

Secret \$200,000 Donation to Nixon

By Philip Greer
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Officials of President Nixon's re-election campaign last year solicited—and got—a secret \$200,000 cash contribution from the key figure in a Securities and Exchange Commission investigation of an alleged multimillion-dollar international swindle, according to sworn testimony filed in Federal Court yesterday.

Harry L. Sears, a New Jersey lawyer who headed the President's re-election campaign in New Jersey last year, said he and another man delivered the cash in a black attache case to Maurice Stans, the former commerce secretary who heads the Finance Committee to Re-Elect the President.

The money was given to Stans on April 10, three days after a new campaign finance reporting law took effect, requiring that all cam-

paign contributions be reported. The \$200,000 was never reported.

DONOR

The contribution was made by Robert L. Vesco, the main subject of an SEC suit also filed against 20 other individuals and 21 corporations, charging them with misappropriating \$224 million from mutual funds managed by Investors Overseas Services, Ltd., a Geneva-based financial complex.

Sears said Stans had asked that the contribution be in cash and that Edward Nixon, the President's brother, confirmed that the contribution was to be in cash.

Sears also testified that former Attorney General John N. Mitchell had personally intervened by telephoning the American embassy where Vesco was in Switzerland some months prior to the \$200,000 contribution.

RETURNED

The \$200,000, along with a \$50,000 Vesco contribution that was reported, was returned to Vesco on January 31, a few days after a newspaper article questioned whether Vesco had contributed heavily to the President's campaign at the same time he was under intensive investigation.

The President's re-election committee, in a statement yesterday, said the contribution did not have to be reported because it was "constructively in the hands of

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the campaign committee" when the new campaign finance reporting law went into effect on April 7.

Devan L. Shumway, spokesman for the re-election committee, said the committee acknowledged that the \$200,000 was not physically in the committee's hands by April 7, but that Vesco had promised the contribution in early March and had arranged to give it to Stans in New York on April 6.

Stans, at the last minute, was unable to keep the appointment but the committee determined that, because arrangements had been made, the money was "constructively" in the committee's hands.

TESTIMONY

According to Sears' testimony, Daniel W. Hofgren, who worked under Stans as vice chairman of the Finance Committee to re-elect the President, approached an aide of Vesco in February, 1972, and suggested

that Vesco contribute to the Nixon campaign before April 7.

Sears testified that this meeting came three months after Mitchell had intervened on Vesco's behalf when Vesco and two associates had been arrested by Swiss authorities in Geneva. Sears said he himself called Mitchell, who was then attorney general, in November, 1971, and informed him of the arrest.

CAMPAIGN

Mitchell then telephoned the U.S. embassy in Berne to inquire about the reasons for the arrest and called Sears back to tell him that Vesco was likely to be released on bail the next morning, Sears said.

Vesco and his two associates were released and, as far as can be learned, Vesco never returned to Switzerland. The charge, involving an IOS stockholder's complaint, was later dropped.

FRIEND

Mitchell told a Washington Post reporter yesterday that he made the telephone call



AP Wirephoto.

HARRY SEARS
\$200,000 Gift

on, the President's brother, and ask if he would be the person who would verify this," Sears testified.

"I was later informed—and I have no idea with whom Mr. Nixon talked—that he had verified that that (cash) was the form in which the contribution was desired."

Yesterday afternoon, the Nixon Finance Committee released a letter sent to Vesco on January 31, when his contributions, totaling \$250,000, were returned to him.

"It has come to our attention that you and your business interests are under investigation by the SEC for alleged violations of the Securities and Exchange Act of 1934," the letter stated, adding that "We believe it is in your best interest, as well as ours that the contributions be returned." The SEC began its formal investigation of Vesco's ties to IOS in March, 1971, in connection with a registration statement filed by ICC.

to Berne because Sears was a personal friend.

Ed Nixon figured in the contribution when a question was raised as to whether Stans really wanted the contribution in cash.

"It was decided that Mr. (Howard F.) Cerny (an attorney) would call Ed Nix-