

The White House Was Apprehensive



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THE EMPLOYMENT of President Nixon's 26-year-old nephew, Donald Nixon Jr., was the subject last year of a "personal and confidential" memo between two top aides of international financier Robert L. Vesco.

The memo, dated August 10, 1971 was written by Vesco's right-hand man in America, Gilbert R. J. Straub, to the right-hand man in Europe, Norman Leblanc. Copies were sent to other top Vesco executives.

"With the agreement of Robert L. Vesco," wrote Straub, "I have secured the services of Don Nixon Jr. . . . per our recent conversation, we have agreed to compensate him monthly as a 'consultant,' the mechanics to be determined by your good offices . . .

"It is thoroughly understood that Don is to be treated without preferential consideration, and I have assumed the responsibility for his actions and activities within the framework of his employment. Accordingly, any extraordinary or restrictive disciplinary actions, should they be required, should come through me."

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IN OTHER WORDS, the Nixon nephew wasn't supposed to receive special treatment, but no underlings had better try to discipline him. A source inside the Vesco operation tells us Donald not only was treated with deference but he also

capitalized on his relationship to the President.

Our source says the White House was apprehensive when Donald went to work for Vesco and stipulated that he should go on the payroll of International Controls Corporation rather than Investors Overseas Service. Although both companies are part of Vesco's financial empire, IOS had received bad publicity over some alleged stock manipulations. ICC, therefore, was more acceptable. Not wishing to antagonize the White House, Vesco worked out the details of Donald's employment with Straub. As stipulated by Straub in his confidential memo, young Nixon "is to be an employee of mine acting within my corporate identity of ICC; . . . He is not in any way to be considered or reached the status of an IOS employee."

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VESCO was anxious, according to our sources, to prevent any embarrassment to the President. Donald, therefore, was assigned inconspicuous duties at first in Europe. But as Vesco got into increasingly hot water with the Securities and Exchange Commission, the temptation was irresistible to associate himself with the Nixons.

This culminated in the recent news reports that the President's nephew is now employed in the Bahamas as a personal aide to Vesco, himself, who has been accused of diverting \$224 million in mutual funds into companies he controls.