

WARRANT SEEKS SINDONA ARREST

Magistrate in Milan Issues Order for Financier Over Role in Banca Unione

By ISRAEL SHENKER

ROME, Oct. 9—A Milan magistrate has issued a warrant for the arrest of Michele Sindona, the Sicilian-born financier who pyramided pittances into an international banking empire.

The warrant charges Mr. Sindona, whose whereabouts appear a mystery to Italian authorities, with falsifying accounts and irregular profit distribution by Milan's Banca Unione in 1970-71. Mr. Sindona was then on his way up the ladder, and he later merged the Banca Unione with the Banca Privata Finanziaria—both of which he controlled. The result of that merger was the Banca Privata Italiana, which was declared bankrupt last month.

To protect deposits, the Bank of Italy has sponsored a rescue operation by a consortium of state enterprises, led by the Banco di Roma. Losses by Banca Privata Italiana have been estimated at \$200-million. Since the Bank of Italy is paying the debts to assure the good name of Italy's financial institutions, losses will be borne by the Italian taxpayer.

Operations Far-Reaching

Mr. Sindona's operations extended well beyond his native country.

With the assurance of a self-made man and the aplomb of a well-connected one, and with an ingenuity that would have left a Medici gasping, he became the largest investor—a million shares, or 20 per cent of the total—in the Franklin National Bank. When that New York bank lost \$47-million in foreign-exchange trading and headed for liquidation, Mr. Sin-

dona's pyramid began falling apart.

After proposing to rescue the Franklin National, Mr. Sindona instead resigned as a director, pursued by lawsuits and harried by tight credit and the financial community's suspicions of his own liquidity.

Pledge to Nixon Campaign

In headier days he was courted and seemed secure, reportedly helping to finance Italy's Christian Democratic party and advising the Vatican on its investments. He secretly offered \$1-million to the 1972 Nixon re-election campaign.

Mr. Sindona controlled industrial enterprises and also one of the biggest real estate companies in the world: Società Generale Immobiliare, which still owns Washington's Watergate complex. He ran banks in Switzerland and West Germany, and holding companies in Liechtenstein, Luxembourg and Liberia—where official supervision is not always onerous.

Mr. Sindona, 53 years old, is a naturalized Swiss citizen. There was speculation that he is in Switzerland now.

Swiss Get No Sindona Bid

GENEVA, Oct. 9—Swiss officials said late today that no request had been received from Italy for the arrest of Michele Sindona.

There was no reply to telephone calls to the telephone listed under his name in an apartment in Geneva's financial district above the small Finabank, which is controlled by an Italian bank, Banca Privata Italiana.

At Finabank today callers were told that nothing was known of Mr. Sindona's whereabouts. One Geneva banker who knows the financier said he had not been here recently.

The Italian authorities are said to believe it would be difficult to obtain Mr. Sindona's extradition from Switzerland to face the charges, which, if proved, could result in a 15-year prison sentence.