

46-2507

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U.S. Petroleum Carriers, Inc. EXHIBIT A
Analysis of Stock Certificate Book

Issued To	Certificate No.	Date of Issue	No. of Shares		Date Resold or Cancelled
HAROLD G. BOWEN	1	2/27/47	250		1/7/48
Robert W. Dudley	2	2/27/47	250		1/7/48
Robert L. BERENSON	3	2/27/47	100	X	—
"	4	1/14/48	100	X	—
"	5	1/17/48	100	X	—
"	6	1/14/48	50	X	—
"	7	1/14/48	50	(b)	6/17/48
"	8	1/17/48	20	(b)	6/17/48
"	9	1/14/48	20	(d)	—
" (EQUITY CHANGE)	10	1/14/48	10	(d)	6/17/48
"	11	1/14/48	10		6/17/48
"	12	1/14/48	10	X	—
"	13	1/14/48	10	X	—
"	14	1/14/48	10	(a)	3/23/48
"	15	2/17/48	10	X	—
"	16	1/14/48	10	X	—
"	17	1/14/48	10	X	—
"	18	1/14/48	10	X	—
"	19	1/14/48	10	X	—
"	20	1/14/48	10	X	—
"	21	1/14/48	10	X	—
"	22	1/14/48	10	X	—
"	23	1/14/48	10	X	—
"	24	1/14/48	10	(b)	6/17/48
"	25	1/14/48	10	(c)	6/17/48
SINSA	26	1/15/48	400	(d)	CANCELLED
CLIFFORD N. CARVER	27	4/17/48	10	(a)	NO DATE
ARTHUR C. STORCH	28	6/17/48	10	(b)	"
NICOLAS COMMINIS	29	6/17/48	10	(c)	"
SINSA	30	6/17/48	490	(d)	400 Shares

Total No. of Shares Issued - Outstanding - 1000 Shares

Name of Holder of Stock	No. of Shares Held
Robert L. BERENSON	480
CLIFFORD N. CARVER	10
ARTHUR C. STORCH	10
NICOLAS COMMINIS	10
SINSA	490
Total	1000

X = CANCELLED

When Received or Transferred

Boat L. BORCHSON
Boat L. BORCHSON

INDUSTRIAL MARITIMA FINANCIERA ARIANA PANAMA SA

M.F.A.

MISSARD N. CARVER

RNC C. STOREN

NICHOLAS COMMINAS

Date Not Indicated

Certificate 13 14

" 15 24

" 15 25

Ent. 26, 50, 20, 10, 10 shares for certificate 7, 6, 10, 14

including Stock Certificate

Page 1
 5/1-1/52

Schedule of Salaries, Expenses, Dividends, etc.
 To Robt. L. Robinson, Clifford W. Currier, and C. L. ...
 of U.S. Petroleum Carriers Inc., American Marine Corp., Victory Carriers

Year	Company Name	Salaries	Expenses	Dividends	Other	Total
<u>Robert L. Robinson</u>						
1947	U.S. Petroleum Carriers Inc.	3000.00	1100.00		2500.00	6600.00
1948	"	5250.00	1315.00	1200.00		7765.00
1949	"	3300.00	1230.00			4530.00
1950	"	2616.00	687.00	300.00		3603.00
	Total	12216.00	4422.00	1500.00	2500.00	20638.00
<u>American Marine Corp.</u>						
1948	"					
1949	"					
	Total					
<u>Victory Carriers Inc.</u>						
1948	"					
1949	"					
1950	"	8333.33				8333.33
	Total	8333.33				8333.33
<u>Clifford W. Currier</u>						
1947	U.S. Petroleum Carriers	1000.00	3000.00			4000.00
1948	"	2150.00		250.00		2400.00
1949	"	1000.00				1000.00
1950	"	666.00		75.00		741.00
	Total	4416.00	3000.00	325.00		7741.00
1951	Victory Carriers Inc.	3333.33	1612.00			4945.33
1952	Tampabay L. S. Co.			1000.00		1000.00
1953	Pacific Tankers Inc.	2000.00				2000.00
1954	"	625.00	150.00			775.00
	Total	3564.33	1612.00	1000.00		6176.33
<u>C. L. ...</u>						
1948	U.S. Petroleum Carriers		100.00			100.00
1949	"		3000.00	250.00		3250.00
1950	"					
1951	"			75.00		75.00
	Total		3100.00	325.00		3425.00
1948	American Marine Corp.					
1949	Victory Carriers					
1950	"					
1951	"					
	Total					

1911
 11/15/11
 1911

EXHIBIT C

Deposited Paid by
 N. J. O'Connell, Currier, Inc., American Marine Corp.,
 Pacific American Lines, Pacific Tankers, Inc., F. T. Folsom & Co.

Year	Stockholder	N. J. O'Connell	Pacific American Lines & Pacific Tankers, Inc.	American Marine Corp.	F. T. Folsom & Co.	Deposited	Paid by
1911	Ariona - Panama, S.A.	12250.00					
	Clifford H. Currier	250.00					
	Robt. L. Gunnison	12000.00					
	And. C. Stoen	250.00					
	Nicholas C. Kohlenstein	250.00					
1911	Ariona - Panama, S.A.	21500.00					
	Clifford H. Currier	500.00					
	Robt. L. Gunnison	12000.00					
	And. C. Stoen	500.00					
	Nicholas C. Kohlenstein	500.00	None	None			
1911	Ariona - Panama, S.A.	12250.00					
Payable to	Clifford H. Currier	250.00					
	Robt. L. Gunnison	12000.00					
	And. C. Stoen	250.00					
	Nicholas C. Kohlenstein	250.00					
	Total	140000.00					
	Grand Total						
	1911	125000.00					
	1911	25000.00					
	Total	150000.00					
1911	N. J. O'Connell Currier					4000.00	
	Nicholas C. Kohlenstein					4000.00	
	Clifford H. Currier					1000.00	
	Geo. Constantine					1000.00	
	Total 1911					10000.00	

