



FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, DC 20463

THIS IS THE END OF MUR # 1014

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3. ARTICLE ADDRESSED TO
Ms. Christina M. Cerna

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Christina M. Cerna
1435 Fourth Street, S.W.
Washington, D.C. 20024

Re: MUR 1014

Dear Ms. Cerna:

On December 7, 1979, the Commission found no reason to believe that Senator Roger W. Jepsen or the Friends of Roger Jepsen violated 2 U.S.C. § 441e and § 441f. This determination was made due to a lack of substantiated facts in your complaint.

Should further information come to your attention which you believe constitutes a violation of the Act, please so notify us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
General Counsel

0010180414

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Christina M. Cerna
1435 Fourth Street, S.W.
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Re: MUR 1014

Dear Ms. Cerna:

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Should further information come to your attention which you believe constitutes a violation of the Act, please so notify us.

Sincerely,

CHARLES N. Steele
Acting General Counsel

001180415

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Roget W. Jepsen)
Friends of Roget Jepsen)

MUR 1014

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 7, 1979, the Commission decided by a vote of 6-0 to take the following actions regarding the above-captioned matter:

1. Find NO REASON TO BELIEVE that Senator Roger W. Jepsen or the Friends of Roger Jepsen violated 2 U.S.C. §441e or 2 U.S.C. §441f.
2. Send the letter attached to the First General Counsel's Report dated December 4, 1979.
3. Close the file.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 12-5-79, 7:53
Circulated on 48 hour vote basis: 12-5-79, 11:00

December 4, 1979

MEMORANDUM TO: Marjorie W. Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 1014

Please have the attached First CC Report on MUR 1014 distributed to the Commission on a 48 hour tally basis.

Thank you.

0012180417

FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION 12-4-79

MUR NO. 1014
DATE COMPLAINT RECIEVED
BY OGC 8/13/79

STAFF MEMBER(S) Donaldson

COMPLAINANT'S NAME: Christina M. Cerna

RESPONDENT'S NAME: Roger W. Jepsen
Friends of Roger Jepsen

RELEVANT STATUTE: 2 U.S.C. § 441e
2 U.S.C. § 441f

INTERNAL REPORTS CHECKED: Friends of Roger Jepsen

FEDERAL AGENCIES CHECKED:

SUMMARY OF ALLEGATIONS

Christina M. Cerna, in a letter dated August 9, 1979, (Attachment I) has alleged that the South African government contributed \$250,000 to Roger W. Jepsen's 1978 Senate campaign which unseated Senator Dick Clark of Iowa.

EVIDENCE AND ANALYSIS

Ms. Cerna's allegations are based on several newspaper articles which deal with Eschel Rhoodie's assertions that the South African government interferred in the Iowan senatorial election. Ms. Cerna states that to the best of her knowledge, the facts as stated in the newspaper articles are true.

Ms. Cerna submitted an almost identical complaint on May 8, 1979, which was the subject of MUR 971. The Commission, on June 13, 1979, closed MUR 971 on the basis that Ms. Cerna provided no documentation of her allegations other than a New York Times article; and she had no personal knowledge of the facts of the matter.

Ms. Cerna has attached several additional newspaper articles in this complaint alleging South African support of Senator Jepsen's campaign; however, there are no substantial facts in the articles on which the Commission could develop a case. There are no details as to how the South African government funneled the money to Senator Jepsen and there is no mention of any specific individuals who acted as agents or conduits for the South African government. The reports filed by Senator Jepsen and his principal campaign committee do not reveal any unusual contributions or loan activity of the nature described. According to Craig Donsanto of the Justice Department, there is no Justice Department investigation of these allegations as stated in the Newsweek article.

Based on the lack of substantial evidence in the attached newspaper articles, it does not appear that the Commission should proceed against Senator Roger W. Jepsen or his campaign committee.

RECOMMENDATION

Find no reason to believe that Senator Roger W. Jepsen or the Friends of Roger Jepsen violated 2 U.S.C. §441e or 2 U.S.C. §441f. Send the attached letter. Close the file.

Attachments

Complaint from Cerna
Letter to Cerna

MER 1014

10367

RECEIVED
FEB 11 1979

1435 4th Street, S.W.
Washington, D.C. 20024
Tel: (home) 488-4883
10 AUG 13 (office) 789-6011

Mr. Hal Ponder
Assistant General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

8023.3

Dear Mr. Ponder:

I hereby wish to file a complaint with the Federal Election Commission pursuant to Part III of the Commission's Regulations, provided that the facts, if true, constitute a violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 432 et seq.). My complaint is based on Mr. Eschel Rhoodie's assertions that the South African Government interfered in the Iowa senatorial election process in the United States last year with the purpose of defeating the incumbent Senator Dick Clark.

I believe the facts as stated are true to the best of my knowledge that Mr. Eschel Rhoodie headed South Africa's approximately \$74 million covert propaganda campaign which involved bribery of overseas opinion. In a BBC television interview on March 21, 1979, Mr. Rhoodie stated that he has taped recollections of his knowledge of the affair and complete records of all 130 secret influence buying projects.

In an attempt to merchandise these tapes a "synopsis" of the information contained therein was prepared which was distributed to news agencies to encourage them to pay \$200,000 for the tapes and documents.

This synopsis contends that South Africa's agents in the United States poured \$250,000 into the campaign that unseated Senator Dick Clark. It is also contended that South Africa secretly became a major financial backer of Senator Roger W. Jepsen, the Republican who won the Iowa election.

These acts, if true, would violate Sections 441 c and/ or 441 F of the Act, prohibiting contributions by foreign nationals or contributions in the name of another. Enclosed please find various supporting press accounts.

I am not a candidate, nor am I filing this complaint on behalf of or at the request or suggestion of a candidate.

Sincerely yours,

Christina M. Carma

Signed and subscribed to before me

Enclosure on this 9th day of April 1979 Christina M. Carma

Frank W. Boone

Frank W. Boone
Notary Public

My Comm. Expires Oct. 14, 1980

Continued From page A1

"Maintaining 'Arrangements' with Labor members of Parliament in Britain, such a strategy was employed was also carried in the making of arrangements with other states, and with members of the League of Nations.

[illegible]

Continued on Page A12, Column 1

French Court Rules That Figure In S. Africa Scandal Be Returned

Reuter

AIX-EN-PROVENCE, France, Aug. 8—Three French judges said today that Eschel Rhodie, who disclosed South Africa's use of covert funds to buy influence, should be sent home to face fraud and theft charges.

They dismissed his contention that political charges might be brought against him in South Africa and sent him back to jail to await a government decision on their recommendation.

Rhodie's lawyers immediately announced they would appeal the court's decision and a refusal to bail.

Rhodie, a former information officer, alleged in a book during the 1970s that he had secured the release of South African prisoners and the return of South African assets from the Soviet Union.

He said he had been paid \$100,000 for his services and that he had been paid \$100,000 for his services and that he had been paid \$100,000 for his services.

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British convention signed when South Africa was a British colony.

Rhodie brought on the funds scandal, and the eventual resignation of President John Vorster, by charging that leading South African figures took part in a secret attempt to buy influence in domestic and foreign newspapers.

He was arrested at his French Riviera home last month on a warrant issued by South Africa.

