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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

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IN RE: POSSIBLE VIOLATIONS :
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18 USC 2511 and :
18 USC 2512 :
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United States District Courthouse
3rd & Constitution Avenue, N. W.
Washington, D. C.

August 23, 1973

The testimony of HENRY E. PETERSEN was taken in
the presence of a full quorum of the Grand Jury.

BEFORE:

RICHARD BEN-VENISTE, ESQ.
Assistant Special Prosecutor
United States Department of Justice

1 A No, not early in the investigation, Mr. Ben-Veniste.
2 Late in the investigation, post-conviction. Pat Gray informed
3 me that they had a lead which came from a CIA Agent, a contract
4 Agent or informant, I'm not sure, but in any event, a person
5 in a very sensitive spot, that information that money was
6 being funneled to the defendants through a kick-back arrange-
7 ment and that money originated with the Committee to Re-elect
8 the President -- in other words, it would be given to them and
9 they would take it and convert it and contribute it to the
10 Cuban committee for the defense of the Florida five, or some-
11 thing like that.

12 He said the CIA was very concerned about the sensi-
13 tivity of its source and "What should we do?". I wrote on
14 the memorandum which he took back with him, "Investigate
15 this and check it out."

16 I assume he did. I mentioned it to Mr. Ruckelshaus
17 after Mr. Gray's resignation.

18 Q Are you aware of what the results of that investiga-
19 tion were?

20 A No, I was not, but about the time the investigation
21 transferred, I would not necessarily be aware.

22 Q When did you learn that the President had ordered
23 Mr. Ehrlichman to conduct an investigation of the cover-up?

24 A April 15th or April 16th. The President told me.

25 Q Did Mr. Nixon tell you any substantive matter that

1 had resulted from Mr. Ehrlichman's investigation?

2 A No.

3 Q Specifically, did the President inform you that Mr.
4 Ehrlichman had investigated the payments, or the allegations
5 concerning payment of money, so-called hush money, to the
6 defendants?

7 A Only in the context of John Dean's statement to him
8 which he alluded to in his press conference last night. The
9 President told me that repeatedly. It somehow seemed to
10 bother him that Dean had come to him and said this, and that
11 the President construed this as blackmail and he told Dean,
12 "There's no problem raising a million dollars, but that's
13 blackmail and you can't do that."

14 It was in that context. I just assumed that he had
15 gotten that from Ehrlichman as well as from Dean.

16 Q Did Mr. Nixon indicate to you when he had first
17 heard about this?

18 A First heard about what?

19 Q The question of payments.

20 A From John Dean, sometime at or about March 21st, or
21 thereafter.

22 Q Did Mr. Nixon indicate whether this was a proposal,
23 or whether he had information that payments had been made?

24 A I don't think it's fair to say that it was a pro-
25 posal. It was an item of information that John Dean didn't