7/15
8/15

Cash and Bond Collateral account of **EXHIBIT D**
USPC at National City Bank

DATE	RATE	AMOUNT	PAYMENTS	BALANCE
9/1/48	2%	170,000		170,000
9/30/48	2%	170,000		340,000
10/1/48	2%	90,000		430,000
10/31/48	2%	170,000		600,000
11/1/48	2%	170,000		770,000
11/30/48	2%	90,000		860,000
12/1/48	2%	170,000		1,030,000
12/31/48	2%	170,000		1,200,000
1/1/49	2%	90,000		1,290,000
1/31/49	2%	170,000		1,460,000
2/1/49	2%	1,460,000 (RENEWAL)		1,460,000
2/28/49	2%	400,000		1,860,000
3/1/49	2%	170,000		2,030,000
3/31/49	2%	90,000		2,120,000
4/1/49	2%	170,000		2,290,000
4/30/49	2%	85,000		2,375,000
5/1/49	2%	170,000		2,545,000
5/31/49	2%	85,000		2,630,000
6/1/49	2%	85,000		2,715,000
6/30/49	2%	170,000		2,885,000
7/1/49	2%	300,000		3,185,000
7/31/49	2%	450,000		3,635,000
8/1/49	2%	170,000		3,805,000
8/31/49	2%	85,000		3,890,000
9/1/49	2%	170,000		4,060,000
9/30/49	2%	4,060,000 (RENEWAL)		4,060,000
10/1/49	2%	85,000		4,145,000
10/31/49	2%	105,000		4,250,000
11/1/49	2%	250,000		4,500,000
11/30/49	2%	100,000		4,600,000
12/1/49	2%	195,000		4,795,000
12/31/49	2%	105,000		4,900,000
1/1/50			95,000	4,805,000
1/31/50			105,000	4,700,000
2/1/50			100,000	4,600,000
2/28/50			195,000	4,405,000
3/1/50			100,000	4,305,000
3/31/50	2%	4,305,000 (RENEWAL)		4,305,000
4/1/50	2%	105,000		4,410,000
4/30/50	2%	4,410,000 (RENEWAL)		4,410,000
5/1/50	2 1/2%	300,000		4,710,000
5/31/50			300,000	4,410,000
6/1/50	2 1/2%	500,000		4,910,000
6/30/50	2 1/2%	5,500,000 (RENEWAL)		5,000,000
7/1/50	2 1/2%	300,000		5,300,000
7/31/50	2 1/2%	6,300,000		7,000,000

11
28
5/15/51

Cash and Bond Collateral Account of
USPC at National City Bank

<u>DATE</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>PAYMENTS</u>	<u>BALANCE</u>
4/1/51	2 1/2 %		120000	580000
5/1/51			250000	550000
9/1/51	2 1/2 %	550000 (RENEWAL)		550000
9/1/51			550000	- 0 -

United States Populism Center, Inc. **EXHIBIT E**
 Results of Operations
 For the years 1944 through 1951

Description	OPERATING		Operation of Farm Homes Fruit Gardens Lake Geneva Chicago		Operation of Grady Post Camp Monahan in Battle Hill		OTHER ACTIVITIES	
	1944	1951	1944	1951	1944	1951	1944	1951
Value of Assets - Closing Year	992910288	154949899	3370	10399				
Value of Assets - Beginning Year	161075070	168075070						
	116292558	122020997	3370	10399				
Value of Equity Expense	5107225	51107722			5733925		201700	
Value of Assets Expense	1274537	1274537						
	52972187	52377255			5733925		201700	
Net Profit - Before Operations & Interest	623107171	200022400	332276471				(201700)	
Operations on Vessels	270055915	15573626	118591357				528462	
Deduct Expense	15977824	5576297	2784452				77057311	
	43003407	21101222	191935851				7754573	
Net Profit - After Operations & Interest	520273054	99018977	191240520				(77787473)	
Administrative & General Expense	76976565	6340565	7350000					
Miscellaneous Activities	10051814	907264	430935				4713612	
Taxes Other than Federal Inc. Taxes	2756072	2756072						
Operations - Furniture & Equipment	479064	479064						
	90203515	6758965	7790938				4713612	
Profit (Loss) from Operations	11226769	21661012	17390264				(9250125)	
Other Income:								
Deduct Income	20737452	4679					20732777	
Profit Making Affiliate Vessel Business	3841556						3841556	
Dividend Income	400000						400000	
Profit on Foreign Exchange	260322	260322						
Miscellaneous Income	1623629	286167					1323462	
	25962972	466172					24200795	
Net Profit (Loss) After Federal Inc. Taxes	132922542	22121190	17390264				(52199290)	
Provision for Federal Income Taxes	6272292							
Net Profit - After Federal Income Taxes	77049560							
Capital Gains Income from American Income Corporation merger 2/3/49	22527073							
Loss on sale of Pacific Tugboat Co. stock	(1045690)							
Dividends Received	(10000000)							
Cash Surplus Dec 31, 1951	79119815							

1949-50-1952
 Questions 1/1

(2)

Schedule of Payments by Petroleum
 U.S. Petroleum Carriers Inc. and the Charter Party for 1949
 Charges - Tank Storage and Discharge

Date	Comments - Charges	Acct.	Amount	Rate	Amount
1/31	Charter Party and Tank Storage	152,162.50	5/10	22517.50	
2/25	fuel	152,162.50	13	113470.00	
3/21	fuel	152,162.50	24	113470.00	
4/18	fuel	152,162.50	27	22517.50	
5/31	fuel	152,162.50	22	22517.50	
6/20	fuel	152,162.50	34	113470.00	
7/31	fuel	152,162.50	20	113470.00	
8/31	fuel	152,162.50	12	22517.50	
9/10	fuel	152,162.50	22	22517.50	
			22	113470.00	
			22	22517.50	
10/31	fuel	152,162.50	14	113470.00	
11/30	fuel	152,162.50	71	113470.00	
12/31	fuel	152,162.50	71	22517.50	
	Guaranteed Minimums 1949	475033.55	54	33517.50	
	Total	2167221.21	54	113470.00	

