

S.E.C. Tells Court Book Disappeared

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By ROBERT J. COLE

The Securities and Exchange Commission, which has charged Robert L. Vesco and 41 others with looting \$224-million from four mutual funds managed by Investors Overseas Services, Ltd., disclosed yesterday that a passenger log book that is important to its case had disappeared.

The log, containing the names of persons who have traveled on Boeing 707 jet operated by the International Controls Corporation, was last reported to be in Nassau, the Bahamas, in the possession of Norman Le-

Blanc, chairman of the Bahamas Commonwealth Bank.

Mr. Vesco, formerly chief executive of International Controls and controlling stockholder of that company, is also alleged to control the Bahamian bank.

In testimony in United States District Court here, Mrs. Shirley Bailey, Mr. Vesco's former secretary, said that Mr. Vesco had called her "long distance" at 4:20 A.M. yesterday to discuss the log and to tell her that it now was in the possession of Mr. LeBlanc.

Mrs. Bailey, visibly frightened, said that the last time she had seen the log it was on a credenza behind her desk. Another company secretary put it there after use. "It just disappeared one day," she said.

Later, another witness, Frank G. Beatty, executive vice president of International Controls, said that he had twice asked Mr. Vesco to return it. Mr. Beatty said that on each occasion Mr. Vesco said that there was some "problem" about its return.

The S.E.C.'s attorney, Robert Kushner, said the Government agency attempted to subpoena the log to find where the aircraft travelled and who its passengers were.

Justin Feldman, an attorney for I. O. S., argued that testimony about the log was irrelevant to the case, but Mr. Kushner maintained that "a log that mysteriously disappears shortly before trial can be conceived

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to have some bearing on this case."

Mr. Beatty said that Mr. Vesco had told him that the log might have been sent to Nassau along with other personal belongings sent to him after he resigned from International Controls. Arthur Liman, Mr. Vesco's attorney, said that if the log was company property he would attempt to get it back, even if he had to send someone to Nassau to get it.

Mr. Vesco, meanwhile, was reported to be in Nassau on Thursday and to be leaving for Beirut, Lebanon, as late as Saturday. Mr. Liman brought out in questioning that Mr. Vesco was going to Lebanon to demonstrate the 707 jet to a potential Middle Eastern buyer on behalf of its owner, the Skyways Leasing Corporation, a subsidiary of the Fairfield Aviation Corporation.

The New Jersey financier, who secretly gave \$200,000 to the Finance Committee to Reelect the President last April 10, has also been asked to testify in Costa Rica before a Costa Rican Congressional committee investigating Mr. Vesco's activities. His attorney said that he understood Mr. Vesco would not do so.