

# Administration Disputes

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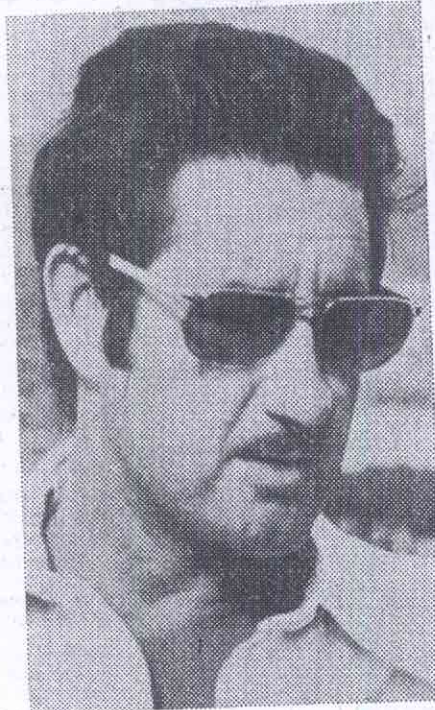
In an extraordinary series of week-end briefings, the Carter administration has angrily but confidently disputed accusations by columnist Jack Anderson that the White House was improperly approached to assist fugitive financier Robert Vesco with his legal problems.

Hamilton Jordan, the top presidential adviser who is the central target of Anderson's allegations, called them "malicious and unsubstantiated lies", said he had retained high-powered Washington attorney Edward Bennett Williams, and hinted at possible libel action against Anderson.

(The Anderson column is on Page C27.)

The White House not only brought Jordan and press secretary Jody Powell down from the Camp David summit, but produced for reporters the legal counsel to the State Department, the U.S. attorney in charge of the Vesco case, and top Justice Department aides for a complete review of the government's policies on the Vesco matter.

In the process, they poked a number of holes in the factual basis of the Anderson report and noted, as Anderson himself has said, that there was no evidence whatsoever that anyone in the administration had lifted a finger to help Vesco.



**ROBERT VESCO**  
... fugitive financier

Vesco, who last made headlines when he sought help from the Nixon administration, is now reported to be in the Bahamas, fugitive from five federal indictments charging that he

plundered a publicly held company of millions of dollars and then tried to buy his way out of trouble with a \$200,000 contribution to the Nixon election campaign in 1972.

Vesco has been successfully avoiding trial since 1973 by fleeing first to Costa Rica and then, earlier this year, to the Bahamas.

The Anderson column alleges that Vesco sought to settle his problems once and for all by getting a group of Georgians to intercede with Jordan and presidential confidant Charles Kirbo. Anderson implied that the effort met with some success, linking it to a switch in U.S. efforts to get Vesco returned.

Like Jordan, Kirbo disputed the allegations.

The White House response was complicated by the fact that there were in effect two Anderson columns. The first, distributed to Anderson clients late last week, alleged that the government "suddenly dropped its efforts to extradite Vesco" and removed the ambassador to Costa Rica who had been pressing for extradition.

The second column only said the government had changed its policies. It also dropped entirely Anderson's first paragraph, which had said Jordan and Kirbo were "linked to a \$10

Administration officials did acknowledge that the Justice Department shifted its strategy on trying to get Vesco back during the spring of 1977. But they said the change, set forth in a June 15, 1977, memo for the president by then Assistant Attorney General Benjamin R. Civiletti, was unrelated to any efforts that Vesco's associates from Georgia might have been making earlier that year.

The shift was to give up what had been unsuccessful attempts to extradite Vesco and work instead to get him expelled so he could be apprehended.

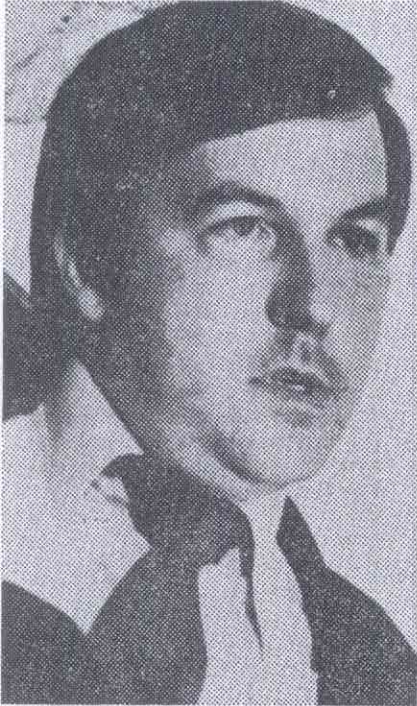
The Civiletti memo was triggered by an interest in the Vesco situation expressed by Rosalynn Carter upon her return from a trip to South America a few days earlier.

The new approach also was unsuccessful. But officials said the president continued his personal efforts in the matter in a September 1977 meeting with Costa Rica's president and a handwritten note to Secretary of State Cyrus Vance as recently as May.

