

Mitchell, Stans and Sears Deny Guilt in Vesco Case

**Former Republican Leaders Arraigned
on Fraud Charges in Intervening
With S.E.C. for Financier**

NYTimes

By ROBERT J. COLE

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Two former Cabinet officers and a prominent New Jersey Republican stood before Federal Judge John M. Cannella under tight security here yesterday and pleaded not guilty to a 46-page Federal grand jury indictment charging them with conspiracy to defraud the United States and obstruct justice.

The three, who allegedly acted in behalf of Robert L. Vesco, a New Jersey financier in trouble with the Securities and Exchange Commission, were John N. Mitchell, former Attorney General; Maurice H. Stans, former Secretary of Commerce and chairman of the Finance Committee to Re-elect the President, and Harry L. Sears, former Republican majority leader of the New Jersey Senate.

The indictment, announced on May 10 by Whitney North Seymour Jr., United States Attorney for the Southern District of New York, also charged Mr. Mitchell and Mr. Stans with committing perjury before the grand jury.

The three men were charged with attempting to get preferential treatment for Mr. Vesco, a major campaign contributor, who was then under investigation by the S.E.C. Although Mr. Vesco had secretly donated \$200,000 to the Nixon campaign, the commission went ahead with its case, charging Mr. Vesco and 41 other persons last November with looting Investors Overseas Services, Ltd., a Swiss-based mutual fund company he then headed.

Considered a Fugitive

Mr. Vesco, who was indicted with the others on charges of fraud and obstructing justice, did not appear for his arraignment. He is now considered a fugitive from justice, and a warrant was issued for his arrest. He is believed to be living either in Costa Rica or in the Bahamas.

In a crowded courtroom that

was heavily guarded by United States marshals, each defendant pleaded not guilty as his name was called.

Mr. Mitchell, responding first said, "Not guilty, your honor."

Mr. Sears replied, "Not guilty to all counts, your honor."

Judge Cannella then asked Mr. Mitchell if he was responding to all counts. "Yes, your honor," Mr. Mitchell said. "Not guilty on all counts in the indictment."

Mr. Stans replied, "Not guilty on all counts, your honor."

If convicted, Mr. Mitchell and Mr. Stans face possible prison terms of up to 50 years and fines of as much as \$75,000 on six counts of perjury and three of obstructing justice. Mr.

Sears and Mr. Vesco face possible terms of 20 years and fines of \$25,000 on one count of conspiracy and three of obstructing justice.

In Own Recognizance

Assistant United States Attorney John R. Wing, representing the Government, asked Judge Cannella to approve a motion to photograph and fingerprint the defendants and to release them on \$1,000 personal recognizance bonds. The judge denied the motion and released them in their own recognizance.

Judge Cannella, reading a card pulled by random selection from a revolving drum, then announced that the case would be referred for trial to Judge Lee P. Gagliardi, a 54-year-old lawyer from Larchmont, N. Y. Judge Gagliardi, named by President Nixon on the recommendation of Senator James L. Buckley, Conservative-Republican of New York, joined the bench in January, 1972.

Judge Cannella granted the defendants 45 days to present motions for their defense. No trial date was set but the case is expected to go to trial sometime in the fall.

Mr. Mitchell, looking drawn and somewhat perturbed, had

left his Fifth Avenue apartment house around 9:15 A.M. and would not talk to newsmen. "Excuse me, I've got a date downtown," he said.

He arrived 30 minutes late, hurrying up the front stairs of the courthouse as marshals cleared a path for him through dozens of reporters, photographers and other persons. Mr. Stans and Mr. Sears entered and left the courthouse almost unnoticed.

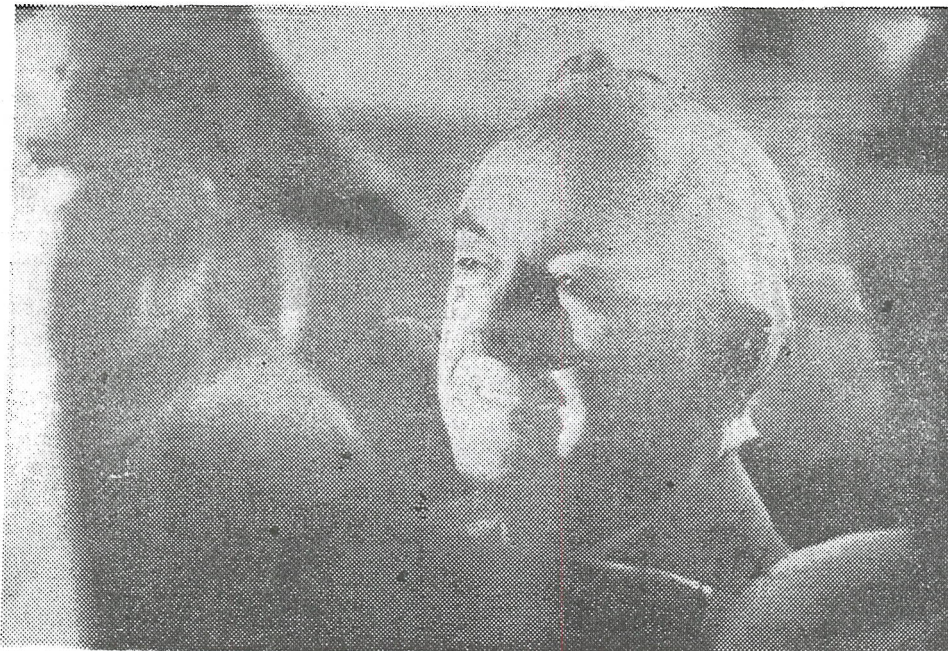
On his way out, a newsman asked Mr. Mitchell how he felt. "I've been better," he said.



United Press International

MITCHELL DENIES CHARGES: Former Attorney General John N. Mitchell leaving Federal Court yesterday after he, Maurice H. Stans and Harry L. Sears pleaded not guilty to an indictment accusing them of seeking to influence S.E.C. case. Details, Page 28.

THE NEW YORK TIMES, TUESDAY, MAY 22, 1971.



The New York Times/Don Hogan Charles

Maurice H. Stans, former Secretary of Commerce, leaving the U.S. Court House here yesterday after pleading not guilty to charges of attempting to influence the S.E.C.



William Russ Studio

Judge Lee P. Gagliardi, to whom the case of John N. Mitchell and others will be sent for trial.