Total Charges to account:
 Charter Party Charges \$167,175.00
 Other Min. Charges 167,175.00
 Total Charges 334,350.00

Total Credits to account:
 Payments and Bond Charter Income 17,950.00
 Interest on amount advanced 24,100.00
 Balance available from previous years 24,100.00
 Other Min. Credits 8,775.00
 Total Credits 74,925.00

Total Charges 334,350.00
 Total Credits 74,925.00
 Balance carried into 1950 259,425.00

Note: Payments actually made in 1949 to U.S. Petroleum Carriers Inc. and the Charter Party for 1949 were \$167,175.00. This amount is shown in the schedule of payments as a credit to the Charter Party's account. The balance available from previous years is also shown as a credit to the Charter Party's account. The interest on the amount advanced is also shown as a credit to the Charter Party's account. The other minimum credits are also shown as a credit to the Charter Party's account. The total charges to account are \$334,350.00 and the total credits to account are \$74,925.00. The balance carried into 1950 is \$259,425.00.

Friday, 9th (Mendocino),
Paxmatt

1877	1878	1879	1880
1881	1882	1883	1884
1885	1886	1887	1888
1889	1890	1891	1892
1893	1894	1895	1896
1897	1898	1899	1900
1901	1902	1903	1904
1905	1906	1907	1908
1909	1910	1911	1912
1913	1914	1915	1916
1917	1918	1919	1920
1921	1922	1923	1924
1925	1926	1927	1928
1929	1930	1931	1932
1933	1934	1935	1936
1937	1938	1939	1940
1941	1942	1943	1944
1945	1946	1947	1948
1949	1950	1951	1952
1953	1954	1955	1956
1957	1958	1959	1960
1961	1962	1963	1964
1965	1966	1967	1968
1969	1970	1971	1972
1973	1974	1975	1976
1977	1978	1979	1980
1981	1982	1983	1984
1985	1986	1987	1988
1989	1990	1991	1992
1993	1994	1995	1996
1997	1998	1999	2000

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1851 1852

(3)

Schedule of Payments by Petroleum Co
 U.S. Petroleum Co. Inc. and the Charter Office for
 Fish Bridges, Canal Meadows, Lake George and

Question # 1

Date	Comments	Charged	Amount	Balance
1/15	Petroleum Co. of Panama		1150	1150
1/15	Charter Office Inc. with Fish Bridges, Canal Meadows, Lake George and		152185	
2	Feb		152185	
3	March		152185	2150
4	April		152185	3150
5	May		152185	4150
6	June		152185	5150
7	July		152185	6150
8	August		152185	7150
9	Sept		152185	8150
10	Oct		152185	9150
11	Nov		152185	10150
12	Dec		152185	11150
	Charter Office Inc. for 1852		2000	11850
			1000	12850
			1000	13850
			1000	14850
			1000	15850
			1000	16850
			1000	17850
			1000	18850
			1000	19850
			1000	20850
			1000	21850
			1000	22850
			1000	23850
			1000	24850
			1000	25850
			1000	26850
			1000	27850
			1000	28850
			1000	29850
			1000	30850
			1000	31850
			1000	32850
			1000	33850
			1000	34850
			1000	35850
			1000	36850
			1000	37850
			1000	38850
			1000	39850
			1000	40850
			1000	41850
			1000	42850
			1000	43850
			1000	44850
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			1000	69850
			1000	70850
			1000	71850
			1000	72850
			1000	73850
			1000	74850
			1000	75850
			1000	76850
			1000	77850
			1000	78850
			1000	79850
			1000	80850
			1000	81850
			1000	82850
			1000	83850
			1000	84850
			1000	85850
			1000	86850
			1000	87850
			1000	88850
			1000	89850
			1000	90850
			1000	91850
			1000	92850
			1000	93850
			1000	94850
			1000	95850
			1000	96850
			1000	97850
			1000	98850
			1000	99850
			1000	100850

Total of Payments by Petroleum Co. of Panama
 and Charter Office of the Fish Bridges, Canal Meadows,
 Lake George and the Archipelago for 1852
 Payments by U.S. Petroleum Co. Inc. and the Charter Office for
 1851, 50% of which was actually the Charter Office
 owed by the Petroleum Co. of Panama, 50% of which
 belonged to U.S. Petroleum Co. Inc. and the Charter Office
 and the balance of this amount I recalled the difference
 between the debit and the total that will be due on
 the remaining three ships.

\$ 18136.35

18136.35

Feb 7/52

(4)

Schedule of Payments by Petroleum
 W. J. Petroleum General Co. and The Charter Hill
 Coal Company, Canal Meadows, Lake George

Date	Comments	Charge	Amount	Balance
7/51	Charter Hill and the W. J. Petroleum General Co.	152120	118170	
2/52		139210	118170	
3/52		10470	6057	
4/52		152120	118170	
5/52		152120	118170	
6/52		141470	126122	
7/52		10701	113070	
8/52		10701	128122	
9/52		10701	6500	
10/52		10701	73496	
11/52		5000	5000	
12/52	Guaranteed Minimum for 1907	152120	7911	
			152120	
			115500	
			20110	
			13150	
			4214	
			215451	
			1134	
			215371	
			119165	
			42165	
			215116	

Total of Payments by Petroleum General Co. (Guaranteed)
 Payment by Security Petroleum Co.
 Total

119165
 42165
 215116

and of Panama to
with 1757 of the
& (Cuba)