Prosecutors alleged yesterday that Rhodie misappropriated \$100,000. He said this was payment of money to personally and secret agents.

Rhodie said in an interview published today in the Dutch weekly magazine *De Pers* that he had financed visits by South African news correspondents to many of the world's leading nations.

He said he had been paid \$100,000 for his services and that he had been paid \$100,000 for his services.

THURSDAY, MARCH 22, 1977

South African Role in Iowa Voting Charged

By WENDELL RAWLS Jr.

A former official in South Africa's Information Ministry who has been in hiding in Europe reportedly has said that his country interfered in the electoral process in the United States last year with the aim of defeating Senator Dick Clark, a liberal Iowa Democrat.

The allegation is one of many that the former official, Enoch M. Rhodde, is said to have included in papers and 11 tape recordings that he has, and would document South Africa's secret multimillion-dollar campaign to influence lawmakers, journalists and news outlets around the world.

Although he has held the documents and recordings for sale or for protection against reprisals, some of his allegations were summarized for news organizations that sought to obtain access to the materials.

Mr. Rhodde was a central figure in the world's largest anti-apartheid campaign in 1976, after the United Nations General Assembly voted to expel South Africa from the organization. He was a member of the Information and Propaganda Department of the South African government, which he left in 1975. He was a member of the South African Information Council, which was a front organization for the South African government. He was a member of the South African Information Council, which was a front organization for the South African government.

Clark said that he had been told that the South African government was trying to influence the Iowa election. He said that he had been told that the South African government was trying to influence the Iowa election. He said that he had been told that the South African government was trying to influence the Iowa election.

Allegations in Rhodde's Papers

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completely ridiculous and totally false. I don't want to dignify it with any big response." Speaking of Mr. Rhodde, he commented, "He is just some kook running around the world with some supposed tape recordings for sale for \$200,000." He added that he had "every reason to believe that there was absolutely no money put into my campaign from South Africa."

South Africa supplied a substantial share of the capital that enabled a newspaper publisher, John P. McGoff, to make an unsuccessful bid for The Washington Star in 1975 and a successful one for The Sacramento Union in California.

South Africa made large cash payments to prominent labor leaders in the United States early in 1977 to persuade them not to take part in a week-long shipping blockade of South Africa organized by the International Confederation of Free Trade Unions.

In addition, the New York Times has reported independently that more than 100 members of Congress or members of Congress' staffs have made trips to South Africa, but none of them without South African government funds.

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Clark Arrives in Iowa

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African chargé d'affaires to the State Department, where he delivered an oral protest against Mr. van Rooyen's action.

According to sources familiar with the case, the State Department also sent a confidential cable to South Africa pointing out the fact that Mr. van Rooyen had injected himself into the American electoral process, and complaining that he "had made disparaging remarks about Senator Clark."

The following summer, Mr. Bismuth was the only Iowan to attend a convention in Houston sponsored by the South African Foreign Trade Organization. The featured speaker at the convention was former President Gerald R. Ford, but the most political of the speeches, according to Mr. Bismuth, was delivered by Mr. McGoff, who attacked Senator Clark and interrupted him when he asked whether anyone from Iowa was present. Mr. Bismuth said he had heard his name and was invited to talk with Mr. McGoff after the speech.

South Africans Attended Meeting

Mr. Bismuth said that 20 to 30 South African businessmen and their wives attended the convention, which was held at the Houston Marriott Hotel. He said that he had been told that the South African government was trying to influence the Iowa election.

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ation of the Randall South Africa Council at contributions. "My firm didn't funnel money to anybody," he said. "I made contributions to everybody in South Africa or anybody. There were no restrictions on the British Department."

In Washington, the Finance Ministry Committee on Foreign Assets, a body responsible for South African investment reports two weeks ago, said it had no "material evidence" of a violation of U.S. anti-boycott laws. Nevertheless, the U.S. Justice Department has been in a row with the South African government over the issue of "boycotts" of a variety of major South African companies and individuals in the United States. The U.S. Justice Department has been in a row with the South African government over the issue of "boycotts" of a variety of major South African companies and individuals in the United States.

'MORALITY FLIES OUT: South Africa's secret propaganda operation began in 1972, when Mulder appointed Rhooie as his top civil service aide in the Information Department. Together with state security chief Hendrik van den Bergh they allegedly planned to promote apartheid at home and defend it abroad without undue regard for legal strictures. "When you want to get a fair hearing in the world," Rhooie said last week, "morality flies out of the window." About half of the \$74 million fund was spent in South Africa to finance a pro-government newspaper, The Citizen, and a black magazine, Pace. Rhooie also worked to establish a diplomatic beachhead in neighboring Black Africa, notably in the Ivory Coast.

Rhooie tried to win influence in Europe as well, but the heavy-handed methods that worked in Africa were somewhat less successful there. In Britain, South Africans hoped to buy London's Daily Express, and made an unsuccessful bid for the London Evening

Standard. During his BBC interview, Rhooie also hinted that payoffs had been made to members of the M.P. in return for information that South Africa could use to disrupt the British anti-apartheid movement. "Whitewash was manufactured by the enemies," he said. "I am not a socialist," and one official, "the British Government has no plans to interfere any of these subversive activities, as they are too vague."

In France, Rhooie succeeded in covertly running a network of Parisian front companies that published travel magazines, South Africa also gained control of the famous Grand Villa restaurant. But the Africans failed to carry out the major journalistic plans they sought, including the magazine L'Express and Paris Match. Apparently the South African propaganda operation found its only useful foothold in Norway. Norwegian newspapers, but not last week, that in 1973 Perwood paid \$40,000 to Anders Lange, a right-winger who used the seed money to start a political party that won four seats in Parliament, giving South Africa its only real political voice in all of Scandinavia. Lange has since died and his party has lost all of its seats.

"I am not prepared to accept the situation where I am the only scapegoat," Rhooie told the BBC. From his arsenal of tapes and documents, he displayed one item, a photostat of a top secret letter from Mulder to Finance Minister Owen Horwood requesting the allocation of \$9 million for broadly defined secret projects such as "front organizations" and "collaborators." Last week Perwood admitted counterfeiting the letter and thereby releasing the funds. But he denied that he had approved of the secret projects themselves. He accused Rhooie of "treason against his country."

