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NY Times

Costa Rican Court Rejects U.S. Plea to Return Vesco

By Reuters

SAN JOSE, Costa Rica, June 22—A judge here refused today a United States request that Robert L. Vesco be extradited in a fraud case connected with his secret donation of \$200,000 to President Nixon's re-election campaign.

Criminal Court Judge Atilio Vincenzi ruled that the extradition treaty between Costa Rica and the United States did not cover attempted fraud. The United States has five days to appeal.

Mr. Vesco's present whereabouts is unknown. The Costa Rican authorities have said that he left the country several weeks ago. His personal Boeing 707 jetliner has been seen in the Bahamas, but there was no proof that Mr. Vesco was there, as well.

Mr. Vesco was secretly indicted on a charge of "fraud by wire" by a grand jury in New York and ordered arrested June 1 by a Federal judge.

Money Was Borrowed

The indictment charged that the New Jersey financier, then board chairman of International Controls Corporation, personally borrowed \$250,000 from the Bahamas Commonwealth Bank with the intention of fraudulently obtaining the money from his company to repay the loan.

It was from that sum that the secret donation was taken. The Government has charged that it was an attempt to influence a Securities and Exchange Commission inquiry into another phase of Mr. Vesco's affairs.

Title 18 of the United States Code, Section 1343, under which Mr. Vesco was indicted, reads:

"Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by

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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 one thousand dollars or imprisoned not more than five years or both."

The section came into play,

according to court papers, when Mr. Vesco arranged for the Bahamas Commonwealth Bank to Telex \$250,000 in cash to the Barclays Bank in New York on April 6, 1972.

Plan Fell Through

Mr. Vesco's alleged plan to be reimbursed by the company fell through when the International Controls president, not identified in the extradition papers, refused to reimburse Mr. Vesco, the Government says.

The corporation president at the time was Laurence B. Richardson Jr. He and Harry L. Sears, former Republican majority leader of the New Jersey State Senate, personally handed over the then-secret \$200,000 donation on April 10 to Maurice H. Stans, chairman of the Finance Committee to Re-elect the President.

Mr. Richardson subsequently disclosed the secret donation to the Justice Department and a United States Attorney in New York.

Conspiracy Charged

Mr. Sears, Mr. Stans, former Attorney General John N. Mitchell and Mr. Vesco were then indicted in the case on May 22, charged with conspiracy to obstruct justice.

The Government charged that Mr. Vesco had sought to influence an investigation by the Securities and Exchange Commission into charges that he and 40 others "looted" \$224-million from Investors Overseas Services, a Geneva-based mutual fund empire, which Mr. Vesco took over in 1971.

Mr. Vesco came here to live last year and has invested heavily in Costa Rica.

Judge Vincenzi handed down his ruling after the United States Government had acceded to his request, made several weeks ago, to present more documents to support their case.

Judge Comments

Judge Gonzalo Trejos, president of the three-judge panel of magistrates that will hear the appeal, if one is made, said in a telephone interview from San José, Costa Rica, that it might take two weeks to decide the case.

Panamanians to Sue

PANAMA, June 22 (AP)—Panamanian investors in Mr. Vesco's condominium apartment corporation have formed an organization to bring suit to recover \$1.3-million in dividends that they contend is due them, a spokesman said today.

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The name of the company will be SOS Hemispheres, S.A. Hemispheres is the name of the condominium in Hallandale, Fla.

About 90 persons in Panama bought apartments from the Vesco-controlled corporation, and 37 have joined SOS Hemispheres, S.A.