Senate Watergate Committee* (New York: Quadrangle, 1975) pp. 148-150; Barlett and Steele (see note 22) pp. 460-462, 500-502, 513-514; Haldeman (see note 12) pp. 140-142; McCord (see note 16) pp. 21-22; J. Anthony Lukas, 'The Bennett Mystery', *New York Times*, January 29, 1976.

⁹⁹ Haldeman (see note 12) p. 117