



IRS Has a Case Against Vesco

Washington

The Internal Revenue Service is trying to collect more than \$800,000 in the back taxes from indicted financier Robert L. Vesco.

The claim was disclosed when Vesco and his wife appealed the IRS verdict to the U.S. Tax Court. Vesco's tax troubles come on top of a long string of legal problems, including federal indictments for fraud, conspiracy and obstruction of justice.

IRS records filed with the court show that Vesco reported a taxable income of \$111,712 for 1971 and paid \$52,441 in taxes.

But the IRS contends that the Vescos actually had a taxable income of more than \$1.2 million and that they owe another \$775,310 in taxes plus a penalty of \$38,765.

The IRS attached the 5 percent penalty because the agency "determined that part of the underpayment of tax . . . is due to negligent and intentional disregard of rules and regulations."

The Vescos denied the charges.

The bulk of the IRS claim concerns payments allegedly made to Vesco by the International Controls Corp. He was former board chairman and chief executive officer of the firm and during 1971, he also became the chief officer of Investors Overseas Services Ltd., after ICC bought a substantial portion of the Geneva-based mutual fund.

Federal attorneys recently lost an attempt to extradite Vesco from the Bahamas to face trial in New York on the conspiracy and obstruction of justice charges, which stemmed from a \$200,000 contribution to President Nixon's re-election campaign.

He also is under indictment in New York for fraud in the embezzlement of \$50,000 from ICC.

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