Requirements

1757
P.C. 1757

No. 1757
No. 1757
No. 1757

(1) 1757
credit of 1,034.72 allowed in adjustment on the 1757

1757
1757
1757

1757
1757
1757

1757
1757
1757

United States Petroleum Cases

4 Fort Bridger
 5 Ames Meadows
 5 Lake George
 5 Anchorage
 5 Battle Rock
 5 Camp Nemah
 5 Stony Point

5 Montebello Hills
 5 McKittrick Hills
 5 William A. Bunker
 5 Olympic Games

5 Ames Victory
 5 Coe Victory
 5 Cour d'Alen Victory
 5 Jefferson City Victory
 5 Markato Victory
 5 Northwestern Victory
 5 Logview Victory
 5 Heywood Brown
 5 Lewis Energy

Pure Charter

Petroleum Company of Panama 10 year Term Ch.
 Petroleum Company of Panama 10 year Term Ch.
 Petroleum Company of Panama 10 year Term Ch.
 Petroleum Company of Panama 12 year Term Ch.
 Socony Vacuum Oil Co 5 year Charter
 Socony Vacuum Oil Co 5 year Charter
 Socony Vacuum Oil Co 5 year Charter

Western Tankers Inc (Pacific Term)

Transatlantic Tankers Line Charter
 Transatlantic Tankers Line Charter
 Transatlantic Tankers Line Charter
 Transatlantic Tankers Line Charter

Victory Carrels Inc

Transatlantic Tankers 10 year
 Operated Directly by Victory Carrels
 Operated Directly by Victory Carrels

Statement of Financial Position on Balance of
 [illegible] as of [illegible] for [illegible] of USFC Group
 and [illegible] [illegible]

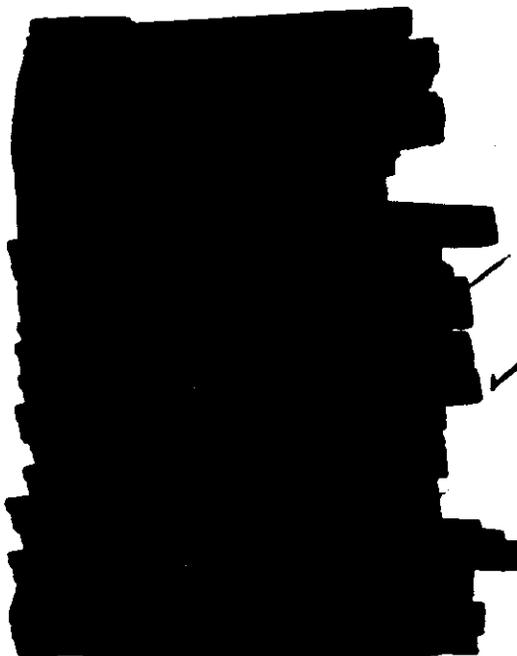
EXHIBIT

Month	(Bal) Credit	net of USFC Account	net of USFC Account	net of all Accounts
Jan	(218,726.30)	-	-	(218,726.30)
Feb	(15,184.68)	-	-	(15,184.68)
Mar	497,863.12			497,863.12
Apr	17,054.91	40,146.67		47,201.65
May	(36,941.14)	(98,207.79)		(135,147.93)
Jun	27,796.34	(82,188.74)		(54,392.40)
Jul	(8,552.57)	(2,281.04)		(10,833.61)
Aug	(386,594.90)	(2,014.32)		(413,414.22)
Sep	(7,779.90)	100.00		(7,679.90)
Oct	(132,718.70)	(668.19)		(133,386.89)
Nov	91,733.65	(3,627.65)		88,106.00
Dec	(155,619.15)		330.00	(155,289.15)
Jan	(68,078.00)	1,143.81		(66,934.19)
Feb	71,365.36	2,743.77		74,109.13
Mar	(7,370,044.99)	771,921.30		(6,600,123.69)
Apr	(211,622.25)	426,692.25		215,070.00
May	(154,777.89)	129,110.06		(25,667.83)
Jun	277,145.58	423,123.54		700,269.12
Jul	57,116.37	(229,063.59)		(171,947.22)
Aug	175,624.11	124,725.69		300,349.80
Sep	132,321.85	174,016.17		306,338.02
Oct	17,140.22	2,269,206.44		2,286,346.66
Nov	21,209.66	5,475.69		26,685.35
Dec	112,306.04	199,070.77		311,376.81
Jan	531,018.46	240,409.68		771,428.14
Feb	198,551.78	224,519.67		423,071.45
Mar	320,224.21	204,724.08		524,948.29
Apr	366,442.76	223,177.68		589,620.44
May	421,570.23	127,375.37		548,945.60
Jun	74,182.25	128,519.99		202,702.24
Jul	672,917.17	156,753.22		829,670.39
Aug	665,000.00	121,137.24		786,137.24
Sep	1,212,000.00	114,000.00		1,326,000.00
Oct	(185,201,000)	100,000.00		(185,101,000)
Nov	(4,000,750.14)	124,000.00		(3,876,750.14)
Dec	(187,074,205)	897,319.62		(186,176,885.38)
Jan	129,469.82	309,259.52		438,729.34
Feb	250,367.66	172,931.42		423,299.08
Mar	396,903.03	252,016.62		648,919.65
Apr	324,156.87	88,644.88		412,801.75
May	142,062.99	79,156.88		221,219.87
Jun	425,298.21	150,728.69		576,026.90
Jul	361,705.40	54,662.78		416,368.18
Aug	452,725.34	117,753.90		570,479.24
Sep	354,343.83	114,749.17		469,093.00
Oct	341,862.78	42,478.86		384,341.64
Nov		36,916.07		36,916.07
Dec				

ADMINISTRATIVE PAGE (CONT'D)

MISCELLANEOUS

The following SAs and SA(A)s participated in the investigation reflected in this report:



