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**Cornfeld in Geneva Jail,
Accused in I.O.S. Fiasco**

Special to The New York Times

GENEVA, May 14 — Bernard Cornfeld, the American financier who created the Investors Overseas Services mutual fund empire, was jailed here today.

The Brooklyn-educated one time social worker was taken into custody at his luxurious Geneva lakeside residence, the



Associated Press
Bernard Cornfeld

Villa Elma, on a warrant issued by Pierre-Christian Weber, examining magistrate.

Mr. Weber declined to give details of the charges against the 45-year-old financier because, he said, they were "very complicated." However, he said they included "dishonest management." Mr. Cornfeld, according to the magistrate, is to appear in court Wednesday for a preliminary hearing.

Lawyers who represent Mr. Cornfeld said they understood the charges arose in part out of an old suit brought against him and other I.O.S. executives by former I.O.S. employees. Mr. Cornfeld and his associates were alleged to have encouraged the plaintiffs to subscribe to a public issue of I.O.S. Ltd., stock in September, 1969, although they knew that the company was already in financial trouble.

Moved Away in 1971

Mr. Cornfeld left Geneva in 1971 and took up residence in Beverly Hills, Calif., after losing control of the foundering I.O.S. complex to Robert L. Vesco.

Mr. Vesco is the New Jersey financier who was indicted in New York last Thursday along with John N. Mitchell, former

Continued on Page 55, Column 6

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55

CORNFELD JAILED OVER I.O.S. FIASCO

Continued From Page 49

Attorney General, and Maurice H. Stans, former Secretary of Commerce, in connection with a secret \$200,000 payment Mr. Vesco made to President Nixon's re-election campaign.

Mr. Cornfeld is in custody in the same ancient St. Antoine jail in the center of Geneva's old quarter where Mr. Vesco was held overnight in November, 1971.

Mr. Vesco, who is now believed in Costa Rica, had been arrested on a charge of misusing his authority as director

of an I.O.S.-owned bank in Geneva. He was released on bail the next day, and the charges were subsequently dropped when the plaintiff withdrew his complaint.

On learning of Mr. Vesco's arrest in 1971 Mr. Mitchell, who was then Attorney General, is said to have asked the American embassy in Bern, the Swiss capital, to seek his release. However, Jean Eger, Geneva district attorney, recently said that no attempt was made to put pressure on his office in connection with the Vesco case.

Mr. Cornfeld's mother continued to reside at the Villa Elma, where she had her own apartment, after he left Geneva. He is reported to have visited her quietly several times.

The examining magistrate did not say today when the stocky,

bearded financier arrived in Geneva. But one of Mr. Cornfeld's lawyers said he understood it was this weekend. The financier was reported to have been seen, in a Geneva nightclub early today.

Mr. Cornfeld's multibillion-dollar mutual fund empire ran into heavy going in the spring of 1970 when rumors of financial difficulties led to a heavy cashing-in of the shares of I.O.S.-managed mutual funds held by investors who feared for the safety of their money.

After losing to Mr. Vesco control of I.O.S., Ltd., the Canadian-registered company that ran the mutual fund group, Mr. Cornfeld sold all his interests in the financial empire he had built and severed all his connections with it in January, 1971.