Botha issued his own statement acknowledging that he and his Cabinet knew of the Information Department's secret projects—but reiterating that he had never known of any illegal schemes. Still, Rhooie, who was living

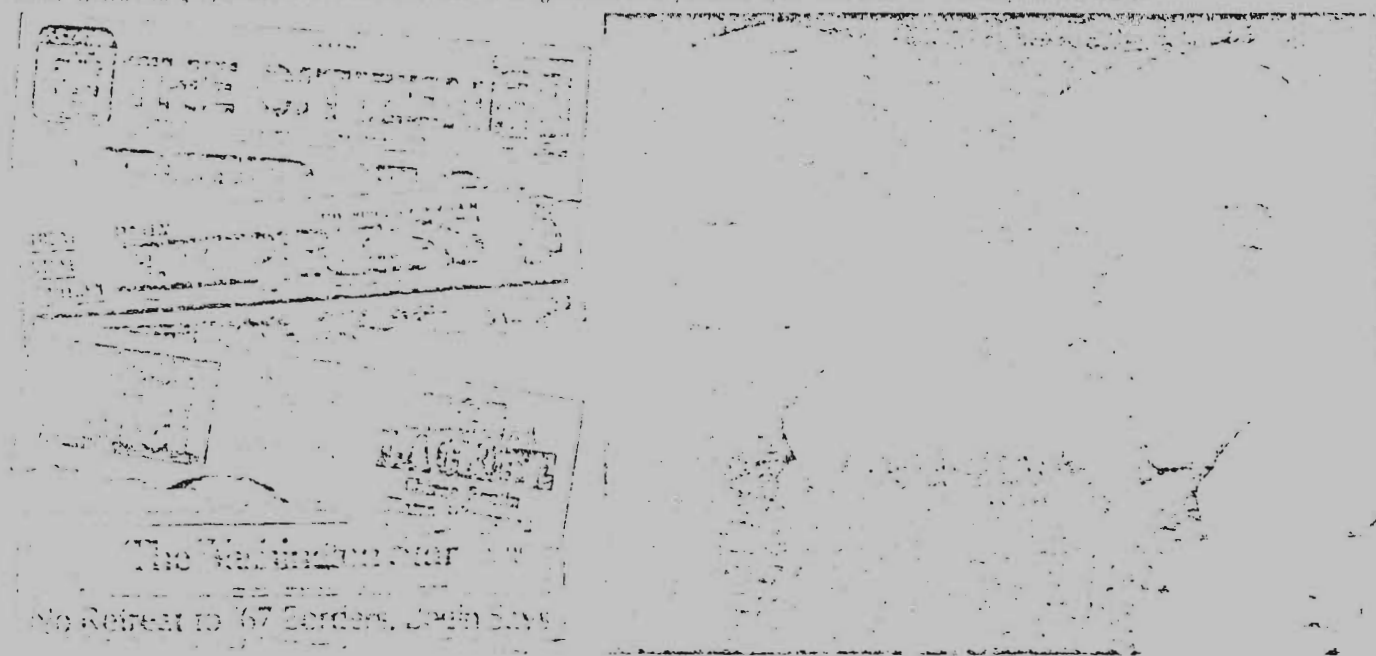
in Cannes with his wife, had sicked upon the dirt to threaten Botha's government. "After all," he knows that if he can release just one bit of information—such as the document with Horwood's name on it—before Botha's new election, Rhooie will have a strong bargaining position," said a South African source in London. "The only force Botha's government has to return to South Africa in return for his silence."

Botha's problems multiplied last week when a Johannesburg lawyer named Leson Ludon charged that German mercenaries had been paid \$60,000 to kill a South African politician and his wife in 1977. Rhooie, in South Africa, and the politician, Robert Botha, had learned that godfather was a member of the country's security forces with the promotion of a campaign. Ludon said his own proof of the charges, had information—corroborated by documents and witnesses—that the killers had been flown from Britain to Johannesburg to do the job. The lawyer said Excels now feared for his life and wanted to testify before the Erasmus Commission, a panel set up by Botha to investigate the Information Department scandal.

GROWING DREAD: Last week Botha issued a "direct repudiation" of Rhooie's key claim—that Mulder had informed the Cabinet about the secret projects he and Rhooie were carrying out. But the controversy was far from over. Botha's next big challenge could come from his own Erasmus Commission, which was scheduled to deliver a preliminary report late this week. There was a growing apprehension in the Cabinet that the panel might name new names—of South Africans and possibly of some of the country's U.S. friends. In any case, Pieter Botha seemed to have lost all control over what would come next.

STEVEN SPASSER with
PIETER VAN NIEKAMP in Cape Town
LAST WHITMORE in Washington
ANTHONY COLLINGS in London and Ottawa

South Africa's target publications and Ford with Mr. Goff: Schemes to promote apartheid at home and defend it abroad



BBC Aird Document on Funding

Rhodie: Cabinet Initiated Secret Projects

By Leonard Downie Jr.
Washington Post Foreign Service

LONDON, March 21—Former South African information official Eschel Rhodie said in a BBC television interview tonight that South African Prime Minister Pieter W. Botha "initiated at Cabinet level" at least two secret projects in a continuing multimillion-dollar campaign to buy foreign support for South Africa.

Rhodie also said that 60 to 65 secret influence-buying projects "have been reapproved by the administration of Mr. P. W. Botha and therefore are ongoing operations" and that Finance Minister Owen Horwood signed a secret document approving the expenditure of approximately 50 million to fund the projects for the current fiscal year.

A photostat copy of that document, written in Afrikaans and given to the BBC by Rhodie, was shown on television screens in London, according to a BBC spokesman. The document

—marked "top secret" and dated May 12, 1973—is a letter to Horwood from then information minister Connie Mulder, Rhodie's boss.

In the letter, Mulder advises Horwood that "The Department of Information is intending to allocate the money which you are making available to it in the current financial year" for a list of items including "distributors and publications, conferences, front organizations, collaborative advertisements, liaison services, lobbyists, institutions and foundations, news and photo services, film production and distribution, economic action, guests, trips and other matters which are related to this."

The document also bears Horwood's signature at the bottom, which Rhodie said indicated his approval of the secret project. Botha and Mulder have denied any involvement in or knowledge of the influence-buying

AP Wirephoto

RIHODIE, From AI

Whoore refused to further identify the secret projects listed in the document, but he told BBC correspondent David Dumbleby that the money—about \$100 million since 1973—was used "to establish organizations and institutes and to support groups and individuals to persuade them to back South Africa on certain important issues."

Contrary to press speculation, however, Rhoads said no payments were made to U.S. politicians. "In the case of the United States, I can state categorically that we didn't make payments to politicians," he said.

the left, but to rule out or comment on the possibility that money was secretly spent in the United States on lobbyists, or front organizations for South Africa or on efforts to discredit and remove from office politicians who were staunch opponents of South Africa.

Rhodes did say that money was paid to "members of Parliament" and "some non-white people" and for "disinformation" efforts to sabotage antiapartheid organizations and campaigns, but he refused to identify the countries in which these payments were made.

"There were certain individual cases," Rhoadie said, "where we had used money to persuade a person who would perhaps normally have been anti-South Africa at least to adopt a more neutral attitude. Or, if he had been lukewarm or neutral toward South Africa, to adopt a more positive attitude or perhaps to keep us informed of the developments taking place in anti-South African organizations."

Asked who those people were, Rhodie said, "Those would be people whom you would classify among the middle managers and decision makers. I think that would include politicians and some newspaper people."

only in the case of Britain did Thompson recognize the specific aspects of the shape as from 1973 until his year as the top civil servant at our Ministry in South Africa's information Ministry. He said, however, that he had never been well informed about the

He also had no department considered pertinent to national newsmen in Mexico, but he would not blame the press. "It had to be more society," he said of the uncommunicated deal. "He came, don't you think there would have been the culture of success in the South American Department or Interior and made an open approach."

reported. Rhodie said only that "I don't think there has been any admission on my part or anybody else's part that this is true."

Former prime minister John Vorster, who is now South Africa president, or ceremonial head of state, "knew of every major project in which we were ever involved," Rhoades said. "So did Herwood, and these were reported to them in detail on an annual basis. They knew about it. They could have stopped anything if they wanted to."