- REFERENCE:
- Bureau letter dated 4/22/52.
 - New York letter to Bureau, copy to Washington Field, dated 4/25/52 requesting interview of ROBERT W. DUDLEY and E. CORTLANDT PARKER.
 - New York teletype to Bureau, Los Angeles and San Francisco dated 5/7/52 requesting interviews of JOHN A. MC CONE, J. M. WARFIELD and ALLAN CAMERON.
 - New York teletype to Bureau and Washington Field dated 5/8/52 requesting interview of E. A. BACON.
 - New York teletype to Bureau and Washington Field dated 5/8/52 requesting interview of Admiral A. F. CARTER.
 - Los Angeles teletype to New York, Bureau and Washington Field dated 5/8/52.
 - San Francisco teletype to New York, Bureau and Washington Field dated 5/8/52.
 - (Information in Los Angeles and San Francisco teletypes of 5/8/52 included under Department Item Number 60 of this report.)

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Hendon	_____
Mr. Pennington	_____
Mr. Quinn	_____
Mr. Nease	_____
Miss Gandy	_____

RECEIVED
MAY 8 1952
COMMUNICATIONS SECTION

WASH AND WASH FLD 7 FROM NEW YORK 8 10-41-
DIRECTOR AND SAC IMMEDIATE ATTENTION
ATT. ASST. DIR. ROSEN.

①

NORTH AMERICAN SHIPPING AND TRADING CO. INC., ET AL, FAG. RE DEPT
MEMO APRIL SEVENTEEN LAST AND NY LET TO WASHINGTON FIELD APRIL TWO
FIVE LAST. LESLIE MILLS, ONE OF ORIGINAL STOCKHOLDERS OF AMERICAN
MARINE CORP. INTERVIEWED THIS DATE AT NY AND FURNISHED FOLLOWING
INFORMATION. ADVISED HE IS PARTNER, PRICE WATERHOUSE AND CO. AND
FORMER PARTNER O.F. TAYLOR AND CO. BOTH ACCOUNTING FIRMS, NYC,
SERVED ON RENOGATIATION BOARD IN US NAVY DURING NINETEEN FORTY FIVE
AND FORTY SIX
WITH E.A. BACON, ONE FIVE NAUGHT THREE, THREE FIVE ST., NW, WASHINGTON
DC. MILLS RECEIVED TELEPHONE CALL FALL NINETEEN FORTY SEVEN FROM
BACON REQUESTING MILLS TO COME TO WASHINGTON AND DISCUSS BUSINESS
VENTURE IN WHICH ACCOUNTANT AND TAX EXPERT WAS NEEDED. MILLS WENT TO
WASHINGTON SHORTLY THEREAFTER AND MET BACON AT METROPOLITAN CLUB
FOR LUNCH. STATES ROBERT W. DUDLEY MAY HAVE BEEN PRESENT AT THIS
MEETING, BUT NOT DEFINITE ABOUT WHETHER HE MET DUDLEY ON THIS OCCASION
OR AT LATER DATE. BACON, WHO WAS EMPLOYEE OF EXPORT-IMPORT BANK
AT THAT TIME, ADVISED ROSENBAUM HAD INFORMED BACON THERE WAS AN
OPPORTUNITY TO BUY VESSELS FROM US MARITIME COMMISSION IF FINANCING
AND CHARTERING COULD BE ARRANGED. THEREAFTER AMERICAN MARINE CORP

END PAGE ONE

62 MAY 21 1952

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46-17783-158
MAY 14 1952

6/2/52

PAGE TWO

FORMED AND MILLS BECAME STOCKHOLDER, DIRECTOR AND SECRETARY TREASURER
OF COMPANY. BETWEEN OCTOBER NINETEEN FORTY SEVEN AND MARCH NINETEEN
FORTY EIGHT, MILLS WAS PARTICIPANT IN NUMBER OF DISCUSSIONS AND
MEETINGS WITH BACON AND PARKER RELATIVE TO CHARTERING AND FINANCING
OF VESSELS ALLOTTED TO AMERICAN MARINE CORP. O.F. TAYLOR AND CO.
RECEIVED APPROXIMATELY EIGHT THOUSAND DOLLARS IN FEES FOR SERVICES
RENDERED AMERICAN MARINE CORP. WHICH FEES WERE PAID IN FORM OF CHECKS
PAYABLE TO MILLS AND SIGNED BY SOMEONE FOR ROSENBAUM-S FIRM. MILLS
SUBSEQUENTLY ENDORSED CHECKS TO ACCOUNT OF O.F. TAYLOR AND CO. WFO
WILL INTERVIEW E.A. BACON AS IT APPEARS THAT HE WAS INSTRUMENTAL IN
ORGANIZING AMERICAN MARINE CORP. WILL SUBMIT RESULTS OF INTERVIEW
IN REPORT TO REACH BUREAU BY MAY NINE NEXT.

