

State Department Gives Its Vesco File to Jury

Washington

The State Department yesterday turned over its files regarding financier Robert L. Vesco's attempted takeover of a Lebanese bank to a federal grand jury in New York, it has been learned.

The Vesco dossier — containing numerous letters and cables — was sent to the grand jury at the initiative of the State Department, a department official said.

This development came less than 24 hours after the Los Angeles Times reported that presidential adviser John D. Ehrlichman had met with several of Vesco's associates at his office in the Executive Office Building. Reliable sources have told the Times that Ehrlichman had promised the Vesco aides that he would telephone the U.S. Embassy in Beirut — where the bank is headquartered — to urge embassy officials to boost Vesco's tarnished reputation.

DENIAL

Though Ehrlichman denied yesterday that he had interceded for Vesco, he did not deny he made the promise to the men — and admitted meeting with them.

At the time Ehrlichman met with the men, Vesco was under intense investigation by the Securities and Exchange Commission concerning the role he played in taking over the faltering international mutual fund conglomerate, Investors Overseas Services Ltd.

The investigation by the SEC resulted in a Government civil suit which alleged that Vesco and many of his colleagues "looted" IOS mutual funds of \$224 million.

The State Department said it had also communicated by telephone yesterday with U.S. Attorney Whitney



—AP Wirephoto

ROBERT VESCO
Ehrlichman met his aides

North Seymour Jr., concerning the matter.

It was understood that the material sent from the State Department to the grand jury contained information about Vesco's treatment by U.S. officials while he was in Beirut.

Though the financier received a routine briefing by embassy officials, it was learned that he received no other special treatment. Indeed, it was understood, Ambassador William B. Bufum refused to see Vesco.

The grand jury has been hearing testimony concerning a secret \$200,000 donation that Vesco made to the campaign to re-elect President Nixon last April 10, three days after a new Federal campaign law went into effect which required all campaign donors to be identified.

ADMIT

Yesterday Ehrlichman conceded that he had met with Vesco's representatives December 17 but denied that he had made any efforts to help the financier in his attempt to gain control of In-

tra Bank, the Beirut-based bank. The U.S. Government is a major stockholder of the bank.

In a statement released at the White House, the presidential assistant insisted that he later took steps to keep the New Jersey financier and his associates from claiming White House support of the Lebanese deal.

They were "seeking U.S. Government support for some bank deal they were trying to promote in Lebanon," Ehrlichman said. "I told them I could not write them the letter they requested or otherwise help them."

A reliable source said, however, that the men didn't ask Ehrlichman to write a letter to the U. S. Embassy in Beirut. They asked him to make a direct telephone call to an Embassy official, they said.

PROMISE

This, the source said Thursday and reiterated following Ehrlichman's statement yesterday, was promised by Ehrlichman. Whether or not the President's assistant for domestic affairs ever did place such a call is not known.

The Vesco associates with whom Ehrlichman met were Gilbert R. J. Straub, Laurence B. Richardson, then president of International Controls Corp., the company which Vesco founded, and Harry L. Sears, an attorney and prominent New Jersey Republican.

Sears, who ran for governor of New Jersey in 1968, once was an attorney for ICC. The fact that Vesco made the campaign donation was revealed in a deposition he made to the SEC.

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