Rhodes said that others also could testify to the personal involvement of Botha, the former defence minister who is now prime minister, in "at least two or three projects," despite Botha's denials.

"There are at least 20 officials in the Department of Defense who were involved in one of those projects," Rhoodie said. "There were outside agencies involved in one of those projects. I cannot see the prime minister making such a denial."

Rhodie said he would emerge from hiding in Europe to go back to South Africa only if the entire affair were aired publicly in a court of law where his lawyers could cross-examine Vorster, Botha and members of the Cabinet. But he said he did not think "there is any chance of that happening."

Instead, Rhodie said he intends to stay, with the help of "some friends left in the outside world" countries from which he cannot be extradited to South Africa. He said he has good recollections of his knowledge of the all the important and complete records of the secret intelligence bearing project—with "amounts of money spent, names of people, the summary of the projects [and] who received what"—safely hidden in a bank vault "somewhere in Europe."

8-He will not release the documents or the tapes, he said, because of the "disastrous consequences" for South Africa and its "relations with a number of Western countries" should it be alive and free.

[illegible]

Said circuit attorney also issued a warrant for Flood's arrest and held him with bailment, diverting some of the secret cash money to real estate investments of his own.

Rhodes, dressed in a handsome dark blue suit, appeared fit and relaxed in the one room, which he rented last Saturday in a hotel to be an undisturbed retirement city retreat. BMW officials said he made no contact with Rhodes, who they said, ultimately, asked for shelter and help for access to his tapes and documents.

S. African Claims Influence Buying Try in U.S.



Dr. Eneset Rhoodie (left) and BBC announcer David Dimbleby during the taping of a special program recently.

London, Aug. 17 (AP)—The central theme in South African influence overseas, Rhoodie claimed last night, is the need to overcome the economic conditions where his government and private farmers and businessmen "to export products for sale."

Rhodes generally denied in an interview that he had been involved in the purchase of South African land and that he had made investments in political campaigns. He admitted that he had been involved in the purchase of South African land and that he had made investments in political campaigns.

Rhodes said he had been involved in the purchase of South African land and that he had made investments in political campaigns. He said he had been involved in the purchase of South African land and that he had made investments in political campaigns.

During a long interview, Rhoads said that he was one of the main forces behind the "apartheid" system that had been established in South Africa. He said that he had been involved in the purchase of South African land and that he had made investments in political campaigns.

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During the course of the interview, Rhoads said that he had been involved in the purchase of South African land and that he had made investments in political campaigns. He said that he had been involved in the purchase of South African land and that he had made investments in political campaigns.

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thorizing his projects, which he had "safely locked away in a bank vault somewhere in Europe."

RHOODIE INDICATED that he intended to use the documents as a weapon to guarantee his own safety as well as that of his family.

South Africa's prime minister, Pieter W. Botha, maintained that none of Rhoadie's allegations was worth any substance unless tested in a court of law.

Botha has demanded that the former information secretary return to South Africa where there is a warrant out for his arrest on charges of fraud and possibly theft in connection with the information affair.

But Rhoadie said in the interview, "I don't intend to go back to South Africa and I don't want to go back against my will."

He said his lawyers had instructions of what to do if he were to be taken back to South Africa by force or "imprisoned on trumped up charges."

Before launching his operations,

Rhoadie said he had conducted a market analysis of South Africa's income in 16 major countries at a cost of many hundreds of thousands of dollars.

"It was obvious," he continued, "that the effort to isolate South Africa and to silence South Africa was increasing literally by the month, and it was essential that South Africa should have certain avenues of communication with the world through the media."

Rhoadie again challenged statements by the Prime Minister Botha that only Rhoadie and the former minister of information, Cerninus Mulder, had been involved in the affair.

Rhoadie insisted that Botha himself had been involved in the affair, at least to the extent of knowing that he was involved in the affair.

The interviewer reminded Rhoadie that South African Robert Botha and his wife had been linked because they were a family, but Rhoadie said, and asked whether he feared the information he possessed could endanger his own life, like the replied, "It depends on whether whoever holds the part of the information is going to feel terribly embarrassed or frightened by the disclosure. I would like to think I don't have the kind of information that could provide a motive for murder."

Puffery Is PR Firm's Plea

115

of South Africa, the "Puffery" firm, which has been the subject of a recent investigation by the House of Representatives, has issued a statement in which it claims that its activities are purely puffery and that it has no connection with the South African government.

The statement, which was issued by the firm's president, Mr. J. H. H. H., claims that the firm has been in existence since 1945 and that it has been engaged in the business of public relations and advertising for a number of years.

Mr. H. H. H. claims that the firm has been engaged in the business of public relations and advertising for a number of years and that it has been successful in its work. He claims that the firm has been engaged in the business of public relations and advertising for a number of years and that it has been successful in its work.

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the distinction is a bit more subtle. When Puffery and his staff are asked for and his partners give their statements in part flow from their own "own" as well as from all their clients.

In any case, the records reveal that South African men in Washington and New York give mostly modest amounts to politicians of all parties and persuasions. They are the sort of men that men regularly dealing with politicians must pay to stay in the camp.

Rhodes's hints to the others, he has received them in his treatment in a "live play" prepared by the

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MUR 1014

Commission found no reason
W. Jepsen or the Frier
441e and § 441f. This
lack of substantiated facts

due to your attention
violation of the Act,

N. Steele
General Counsel



FEDERAL ELECTION COMMISSION

1155 K STREET N.W.
WASHINGTON, D.C. 20543

August 15, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Christina M. Cerna
1435 4th Street, S.W.
Washington, D.C. 20024

Dear Ms. Cerna:

This is to acknowledge receipt of your complaint of August 9, 1979, alleging violations of the Federal Election Campaign Laws. A staff member has been assigned to analyze your allegations. A recommendation to the Federal Election Commission as to how this matter should be handled will be made shortly. You will be notified as soon as the Commission determines what action should be taken. For your information, we have attached a brief description of the Commission's preliminary procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Hal Ponder".

Hal Ponder
Assistant General Counsel

Enclosure



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001 1435 4th Street, S.W.
Washington, D.C. 20024
Tel: (home) 488-4883

13 AUG 1979 (office) 789-6011

MUR1014

Mr. Hal Ponder
Assistant General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Ponder:

I hereby wish to file a complaint with the Federal Election Commission pursuant to Part 111 of the Commission's Regulations, provided that the facts, if true, constitute a violation of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 432 et seq.). My complaint is based on Mr. Eschel Rhoodie's assertions that the South African Government interfered in the Iowa senatorial election process in the United States last year with the purpose of defeating the incumbent Senator Dick Clark.

I believe the facts as stated are true to the best of my knowledge that Mr. Eschel Rhoodie headed South Africa's approximately \$74 million covert propaganda campaign which involved bribery of overseas opinion. In a BBC television interview on March 21, 1979, Mr. Rhoodie stated that he has taped recollections of his knowledge of the affair and complete records of all 130 secret influence buying projects.

In an attempt to merchandise these tapes a "synopsis" of the information contained therein was prepared which was distributed to news agencies to encourage them to pay \$200,000 for the tapes and documents.

This synopsis contends that South Africa's agents in the United States poured \$250,000 into the campaign that unseated Senator Dick Clark. It is also contended that South Africa secretly became a major financial backer of Senator Roger W. Jepsen, the Republican who won the Iowa election.