SCHEIDT

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 20 1952

TELETYPE

WASH 96 LOS ANGELES 6 SAN FRAN 4 FROM NEW YORK 7 01

DIRECTOR AND SACS VERY URGENT

ATTENTION - ASST. DIR. ROSEN

Mr. Tolson	
Mr. Ladd	
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

NORTH AMERICAN SHIPPING AND TRADING COMPANY, ET AL, SAC, AT DEPARTMENT
 REQUEST AN INVESTIGATION IS BEING CONDUCTED INTO THE ACTIVITIES OF
 SUBJECT COMPANY AND MORE SPECIFICALLY THE ACTIVITIES OF UNITED STATES
 PETROLEUM CARRIERS REFERRED TO AS USPC AND PACIFIC TANKERS INC, REFERRED
 TO AS PTI. USPC IS A US CORPORATION BUT FORTY NINE PERCENT OF STOCK
 IS HELD BY A FOREIGN CORPORATION WHICH FOREIGN CORPORATION IS OWNED
 AND CONTROLLED BY ARISTOTLE ONASSIS, AN ALIEN. USPC OWNS DIRECTLY
 OR THRU SUBSIDIARY COMPANIES TWENTY FOUR VESSELS PURCHASED FROM THE
 UNITED STATES MARITIME COMMISSION, THE MAJORITY OF WHICH VESSELS
 ARE PRESENTLY CHARTERED TO FOREIGN CORPORATIONS. ON JAN TWENTY FOUR
 NINE USPC ENTERED INTO AN AGREEMENT WHEREBY THEY ACQUIRED ALL
 OF THE OUTSTANDING STOCK OF PTI FOR AN AMOUNT OF TWO MILLION DOLLARS.
 PTI WAS A DELAWARE CORPORATION ORGANIZED IN FORTY THREE AND AT CLOSE
 OF WAR ACQUIRED FROM US MARITIME COMMISSION TWO TANKERS. THE DEPART-
 MENT IN HIS MEMO REQUESTS THAT THE OFFICERS, DIRECTORS AND
 STOCKHOLDERS OF PTI BE ASCERTAINED AS OF JAN TWENTY, FORTYNINE,
 THE DATE AGREEMENT WAS MADE WHEREBY USPC PURCHASED ALL THE STOCK
 OF PTI. DEPARTMENT FURTHER REQUESTS THAT IT BE ASCERTAINED WHO
 INSTITUTED AND PARTICIPATED IN NEGOTIATIONS LEADING UP TO THE

RECORDED - 7 46-17783-158

MAY 14 1952

64 MAY 21 1952
END OF PAGE ONE

Handwritten signature/initials

PAGE TWO

AGREEMENT OF JAN TWENTY FORTY NINE, IT FURTHER REQUESTS THAT IT BE DETERMINED WHETHER OFFICERS OF PTI KNEW THAT USPC WAS UNDER THE ECONOMIC CONTROL OF ONASSIS OR WHETHER ANY EFFORT WAS MADE BY ANYONE TO DETERMINE THE CITIZENSHIP OF USPC. AT NY IT HAS BEEN ASCERTAINED THAT J.N. WARFIELD WAS FORMER EXECUTIVE VICE PRESIDENT OF PTI AND CONDUCTED NEGOTIATIONS RELATIVE TO AFOREMENTIONED AGREEMENT OF JAN TWENTY FORTY NINE, AND ALLAN CAMERON, BELIEVED TO BE ANOTHER OFFICER OF PTI, WAS PRESENT AT NEGOTIATIONS. IT IS REPORTED THAT THESE INDIVIDUALS CAN BE REACHED AT THE JOSHUA HENBY CORPORATION, THREE ELEVEN CALIFORNIA ST., SAN FRAN, TELEPHONE DOUGLAS TWO DASH EIGHT SIX ONE SIX. IT WAS FURTHER ASCERTAINED THAT JOHN A MC CONE WAS A FORMER OFFICER OF PTI AND TOOK PART IN NEGOTIATIONS OF AFOREMENTIONED AGREEMENT. THE ADDRESS FOR MC CONE IS REPORTED AS SIX ZERO ONE WEST FIFTH ST., LA. IT IS REQUESTED THAT THE SAN FRAN OFFICE INTERVIEW WARFIELD AND CAMERON AND THAT THE LA OFFICE INTERVIEW MC CONE RELATIVE TO THEIR KNOWLEDGE OF THE NEGOTIATIONS LEADING UP TO THE AFOREMENTIONED AGREEMENT AND WHO PARTICIPATED IN THESE NEGOTIATIONS AND FURTHER TO DETERMINE WHETHER THEY KNEW THAT USPC WAS UNDER THE ECONOMIC CONTROL OF ONASSIS OR WHETHER THEY MADE AN EFFORT TO DETERMINE THE CITIZENSHIP OF USPC. IMPERATIVE THAT LA AND SAN FRAN OFFICES SUTEL NEW YORK SUMMARY RESULTS OF THESE INTERVIEWS NO LATER THAN FIVE PM EST FOR IMMEDIATE INCLUSION IN REPORT THAT MUST REACH BUREAU BY MAY NINE.

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END

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ALSO RELAY

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 8 1952

TELETYPE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Laughlin	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Holloman	_____

WASH AND WASH FLD 8 FROM NEW YORK 8 11-40 AM

DIRECTOR AND SAC IMMEDIATE ATTENTION

ATTENTION ASSISTANT DIRECTOR ROSEN.

NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL, FAB. RE
 DEPARTMENTAL MEMORANDUM DATED APRIL SEVENTEENTH, NINETEEN FIFTYTWO.
 IN CONNECTION WITH ITEM FIFTYNINE, THIS OFFICE DETERMINED THAT A.F.
 CARTER, THREE ONE TWO ONE, CLEVELAND AVENUE, WASHINGTON, DC, TELEPHONE
 ORDWAY THREE SIX SEVEN SEVEN, WAS PRESIDENT OF PACIFIC TANKERS,
 INC. ON JANUARY TWENTY, NINETEEN FORTYNINE. INTERVIEW CARTER IN
 ACCORDANCE WITH ITEMS SIXTY AND SIXTYONE OF DEPARTMENTAL MEMORANDUM

SCHEIDT

MAY 21 1952

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MAY 14 1952

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
Attention: Assistant Director Rosen
FROM : SAC, New York
SUBJECT: NORTH AMERICAN SHIPPING & TRADING CO., INC., ET AL
FAG

DATE: May 2, 1952

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W*

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ReBulet 4/22/52.

The following information is furnished relative to the progress being made in this investigation.

