

U.S. MAY SUSPEND REBOZO BANK AIDE

F.D.I.C. Reported Weighing
Action Against DeBoer

By MICHAEL C. JENSEN

Special to The New York Times

WASHINGTON, Nov. 8—The staff of the Federal Deposit Insurance Corporation has decided to recommend the suspension of Franklin S. DeBoer, a vice president of the Key Biscayne Bank and Trust Company, which is headed by President Nixon's close friend Charles G. Rebozo, according to sources close to an investigation of the bank.

Mr. DeBoer, who heads the bank's trust department, was barred by the Securities and Exchange Commission in 1972 from employment by any securities broker or dealer.

The F.D.I.C. staff recommendation against Mr. DeBoer will be made at the next meeting of the corporation's board, as early as tomorrow, the sources said. The F.D.I.C. declined to comment on the report.

The Key Biscayne Bank has come under the scrutiny of a number of investigative bodies, including the Senate Watergate committee.

It was disclosed recently that Mr. Rebozo had accepted two \$50,000 campaign gifts from Howard R. Hughes, in 1969 and 1970, through an intermediary. He subsequently said he kept the money in the bank until 1973, before returning it.

The F.D.I.C. investigation of Mr. DeBoer has centered on the question of whether the S.E.C. action against him provided grounds for suspension from the Florida bank.

Chareg of Fraud

The S.E.C. charged Mr. DeBoer with fraud in connection with transactions in unregistered stock between 1965 and 1970. He consented to the commission's findings without admitting the allegations.

In 1970, the New York Stock Exchange had expelled Mr. DeBoer, charging him with making false statements and refusing to give testimony.

The F.D.I.C. is empowered to suspend or remove bank officers if they have violated a "law, rule, regulation, or final cease-and-desist order" that could result in financial loss or other damage to the interests of depositors.

Frank Wille, chairman of the F.D.I.C., said six days ago in a letter to Senator William Proxmire, Democrat of Wisconsin, that Mr. DeBoer was being investigated to see if he was "unfit to hold his present position" with the bank.

Mr. Proxmire had called for an investigation as a result of published allegations about Mr. Rebozo and Mr. DeBoer.

Mr. DeBoer, a 49-year-old native of Norwalk, Conn., is a graduate of Williams College. He formerly worked as a securities analyst and portfolio analyst, before becoming a managing partner in the securities firm of Baerwald & DeBoer in 1966.

Mr. Wille said on Oct. 30, when he announced that staff investigations were under way, that the Key Biscayne Bank was in "sound financial condition."