These acts, if true, would violate Sections 441 e and/ or 441 F of the Act, prohibiting contributions by foreign nationals or contributions in the name of another. Enclosed please find various supporting press accounts.

I am not a candidate, nor am I filing this complaint on behalf of or at the request or suggestion of a candidate.

Sincerely yours,

Christina M. Cerna

Sworn and subscribed to before me

Enclosure on this 14 day of August 19 79 Christina M. Cerna

Frank W. Loops
Frank W. Loops
Notary Public

My Commission Expires Oct 14, 1980

U.S. CITIZENS BRIBED, SOUTH AFRICAN SAYS

Rhodie Tells Interviewer on BBC
'Opinion Formers' Were Paid

By R. W. APPLE Jr.

Special to The New York Times

LONDON, March 21 — Eschel M. Rhodie, the central figure in the South African bribery scandal, has declared in an interview that the United States was one of the principal countries where his Government paid "opinion formers and decision takers" to express pro-South African views.

In an interview with the British Broadcasting Corporation, he denied that South Africa had paid Americans in office but not that it had contributed to political campaigns. He said South Africa had paid union leaders to cooperate but refused to say where.

Mr. Rhodie said that revealing "the nature of the operations, the methods that were used and the people that were involved would have disastrous consequences" for South Africa and "a number of major Western countries." But he gave only a general outline of the operations and named no names.

Other Countries Mentioned

He hinted broadly, however, that South Africa had secretly paid members of the British Parliament for information about the activities of groups opposed to apartheid — activities that South Africa then tried to disrupt. He said his work had involved France, West Germany and Japan as well as the United States and Great Britain.

Mr. Rhodie, formerly the chief civil

Continued on Page A12, Column 1

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Rhodie Asserts 'Opinion Formers' In U.S. Were Paid by South Africa

Continued From Page A1

servant in South Africa's Information Ministry, was interviewed Saturday by David Dimbleby of the British Broadcasting Corporation at a secret location on the continent. The interview was broadcast tonight.

Mr. Dimbleby acted, in effect, as an intermediary between Mr. Rhodie and several European and American news organizations, including The New York Times, that had expressed an interest in obtaining rights to 41 tape recordings in which the South African reportedly spelled out his operations in detail. The negotiations collapsed when Mr. Rhodie demanded \$200,000 and when he was persuaded, for the moment at least, to keep the tapes locked in a bank vault.

But during negotiations over the tapes, summaries of some of the allegations said to be on them were made available to the news organizations. Among the actions attributed to South Africa by the material were these:

¶Secretly becoming a major financial backer of Senator Roger W. Jepsen of Iowa, the Republican who last year upset Dick Clark, a Democrat and one of South Africa's most persistent and influential American foes.

¶Supplying a substantial share of the capital that enabled John P. McGoff to make an unsuccessful bid for The Washington Star and a successful bid for The Sacramento Union.

¶Making large cash payments to prominent leaders of the American labor movement early in 1977 to persuade them not to join a one-week shipping blockade of South Africa organized by the International Confederation of Free Trade Unions.

¶Giving arms and money to Gen. Odumegwu Ojukwu in an effort to sustain his unsuccessful Biafran rebellion against the Nigerian Government in 1968 and 1969, and it may have financed several black Rhodesian leaders.

¶Paying for the establishment of a right-wing political party in Norway that won four seats in Parliament in 1973.

¶Maintaining "arrangements" with Labor members of Parliament in Britain, with a Conservative member who has served in the House of Commons here for many years, and with members of the Japanese Parliament

¶Becoming involved in the establishment of news agencies or newspapers in France, Kenya and the Netherlands.

Norwegian Press Reports

Norwegian newspapers reported independently today that investigators of the scandal there have evidence that South Africa paid 200,000 kroner — about \$40,000 — to Anders Lange, a right-wing Norwegian businessman, to help him start a political party in 1973 after a visit to Pretoria.

Mr. Lange's party won four seats in Norway's Parliament and held them until 18 months ago, giving South Africa its only effective voice in Scandinavia. Mr. Lange and his wife are both dead, but Carl Hagen, the party's present leader, said in a telephone interview from Oslo that he was sure "nothing on that scale" had been given.

"A lesser amount, 20,000 kroner maybe, fair enough," Mr. Hagen commented. "But a larger amount we would have noticed, and he sent me out in June 1973 to borrow money from a bank to finance our special election newspaper."

Tor Petter Krosby, Mr. Lange's secretary at the time, said Mr. Lange had told him in April 1973, just before the new party was established, that he had received a "gift" of 20,000-kroner — \$4,000 — from an unidentified foreign source.

Less Specific Allegations

But Mr. Rhodie avoided such specific allegations in his television interview.

He alluded to his ministry's activities in Britain, saying that he had "used money to persuade politicians and some newspaper people" in several countries either to back South Africa or to take a less hostile stand against it. He then confirmed that members of Parliament had been among them but declined to identify their nationality.

He said his Government had once considered a covert attempt to buy an unnamed British national newspaper. He did not say whether a bid was made.

He said South Africa did try to disrupt activities here by groups opposed to apartheid. "If a certain organization, for example, was out to arrange an anti-South African rally or was trying to get companies to withdraw investment in South Africa," Mr. Rhodie declared, "we would perhaps send out notices and documents canceling the meeting so that the other party wouldn't know what was going on."

S. African Claims Influence Buying Try in U.S.

New York Times News Service

LONDON — Eschel M. Rhodie, the central figure in South Africa's influence-buying scandal, claimed last night the United States was one of the principal countries where his government paid "opinion formers and decision takers" to express pro-South African views.

He categorically denied in an interview aired by the British Broadcasting Corp. that South Africa had paid U.S. office-holders but not that it had made investments in political campaigns. He acknowledged that South Africa had paid trade union leaders for their cooperation but refused to say where.

Rhodie, formerly the chief civil servant in the South African Information Ministry, was interviewed by David Dimbleby of the BBC earlier at a secret location in Europe.

BREAKING A LONG silence, Rhodie said that revelation of "the nature of the operations, the methods that were used and the people that were involved would have disastrous consequences" for South Africa and a number of major Western countries. "But he gave no names."

He hinted broadly, however, that South Africa had secretly paid members of the British parliament to supply information about the activities of anti-apartheid groups — activities that the South Africans then tried to disrupt through the use of "disinformation tactics."

And he asserted that his work had involved France, West Germany and Japan as well as the United States and Great Britain.

The South African asserted that his government had once considered a covert attempt to buy an unnamed British national newspaper but did not say whether a bid had actually been made.

Dimbleby had acted as an agent for several European and U.S. news organizations, including The New York Times, which had expressed an interest in obtaining rights to 41 tape recordings in which Rhodie reportedly spells out his operations in detail.

THE NEGOTIATIONS collapsed when Rhodie demanded \$200,000 and when he was persuaded, for the moment at least, to keep the tapes locked in a bank vault.

In the House of Commons yesterday, a Labor Party member urged Britain's foreign minister, David Owen, to make Rhodie an offer of \$50,000 to obtain the tapes.

During the course of the talks with the news organizations, some of the paid material was made available, including the allegations in that material.