In connection with the examination of books and records of the U. S. Petroleum Carriers, Inc. and related companies, it is to be noted that all these records are located at 655 Madison Avenue, NYC. According to H. O. BECKER, Treasurer of USPC, the office space at this address is not ample for their own personnel and therefore he was only able to provide a very small room for use of Bureau Agents. Three agents have been assigned to the examination of these records and it is not practical to assign additional agents at this location. The regular working hours at USPC are nine to five with a five day week, however, arrangements have been made whereby an employee is keeping the office open for an extra 1 1/2 to 2 hours each week day and a half day on Saturday.

b7d



Relative to the investigation at Socony-Vacuum Oil Co., NYC, it has developed that certain records are not presently available at NY and the company is obtaining same. These records should be available by May 8 or 9, 1952.

As set forth in NYtel to Bureau dated 4/29/52, ROBERT L. BERENSON contemplates returning to the U. S. from Paris. Arrangements have been made to interview BERENSON at NY on May 8th.

EXPEDITE PROGRESS

This case is being given expeditious attention and personnel assigned to the extent that is practical.

The investigation in this case should be completed and a report submitted by May 23, 1952.

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EX-18

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT WASHINGTON, D. C.	DATE WHEN MADE 5/9/52	PERIOD FOR WHICH MADE 5/8/52	REPORT MADE BY [REDACTED] b7c
TITLE NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL.		CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT - BRIBERY	

SYNOPSIS OF FACTS: EDWARD A. BACON met JOSEPH ROSENBAUM while both employed by OSS during War. At the close of the War, he asked ROSENBAUM to let him know if he knew of a good business where he could make a profitable investment. ROSENBAUM contacted BACON in 1947 and suggested the possibility of buying ships from the U.S. Maritime Commission. BACON put ROSENBAUM in touch with LESLIE MILLS, a CPA from New York City, and COETLANDT PARKER, a Washington attorney, friends of BACON. ROSENBAUM organized the American Marine Corporation and BACON, MILLS, and PARKER purchased stock. Due to BACON's position in the Export-Import Bank, he would not act as an officer or director of the Corporation. Purpose of the American Marine Corporation was to own and operate tankers. BACON purchased 20% of the stock through ROSENBAUM for approximately \$400 to \$800, prior to the time the company was allocated three tankers by the USMC with the further understanding that he would invest up to \$50,000 to purchase the ships if an allocation was received and necessary capital could be obtained. The AMC was unable to obtain a loan sufficient to purchase the vessels and BACON attempted on his own behalf to get capital for the Corporation and failed. Before actual

2cc House Special Investigator 5-13-52 ECR

1cc Maritime Administration 21m 7/20/52

JE
1cc - AAG - 2/3/53

1cc Retained

APPROVED AND FORWARDED: <i>R. B. Wood</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 4 ① - Bureau (46-17783) 2 - New York (46-2507) 3 - Washington Field (46-2607)		46-17783-164	RECORDED
		MAY 15 1952	<i>[Signature]</i>

WFO 46-2607

purchase of vessels from the USMC, BACON, through CORTLANDT PARKER, sold his stock of the AMC to a ship operating corporation, name not now recalled, for approximately \$50,000, which included 4 per cent interest on unpaid balance which now had been paid in full. Payments received from JOSEPH ROSENBAUM. BACON not familiar with the investment made by other stockholders or arrangements made by PARKER to sell the stock. Also not familiar with ROSENBAUM's connection with AMC. Mr. A. F. CARTER, former Admiral, USN, advised J. M. WARFIELD and J. A. McCONE instituted negotiations leading up to sale of tankers by Pacific Tankers, Inc. to USPC, Inc. on 1/20/49. States no brokers involved and he opposed sale to USPC. States that it was his opinion that USPC was controlled by ONASSIS and that his company made efforts to determine citizenship of USPC and learned that it was dominated by Greek interests.

- P -

DETAILS: AT WASHINGTON, D. C.

EDWARD A. BACON, 1503 35th Street, N. W., Washington, D. C., was interviewed at his farm at Madison, Virginia, by Special Agents [REDACTED] on May 8, 1952. b7c

He advised that he was an officer in the United States Navy during World War II and served on the Navy Price Adjustment Board. After leaving Navy Service in 1946, he was employed by the Office of Strategic Services for a short time before becoming employed by the Export-Import Bank, Washington, D. C. While with the Office of Strategic Services, he became acquainted with JOSEPH ROSENBAUM, who was employed with this Service. After leaving OSS, he asked ROSENBAUM to "keep his eyes open" for the purpose of assisting him, BACON, in making a business investment of some nature.

- 2 -

Later and in 1947 ROSENBAUM told BACON of the prospect of purchasing a number of ships from the United States Maritime Commission, and asked if he would be willing to make an investment. At the same time, ROSENBAUM told BACON that a large life insurance company, the name of which he preferred not to mention, had agreed to underwrite a substantial amount of the purchase price of the vessels.

BACON, as he recalled, then got in touch with LESLIE MILLS, a Certified Public Accountant in New York City, with whom he had served on the Navy Price Adjustment Board during the War. He also contacted CORTLANDT PARKER, a practicing attorney and a friend of his in Washington, D. C. Thereafter he had discussions with ROSENBAUM, PARKER, and MILLS in Washington, D. C. concerning the formation of the American Marine Corporation. He told ROSENBAUM he would subscribe to 20 per cent of the stock and would invest up to \$50,000 in the new Corporation, provided that it was successful in obtaining the ships and putting them into operation. He said that he would not serve as an officer or director in the Corporation due to his employment at the Export-Import Bank. In this connection, he said he contacted his superior at the bank and obtained clearance to purchase stock in a Corporation which intended to do business with the government. He was advised that as long as he did not act as an officer or director of the Corporation and as long as the Corporation did not do business in any way with the Export-Import Bank, there would be nothing improper about his investment.

