

## Anatomy of a political payoff

WASHINGTON — The anatomy of a political payoff, Robert Vesco-style, has undergone considerable sophistication since the Watergate era.

In 1972, the corporate freebooter delivered \$200,000 to the Richard Nixon campaign chest in an attempt to fix his case before the Securities and Exchange Commission (SEC).

By today's standards, it was a gross transaction. The cash — \$100 bills bound in brown paper wrappers — was stuffed into an old leather briefcase. Two couriers picked up the briefcase in Vesco's New Jersey office, flew to Washington in a chartered plane and plunked the leather bag on the desk of Nixon's chief fund-raiser, Maurice Stans.

"Mr. Stans, here is your currency," one courier said tersely. He opened the briefcase, tilted it toward Stans to reveal the stacks of \$100 bills and asked if he wished to verify the \$200,000.

"No," said Stans, "that won't be necessary." No receipt was asked; no receipt was given. The cash was later used to help finance the Watergate burglary.

Vesco later sent Nixon another \$50,000 check which, unlike the cash, was properly recorded. Vesco told us he also laundered another \$250,000 through a Nassau gambling casino and handed the cash to a White House courier. There is no mention in all the Watergate annals of this mysterious payment.

On the same afternoon that the \$200,000 down payment was deposited on Stans' desk, a Vesco aide called upon former Attorney General John Mitchell who picked up a telephone and arranged an immediate appointment for the aide to sit down with then-SEC Chairman Bill Casey. This was followed by other meetings, which failed to resolve Vesco's SEC troubles. The disappointed Vesco felt obliged to skip the country.

Four years later, he was approached in Costa Rica by a group of Georgians who offered to fix his problems in Washington for an appropriate financial con-

sideration. One who turned up in Costa Rica was Spencer Lee IV, a close friend of Hamilton Jordan who had masterminded Jimmy Carter's successful presidential campaign.

Lee was brought to Costa Rica by R. L. Herring, a wheeler-dealer, who had made the original contact with Vesco. According to Herring's sworn account, he discussed with Lee how much they should soak Vesco for pulling the right strings in Washington. "Spencer said, 'Would \$10 million be unreasonable?' I said 'I don't know.' I mentioned this to Robert (Vesco)," recounted Herring.

Vesco refused to make a cash offering, citing his unhappy Watergate experience. But he laid out a complex financial shell game that he promised would net the Georgians the \$10 million they wanted. He spelled out the elaborate details at a meeting with Herring and Lee at his luxurious Costa Rican retreat on the eve of Carter's inauguration.

The fugitive financier produced a thick portfolio of his holdings — "the whole complex of companies, 70 to 80 companies that had been set up," recalled Herring. The flagship of this corporate fleet is Property Resources Limited, a cash-rich Bahamas-based company known in financial circles simply as PRL.

Vesco showed the Georgians how, through a series of paper transactions, they would wind up owning a huge block of PRL stock for a mere fraction of its value. The Georgians' share had a paper value of \$12 million and an anticipated cash value of \$10 million.

"It was briefly discussed," attested Herring, "me handling it for 10 percent and the Carter people getting the rest of it... I was going to get \$1 million... and Spencer was told he would have \$9 million to distribute."

The two elated Georgians returned home with Vesco's financial portfolio in a fat brown folder and with a detailed memo from Vesco spelling out what he wanted in return for the \$10 million deal.

Herring reported that Lee delivered the portfolio to Carter's trusted friend and unofficial adviser, Charles Kirbo. Lee confirmed that he and Herring had met with Kirbo but said Kirbo had refused to become involved. Kirbo said he had no recollection of the meeting.

Lee attended the inaugural festivities in Washington on Jan. 20, 1977. According to a telephone log authenticated by the secretary who kept it, he left a message that day for Herring. Lee reported that he had "talked to Hamilton and everything is fine."

A week after the inauguration, Lee was in Nassau setting up a corporation. He was accompanied by Herring's attorney, Fred Bartlett. They named the corporation Southern Ventures Limited, the same code name they had used in internal memos to identify the Vesco caper.

Herring identified Southern Ventures in his sworn account as "the company that would launder the money." Another member of the Georgia group, Norman Gay, stated in an affidavit that Lee had told him about "going to the Bahamas to set up a corporation or corporations for the purpose of bringing some of Vesco's money back into this country."

Not long afterward, a move by the U.S. embassy in Costa Rica to extradite Vesco was aborted. The Justice Department suddenly abandoned its efforts to bring Vesco back to the United States to stand trial.

Thereafter, Vesco began the machinations that transferred the PRL stock to the Georgians. They have not been able, however, to cash in the stock. Our sources say Vesco holds the key to this final transaction and won't turn it until his legal problems have been settled.

Footnote: Lee emphatically denied that he had asked Hamilton Jordan or Charles Kirbo to fix Vesco's legal problems. Attorney General Griffin Bell told us that an internal decision had been made to drop the extradition attempts against Vesco, free of outside pressure.



Jack Anderson

# The Approach to Vesco in Costa Rica

The anatomy of a political payoff, Robert Vesco style, has undergone considerable sophistication since the Watergate era.

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