That South Africa was a major financial backer of Sen. Roger Jepsen of Iowa, the Republican who last year ousted Dick Clark, one of South Africa's most persistent and influential U.S. allies.

Jepsen said last night the allegation was "completely ridiculous and totally false." Speaking of Rhodie, he said, "He is just some kook running around the world with some supposed tape recordings for sale for \$200,000."

That South Africa supplied a substantial share of the capital that enabled publisher John P. McGuff to make an unsuccessful bid for the Washington Star. McGuff has called the claims "utter nonsense."

In last night's BBC interview, Rhodie said, "I don't think the (Information) Ministry has ever admitted trying to buy The Washington Star. I certainly have never done."

But he admitted it was the kind of operation he might have considered. That South Africa made large cash



Dr. Eschel Rhodie (left) and BBC announcer David Dimbleby during the taping of a special program recently.

payments to prominent leaders of the U.S. labor movement early in 1977 to persuade them not to take part in a one week shipping blockade of South Africa organized by the International Confederation of Free Trade Unions.

- That South Africa had "arrangements" of various kinds with Labor Members of Parliament in Britain, with a titled Conservative member who has served in the House of Commons here for almost 30 years, and with members of the Japanese diet as well.

- That South Africa was involved in the establishment of news agencies or newspapers in France, Kenya and the Netherlands.

RHODIE ALLUDED to Information Ministry activities in Great Britain during the television interview.

He said that he had "used money to persuade politicians and some newspaper people" in several countries either to back South Africa or to take a less hostile line toward it. He then confirmed that "members of parliament" had been among them, but declined to identify their nationality.

At another point he said specifically that the South African government had tried to disrupt anti-apartheid activities here.

If a certain organization, for example, was out to arrange an anti-South African rally or was trying to

get companies to withdraw investment in South Africa, Rhodie declared, "we would perhaps send out notices and documents canceling the meeting so that the other party would not know what was going on."

Rhodie told Dimbleby that he had documents bearing the signatures of South African cabinet ministers authorizing his projects, which he had "safely locked away in a bank vault somewhere in Europe."

RHODIE INDICATED that he intended to use the documents as a weapon to guarantee his own safety as well as that of his family.

South Africa's prime minister, Pieter W. Botha, maintained that none of Rhodie's allegations was worth any substance unless tested in a court of law.

Botha has demanded that the former information secretary return to South Africa where there is a warrant out for his arrest on charges of fraud and possibly theft in connection with the information affair.

But Rhodie said in the interview, "I don't intend to go back to South Africa and I don't want to go back against my will."

He said his lawyers had instructions of what to do if he were to be taken back to South Africa by force or "imprisoned on trumped up charges."

Before launching his operations,

Rhodie said, he had commissioned a market analysis of South Africa's image in 16 major countries at a cost of "many hundreds of thousands of dollars."

It was obvious, he continued, that the effort to isolate South Africa and to silence South Africa was increasing literally by the month, and it was essential that South Africa should have certain avenues of communication with the world through the media.

Rhodie again challenged statements by the Prime Minister Botha that only Rhodie and the former minister of information, Cornelius Mulder, had been involved in bribery.

Rhodie insisted that Botha himself had been "directly involved" in at least two of the secret projects — one partly and the other wholly financed by the Information Ministry.

The interviewer reminded Rhodie that South African Robert Smut and his wife were believed killed because they knew too much about the affair, and asked whether he feared the information he possessed could endanger his own life. Rhodie replied, "It depends on whether whoever looks at the sort of information is going to feel terribly embarrassed if it is leaked by the disclosure. I would not think I don't have the kind of information that could provide a motive for murder."



3/25

Pretoria Puffery Is PR Firm's Plum

By Billboard, O. N. S. S.

The Pretoria Puffery Is PR Firm's Plum. The South African public relations firm, Pretoria Puffery, is a subsidiary of the Pretoria Puffery Co. Ltd. The firm is located in Pretoria, South Africa.

- Called George Meany to R.F.I. boycott.

- Looked into admission at Deerfield Academy for son of black South African millionaire.

These summaries are culled from internal activity reports at Sidney S. Baron & Co. that were made available to The Washington Post. Baron is the Madison Avenue public relations man whose \$650,000 yearly contract with the apartheid regime has just been renewed for another 12 months.

The summaries tell a far less dramatic story than the one now being written by Isidore Rhodde, Baron's director of Pretoria operations. As a columnist at end, Rhodde invented a series of events that led to his being named as a "Jack Horner" for the regime. Hatcher, Rhodde has been writing in public that his money was used to buy the defeat of South Africa's foes in Cape Hill and the friendship of U.S. national leaders.

But the public relations game, as he has often said, is a game of bluff. Baron's said is composed of 40 percent of puff, or "Jack Horner's" embellished assertions demonstrating the efforts of a good boy and girl.

Baron's office is located in the Pretoria Puffery Co. Ltd. The firm is located in Pretoria, South Africa. The firm is located in Pretoria, South Africa.

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But Rhodde's office has reported that their New York agents had reached Meany, implying that the cash fund money had been well spent. Meany's office flatly denies that their boss ever spoke with anybody from Baron's shop about the boycott.

There is little doubt that Rhodde mounted bolder ventures to promote South Africa's cause. He reportedly turned over \$11.5 million to a Michigan publisher, John McGoff, to buy The Washington Star. The ploy failed, but then so did many of the chores attempted by Rhodde's man on Madison Avenue.

In June 1977, Baron and his team set up an elaborate "seminar" at the Hilton Hotel in New York to persuade a select group of businessmen that an investment bonanza awaited them in South Africa. Henry Kissinger was supposed to come for \$10,000, but did not. The businessmen had to settle for former treasury secretary William Simon, and at the same price.

Even more disturbing, the "seminar" led to a rupture between Baron and one of his prize collaborators, Andrew Hatcher. He had been the black assistant press secretary for presidents Kennedy and Johnson.

Hatcher had hired the hotel's "Water Room" for the gathering, unaware that this was simply the vacant space around the swimming pool—something less than the advertised privacy. Baron, according to those present, dressed down Hatcher in outraged tones. Today, however, Baron insists their meeting was "amiable" and he has "in" regard for Andy.

Another "seminar" in Houston last June drew Gerald Ford for the standard \$100,000. This could well be the source of Rhodde's "Jack Horner" suggesting that no less than a presidential candidate has been on his slush fund's payroll.

Seminars to promote investment in the South African economy are a staple of the Pretoria Puffery Co. Ltd. The firm is located in Pretoria, South Africa. The firm is located in Pretoria, South Africa.

Baron's office is located in the Pretoria Puffery Co. Ltd. The firm is located in Pretoria, South Africa. The firm is located in Pretoria, South Africa.

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- Arranged a U.S. tour for Sidney S. Baron, South African miler. "Please do not underestimate the importance of this project."

- Developing a plan with Donald de Kieffer (principal South African lobbyist in Washington) to extend "equal time" doctrine on television to nations that think themselves unfairly treated.

- Arranging South African trip for three "distinguished" Jewish leaders. Even little things often went wrong, and with the most innocuous activities.

The black millionaire's son decided not to go to Deerfield.

Runner Maree came up with an injured thigh.

But other activities at least sounded more fruitful.

- Continuing to contact members of the new Democratic Party administration.

- Monitored anti-apartheid rally in Herald Square.

