

# Vesco Appeals Closing Of His Bahamas Bank

By Philip Greer

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NEW YORK, June 24—Attorneys for Robert L. Vesco today asked a Bahamas court to overturn last Friday's government order closing Bahamas Commonwealth Bank, hub of his sprawling financial empire.

The closing order, issued by Bahamian Finance Minister Arthur D. Hanna, who is also deputy prime minister, followed an 11-month investigation of the bank's activities by the U. S. accounting firm of Peat, Marwick, Mitchell and Co. The order, which was posted on the bank's doors this morning, said it was closed because it was conducting its business "in a manner detrimental to the public interest and the interests of its depositors."

It could not be immediately determined how badly the government's action will harm Vesco's far-flung operations. There have been rumors in recent weeks that he has moved his base of operations to San Jose, Costa Rica.

It was also learned that Vesco, who has been indicted three times here, has not been in Nassau since March, when a citation for contempt of court was issued against him and an associate, Norman P. LeBlanc, who is chairman of Bahamas Commonwealth Bank. The citations were issued after Vesco and LeBlanc left Nassau on a Sabreliner jet in violation of a court order that the jet remain on the island. The

airplane is the subject of a suit brought against Vesco and LeBlanc by Shirley Oakes Butler, who sold Vesco the bank that later became Bahamas Commonwealth.

Sources in Nassau said the government's action in closing the bank could indicate a change in attitude toward Vesco and his associates. The investigation report, they noted, was given to the government on May 29 and is more than 160 pages long. "It had to be digested not only by the central bank but also by the ministers," one source said. "In my opinion that was very fast action."

In today's appeal, the bank was represented by Cecil Wallace-Whitfield, the attorney who represented the U. S. government when it tried to extradite Vesco from the Bahamas last November. That effort was turned down by the Bahamian courts. Whitfield has also represented LeBlanc, who now resides in Costa Rica, in other matters.

The report itself has not been made public because of secrecy requirements imposed by Bahamian law. A spokesman for Peat, Marwick, Mitchell said the only copies are in Nassau.

Timothy Donaldson, president of the Bahamas Central Bank, which was created on June 1 from the former Monetary Commission, said that the report and other affairs of the bank are now in the hands of the bank's license is sustained by the court, he said, a liqui-

the courts. If the revocation of the license will be appointed to wind up its affairs.

The U. S. Securities and Exchange Commission has charged that the bank is a conduit through which Vesco diverted more than \$224 million belonging to mutual funds managed by IOS, Ltd., the financial complex founded by Bernard Cornfeld. Much of the money, the SEC charged in a civil suit, was funneled into corporations controlled by Vesco and his associates.