

# SEC-Initiation of Vesco Gift Suggested

Associated Press

NEW YORK, April 8—A defense witness suggested today that former Cabinet members John N. Mitchell and Maurice Stans may not have initiated the alleged cover-up of a secret \$200,000 cash contribution to President Nixon's re-election campaign.

Sherwin Markman, a Washington lawyer, suggested that a Securities and Exchange Commission official may have initiated the cover-up instead.

Markman's testimony disputed prosecution testimony by former New Jersey Republican leader Harry Sears, who said he went to the SEC proposing that it limit its investigation into the \$200,000 cash contribution from financier Robert L. Vesco.

In return for the donation, the government charges, Mitchell and Stans sought to impede the SEC investigation of Vesco's financial empire. They are charged with conspiracy, obstruction of justice and perjury.

Sears, who left the New Jersey Legislature to become a \$60,000 Vesco legal aide, has described himself as the financier's go-between in enlisting the aid of Mitchell, the former attorney general, and Stans, onetime secretary of commerce.

Markman, a member of the Washington law firm of Hogan and Hartson, which was handling the Vesco case before the SEC, testified that he got a phone call from Sears on Nov. 8, 1972.

"Mr. Sears reported he had just concluded a meeting with Mr. Bradford Cook, general counsel of the SEC, and the subject of the meeting was whether or not Mr. Sears would be required to testify in the SEC investigation regarding the contribution.

"Mr. Sears stated that Mr. Cook stated the SEC was in-

terested only in the source and not the destination of those moneys. He, Mr. Sears, stated that if Mr. Cook was satisfied with the source, then, he, Mr. Sears, would not have to be called as a witness.

"Mr. Sears went on to state that he told Mr. Cook that Hogan and Hartson had a couple of pieces of paper that belonged to Mr. Vesco that would establish the source of the funds."

The documents referred to were defined as bank transfer memos dealing with the \$200,000 Vesco contribution.

"My reaction," went on Markman, a onetime assistant to President Lyndon B. Johnson, "was one of great upset, indeed anger, because he Sears had committed me in his conversation and meeting with Cook, without consulting me in advance. . . ."

"Mr. Sears said he already had committed me. I said, 'Well, I'm not going to do it.'"

Markman said his partners in Hogan and Hartson agreed with him, as did Arthur Lyman, Vesco's personal lawyer at the time.

Thereupon, the witness continued, he withdrew from the matter and the documents were turned over to Lyman.

"I repeated the conversation," Markman testified. "I repeated my own very strong action. Mr. Lyman agreed with me completely."

On cross-examination, Markman was asked regarding Sears:

"Didn't he tell you he asked Cook if Cook would be willing to limit the scope of the SEC investigation into the source of the contribution?"

"He may have said he asked Cook," Markman replied. "I think he said Mr. Cook agreed. I don't recall who initiated the conversation."

Under cross-examination by Asst. United States Atty. John Wing, Markman said that his law firm had frequently discussed withdrawing from the Vesco case because of Sears' involvement.

He said the firm did not withdraw until late in 1972, after the SEC had filed a complaint charging Vesco and his associates with looting \$224 million from mutual funds they controlled.

Other witnesses have testified that Vesco tried to work through Mitchell and Stans to prevent the SEC investigation from revealing Vesco's campaign contribution immediately prior to the election.