

Sent Letters to Jordan, Ga. Secretary Testifies

9/15/78

By Charles R. Babcock
Washington Post Staff Writer

NEW YORK—A secretary said under oath yesterday that she typed and mailed letters and placed telephone calls to presidential confidants Hamilton Jordan and Charles Kirbo for a group of Georgians trying to help fugitive financier Robert L. Vesco with his legal problems.

The secretary, Gerolyn Hobbs, 22, is a key figure in the dispute between the White House and columnist Jack Anderson over allegedly improper approaches to the Carter administration on Vesco's behalf.

Hobbs told Securities and Exchange Commission attorney Gregory Glynn under oath yesterday that she remembered typing the letters to Jordan and Kirbo in early 1977 because "I was impressed by the names. They were important people."

Jordan and Kirbo deny receiving the letters.

Hobbs, whose soft-spoken answers could barely be heard in the Manhattan courtroom of U.S. District Court Judge Charles Stewart, also testified that she remembered receiving a manila envelope from Jordan at her Albany, Ga., office sometime after she had mailed the Feb. 9, 1977, letter to the White House aide.

Until early this year Hobbs was secretary to R. L. Herring, a Vesco associate in Georgia. She said Spencer Lee IV, a close friend of Jordan's, often visited Herring's office during the period.

She said of the envelope from Jordan, "I feel like his name was on the outside."

She said she didn't open the envelope as she usually would because somehow "I knew I wasn't supposed to."

Jordan and Kirbo, the Atlanta attorney who is President Carter's closest unofficial adviser, have denied taking any action for Vesco. Columnist Anderson has said he has no evidence that anyone in the Carter administration "lifted a finger" to further the al-

leged scheme by Herring and Lee.

Vesco is a fugitive from five federal indictments charging that he stole \$224 million from Investors Overseas Services and then tried to buy his way out of trouble with a \$200,000 contribution to the Nixon reelection campaign in 1972.

Vesco allegedly approached Herring in late 1976 with a plan to approach the new Carter administration to settle his legal difficulties. In return for their influence, Herring and his Georgia associates were to get several million dollars in stock from a Vesco corporation.

The matter came up yesterday as part of the SLK's efforts to protect IOS assets from being plundered further by Vesco. In the hearing yesterday Glynn asked that Vesco be held in contempt of court for violating an earlier protective order. He also asked that the order be extended to cover Herring and three other Georgia associates.

Herring was indicted in July on federal charges of fraud and racketeering and Lee claimed in a deposition filed in the SEC proceeding yesterday that Herring told him before the indictment that he was building a case to involve the Carter administration.

There also has been speculation that the documents could have been created to show Vesco that Herring and Lee were keeping their part of the bargain to approach the Carter administration officials.

Hobbs' testimony that she believed she mailed the disputed letters and recorded phone messages relating to the Vesco scheme takes the Anderson column allegation beyond merely Herring's contentions.

The unsigned letter to Kirbo allegedly from Lee is dated Jan. 14, 1977. It seems to be written on a different typewriter and with different spacing than the Feb. 9, 1977, letter from Lee to Jordan. Hobbs explained the difference by saying each letter was "just



R. L. HERRING
... Vesco associate in Georgia

the way I felt like typing that day."

Lee has denied writing either letter. He acknowledges being paid to approach Jordan. But he said he backed down from the idea during a trip to Washington in early February 1977.

The letter Hobbs said she typed and mailed to Jordan apparently refers to that Washington trip. "I forgot to mention to you when we talked that the necessary arrangements have been made to protect our interest in Nassau. I have already cleared this matter with the trustee in Atlanta."

Hobbs said she believed she included in the Jan. 14 letter to Kirbo a seven-point plan for resolving Vesco's legal problems dictated to her from Costa Rica. She said she believed the caller was Vesco.

Extradition efforts to reach Vesco in Costa Rica failed. He fled to the Bahamas this spring when a new government in Costa Rica threatened to expel him.