While the White House argued vehemently with many of the Anderson contentions, independent reporting confirmed that there were, indeed, four South Georgians striving desper-



# Columnist's Report on Vesco



**HAMILTON JORDAN**  
... might sue for libel

ately to influence high level Carter administration officials on Vesco's behalf and later, when they had legal troubles, on their own behalf. They met with no apparent success. Much of their effort was outlined in July in articles in the Atlanta Constitution.

They aimed only for the top: Kirbo, the president's longtime friend and one-man kitchen cabinet; Jordan, Carter's closest White House aide; Secretary of State Vance and Griffin Bell, the attorney general.

Their primary vehicle was Spencer Lee IV, an Albany, Ga., lawyer and a longtime friend of Jordan.

Lee was retained by R.L. Herring, an Albany businessman now awaiting trial on unrelated racketeering charges who, in turn, had obtained promises from Vesco of millions of dollars for their efforts. Herring is also Anderson's primary source of information.

Lee said in an interview with The Washington Post that he accepted the mission and came here in February 1977 with the idea of talking to old friend Hamilton Jordan and "getting someone in the Carter administration to sit down and talk to Vesco about his problems."

But Lee said he dropped the idea after consulting with another adminis-

tration friend, Richard Harden, special assistant to the president for budget and organization. Harden talked him out of his plan, Lee said, cautioning him about Vesco's reputation.

"I went up there to do it," Lee said, "but I just couldn't. Hamilton was just too good a friend of mine."

Lee did get an audience in Kirbo's Atlanta law office. But he said Kirbo refused to get involved. Another of Herring's lawyers, Fred Bartlett, succeeded in arranging a meeting with Vance, after he was nominated but before he was confirmed as Secretary of State. Vance also refused to help.

Jordan and Lee both say that they never spoke about the Vesco matter nor exchanged any correspondence about it. Anderson contended he had documentation to the contrary which, at some point, he would make available.

The original Anderson column said that Justice's "abandonment" of the extradition effort and the "removal" of Ambassador Terence Todman from Costa Rica signaled to Vesco that "the fix was in."

That set off moves that allegedly were to result in a multimillion-dollar transfer of stock from a Vesco corporation to Lee and Herring, the column said.

Administration officials said yesterday, however, that Todman — now ambassador to Spain — was promoted in January 1977, before the Georgians' approaches, not "removed" in April, as the column said.

Todman became assistant secretary of state with jurisdiction over Latin American affairs, and thus was in more of a position than ever to press for Vesco's return, he said through a spokesman.

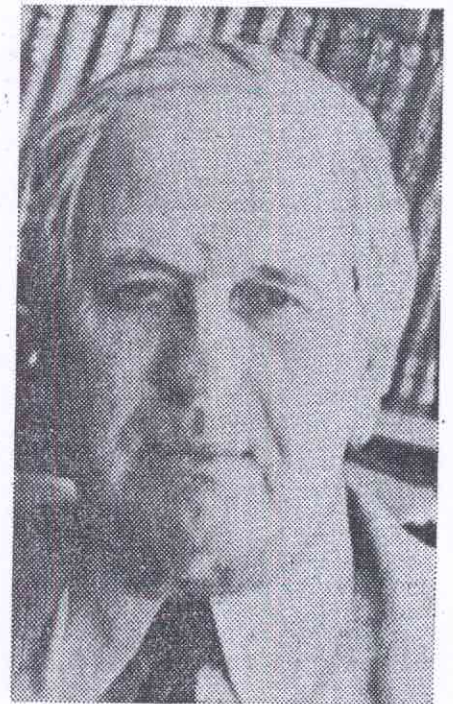
The effort to "coordinate" an expulsion of Vesco from Costa Rica, as Civiletti suggested in the June 1977 memo endorsed by Bell and Carter, was complicated that fall by the approaching presidential election in the country, in which Vesco was an issue, officials said.

"We had it checked out legally and it didn't look promising," one State Department official said. "It would look like kidnaping . . . So we decided to wait for the election with the thought that if we didn't screw it up, he would be expelled."

New Costa Rican President Rodrigo Carazo had campaigned for the February election on a platform of expelling Vesco, something he pledged to do as soon as talking office May 8. Vesco fled May 5 to the Bahamas.



**ROSALYNN CARTER**  
... triggered Justice memo



**CHARLES KIRBO**  
... refused involvement



Jack Anderson's Washington Merry-go-round

## Jordan, Kirbo linked to \$10 million scandal

WASHINGTON — President Carter's two closest confidants, top aide Hamilton Jordan and Atlanta attorney Charles Kirbo, have been linked to a \$10 million political fix. Both men emphatically deny any knowledge of the deal.

But letters, telephone messages and sworn testimony tie them to a Georgia group which sought a \$10 million slice of fugitive financier Robert Vesco's stolen fortune. In return, the Georgians allegedly promised to fix Vesco's legal problems in Washington.

No one has more influence with the president than do Jordan and Kirbo, who are known in political circles as Mr. Inside and Mr. Outside. But they deny ever using their influence to help Vesco.

