

Vesco's Extradition Linked to New Fraud Indictment

By ROBERT J. COLE

The Costa Rican Government is being asked to extradite Robert L. Vesco, the fugitive financier, on the basis of a secret arrest warrant issued here nearly two weeks ago by Federal Judge John M. Cannella and made public yesterday.

Mr. Vesco, who was indicted by a Federal grand jury last month on charges that he secretly donated \$200,000 in cash to the Nixon election campaign in an effort to influence a Government investigation of his financial affairs, was charged with violation of the so-called "fraud by wire" statute.

Judge Cannella ordered Mr. Vesco's arrest on that charge on June 1.

Details Listed

United States Attorney Paul J. Curran announced late yesterday that the secret indictment against Mr. Vesco had been unsealed, charging him with "devising a scheme in an attempt to defraud International Controls and its shareholders of \$250,000."

The indictment charged the company's former board chairman with borrowing \$250,000 personally from the Bahamas Commonwealth Bank with the intention of fraudulently ob-

taining the money from the International Controls Corporation to repay the loan.

It further charged that he used the proceeds "for his own benefit and attempted to cause certain officers and employees [of the company] to make false entries in the books and records of the corporation in order to enable [the company] to repay the \$250,000.

The arrest order and a recommendation to the Department of State that Mr. Vesco's extradition be sought were the last official acts of the former United States Attorney, Whitney North Seymour Jr., who resigned on June 1 to resume his private law practice.

Mentioned in Papers

Judge Cannella of Manhattan Federal Court, is mentioned prominently in preliminary extradition papers delivered last Friday to the Central American republic.

The papers, translated into Spanish, were handed to Gonzalo Facio, Costa Rican Foreign Minister, by Viron Vaky, United States Ambassador.

They charge Mr. Vesco with violation of Title 18 of the United States Code, Section 1343, which reads as follows:

"Whoever, having devised or intending to devise any scheme

or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of interstate wire, radio or television any writings . . . for the purpose of executing such scheme or artifice, shall be fined not more than \$1,000 or imprisoned not more than five years, or both."

According to the extradition papers, Mr. Vesco's plan failed when the president of International Controls, not further identified, refused to reimburse him for the \$250,000 he had borrowed. The company's president at that time was Lawrence B. Richardson Jr.

Mr. Richardson, together with Harry L. Sears, former Republican majority leader of the New Jersey Senate, personally handed the then-secret \$200,000 contribution to Maurice H. Stans, the finance chairman for President Nixon's re-election campaign.

Mr. Sears was subsequently indicted by a Federal grand jury here along with Mr. Vesco, Mr. Stans and John N. Mitchell, former Attorney General. Mr. Richardson brought the secret gift to the attention of the Department of Justice and the then United States Attorney, Mr. Seymour.

A Costa Rican judge, now reviewing the extradition request, said that he could not act until he had seen a copy of the arrest order and the charge on which it was based. Now that the charge has been made public, copies of the arrest order and the indictment can be delivered to the Costa Rican Government in support of the extradition request.

Court papers on file here show that Mr. Vesco, acting through Richard E. Clay, a close associate, arranged for the Bahamas Commonwealth Bank to Telex \$250,000 in cash to the Barclays Bank in New York on April 6, 1972. Four days later \$200,000 was flown to Washington for delivery to Mr. Stans. The rest of the \$250,000 was donated openly last September.

Two branch warrants were ordered for Mr. Vesco's arrest last month. Judge Edmund L. Palmieri granted the first one on May 3 when Mr. Vesco failed to answer a subpoena to testify before a grand jury. Judge Cannella issued the second one on May 22 when Mr. Vesco failed to show up for his indictment on charges of conspiracy to obstruct justice. Judge Annella granted the third order June 1.

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