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 Michele Sindona, who surrendered here.

Sindona to Face Charges in Italy After Surrender

Financier Is Released on \$3 Million Bond

By TERRY ROBARDS

Michele Sindona, the Italian financier who held a major interest in the Franklin National Bank when it failed in 1974, surrendered here yesterday on a warrant for his extradition to Italy to face fraud charges there.

Mr. Sindona, who had vowed repeatedly that he would never return to his native country unless the charges were dropped, was taken into custody at the Federal Court House at Foley Square and was released later on a \$3 million personal recognizance bond.

The 56-year-old financier posted \$150,000 in cash and United States Treasury bills as security and was required to deposit the shares of a cooperative apartment at the Hotel Pierre held in the name of his wife, Katerina.

The former Franklin director, who has not been charged with any criminal wrongdoing in the Franklin collapse, is wanted in Italy on charges that he fraudulently took 180 billion lira, equal to about \$225 million, from the Banca Privata and two predecessor banks.

The Banca Privata, according to Federal authorities, was declared insolvent in September 1974, and Mr. Sindona has been in the United States since about

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that time. According to the complaint filed here, he took the funds from the Italian bank and then attempted to hide the losses by falsifying the bank's books.

The Franklin National Bank, then the 20th largest bank in this country, was declared insolvent in October 1974 in the largest bank failure in American history. Franklin's collapse has not been linked to the insolvency of the Banca Privata.

Robert Kasanof, a lawyer representing Mr. Sindona, told Federal Judge Thomas P. Griesa yesterday that the investigation into the Franklin failure now seemed to be pointing toward Mr. Sindona, although no charges have been filed against him in this case.

Last March, Judge Griesa sentenced six former executives and employees of Franklin to prison terms on charges that grew out of the bank's loss of more than \$30 million in unauthorized foreign currency speculation.

Besides Mr. Kasanof, Mr. Sindona was represented in court by John J. Kirby Jr. of the law firm of Mudge, Rose, Guthrie & Alexander, in which former President Richard M. Nixon and former Attorney General John N. Mitchell were partners.

Maurice Stans, a Secretary of Commerce in the Nixon Administration, testified in a Federal court trial in 1974 that he had turned down a \$1 million contribution from Mr. Sindona to the Nixon reelection effort in 1972 because Mr. Sindona demanded anonymity in the gift.

Denounces Accusations

Mr. Stans and Mr. Mitchell were acquitted in that trial on charges that they had accepted illegal contributions during the Nixon reelection campaign in return for promising political influence on behalf of the contributors.

Mr. Sindona, a native of Sicily, charged yesterday that the accusations of fraud against him in Italy were politically motivated. "I want to emphasize," he said in a statement, "that these charges were made in Italy on the basis of little or no investigation and on their face are false."

He added: "I am unfortunately the victim of the continuing deterioration of the political situation in Italy. I believe that I will be given full opportunity in the United States to refute these ancient charges, and I intend to do so."

Life-style Spurs Curiosity

Mr. Sindona's life-style in this country, including his residence at the Pierre Hotel and an office on Park Avenue, has aroused the curiosity of investigators both here and in Italy. Last November two Italian magistrates visited New York in an effort to obtain his extradition.

In yesterday's court hearing, Mr. Sindona

disclosed that some \$800,000 was due him in notes payable over the next 18 months, including \$462,000 from Gati Holding Investment, a Canadian company.

Assistant United States Attorney John Kenney attempted to raise questions about Mr. Sindona's wealth. "We have information," he said, "that indicates that in 1974 and in 1975, in one personal checking account, he expended \$500,000 a year on personal matters."