The latter has been described in a biography as "the largest international swindler of our time." He allegedly looted a mutual fund of a staggering sum estimated as high as \$500 million. But he denies stealing any money and claims to be a victim of U.S. harassment.

Like all Vesco's dealings, this caper is enormously complex. For a nominal \$42,500 payment, front men for the Georgia group wound up owning a bloc of stock in Vesco's corporate flagship. This was accomplished with some adroit sleight of hand, which had Vesco's expert personal touch.

So far, the Georgians haven't been able to cash in their stock. It has a paper value of \$12 million, but they offered to sell it to liquidators in the Bahamas for \$10 million. This was the figure they had been led by Vesco to expect.

Meanwhile, the Justice Department suddenly dropped its efforts to extradite Vesco. This aborted a move by American Ambassador Terence Tod-

man to persuade the Costa Rican government to return Vesco to the United States for trial.

Todman, now our ambassador to Spain, acknowledged that he had been preparing a new extradition request and that he had made views on Vesco known informally to the Costa Rican authorities.

"We hoped he would be returned to the United States," said Todman. "But Justice never got the whole thing together. We still wanted him returned, but we never got the formal request from Justice to present the request."

Attorney General Griffin Bell told us the decision to discontinue the extradition effort was made within the Justice Department. The prosecutors felt they had exhausted the available revenues for bringing Vesco back, Bell said. He insisted there had been no pressure from the White House in Vesco's behalf.

According to the sworn testimony, Vesco wanted the Carter administration "to get Todman off his back."

Documents in our possession show the two ringleaders of the Georgia group were R. L. Herring, now in jail under \$500,000 bond awaiting trial on unrelated fraud charges, and Spencer Lee IV, who claims he merely acted as Herring's attorney. Herring had the connection with Vesco, and Lee was a close personal friend of Jordan.

Herring has sworn under oath that he arranged with Lee to get Hamilton Jordan to intervene. Declared Herring: "Spencer said he called Hamilton, and everything would be all right. He also said Hamilton told him that they would maneuver Todman out." Both Jordan and Lee deny that the approach was ever made.

In any event, Todman was transferred

out of Costa Rica in April of 1977. Vesco took the abandonment of the extradition effort and the removal of Todman as a signal that the fix was in. Shortly thereafter, he began the machinations that transformed a \$42,500 payment into a multimillion-dollar stock deal.

Witnesses report that Vesco outlined the complex stock deal to the Georgians in Costa Rica on Jan. 15, 1977. Flight records show that they flew to Costa Rica in a private jet on Jan. 14 and returned on Jan. 16. Both Herring and Lee were listed as passengers.

Vesco promised to deliver to the Georgians through a series of manipulations \$12 million worth of stock in his prime corporation. This is a creation which he calls Property Resources Limited. Federal investigators refer to the company bitterly as "Plunder Rape & Loot." In financial circles it is known simply as PRL.

A few days after Lee returned from Costa Rica, he flew to the Bahamas to set up a corporation called Southern Ventures Limited. The flight records show he arrived there on Jan. 27, 1977. Herring has testified that Southern Ventures was established to launder the millions that the Georgians expected to get when they cashed in their PRL stock.

The flight records show that on the following Feb. 7 Lee and Herring flew to Washington from Georgia. Telephone messages and correspondence in our possession indicate that Lee spoke to Hamilton Jordan about the PRL deal. In a letter to Jordan, Lee also reported that "the necessary arrangements have been made to protect our interest in Nassau."

Both Jordan and Lee deny that the documents are authentic. They have

been verified, however, by independent sources, including the secretary who typed and mailed Lee's letter to Jordan.

Footnote: We have been investigating the allegations against Hamilton Jordan and Charles Kirbo for several weeks. We have tracked down the details from Costa Rica to Nassau. We have also made repeated trips to Georgia. We have spoken to dozens of witnesses, taken several affidavits and obtained a raft of documents. Herring was questioned under oath for 14 hours. He provided painstaking details, which we have largely confirmed from independent sources. The details will be reported in future columns.

**WATCH ON WASTE:** The Navy has been giving its aviators enough equipment to open a surplus store. Over the last two years, the Navy has bought 65,000 pairs of sunglasses for its 38,000 aviators, even though each pair is supposed to last three years. The Army and Air Force also ordered far too many sunglasses.

At the Naval Air Station in Pensacola, Fla., one group of flyers got 12 pairs of sunglasses apiece at \$6.88 a pair; four flight jackets, which cost the taxpayers \$49.80 apiece; three pairs of \$21.50 boots and six pairs of \$11.50 gloves.

The Defense Department, meanwhile, hasn't purchased any new colt .45 handguns since 1945, but is spending \$314,000 a year for 48,000 rawhide holsters especially made for these guns.

Pentagon officials have privately told House investigators that they're trying to cut down on excess supplies.

The only thing that comes out of most brainstorming sessions is a lot of wind.