

FDIC Looks

At Rebozo
Activities

By Ronald Kessler

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The Federal Deposit Insurance Corp. said yesterday it has begun to investigate allegations concerning the conduct of Charles G. (Bebe) Rebozo, President Nixon's close friend, as chairman and president of Key Biscayne Bank in Florida.

Frank Wille, chairman of the FDIC, which insures deposits at Rebozo's bank, made the statement in response to a letter from Sen. William Proxmire (D-Wis.), a member of the Senate banking committee. The committee has jurisdiction over the FDIC.

Proxmire had called for Rebozo's immediate suspension as an officer of the bank pending an investigation of his activities, and his permanent removal if it is found to be warranted.

Wille said yesterday the FDIC has been investigating since Oct. 17 the hiring by Rebozo's bank of Franklin S. DeBoer as a vice president in charge of the trust department.

A Washington Post story this week disclosed that less than a year before DeBoer was hired by the bank, he had been barred by the Securities and Exchange Commission from being a stock broker and charged by the SEC with appropriating money for his own use from a public company, falsifying records and selling unregistered securities in violation of law.

DeBoer neither admitted nor denied the allegations.

Wille said the issue of DeBoer's hiring is expected to be "referred to the (FDIC) corporation's board of directors in a matter of days."

Wille said the FDIC also has begun a probe of allegations that Rebozo in 1968 cashed stock allegedly stolen by the Mafia after Rebozo was told by an insurance investigator it was stolen.

A lawyer for Rebozo has said the insurance investigator visited Rebozo, but Rebozo flatly denies he told him the stock was stolen.

Wille said Proxmire's recommendation that the FDIC immediately suspend Rebozo pending the outcome of its investigation would be discussed at the agency's board meeting next Tuesday.

He said laws governing the FDIC "appear to contemplate the prior completion of the agency's investigation."

In addition to the FDIC probe, the Justice Department's Organized Strike Force in Miami has begun an inquiry into the allegation that Rebozo knew the stock was stolen when he cashed it in 1968.