

Casey Details Dean Calls in Vesco Probe

By Stephen Isaacs

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NEW YORK, March 20 —

William J. Casey, former head of the Securities and Exchange Commission, testified today that John W. Dean III called him five times from the White House to inquire about the SEC's investigation of Robert L. Vesco.

Casey, who was sworn in as president of the Export-Import Bank last Thursday, said that Dean called him six days before the 1972 presidential election to try to get him to delay depositions that might embarrass the administration.

Casey was testifying for the prosecution in its case against Nixon campaigning chiefs and former Cabinet officials Maurice H. Stans and John N. Mitchell, who are charged with conspiracy, obstruction of justice and lying to a grand jury.

In most of his testimony, however, Casey sounded more like a witness for the defense than for the prosecution. He even waved at Mitchell as he began his testimony this morning, and avowed his continuing friendship with the former Attorney General who, he later said, had strongly supported his becoming head of the SEC.

In between apparent lapses of memory and testimony that differed somewhat from that he had given before the grand jury here, Casey detailed a number of conversations with Mitchell and with Dean about Vesco.

Mitchell and Stans are accused of trying to influence the SEC investigation of financier Vesco in exchange for a secret \$200,000 cash campaign donation from him, with trying to cover up the fact of that payment, and with lying to the grand jury here.

A key conversation he recounted was when he returned a Nov. 1, 1972, call from Dean the following day, relating to depositions the SEC had requested of two of Vesco's secretaries about Ves-

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co's contribution. At that time, the SEC staff was unsure of exactly where the money had gone.

"He expressed a concern that that examination might result in some kind of a last-minute campaign smear," said Casey, "and he was asking if that examination couldn't be postponed to the following week in order to remove the risk of anybody being tempted to take whatever information came out of that examination and use it—publicize it—as a last-minute campaign smear of some kind . . ."

Casey said he told Dean he would find out if the depositions could be postponed, checked with Stanley Sporkin of the SEC staff who insisted they go forward, and called Dean back and told him no.

His return call to Dean, he said, was "short and sweet."

Casey said Dean started calling him about the Vesco case in the middle of 1971, when he inquired whether the Vesco case was serious. Casey said he told Dean it was.

In October, 1972, Casey said, Dean "called and asked for information about what I knew about—or what I knew of or had heard about the President's nephew, Donald Nixon, traveling around with Vesco."

"I told him," said Casey, ". . . that the staff had told me that young Nixon had traveled—had been traveling from the Bahamas to the United States and Costa Rica on Vesco's plane, and had said that this might be a cause of embarrassment to the President and somebody ought to shoo him away."

"What did Dean say?" asked prosecutor John R. Wing.

"He thanked me for the information," said Casey. "He said, 'I thought we had done that.'"

Donald Nixon reportedly still is in Vesco's employ, and is with Vesco now in Nassau. Vesco, originally indicted in the case here, is now a fugitive from justice.

Casey said that Dean called two other times about Vesco, both in February of last year, when he no longer was SEC chairman. In the first call, he said, Dean said he was calling at Mitchell's request over a complaint that someone on the SEC staff had leaked a deposition of a Vesco case figure to a reporter before the deposition had been filed in court.

Casey said he checked into the matter and reported back to Dean that lawyers for Vesco associates must have leaked the deposition.

The fifth call from Dean, Casey said, also was made at Mitchell's request, but the subject of the conversation

never came out, after Mitchell's attorneys objected.

Dean is expected to testify in the case on Thursday, as is Casey's successor as SEC chairman, G. Bradford Cook, who stayed in the job only 74 days. He had to resign after the indictments linked him to the Vesco matter.

Casey's testimony here was marked by frequent balkings at giving testimony that Wing apparently expected, even after Wing gave him documents to refresh his memory.

The most marked example came when Casey denied recalling having seen a report on the Vesco case that Cook wrote for Casey when Cook was general counsel of the SEC and Casey its chairman.

The government is alleging that Casey gave the memo to Mitchell, who gave it to Vesco associate Harry L. Sears, who then gave it to Vesco.

"Did you ask Mr. Cook to prepare that report, a copy of which you are holding in your hand?" asked Wing.

"I have no recollection of having asked Mr. Cook to prepare this report," replied Casey, who often mumbled his answers, and who at other times spoke as if his mouth was packed with marbles. At times the jurors had to lean forward to understand his words, and complained to the judge that they could not hear.

Casey said Mitchell's first contact with him on Vesco came in December, 1971, or January, 1972. At that time, other testimony has indicated, Mitchell helped Vesco get out of a Swiss jail.

"Mr. Mitchell asked me if I was sure that the Vesco investigation was being conducted properly," said Casey, ". . . and he told me that he understood that the commission staff had . . . sent a cable to Switzerland, urging the embassy there not to do anything to help Mr. Vesco . . . and he felt that that was going way out of the proper role of the responsibility of the SEC . . ."

Casey said his first and only visit to Mitchell's apartment in the Watergate came on April 6, 1972, a meeting at which Vesco's SEC problems were discussed.

But Casey insisted several times he does not recall who initiated the meeting.

He said Mitchell asked him whether Harry Sears' connection with Vesco might affect Sears' being named Nixon reelection chief in New Jersey. Casey said he told Mitchell he'd be glad to talk to Sears about it.

On April 10, said Casey, Mitchell called him and asked if Casey could see Sears, and he did, along with Cook. At that meeting, he said, they discussed Vesco's case.

Sears was in Washington that day after helping deliver Vesco's \$200,000 in cash to Stans.

Casey said he met Sears on two other occasions to discuss Vesco's problems, once during the Republican convention in Miami and once in his office, and also met with another Vesco attorney, Howard Cerny, but claimed he cut Cerny short after Cerny brought up the Vesco matter.

Casey said he called Sears once to tell him that Cook had heard that Vesco was dropping Mitchell's name in his travels around Europe.

Under cross-examination, Casey said that he told Mitchell at a cocktail party just before the election that the Vesco case had gotten very serious, but that Mitchell "didn't indicate any particular interest."