- Lunch with Readers' Digest reporter re trip to Transkei.

On one thing everybody in the game insists: nobody pumped South African money into American political races. Indeed, that can be a jailable offense.

Over the phone from New York, Baron was emphatic. "We never funneled a single penny for South Africa or any other client for political purposes."

In Washington, de Kieffer, the chief lobbyist, was equally firm. "I plan to be around a long time," the 33-year-old lawyer said. "That kind of stuff is bush."

Public records show that South Africa's U.S. agents did and do contribute to politicians—but always in their own name. That is lawful. What they can not do is serve as a conduit for a foreign government's money.

The distinction is a bit fine spun. Baron and his staff or de Kieffer and his partners take their donations in part from their own pockets, as well as from all their clients.

In any case, the records reveal that South Africa's men in Washington and New York give mostly modest amounts to politicians of all parties and persuasion. They are the sort of dues that men regularly dealing with politicians must pay to stay in the club.

Rhodde's hints to the otherwise have received their richest treatment in a "synopsis" prepared by his

friends and distributed to news organizations in hope that they would pay \$200,000 for the former official's tape recordings and documents.

This brochure or trailer contains that Pretoria's agents in the United States poured \$250,000 into the campaign that unseated Sen. Dick Clark, the Iowa Democrat. The synopsis also declares that Rhodde's documents, which he has told the BBC are hidden in safes in Europe, would show that South African money helped bring down Sen. John Tunney, the California Democrat. On the BBC's air, however, Rhodde was careful to name no names and stated "historically" that none of Pretoria's funds went directly to politicians.

Whether the synopsis is another "Jack Horner" or whether Rhodde really does have the goods buried away is anybody's guess.

With Hatcher gone, Baron says he now deals "entirely in economic activity" on behalf of South Africa, leaving legislative contacts entirely to de Kieffer. "When Andy was with me, we did broader PR work," he adds.

Even so, Baron's report filed on July 23 acknowledges that he was engaged in "general legislative interests relating to U.S.-South African economic and investment interests." More specifically, he was fighting an amendment that would bar subsidized Export-Import Bank loans for exports to South Africa.

Baron, moreover, keeps a former House member, New York Republican Seymour Halpern, on his team as an executive vice president.

The Jack Horner, no doubt, continues. More items from reports labeled "Political Activities" and the like.

- Clarified "misunderstanding" and "misconceptions" on the part of many congressmen about South Africa's racial and political problems.

- Conferred with Moynihan re the South African seminar. He never went.

- Initiated effort to place ad re Transkei in Ebony magazine. (It was refused.)

It's not just a con game, says a man who knows Baron's operation. It's standardized PR. A certain amount, maybe 50 percent, must be accurate.

The rest, he says, is a Jack Horner plan.

Research on this article was contributed by Valerie Thomas.

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BBC Airs Document on Funding

Rhodie: Cabinet Initiated Secret Projects

By Leonard Downie Jr.
Washington Post Foreign Service

LONDON, March 21—Former South African information official Eschel Rhodie said in a BBC television interview tonight that South African Prime Minister Pieter W. Botha "initiated at Cabinet level" at least two secret projects in a continuing multimillion-dollar campaign to buy foreign support for South Africa.

Rhodie also said that 60 to 65 secret influence-buying projects "have been reapproved by the administration of Mr. P. W. Botha and therefore are ongoing operations" and that Finance Minister Owen Horwood signed a secret document approving the expenditure of approximately \$9 million to fund the projects for the current fiscal year.

A photostat copy of that document, written by Mokkams and given to the BBC by Rhodie, was shown on the screen during the interview. According to a BBC translation, the document

—marked "top secret" and dated May 12, 1978 —is a letter to Horwood from then-information minister Connie Mulder, Rhodie's boss.

In the letter, Mulder advises Horwood that "The Department of Information is intending to allocate the money which you are making available to it in the current financial year" for a list of items including "distributors and publications, conferences, front organizations, collaborators, advertisements, liaison services, lobbyists, institutions and foundations, news and photo services, film production and distribution, economic action, guests, trips and other matters which are related to this."

The document also bears Horwood's signature at the bottom, which Rhodie said indicated his approval of the secret projects. Both Botha and Horwood have denied any involvement in or knowledge of the influence-buying

See RHODIE, A17, Col. 1

Rhodie: Secret Projects Were Initiated by Cabinet

RHOODIE, From A1

election, and Botha has vowed to resign and call new national elections if it is shown that he or any member of his Cabinet is involved.

Rhodie refused to further identify the secret projects listed in the document, but he told BBC correspondent David Dimbleby that the money—about \$100 million since 1973—was used “to establish organizations and institutes and to support groups and individuals to persuade them to back South Africa on certain important issues.”

Contrary to press speculation, however, Rhodie said no payments were made to U.S. politicians. “In the case of the United States,” he said, “I can state categorically that we didn’t make payments to politicians.”

He refused to rule out or comment on the possibility that money was secretly spent in the United States on lobbyists, or front organizations for South Africa or on efforts to discredit and remove from office politicians who were staunch opponents of South Africa.

Rhodie did say that money was paid to “members of Parliament” and “some newspaper people” and for “disinformation” efforts to sabotage anti-apartheid organizations and campaigns, but he refused to identify the countries in which these payments were made.

“There were certain individual cases,” Rhodie said, “where we had used money to persuade a person who would perhaps normally have been anti-South Africa at least to adopt a more neutral attitude. Or, if he had been lukewarm or neutral toward South Africa, to adopt a more positive attitude or perhaps to keep us informed of the developments taking place in anti-South African organizations.”

Asked who those people were, Rhodie said, “Those would be people whom you would classify among the opinion-formers and decision-takers. I suppose that would include politicians and some newspaper people.”

Only in the case of Britain did Rhodie acknowledge specific aspects of the scheme he ran from 1973 until last year as the top civil servant, under Mulder, in South Africa’s Information Ministry. He said anti-apartheid groups in Britain were infiltrated and sabotaged.

He also said his department considered purchasing a national newspaper in Britain, but he would not name the paper. “It had to be done secretly,” he said of the unconsummated deal. “Because, I don’t think there would have been any chance of success if the South African Department of Information had made an open approach.”

A kid if his operation had also been to finance an attempt by newspaper chain owner John McGoff to buy The Washington Star, as has been

reported, Rhodie said only that “I don’t think there has been any admission on my part or anybody else’s part that this is true.”

Former prime minister John Vorster, who is now South Africa’s president or ceremonial head of state, “knew of every major project in which we were ever involved,” Rhodie said. “So did Horwood, and these were reported to them in detail on an annual basis. They knew about it. They could have stopped anything if they wanted to.”

Rhodie said that others also could testify to the personal involvement of Botha, the former defense minister who is now prime minister, in “at least two or three projects,” despite Botha’s denials.

“There are at least 20 officials in the Department of Defense who were involved in one of those projects,” Rhodie said. “There were outside agencies involved in one of those projects. I cannot see the prime minister making such a denial.”

Rhodie said he would emerge from hiding in Europe to go back to South Africa only if the entire affair were aired publicly in a court of law where his lawyers could cross-examine Vorster, Botha and members of the Cabinet. But he said he did not think “there is any chance of that happening.”

