

Cook Says Chat With Stans Led to Shift in Vesco Suit

Ex-S.E.C. Aide Testifies Paragraph Was Changed in Attempt to Conceal \$200,000 Gift to Nixon Drive

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By MARTIN ARNOLD MAR 28 1974

A former official of the Securities and Exchange Commission testified yesterday that during a lull in a goose hunt he was crouched in a Texas rice field with Maurice H. Stans and that the two men then had their first conversation about the commission's investigation of Robert L. Vesco.

This conversation, the witness testified, led shortly thereafter to the commission's changing a crucial paragraph in its civil suit against Mr. Vesco — a change aimed at concealing the fact that Mr. Vesco had made a secret \$200,000 cash contribution to President Nixon's re-election campaign.

The place was Eagle Lake, Tex., and the date was Nov. 13, 1972, according to the witness, George Bradford Cook,

who was then, at the age of 35, general counsel to the S.E.C., Mr. Cook said that he had told Mr. Stans in the rice field, that he wanted to be chairman of the commission.

Mr. Cook appeared as a prosecution witness yesterday, following John W. Dean 3d, who earlier had completed several days of testimony.

Mr. Stans, former Secretary of Commerce, and John N. Mitchell, former Attorney General, are charged with conspiracy, perjury and obstruction of justice for allegedly trying to impede the S.E.C. investigation of Mr. Vesco, a financier, in return for the campaign contribution. Mr. Vesco is now a fugitive.

The day of the goose hunt was seven months after Mr.

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Vesco's cash contribution to the campaign was delivered on April 10 to Mr. Stans in \$100 and \$50 bills in an attaché case, but Mr. Cook testified that Mr. Stans told him that day that "I don't think we took any money from Mr. Vesco, and if we did it would be in checks."

"I said it was important and he [Stans] ought to get back to me," Mr. Cook testified, "and Stans said he would get back to me."

Mr. Cook gave this account of the alleged rice field meeting: "It was approximately 10 A.M. and Stans was located 15 feet away from me in the rice field, and he picked up his equipment and sat down next to me."

"He asked me what my plans were, now that the election was over, and I told him Bill Casey [then S.E.C. chairman] planned to leave the chairmanship, and I could be leading for the chairmanship."

Mr. Cook said that Mr. Stans had indicated that it was "an important position and that my age might cause some difficulty, and he thought that perhaps it needed an accountant as chairman."

"I told him I knew my age was a disability, but I thought

I was qualified," Mr. Cook testified, adding that he had gone on to tell Mr. Stans how the commission had a number of "significant cases [before it] and I mentioned the Vesco case."

Funds Are Discussed

"I told him we had testimony from [Ralph P.] Dodd [a Vesco associate] that he had picked up \$250,000, and moved it around," Mr. Cook continued. "I said I had read or had heard that Vesco had given \$50,000 to Stans as a contribution."

He said that he had told Mr. Stans, for the first time, that the S.E.C. knew about the \$250,000, but did not know what it was for. \$50,000 of the total was given in a public contribution to the re-election campaign by Mr. Vesco.

It was then that Mr. Stans said he did not think he had taken any money from Mr. Vesco, Mr. Cook testified.

However, according to Mr. Cook, two days after the goose hunt he received a call from Mr. Stans, and, he testified, he told Mr. Stans it was "an opportune time because I have just reviewed the paragraph [in the S.E.C. suit] of the movement of the \$250,000 and I have the paragraph in front of me."

Mr. Cook testified that he had read the paragraph to Mr. Stans, and Mr. Stans's reaction

was, "Uh-oh, that gives me a problem. Do you need that in your case? Do you need all that detail?"

"I said, 'I don't know,'" Mr. Cook testified.

John R. Wing, the chief

prosecutor, read what he described as an "original draft" of the paragraph to the jury, and it was entered into evidence.

The paragraph that Mr. Cook allegedly read to Mr. Stans, said that in furtherance of Mr. Vesco's "scheme to defraud" he transferred \$250,000 from a bank in the Bahamas to a New York bank and, during the weekend of April 8 and 9, the money was moved by Mr. Vesco's associates around New Jersey, from Mr. Vesco's Fairfield office to his Boonton home and back to the office, where it was hidden in the base of a lamp.

The paragraph went on that there was "no disclosure or accounting with respect to the use or distribution of the case and the major participants, including Vesco, refused to testify about it," at S.E.C. hearings.

After Mr. Stans, who had been chief fundraiser for the Nixon campaign, said "Uh-oh" to this intelligence, the witness testified, he [Mr. Cook] called Stanley Sporkin, an S.E.C. attorney, who was heading the Vesco investigation. "I asked him, 'Do we need this in our case, Stanley?'" the witness said. Mr. Cook continued.

"Mr. Sporkin replied absolutely, and I said, is all that detail relevant. Doesn't it seem to sensationalize a fairly minor transaction in a case where we are talking in terms of \$250-million in looting." Mr. Vesco and 41 others were accused by the S.E.C. of looting \$225-million from mutual funds.

The witness said, "Stanley got out of his chair, took the paragraph out of my hands, read it, and said, 'I'll see what I can do.'"

Paragraph Changed

Mr. Cook said that he had never told Mr. Sporkin or anyone else in the S.E.C. that he had been speaking to Mr. Stans.



The New York Times/Marilyn Church

George Bradford Cook, former Securities and Exchange Commission general counsel, testifying yesterday.

G. Bradford Cook sworn in by
Nixon as chairman of SEC, 3 Mar 73;
resigned 16 May 73.
Congressional Quarterly,
Vol. 1, p. 67

He said, however, that on Nov. 17, four days after the goose hunt, he called Mr. Stans and told him that the paragraph had been changed.

The new paragraph, the one that appeared in the S.E.C. suit, filed on Nov. 27, 1972, made no mention of the \$250,000, but only said that "sums of cash had been transferred between Vesco and other groups" and that "source, ownership, use of, and accountability for said monies are unknown."

Still, Mr. Cook said he had pointed out to Mr. Stans that his "problem might not be solved," because the S.E.C. intended to file, with its charges, transcripts of testimony of one witness, and that those transcripts contained mention of the \$250,000. Ultimately, in fact, he testified one of the transcripts mentioning the \$250,000 was filed.

Mr. Cook testified that in Washington on Feb. 1, 1973, Mr. Stans invited him to dine at the White House mess, and at that dinner told him that he

was going to return Mr. Vesco's \$250,000, and Mr. Stans read to him the letter that Mr. Stans' aides had sent to Mr. Vesco.

"Well, that ends the mystery of where the \$250,000 went," Mr. Cook testified that he had said then.

The witness went on to say that Mr. Stans then asked him if the S.E.C. case could be limited to "the source of the money and not its application."

Mr. Cook said he didn't know, he testified, but that Mr. Sporkin later said, no, it could not be so limited.

Mr. Cook, a large, baldish man, often testified with his head bowed. At one point a defense attorney interrupted his testimony, because his head was bowed, to ask if he was reading from notes.