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Italians Amplify Looting Charges Against Sindona

NYTimes OCT 27 1976
By ROBERT J. COLE

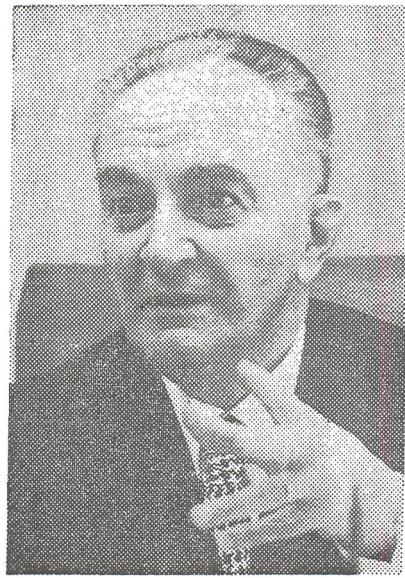
The Italian Government filed detailed new charges yesterday in its long battle to extradite Michele Sindona, the Italian banker, to stand trial at home on accusations that he looted two Italian banks of \$225 million.

The allegations, filed in Manhattan Federal Court by the United States Attorney on behalf of the Italian Government, contended that Mr. Sindona used Banca Privata Finanziaria, later merged with another Sindona bank, the Banca Privata Itlin, to funnel large amounts of Finanziaria deposits outside the country.

Mr. Sindona had previously told the Italian Government, according to the charges, that the funds were on deposit in other Italian banks.

The financier, now living at the Pierre Hotel in New York, held a major interest in the Franklin National Bank when it failed in 1974. In an unrelated situation, he was sentenced in absentia in Italy last June to three and a half years in prison on charges stemming from the collapse of his Banca Privata Italiana.

In its allegations, the Italian Government charged that Mr. Sindona arranged for funds to be sent abroad, typically to Amincor Bank of Zurich or Banque de



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Michele Sindona

Financement of Geneva, and then transferred to a company he was financing or to so-called bridge companies or companies of convenience that he is alleged to have controlled.

The insolvency of Banca Privata Italiana, the Italian Government charged "was due primarily to a large number of [deposits in foreign banks] which funneled money to Sindona companies and which were not repaid, causing losses of approximately 180 billion lira," or the

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equivalent of \$225 million.

Although the charges, translated into English, are occasionally unclear, these appear to be companies established by Mr. Sindona to prevent foreign banks from "realizing the true nature of the transaction."

The Italian charges maintain that Mr. Sindona would call in an employee in charge of foreign operations at his bank

and tell the employee that the bank would finance a company that he then identified by name.

In no case, the charges said, did Mr. Sindona offer or did the employee request credit information of the company to be financed. Mr. Sindona, the charges continued, defined the terms and the employee then handled the details.

In many instances, the Italian Government said, companies that Finanziaria financed through foreign deposits were unable to repay either the interest or the principal. In the latter instance, the charges said the deposit was "renewed." However, they continued, when interest was unpaid, Finanziaria would supply the money and increase the foreign deposits accordingly or open a new account.

The charges followed a motion last

month by Mr. Sindona's American attorneys to dismiss the complaint, partly on the ground that the extradition documents were invalid and that the English translations of the Italian charges were imprecise.

Mr. Sindona's lawyers are not expected to respond to the charges until late next month. Mr. Sindona is free on a \$3 million personal recognizance bond.

The Italian banker is represented, among others by John J. Kirby of the law firm of Mudge Rose Guthrie & Alexander, the former law firm of President Richard M. Nixon and John N. Mitchell, former United States Attorney General. The Italian Government is represented by United States Attorney Robert B. Fiske Jr. and Assistant United States Attorney John J. Kenney.