

Vesco and 6 Others Named In Conspiracy Indictment

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By ARNOLD H. LUBASCH

Robert L. Vesco, the fugitive financier, was indicted yesterday with six of his associates on Federal charges of conspiracy to misappropriate more than \$100 million in assets of mutual funds managed by I.O.S. Limited.

It was the fourth indictment of Mr. Vesco, who was previously named in two lesser fraud cases and an obstruction-of-justice case involving \$200,000 that he secretly donated in cash to the 1972 re-election campaign of President Richard M. Nixon.

The latest indictment alleged in Federal District Court here that the defendants, all believed to be living in Costa Rica and the Bahamas, carried out a fraudulent scheme of complex investments to transfer the mutual-fund assets for their own benefit.

According to the nine-count conspiracy and fraud indictment, Mr. Vesco and the other defendants controlled I.O.S., a foreign-based management company that operated vast mutual funds that are now under court-ordered liquidation.

Mr. Vesco was indicted in 1973 on previous fraud charges as well as charges that he had conspired with former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans to obstruct a major Federal investigation of his I.O.S. operations.

The 1974 trial of the charges against Mr. Mitchell and Mr. Stans ended with the jury acquitting the two former cabinet officers, but Mr. Vesco had left

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the country during the investigation and he has remained a fugitive in Costa Rica.

The question of new extradition proceedings against Mr. Vesco on the basis of the latest indictment will be discussed with the Justice Department and the State Department, according to Thomas J. Cahill, the United States Attorney.

Mr. Cahill said he had no comment when asked if the new indictment might provide a stronger case for extradition than the earlier indictment of Mr. Vesco, who thwarted previous efforts to extradite him from Costa Rica and the Bahamas.

The new indictment was filed now, Mr. Cahill said, because the long investigation had reached a point where the grand jury was ready to make the charges, even though the defendants remained out of the country.

Elliot G. Sagor, the Federal prosecutor in charge of the



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Robert L. Vesco

case, said the indictment alleged that the defendants had held financial interests in several companies and that they had directed I.O.S. investments into these companies for their own benefit to the detriment of 225,000 investors in I.O.S. mutual funds.

Mr. Sagor said most of the fraudulent investments took place in 1972, several months after Mr. Vesco obtained control of I.O.S. from Bernard Cornfeld, who had developed the overseas mutual-fund operations.

The Principal defendant in the case is Mr. Vesco, a 41-year-old former resident of Boonton, N.J., who was chairman of the board of I.O.S.

The other defendants are Milton F. Meissner, 62, former I.O.S. president; Norman LeBlanc, 41, a Canadian who was I.O.S. vice president for finance; Stanley Graze, 58, former I.O.S. investment adviser; Ulrich J. Strickler, 40, a Swiss citizen who was an I.O.S. director; Gilbert R. J. Straub, 40, who was the European services director of the International Controls Corporation, which had controlled I.O.S., and Richard Clay, 51, another former I.C.C. director.

All the defendants were named in the fraud indictment, while all but Mr. LeBlanc and Mr. Strickler were also charged in separate one-count indictments with contempt of court for failure to appear before the grand jury here in accordance with subpoenas.

Mr. Meissner was charged in an additional indictment with income tax evasion for failure to report more than \$150,000 of income that he allegedly received from I.O.S. and others in 1970 and 1971.