

SFChronicle

OCT 26 1973

Rebozo and Stolen Stocks

Washington

Charles G. (Bebe) Rebozo, a close friend of President Nixon, cashed 900 shares of stolen stock in 1968, selling one third of them after he was notified by an insurance investigator they were stolen, the Washington Post reported yesterday.

The stock, worth more than \$300,000, allegedly was stolen by the Mafia in 1968 from the E. F. Hutton & Co. brokerage in New York, according to federal prosecutors.

The records show, the Post said, that the allegedly stolen stock was given to

Rebozo's Key Biscayne bank as collateral on a \$195,000 loan made to Charles L. Lewis at the request of Walter A. Jernigan, a friend of Rebozo.

Evidence that Rebozo cashed the International Business Machines Corp. certificates was contained in records of a Miami civil suit filed by Hutton seeking repayment by Rebozo, the Post reported.

Democratic Senator William Proxmire of Wisconsin, a ranking member of the Senate Banking Committee, urged yesterday that Rebozo be immediately suspended as an officer of the Florida

bank pending a probe of the allegations.

Proxmire, in a message to Frank Wille, chairman of the Federal Deposit Insurance Corp., said the law gives Wille's agency complete authority to order suspension of a bank officer suspected of illegal, dishonest or unsafe activities.

Proxmire said Rebozo should be permanently removed from the bank if the charges are found to be true.

INFORMED

Rebozo allegedly was told by George H. Riley Jr., an investigator for Continental Insurance Co., which in-

sured Hutton, that the stocks were stolen.

Rebozo's lawyer, Alan G. Greer, was quoted as saying his client, a Key Biscayne, Fla., bank president, "flatly denies" he was told of the stolen stock.

According to court records quoted by the Post, Riley tried to notify Rebozo twice in October, 1968, before the bankers sold any of the stock but was refused appointment on the ground Rebozo was too busy helping with Mr. Nixon's election campaign.

MEETING

But Riley was quoted as saying he met with Rebozo five days after the second appointment was canceled, verified that the missing certificates bore the same serial numbers as Rebozo's, but still found him to be uncooperative.

Rebozo allegedly told Riley he had already sold all the stock, but the Post said court records showed that Rebozo sold the remaining 300 shares a week after Riley's visit.

Six of eight persons, including four alleged Mafia associates, charged with conspiracy to steal the stocks, have been convicted.

United Press