

# The Plea of Ignorance

Should William J. Casey resign from his position as Under Secretary of State for Economic Affairs because of a subordinate's handling of the Vesco case at the time Mr. Casey was chairman of the Securities and Exchange Commission?

As chairman, Mr. Casey had over-all responsibility for the S.E.C. investigation of Robert L. Vesco, the New Jersey financier who has been sued by the S.E.C. for allegedly looting nearly a quarter of a billion dollars from four mutual funds. But he states that he had no knowledge at the time that \$250,000 involved in the case was actually a secret contribution to President Nixon's re-election campaign. Mr. Casey says the deletion of references to the \$250,000 was handled by G. Bradford Cook, who was general counsel of the S.E.C. at the time. Mr. Cook was subsequently promoted to chairmanship of the S.E.C., a post he told Maurice H. Stans, the chief Republican fund raiser, that he wanted when Mr. Stans came to discuss the Vesco suit with him. Mr. Cook resigned last week because of his involvement in the Vesco case, while protesting his innocence.

Mr. Casey insists he did not know that Mr. Cook had discussed the paragraph about Mr. Vesco's \$250,000 with Mr. Stans "or anyone else outside the S.E.C." and had no information as to how the \$250,000 had been used. But it was surely his responsibility as S.E.C. chairman to find out. The Vesco case, as Mr. Cook has said, was "one of the largest cases ever brought by the S.E.C." and it involved a "systematic diversion of hundreds of millions of dollars in assets of the huge I.O.S. mutual fund complex into companies controlled by Vesco."

In matters of such great importance, affecting not only investor confidence but the confidence of all citizens in the integrity of Government, a failure to prevent improprieties could be construed as the equivalent of ignoring them. The principle of executive responsibility for matters of great public concern, and the unacceptability of claims of ignorance when the facts are readily available, should apply to all Government officials.

Though he may be personally innocent of wrongdoing, and may have been unwittingly caught up in the web spun by Vesco, Mr. Casey could do much to restore confidence in the sense of responsibility and integrity of top officers of Government by following the example set by his former subordinate and successor, Mr. Cook, in relinquishing his post until the present murky situation has been cleared.