

Ehrlichman Linked To Vesco Venture

New York

Presidential aide John D. Ehrlichman met last spring with close associates of Robert L. Vesco and promised to help the embattled financier—a major campaign contributor—in a business deal involving the United States government, reliable sources told the Los Angeles Times yesterday.

The Washington meeting, at Ehrlichman's office in the Executive Office Building next to the White House, took place while Vesco was under a securities and Exchange Commission investigation into his role in investors Overseas Service Ltd., a far-flung Geneva-based financial empire.

The SEC has since charged VESCO in a civil suit with "looting" \$224 million from the company.

Sources told the Times that Vesco's troubles with the SEC were openly discussed at the meeting, which occurred within weeks of the time when Vesco — employer of a Nixon nephew — gave \$200,000 in cash to President Nixon's re-election campaign. The donation has since triggered a federal grand jury investigation into possible violations of campaign laws.

The Nixon committee returned the contribution on January 31.

According to two separate sources, the meeting with Vesco's associates — Gilbert R.J. Straub and Lawrence B. Richardson, the president of Vesco's International Controls Corp. — centered on an appeal to Ehrlichman for help in improving Vesco's tarnished image in Lebanon, where the financier wanted to take over one of the Middle East's largest banks, Intia, in which the U.S. government has a major stock interest.

Ehrlichman, assistant to the President for domestic affairs, assured the men that he would call an American Embassy official in Lebanon, according to one source. It is not known what action, if any, Ehrlichman did take.

"The purpose of the call would have been to have the



JOHN EHRLICHMAN
He admitted meeting

embassy give Vesco a good reference despite the bad publicity of the pending SEC investigation," the source said. "But the deal ultimately fell through because his (Vesco's) reputation wasn't good enough for the management and board of the bank."

The embassy official whom Ehrlichman reportedly said he would contact was Robert Houghton, director of mission and the second-ranking U.S. diplomatic official in Beirut.

Reached by telephone in Lebanon yesterday, Houghton denied receiving a call from Ehrlichman himself but left unclear whether pressure was brought through other channels.

"I never had any communication with Ehrlichman in any shape or form," Houghton said. "I don't know him. I've never met him. I have never talked to him."

L.A. Times Service