

Arrest of Vesco Ordered in Inquiry

NEW YORK, May 3—A federal judge today ordered the arrest of financier Robert L. Vesco, who secretly gave \$200,000 in cash to President Nixon's re-election campaign last year.

A bench warrant issued by Federal Judge Edmund L. Palmieri ordered that Vesco be produced before a grand jury

probing the circumstances of the cash payment.

The grand jury, which has gone far beyond its original timetable, is expected to hand down indictments next week. Vesco's attorney said in court today that he has "strong reason to believe" that Vesco will be indicted. The grand jury is also known to be investigating the roles of former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans.

A subpoena has also been issued for Vesco's wife, Pat, of Boonton, N.J., to appear before the grand jury.

The government's request for a warrant resulted from Vesco's failure to honor a subpoena served on him on April 15 at his home in Nassau, the Bahama Islands. The subpoena called for an appearance on April 18.

Vesco is reportedly in San Jose, Costa Rica, where he declined Wednesday to comment

on Justice Department charges that the Finance Committee to Re-elect the President violated campaign laws when it did not report the \$200,000 payment.

The payment was made while Vesco was under investigation by the Securities and Exchange Commission. The SEC charged in November that, in the six months after the payment was made, Vesco masterminded a plot to "loot" \$224 million from mutual funds operated by IOS, Ltd., the Geneva financial complex. SEC attorneys have made several references in the court record to "improper attempts" to influence their investigation.

After Vesco did not appear before the grand jury, the government asked that he be cited for criminal contempt of court. Judge Palmieri today brushed aside arguments by defense attorney Edward Bennett Williams that the government had no authority to ask

for a criminal citation and that the subpoena was not properly served.

James W. Rayhill, executive assistant to U.S. Attorney Whitney North Seymour Jr., told the judge he was asking for the warrant because "the government does have information that Vesco is attempting to renounce his American citizenship" in Costa Rica.

Rayhill said after the court session that the warrant would not prevent Vesco from renouncing his citizenship. He would not comment when asked if Vesco, who has not been in the United States since February, could be arrested in a foreign country.

In asking the court to dismiss the request for a warrant, Williams said Vesco would invoke his Fifth Amendment right not to testify if he appeared before the grand jury. He said the government "has refused heretofore to grant any form of immunity."