

SEC Chief Says He'll 'Gut It Out'

By Jack Egan

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WHITE SULPHUR
SPRINGS, West Va., May 11
—Securities and Exchange
Commission Chairman G.
Bradford Cook, under fire
for his handling of fraud
charges against financier
Robert L. Vesco, said today
that he intends to "gut it
out" and stay on the job.

Cook acknowledged tak-
ing out references to a \$250,-
000 cash fund—which wound
up in Nixon campaign cof-
fers—from an SEC civil
complaint against Vesco last
fall, but he insisted that he
did so "on purely profes-
sional grounds."

The youngest chairman
ever to head the SEC, Cook,
36, said he would quit only
if he becomes convinced that
"it is in the public interest."

Denying any improprie-
ties, Cook charged in an in-
terview with the Reuter
news agency that chief

See COOK, A16, Col. 6

SEC Chairman, Under Fire, Plays to Stay, 'Gut It Out'

COOK, From A1

Nixon fund-raiser Maurice
H. Stans, indicted in the
Vesco case Thursday by a
federal grand jury in New
York, "had lied to me."

He recalled chatting about
"the application" of the
Vesco cash with Stans last
Nov. 13 while goose-hunting
in Texas, but said that Stans
simply told him that he
would check on whether the
money had been donated to
Mr. Nixon's campaign.

According to Cook, Stans
called back two days later
and said there was no re-
cord of the contribution.
Cook said Stans told him,
"You're not concerned with
this anyway. You're inter-
ested in where the money
came from."

Then the director of the
SEC's division of market
regulations, Cook said he
agreed and ordered the
elimination of a draft para-
graph in the complaint that
traced the \$250,000 from a
bank in the Bahamas to Ves-
co's home in New Jersey.

It was not until early this
year, when the controversial
contributions were returned
to Vesco, Cook said, that the
SEC learned where the
money had gone.

The head of a New Jersey
company that Vesco former-
ly controlled had actu-
ally delivered \$200,000 in
cash to Stans last April 10,
according to the grand jury
indictment. The additional
\$50,000 was contributed by
Vesco in a check in October.

The grand jury called the
deletion of the SEC draft
paragraph part of the con-
spiracy for which it indicted
Stans, Vesco, former Attor-
ney General John N. Mit-
chell and New Jersey politi-
cian Harry L. Sears.

The 46-page indictment
said that Stans caused Cook
"to delete all specific refer-
ences to the \$250,000 in cash
delivered to Vesco's office
on April 6," 1972.

In addition, the indict-
ment said that in January
and February of 1973, Stans
"asked Cook to limit the
SEC inquiry relating to Ves-
co's receipt" of the money
"to facts concerning only
the source and not the dis-
position of the money."

Cook, however, declared
that "my decision was not
influenced by anybody."

Here to address the Secu-
rities Industries Associa-
tion's spring meeting, Cook,
who became SEC chairman
in March, said his "policy
judgment was that it all
would have come out any-
way."

At the time of the hunting
trip with Stans, he was the
inside favorite to succeed
SEC Chairman William J.
Casey, who is now under
secretary of state for eco-
nomic affairs.

Cook said he and Stans
were sitting some 15 yards
from each other on the an-
nual outing to Eagle's Lake,
Tex., hosted by Cook's fa-
ther, but "the goose-shooting
was slow and we moved
closer together."

Cook said he asked Stans
what he planned to do "now
that the election is over"
and Stans told him that he
still had some work to do as
chairman of the Finance
Committee to Re-Elect the
President.

"Stans then asked me
what I wanted to do — what
my plans were," Cook said.
"I said that Casey is going
to be leaving, and he sug-
gested that I make a run for
the chairmanship."

Speaking of his hopes for
the job, Cook said he pled
his case with Stans. He said
Stans replied: "I've heard
some good things about you,
blah, blah, blah" . . . Then
the conversation died down,
and I brought up Vesco."

Cook said he told Stans
that the SEC had "a massive
investigation going" into
Vesco's operations and that
"one aspect . . . is some cash

which came in on a circular
route.

"It was a fairly good con-
jecture that it had been a
political contribution," Cook
said in explaining why he
should bring up that point.
He said he indicated to
Stans that he was "trying to
ascertain the source and
then the application of the
money."

Stans, he said, made a
neutral comment — "Oh, if
we've got any money, we've
got it in checks, but I'll
check on it and call you in a
couple of days."

When Stans called back
two days later to deny any
record of the contributions,
Cook said he read Stans the
draft paragraph about the
money and told Stans: "We
are going to be filing a suit,
but it's unlikely that this
paragraph is going to be
in it."

It was then, Cook said,
that Stans told him, "you're
not concerned with this any-
way." Cook said he agreed
"because our focus in the
Vesco IOS [a Swiss-based
financial complex] was
where the money came from,
not where it went."

Cook said he felt the para-
graph was "unprofessional."
It was sensationalism."