

**Accused in Transfer of \$50,000**

# New Indictment of Vesco Disclosed

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NEW YORK, Oct. 16—Robert L. Vesco has been secretly indicted by a federal grand jury here, the second time the panel has handed up a sealed charge against the fugitive financier.

The latest indictment accuses Vesco, the former chairman of International Controls Corp., of using \$50,000 in ICC funds as part payment for a block of stock in Investors Overseas Services, Ltd., the Swiss financial complex he is accused of looting.

The indictment, according to sources here, was sought by government prosecutors in the hope that it can be used in a new effort to extradite Vesco from Costa Rica or the Bahama Islands, where he spends most of his time.

Vesco, of Boonton, N.J., was indicted on May 10 on charges of making a secret \$200,000 contribution in cash to President Nixon's re-election campaign in return for an attempt to thwart a Securities and Exchange Commission investigation of his activities. Former Attorney General John N. Mitchell, former Commerce Secretary Maurice H. Stans and New Jersey Republican



**ROBERT L. VESCO**

. . . extradition sought

leader Harry L. Sears were also indicted in the case.

Mitchell and Stans, who are also accused of lying to the grand jury which investigated the contribution, and scheduled to go on trial on Oct. 23. Sears's case has been separated.

The SEC investigation culminated in November 1972 in the filing of a \$224 million civil fraud suit against Vesco and 41 other defendants. The commission charged the group with misappropriating money

belonging to shareholders of IOS-managed mutual funds. Last month, a federal judge here granted an SEC request for a preliminary injunction against a number of the defendants. The SEC is seeking to halt what it terms "an ongoing fraud."

Vesco, who has not been seen in this country since February, failed to appear for arraignment after the federal indictment and a warrant was issued for his arrest. Two additional warrants have been issued since then. One effort to extradite him from Costa Rica was turned down by courts there.

The latest indictment centers on the transfer of \$50,000 in ICC funds to C. Henry Buhl III, a former director of IOS-managed funds and portfolio manager for the largest fund in the group.

In an affidavit submitted last February in connection with the SEC suit, Laurence B. Richardson Jr., former president of International Controls Corp., said he was never able to get an explanation for the payment, which was made in January 1972. During the summer, Buhl and several former ICC officials were questioned about the money before the grand jury.

The existence of the secret indictment was revealed in a court hearing held here last month to determine the ownership of a yacht currently impounded by U.S. Customs in Miami. Attorneys for ICC contend that the boat is owned by Vesco and should be held to satisfy claims made against him by the court-appointed board of ICC.

Attorneys for the listed owner of the boat—Eusebio A. Morales, who the company claims is a Vesco associate—have asked that the yacht be

released. Morales is a former Panamanian ambassador to Britain.

At one of several hearings held to determine the ownership of the yacht, the special counsel for ICC, who was also appointed by the federal court, said that there were currently three indictments outstanding against Vesco. Only two—the indictment with Mitchell, Stans and Sears and another for fraudulent use of interstate and foreign communications facilities—were publicly known.