

CIA Kept Watch on Vesco Firm

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The CIA kept tabs on a firm headed by financier Robert L. Vesco in an effort to warn then-President Nixon of any embarrassment arising from the activities of Nixon's nephew, according to an agency document.

Donald A. Nixon Jr. went to work for Vesco in 1971 as the Securities and Exchange Commission was investigating Vesco for his efforts to take over a mutual fund empire, the Geneva-based International Overseas Service, from Bernard Cornfeld.

According to the CIA document released Friday, then-White House counsel John W. Dean III asked the agency for information about IOS out of concern over "the possible adverse publicity that might develop regarding the President's nephew."

The agency's counterintelligence staff provided Dean with six reports on IOS which were "routine in nature," the document said.

The document, part of the CIA's 1973 internal investigation of "potential flap activities," was made public Friday by Morton Halperin, director of the Center for National Security Studies, who obtained it under the Freedom of Information Act.

Former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans ultimately were acquitted of charges that they conspired with Vesco to sidetrack the SEC investigation in return for a \$200,000 contribution to Nixon's re-election campaign.