

# Extradition of Vesco Sought on a New Indictment Alleging Fraud

By **ARNOLD H. LUBASCH**

Several prosecutors said here yesterday that they were now attempting to extradite Robert L. Vesco on the basis of a new indictment charging the fugitive financier with fraud.

Last May 10, Mr. Vesco was indicted for allegedly obstructing justice in a case involving charges that former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans had impeded an investigation of his financial activities in return for a \$200,000 cash donation to President Nixon's 1972 election campaign.

Mr. Mitchell and Mr. Stans are scheduled for trial on Jan. 7, but Mr. Vesco has evaded efforts to extradite him from Costa Rica and the Bahamas, where he has been living since early this year.

The new indictment, which was voted by a grand jury on July 20 and unsealed by Judge Lee P. Gagliardi yesterday in Federal District Court here, represents a renewed effort to extradite Mr. Vesco by alleging that he defrauded a corporation he controlled.

According to the one-count indictment, Mr. Vesco used \$50,000 in funds of the International Control Corporation to buy stock for his personal benefit, while pretending that the money had been spent for a legitimate expense of the corporation.

The indictment alleged that Mr. Vesco "did wrongfully embezzle, misapply and convert said \$50,000 to his own use" in January, 1972, by trans-

ferring the funds to pay for stock he bought from C. Henry Buhl 3d, who was a director of another Vesco corporation, I.O.S. Limited.

## Indicted Last June

Federal prosecutors said that the charge of a completed fraud, which was alleged in the new indictment, came under extradition treaties between the United States and other countries.

The Government had not sought to extradite Mr. Vesco on the original indictment last May, because the appropriate extradition agreements had not covered charges of conspiracy and obstruction of justice.

Instead, last June the Government indicted him on a charge of attempting to defraud International Controls Corporation by devising a scheme to use corporate funds to repay \$250,000 that he had borrowed from the Bahamas Commonwealth Bank.

But courts in Costa Rica, where Mr. Vesco established his legal residence, refused to proceed with his extradition on the grounds that Costa Rica's treaty with the United States did not cover attempted fraud.

The prosecutors attempted to overcome the difficulty by alleging a completed fraud in

the latest indictment, making it the vehicle to seek the financier's return to this country.

After this indictment was unsealed, United States Attorney Paul J. Curran said that no negotiations were under way at this time to persuade Mr. Vesco to return voluntarily and testify for the prosecution in the Mitchell-Stans trials.

Mr. Curran said that he had no comment when asked if there had been such negotiations in the past and if unsuccessful negotiations explained why the Government had not used the latest in-

dictment sooner as the basis for an extradition attempt.

Asked if Mr. Vesco could be put on trial in the obstruction of justice case, if extradited on the fraud case, Mr. Curran said that the fraud case would be pressed, but he did not indicate that other charges could also be used against the defendant.

The Mitchell-Stans case involved charges that Mr. Vesco tried to obstruct an investigation by the Securities and Exchange Commission, which subsequently accused the financier of carrying out a scheme to loot \$224-million from four overseas mutual funds that he controlled.