

# Cornfeld, in London, Denounces Vesco

By TERRY ROBARDS

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LONDON, April 12—Bernard Cornfeld, heavily bearded and chipper after 11 months in a Geneva prison, tilts back in a tattered but elegant armchair, smiles benignly at the two shapely young women draped around his shoulders and says, "This is the smallest of my houses."

He is talking about the 14-room town house in London's stylish and extremely expensive Belgravia section. He returned to it after he was bailed out of a Swiss jail, to which he refers as the "St. Antoine Hilton." He said friends put up \$1.64-million to obtain his release a week ago.

The Belgravia House is one of five that Bernie Cornfeld, perhaps the world's most widely known mutual-fund manager, has accumulated in the years since he began getting rich from Investors Overseas Services, the offshore-fund empire that is now run by trustees who are trying to salvage something for investors.

### Bernie Is Back

Yes, Bernie—everybody calls him Bernie—is back in Town with his standard retinue of girls, backgammon players and other hangers-on. He is 46 years old, dressed in a properly faded blue denim shirt, 10 pounds heavier from his sojourn in jail, living as high as usual and determined to get Robert L. Vesco.

Mr. Vesco, a fugitive currently sought on several charges in the United States, is the man who ultimately wrested control of the I.O.S. empire from Bernie Cornfeld in a tense meeting of the board of directors at the concern's headquarters in a castle outside Geneva.

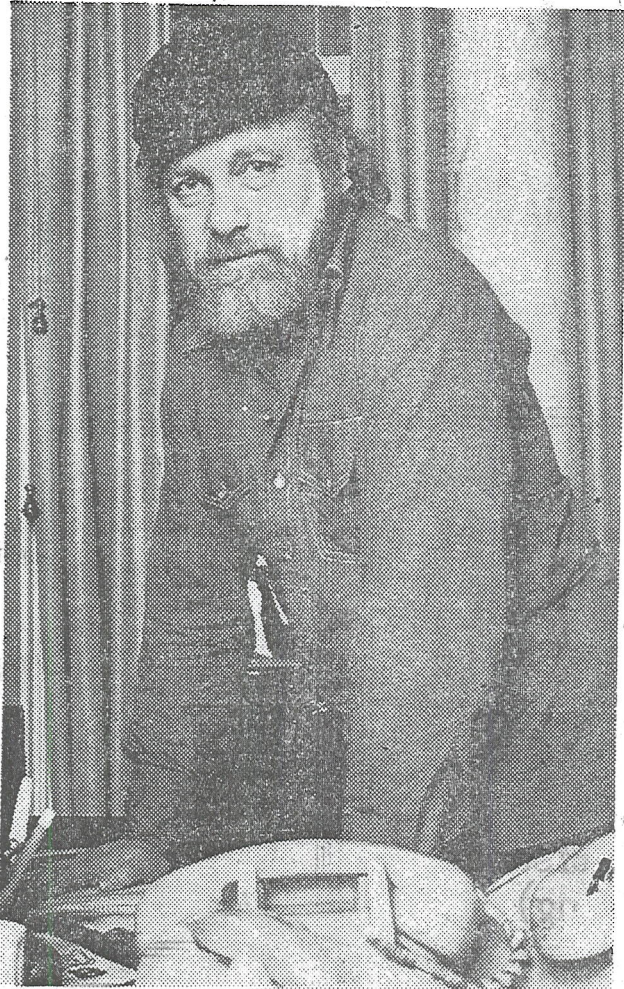
Bernie talks about those crisis-filled days four years ago almost with nostalgia.

In 1970 I.O.S. had suddenly toppled into the red. Its stock was plunging, the directors saw their paper fortunes rapidly disappearing, it seemed an opportune moment for a change of leadership. "The hysteria on the board was such that they were willing to go along with anything," Mr. Cornfeld said.

### S.E.C. Accuses Vesco

A lot has happened—much of it sensational—since then. Mr. Vesco has been charged by the Securities and Exchange Commission with looting the I.O.S. till of \$224-million and has recently been in Costa Rica.

Mr. Vesco was also named in the Federal indictment that charged John N. Mitchell, former Attorney General of the United States, and Maurice H. Stans, former Secretary of Commerce with perjury, conspiracy



The New York Times/Marvin Lichner

Bernard Cornfeld in his London town house last week

and obstruction of justice for allegedly attempting to quash an S.E.C. investigation of Mr. Vesco. Their trial is under way in New York now.

The Government alleges that Mr. Vesco made a secret \$200,000 contribution to the Nixon reelection campaign to try to get the S.E.C. investigation of his affairs quashed.

Although it is possible that mismanagement of I.O.S. occurred under the Cornfeld regime, as some stockholders have charged in lawsuits, the former I.O.S. chairman is not involved either in the S.E.C. or in the Mitchell-Stans case.

Nevertheless, the name of Bernie Cornfeld is so closely identified with I.O.S. that he is blamed for both the fund empires collapse and its subsequent trying to clear his name by digging up evidence against Mr. Vesco. Mr. Cornfeld says that one of the I.O.S. secretaries who worked at I.O.S. after Mr. Vesco took over has told him

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tary, said there had been no such meeting with Mr. Vesco "that he [the President] recalls."

The deposed I.O.S. founder is acutely aware that his theory dovetails with the charges in the indictment of Mr. Vesco, Mr. Mitchell and Mr. Stans in New York. According to the charges, the two former Nixon Cabinet members tried to intervene with the S.E.C. on Mr. Vesco's behalf.

### Cornfeld Telephoned S.E.C.

Mr. Cornfeld, occasionally stroking his beard and shuffling against one or another of the girls, constantly hovering nearby, says he reported his suspicions and theories last Monday night to an S.E.C. investigator in a telephone call from London to Washington.

He says he will return home to the United States "in a week or so" to testify wherever he is wanted.

Mr. Cornfeld says his bail arrangement with the Swiss authorities involves no restrictions

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on travel, although he expects to have to return to Geneva at some point for the resolution of his case. He says the Swiss charges against him have been dropped, although charges of mismanagement and "inciting to speculate" remain.

His 11 months in jail, he reports, were "not half-bad." He gained weight because the prisoners were permitted to order food from the outside. He cooked his food, he says, using an ashtray for a stove and eau-de-cologne for fuel.

Now he is planning to return home and press some questions that he thinks are being ignored. He suggests, for example, that the controversial \$200,000 campaign contribution came illegally from I.O.S. assets.

"Everyone knew that Vesco didn't have any money of his own," he says.

He adds that he wants to clear his name and to try to help recover some assets for investors who lost money in the I.O.S. collapse.

Mr. Cornfeld says he believes that the only conceivable reason for Vesco to want to see the President was to get the Government agency that was in May of '72. Watergate matter off his back."

[The Associated Press has reported that President Nixon spent May 20-22 in Salzburg, but that Ronald L. Ziegler, the White House press secre-