

Vesco Arrested In Nassau

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Robert L. Vesco, the financier indicted three times who has been a fugitive from the United States for five months, was arrested at 1:25 this afternoon in his office at the Bahamas Commonwealth Bank in Nassau.

An arrest warrant, based on an extradition request from the U.S. Department of State, had been issued several hours earlier by Magistrate E. E. Ossdebay and was served by two detectives of the Bahamian police force.

Vesco was brought before Ossdebay, and an extradition hearing was set for 2:30 p.m. next Tuesday. Vesco was accompanied by two Bahamian attorneys.

Vesco, according to Bahamian Police Commissioner Salathiel Thompson, surrendered all his travel documents, including one that had been issued him by Costa Rica. The State Department revoked his American passport last summer.

Ossdebay set bond for Vesco at \$75,000, which Vesco promptly met, and ordered him not to leave the Bahamas.

The extradition request was based on an indictment for fraud unsealed in New York last Wednesday.

That indictment, handed up on July 20, is not connected with Vesco's role in the case of former Nixon Cabinet officers John N. Mitchell and Maurice H. Stans. Vesco was indicted with them, as well as New Jersey politician Harry L. Sears, on May 11.

The earlier indictment charged Vesco with making a secret \$200,000 cash payment to the Nixon re-election campaign in return for Mitchell's and Stans' help in obstructing an investigation of Vesco's business activities by the Securities and Exchange Commission.

The fraud charge under which Vesco was arrested today grows out of the SEC case, in which Vesco is accused of misappropriating

\$224 million belonging to a Swiss mutual fund complex.

A part of that case involved \$50,000 belonging to International Controls Corp., of which Vesco was chairman. The government alleges that the money was used by Vesco to buy stock for his personal benefit while pretending that the

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\$50,000 had been a legitimate corporate expense.

Whether Vesco, if extradited, will be able to testify in the Mitchell-Stans trial is still not known. Government attorneys here said that he would first have to be tried on the charge for which he was extradited, the alleged \$50,000 fraud.

Mitchell and Stans are scheduled to be tried Jan. 7.

At the extradition hearing next Tuesday, the merits of the fraud charge will not be examined. The only issue, a State Department official said today, is whether "there is probable cause to believe the fugitive has committed the crime with which he is charged."

The U.S. extradition treaty with the United Kingdom, under which Bahamian law is covered, will mean that the United States will hire Bahamian lawyers to represent it in court next Tuesday.

If Magistrate Ossdebay orders Vesco extradited, under Bahamian law he will be able to appeal the order. Final appeal would be to the British Privy Council.

Today's arrest of Vesco caps a months-long effort by the American government to get Vesco back to the United States, either from Nassau, his business base, or from Costa Rica, where his family lives.

No attempt was made to extradite him after he was indicted along with Mitchell, Stans and Sears on May 11.

But, after he was indicted later in the spring for attempted fraud in connection with the SEC case late last spring, the State Department sought his extradition from the Bahamas and from Costa Rica.

The Bahamian government, however, was not sure that the charge for which Vesco had been indicted was an extraditable offense under this country's treaty with the United Kingdom.

The Costa Rican Supreme Court turned down the United States' request.

Bahamian officials asked the State Department for more information about the indictment.

After the new indictment was unsealed last Wednesday, American Ambassador Ronald Speyers presented, at 10 a.m. the following morning, more than 60 pages of material to the Bahamian government requesting extradition on the new charge.

The material was handed to Paul Adderley, minister of external affairs and attorney general. Adderley then started a process of the Bahamian government's examining the case to test whether Vesco could be extradited. That process was completed this morning with the issuance of Magistrate Ossdebay's arrest warrant.

State Department officials said today that because of secrecy needed so that Vesco would not flee Nassau, neither they nor Adderley could respond over the weekend to report that the U.S. government had been lax in meeting the request for more data by Bahamian officials.



ROBERT L. VESCO

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