Instead, Rhodie said he intends to stay, with the help of “some friends left in the outside world” countries from which he cannot be extradited to South Africa. He said he has taped recollections of his knowledge of the affair and complete records of all 130 secret influence-buying projects—with “amounts of money spent, names of people, the summary of the projects [and] who received what”—safely hidden in a bank vault “somewhere in Europe.”

He will not release the documents or the tapes, he said, because of the “disastrous consequences” for South Africa and its “relations with a number of Western countries,” so long as he is alive and free.

“If I were to die an unnatural death or if I were to be taken back to South Africa against my will or imprisoned on trumped-up charges,” Rhodie warned, “my lawyers have instructions what to do and I think the circumstances would be different.”

South African authorities have issued a warrant for Rhodie’s arrest charging him with fraudulently diverting some of the secret project money to real estate investments of his own.

Rhodie, dressed in a fashionable dark-blue suit, appeared fit and relaxed during the interview, which was taped last Saturday in a hotel room in an undisclosed European city outside Britain. BBC officials said no money was paid to Rhodie, who they said originally asked for \$200,000 in return for access to his tapes and documents.

THURSDAY, MARCH 22, 1979

South African Role in Iowa Voting Charged

By WENDELL RAWLS Jr.

A former official in South Africa's Information Ministry who has been in hiding in Europe reportedly has said that his country interfered in the electoral process in the United States last year with the aim of defeating Senator Dick Clark, a liberal Iowa Democrat.

The allegation is one of many that the former official, Eschel M. Rhoodie, is said to have included in papers and 41 tape recordings that he has said would document South Africa's secret multimillion-dollar campaign to influence lawmakers, journalists and news outlets around the world.

Although he has held the documents and recordings for sale or for protection against reprisal, some of his allegations were summarized for news organizations that sought to obtain access to the materials.

Mr. Rhoodie is a central figure in what has become a major scandal in South Africa involving top Government officials. It has led to his resignation and those of the Minister of Information and the head of the Bureau of State Security, South Africa's secret police. They are accused of spending about \$73 million on some 170 clandestine projects as part of a propaganda effort on behalf of apartheid, South Africa's system of racial separation.

Senator Clark was defeated last November by a conservative Republican, Roger W. Jepsen. Senator Clark, as chairman of the Foreign Relations subcommittee on African Affairs, was a harsh critic of South Africa's racial policies and had urged economic sanctions against that country.

Assertions in Rhoodie's Papers

Among the assertions that Mr. Rhoodie's material is said to include were the following:

"South Africa was a major financial backer of Mr. Jepsen. However, public records in the United States reflect no financial contribution from South African Government sources, and Senator Jepsen said last night that the allegation was 'so

completely ridiculous and totally false, I don't want to dignify it with any big response.'" Speaking of Mr. Rhoodie, he commented, "He is just some kook running around the world with some supposed tape recordings for sale for \$200,000." He added that he had "every reason to believe that there was absolutely no money put into my campaign from South Africa."

"South Africa supplied a substantial share of the capital that enabled a newspaper publisher, John P. McGoff, to make an unsuccessful bid for The Washington Star in 1975 and a successful one for The Sacramento Union in California."

"South Africa made large cash payments to prominent labor leaders in the United States early in 1977 to persuade them not to take part in a weeklong shipping blockade of South Africa organized by the International Confederation of Free Trade Unions."

In addition, The New York Times has learned independently that about 50 members of Congress or members of Congressional staffs have made trips to South Africa that were subsidized by the South African Government.

Although documentation of Mr. Rhoodie's assertions is being withheld, the record of the Clark-Jepsen campaign disclosed a pattern of involvement by South Africans or people strongly supportive of South Africa.

South African Visited Iowa

In the spring of 1978, just before the primary election in Iowa, a South African diplomat, Jan van Rooyen, visited the Iowa state capital, Des Moines, at the invitation of a conservative Republican state Senator, Stephen Bisenius. In the course of the visit, Mr. van Rooyen told a group of Iowans that he did not know "why Senator Clark finds South Africa such a fine platform, rather than dealing with the real problems this state might have."

The statement brought a quick reaction from the State Department. David D. Newsom, Under Secretary of State for Political Affairs, summoned the South

African chargé d'affaires to the State Department, where he delivered an oral protest against Mr. van Rooyen's actions.

According to sources familiar with the case, the State Department also sent a confidential cable to South Africa protesting the fact that Mr. van Rooyen had injected himself into the American electoral process, and complaining that he "had made disparaging remarks about Senator Clark."

The following summer, Mr. Bisenius was the only Iowan to attend a large convention in Houston sponsored by the South African Foreign Trade Organization. The featured speaker at the convention was former President Gerald R. Ford, but the most political of the speeches, according to Mr. Bisenius, was delivered by Mr. McGoff, who castigated Senator Clark and interrupted himself to ask whether anyone from Iowa was present. Mr. Bisenius said he had raised his hand and was invited to talk with Mr. McGoff after the session.

South Africans Attended Meeting

Mr. Bisenius said that 20 to 30 South African businessmen had also attended the convention, along with several representatives of Sydney S. Baron & Company Inc., the New York public-relations concern that represents South Africa in the United States.

He said that he was invariably greeted at the convention with the observation, "We don't get along with one of your Senators." He said that the desire to have Senator Clark replaced by someone more sympathetic to South Africa's point of view was often expressed. He said that he had urged the South Africans to refrain from becoming involved in the campaign, and said he felt certain that they did refrain from doing so.

Shortly after the Houston conference, Mr. Bisenius made a visit to South Africa that he described as a business trip, for which he said he paid his own expenses. The purpose of the trip, he said, was to see the South African labor force at work and to observe the South African coal-gasification process.

French Court Rules That Figure In S. Africa Scandal Be Returned

AIX-EN-PROVENCE, France, Aug. 8—Three French judges said today that Eschel Rhodie, who disclosed South Africa's use of covert funds to buy influence, should be sent home to face fraud and theft charges.

They dismissed his contention that political charges might be brought against him in South Africa and sent him back to jail to await a government decision on their recommendation.

Rhodie's lawyers immediately announced they would appeal both the recommendation and a refusal of bail.

South Africa's former information chief showed no emotion during the seven-minute hearing but the ruling brought a bitter outburst from his wife Katie, with whom he fled South Africa last November.

Nearly in tears, he said "They could stone me in the streets if that would save them. It is all a charade to say that this is not political—what else could it be but political?"

France and South Africa have no extradition treaty, but the judges acted under a 1907 agreement. France

British convention signed when South Africa was a British colony.

Rhodie brought on the funds scandal, and the eventual resignation of President John Vorster, by charging that leading South African figures took part in a secret attempt to buy influence in domestic and foreign newspapers.

He was arrested at his French Riviera home last month on a warrant issued by South Africa.

Prosecutors alleged yesterday that Rhodie misappropriated \$90,000. He insisted this was repayment of money he personally paid secret agents.

Rhodie said in an interview published today in the Dutch weekly magazine Elseviers that he had financed visits by South African heart surgeon Christiaan Barnard to many of the world's leading statesmen.

He said he and Dr. Barnard, an opponent of apartheid, got on well because both wanted to see a progressive course in South Africa's politics. He said Barnard helped combat boycotts against South Africa, including a possible AFL-CIO action last year.

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