

APR 23 1973

Ehrlichman Said to Agree To Aid Vesco

By Philip Greer

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NEW YORK, April 27—Presidential aide John D. Ehrlichman promised on at least two occasions that he would help accused swindler Robert L. Vesco buy in the U.S. government's interest in a scandal-wracked bank in Lebanon, it was learned today.

Ehrlichman, President Nixon's chief domestic adviser, conceded today that he had met with three Vesco representatives to discuss the purchase, but denied any offer of help.

A well-informed source here, however, said today that the meeting on Dec. 17, 1971, was actually the second time Ehrlichman had been asked for help and that he agreed both times.

Ehrlichman said today that he never made any calls for Vesco and, in fact, told the embassy in Beirut that "there was no White House support for, or interest in, the Vesco activities." A State Department spokesman, Charles Bray, said "our records bear out Mr. Ehrlichman's statement in the matter."

The 1971 meeting, the source here said, was held in the Executive Office Building next to the White House. He said the three Vesco representatives were Gilbert R. J. Straub, a close Vesco associate and a long-time friend of the President's brothers, Edward and Donald Nixon; Harry L. Sears, a prominent New Jersey politician who made arrangements for Vesco to secretly contribute \$200,000 in cash to the Nixon re-election drive in April, 1972, and Laurence B. Richardson, Jr., then president of a Vesco-controlled corporation.

According to the source, Straub told Ehrlichman, in effect, that "the first call you made to us didn't work; how about trying it again." He said Ehrlichman agreed to make another effort.

The meeting was held

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while Vesco was under investigation by the Securities and Exchange Commission. On Nov. 27, 1972 the SEC filed a civil suit charging Vesco and 41 corporate and individual defendants with "looting" \$224 million from four foreign mutual funds. Straub is a co-defendant in the suit. Richardson is also a defendant, but his case has been separated and he is cooperating with the government.

The meeting took place about two weeks after Vesco had been arrested in Switzerland on a charge of business fraud. After a night in jail, Vesco was released when former Attorney General John N. Mitchell, acting on a request from Sears, telephoned the U.S. embassy in Gern.

According to the source, Vesco was interested in buying Intra Bank, a Beirut holding company that went into bankruptcy in 1966. As part of the settlement of the case, the Commodity Credit Corp., a unit of the Department of Agriculture, became a shareholder in the bank, along with the governments of Lebanon, Kuwait and Khatar.

The meeting with Ehrlichman was held after Straub and Richardson had been to the Commodity Credit Corp. to discuss buying the U.S. interest, the source said. Both the CCC representatives in Beirut and the U.S. embassy there were reportedly opposed to Vesco because of his association with IOS, Ltd., the Geneva financial complex Vesco took over in 1970.

After the CCC meeting,

Straub and Richardson went to the Executive Office Building, where they were met by Sears. According to the source, Straub and Ehrlichman had been in frequent communication ever since President Nixon's nephew, Donald Nixon Jr., went to work for Vesco as his administrative assistant in 1971, a position he still holds.

"Any time the White House or any of the Nixons wanted to get in touch with Junior, they would do it through Ehrlichman and Straub," the source said. "Even Junior's father (F. Donald Nixon) wouldn't call him directly."

According to the source, there was no discussion at the meeting of any potential campaign contribution by Vesco. "It was more in the sense of 'We've been taking care of Junior for you and we'd like you to do a favor for us,'" the source said. Sears and Richardson, he said, did little talking, while Straub and Ehrlichman discussed the Intra Bank purchase. "There was also a lot of talk about Junior and how he was doing," the source said.

"The discussion also ranged over the SEC investigation of Vesco's affairs and the jailing in Geneva, the source said.

"The conversation was nothing like the statement (by Ehrlichman)," the source said.

Richardson, who has been testifying before a grand jury here which is investigating the circumstances of the Vesco campaign contribution, issued a statement through his attorney today

in which he declined to comment on the meeting and added "he believes his activity in this regard was entirely proper and he would have no hesitation to testify fully concerning this event in the appropriate forum."

Sears could not be reached for comment this afternoon. Straub, who travels between Nassau, the Bahama Islands, and Costa Rica on business for Vesco, was also unreachable.

In his statement today, which was issued by the White House press office, Ehrlichman said that three days after the meeting, "our embassy in Lebanon reported that Vesco representatives were claiming U.S. government support for their project and were using my name. After obtaining additional details, I notified the State Department to inform the U.S. embassy in Lebanon and any others involved that there was no White House support for, nor interest in, the Vesco activities. This instruction was transmitted to our ambassador in Beirut."

In testimony connected with the SEC charge, Sears said that, in January, 1972, he received two checks from Vesco totaling \$15,000. He said the checks were an expression of gratitude for Sears' part in Mitchell's telephone call to Switzerland after Vesco's arrest. There was no mention in the Sears testimony of the meeting with Ehrlichman.