

Figure in S.E.C. Inquiry Gave \$200,000 to Nixon

[No byline]

A \$200,000 cash contribution was disclosed yesterday to have been made to President Nixon's re-election campaign last April 10 on behalf of a financier then under Securities and Exchange Commission investigation, without the public disclosure required by a new Federal law.

The Finance Committee to Re-elect the President said in a statement yesterday that the contribution was returned Jan. 31 to Robert L. Vesco, the financier, along with \$50,000 he had given at another time.

The committee made public a letter from its counsel to Mr. Vesco noting that he had come under S.E.C. investigation and that a commission suit against him for alleged violations of securities law had been filed, so that "under these circumstances, we believe it is in your best interest, as well as ours, that the contributions be returned."

Contributions Disclosed

The contributions by Mr. Vesco became known as a result of a pretrial deposition given by one of his associates, Harry L. Sears, former Republican majority leader of the New Jersey Senate. Mr. Sears became chairman of the New Jersey Committee to Re-elect the President last July, long after the \$200,000 Vesco contribution.

The S.E.C. filed a civil suit in Federal Court here last Nov. 27 charging that Mr. Vesco and 41 other defendants had "spirited" away some \$224-million in cash and securities from four mutual funds.

The case grew out of the sale of Investors Overseas Services, the huge mutual-fund complex created by Bernard Cornfeld in Switzerland, to Mr. Vesco and his International Controls Corporation in early 1971.

In the 371-page pretrial de-

position taken by the commission and filed in Federal Court, Mr. Sears said that he first met Mr. Vesco in March, 1969.

Mr. Sears said that he was then seeking the Republican nomination for Governor of New Jersey, and had sought a

contribution for his campaign from Mr. Vesco, a fellow resident of Boonton. He said that the financier had "contributed or was responsible for" about \$20,000 in aid to his own unsuccessful campaign.

Mr. Sears testified that he approached former Attorney General John N. Mitchell last March to discuss the S.E.C. investigation of Mr. Vesco's activities, and an appointment was made later with William J. Casey, then the commission chairman.

The matter of a Nixon campaign contribution, Mr. Sears said, was discussed with him early last year by Mr. Vesco, who assertedly told him that another associate, Gilbert Straub, had been approached in Europe by the Finance Committee to Re-elect the President on the possibility of a contribution by Mr. Vesco to be made before April 7. Mr. Sears said that he understood a man named Daniel Hofgren had approached Mr. Straub.

April 7 was the date on which the Federal Election Campaign Act of 1971 took effect. Thereafter, political organizations were required to file periodic reports at the General Accounting Office, describing all receipts and expenditures.

Mr. Sears said he had told Mr. Vesco that, in view of the pending S. E. C. investigation, a contribution might be "an extremely sensitive matter," although he also noted that there was no specific charge of any violation of Federal law at the time.

According to Mr. Sears's testimony, Mr. Vesco said that Maurice H. Stans, who was national chairman of the Nixon finance committee, "desired to have the contribution made in the form of currency."

In its statement yesterday, the finance committee declared Mr. Stans "states categorically and absolutely that he did not ask for the contribution to be in cash," and "at no time during the campaign did he suggest to any contributor that a contribution be made in cash."

"Mr. Vesco," the committee went on, "inquired as to whether he could contribute in cash, and was told that his contribution would be accepted in that form if he preferred."

The committee statement said the contribution "was promised and committed to the campaign by Mr. Vesco early in March," and the actual funds were available on April 6 to be delivered to Mr. Stans.

However, the committee said, Mr. Stans canceled a New York dinner at the time, but the

committee held "a contribution so promised and made available prior to April 7 qualified under the law as a contribution before that date."

According to Mr. Sears's testimony, the sum of \$200,000 had been transferred April 6 from the Bahamas Commonwealth Bank to Barclay's Bank in New York, and then driven under armed guard to International Controls headquarters, which was in Fairfield, N. J.

Mr. Sears testified that he met with Mr. Stans in Washington April 3 "to finalize the arrangements," and called Mr. Stans on April 6 to inform him the money was available. He said, "It was finally left that the physical delivery would be made on the following Monday, which was the 10th of April."

Delivery Reported

Mr. Sears said that he and Laurence B. Richardson, then president of International Controls, delivered the \$200,000 to Mr. Stans at the latter's office in Washington on April 10. He said that Mr. Richardson had asked if Mr. Stans "wanted to verify the amount of \$200,000, and Mr. Stans said that he did not."

The Sears testimony went on to say that Mr. Richardson made "some kind of a light remark" that "sure hope that we might get some proper help along the line, if possible."

Mr. Sears said that he "immediately interposed to Mr. Stans and to Larry the statement that 'Look, let us not kid about this, there is no—this is nothing but a political contribution, it has no relationship to any matter, it has been worked out hopefully within proper bounds, and that is it,' and it was agreed by all sides and that is all that was said."

No Quid Pro Quo

He said that he had told Mr. Stans there was "No quid pro quo" involved in the contribution, and Mr. Stans rejoined that was "absolutely correct."

Before the contribution, Mr. Sears testified, Edward C. Nixon, the President's brother, was called to verify that it was to be made in cash.

He said that Howard F. Cerney, who has also been named as a defendant in the subsequent S. E. C. suit, made a call to Washington and learned that Edward Nixon was on his way to New York.

The President's brother, Mr. Sears said, was located by Mr.

Verny and brought to International Controls headquarters in Fairfield. Mr. Sears said had he believed Edward Nixon "had had some relationship with I.C.C.-oriented companies."

Although he left the International Controls office at that point, Mr. Sears said, "I was later informed — and I have no idea with whom Mr. Nixon talked — that he had verified that that was the form in which the contribution was desired." The implication was that cash was desired.

Mr. Sears said that Mr. Vesco gave \$50,000 at a later date through the New Jersey finance committee.

After the November S. E. C. suit, Mr. Sears said he attended a dinner with Mr. Stans in Washington, and Mr. Stans and he discussed "our mutual concern" about that suit and Mr. Stans' worry "lest this contribution be misconstrued."

The finance committee letter dated Jan. 31 and signed by Stanley Ebner, its counsel, was addressed to Mr. Vesco and said that his contributions were being returned to him in two checks—one for \$50,000 and the other for \$200,000.

Mr. Sears testified that, before the S.E.C. suit, Mr. Vesco had been jailed in Switzerland in another matter. Mr. Sears said that he had asked for intercession by former Attorney General Mitchell, and asserted that Mr. Mitchell had obtained Mr. Vesco's release.

Continued on Page 21, Column 1