ROSENBAUM organized the Corporation and MILLS and PARKER were officers. The purpose of the Corporation was to own and operate ships that were to be purchased from the United States Maritime Commission. Shortly after the formation of the Corporation, an application was filed with the Maritime Commission for the purchase of a number of tankers, and thereafter an allocation was issued to the Corporation to purchase three tankers.

BACON stated that at the time it was agreed to form the Corporation that he gave ROSENBAUM a check for an amount which he does not now recall, but which would be in the neighborhood of from \$400 to \$800. This represented a 20 per cent investment in the Corporation. It was further understood that in the event the Corporation could purchase the ships he would contribute up to \$50,000 in addition. BACON stated that the amount of the purchase price for his 20 per cent interest is

the Corporation was fixed by ROSENBAUM. He did not know the amount of the contributions made by the other stockholders or whether ROSENBAUM owned any stock in the Corporation. He likewise did not know the number of shares he, BACON, had acquired.

After the Corporation was formed, possibly PARKER and ROSENBAUM had arranged with Winchester, Incorporated (or Sons), in New York City, to act as operators for the ships in the event the Corporation was successful in purchasing them from the Maritime Commission. In this regard, BACON mentioned that it was his intention and the intention of the other principles of the Corporation to actually operate these vessels. He mentioned that in addition to the purchase price of the three vessels which had been allocated, he considered it necessary to raise at least \$500,000 for use as working capital. The life insurance company, as referred to above, at the last minute did not make the advance of funds which was contemplated; therefore, BACON took it upon himself to secure capital in connection with this venture. He went to New York on his own time and contacted several financial houses, the names of which he preferred not to mention, in an attempt to obtain necessary capital to purchase the vessels and operate them. He was unsuccessful in his attempts and thereafter felt that the venture would not materialize, and therefore took no further interest in the matter. He pointed out that his attempts to obtain capital was his sole participation in the activities of the Corporation other than the discussions concerning its formation, which were previously set forth.

After this time, he received a telephone call, or was otherwise communicated with by either ROSENBAUM or PARKER, and was asked if he desired to sell his stock. He turned over to PARKER his proxies with instructions that he, PARKER, could do as he saw fit, that he no longer had an interest in the Corporation since necessary capital could not be obtained to operate the vessels.

Sometime later, either PARKER or ROSENBAUM told him that the stock had been sold to an operating company (a company owning and operating ships). BACON stated that he believed this company was in New York City and he was told that it was an American corporation and a reputable one. BACON could not now recall the name of the company.

WFO 46-2607

BACON stated that he received approximately \$50,000 for his stock in the American Marine Corporation; that \$10,000 was paid to him in cash by ROSENEAUM at the time of the sale; and four installment notes were given, bearing interest at the rate of 4 per cent. These notes were subsequently paid by ROSENEAUM in 1949, 1950, 1951, and 1952. He elaborated that the checks in payment of the notes were checks of ROSENEAUM. Further, that the actual notes involved were held by PARKER, and that he, BACON, had very little to do with the transaction.

BACON advised that he had heard of APISTOTLE ONASSIS and knew of his association in shipping circles; however, he could not associate him in any way in connection with the American Marine Corporation.

INTERVIEW WITH Mr. A. F. CARTER, Apartment 710,
2310 Connecticut Avenue, N.W., Washington, D. C.

Mr. A. F. CARTER was interviewed by SA [REDACTED] and the writer at the above address on May 8, 1952. b7c

Mr. CARTER was questioned with reference to Item 60 of the Attorney General's memorandum dated April 17, 1952, which related to the matter of negotiations leading up to the agreement of January 20, 1949.

Mr. CARTER advised that JOHN A. McCONE, former Undersecretary for Air (up to about a year ago), and J. M. WARFIELD, of Los Angeles, California, instituted the negotiations leading up to the January 20, 1949, agreement by the USPC, Inc. and Pacific Tankers, Inc. He stated that the original negotiations took place on or about December 31, 1948, but that the final agreement was consummated on January 20, 1949. He informed that these negotiations were handled by J. A. McCONE and J. M. WARFIELD for Pacific Tankers, Inc., both of these individuals being officers of the above-mentioned organization. He stated that when he first became connected with Pacific Tankers, Inc. it was his desire to enter into the oil business as he felt this was a very fertile field at this time, and when McCONE and BECHTEL, both major stockholders in Pacific Tankers, Inc.,

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contemplated selling Pacific Tankers, Inc. to USPC, he opposed this sale. He informed that he and J. M. WARFIELD each held about 3 per cent interest in Pacific Tankers, Inc. and felt that the sale should not be made. He further informed that no brokers were involved in this transaction.

With reference to question 61 of the above-mentioned memorandum, Mr. CARTER advised that the name of the officers of Pacific Tankers, Inc. as of January 20, 1949, prior to the sale, were as follows:

JOHN A. McCONE	-	Chairman of the Board
A. F. CARTER	-	President
ALLAN CAMERON	-	Vice-President
JAMES M. WARFIELD	-	Executive Vice-President
ARTHUR LANE	-	Treasurer

In addition, he advised that the following individuals were directors of Pacific Tankers as of January 20, 1949: J. A. McCONE, J. W. HANES, J. M. FRANKLIN, E. J. MORAN, S. D. BECHTEL, K. K. BECHTEL, and ALDEN ROACH. He informed that an effort was made by Pacific Tankers, Inc. to determine the citizenship of USPC and they learned that this organization was dominated by Greek interests. In this regard, he advised that one ARISTOTLE ONASSIS was the moving factor behind USPC, and an individual of large resources. CARTER indicated that ONASSIS handled negotiations for USPC but he did not recall whether he handled them directly or indirectly. It was the opinion of Mr. CARTER that the transaction with the USPC was "clean as a hound's tooth" and that he could see nothing wrong with it. He stated that he severed his relations with Pacific Tankers in June, 1949; that he is presently not engaged in any law business, but is employed as a consultant by a number of firms; that he was in the Navy until the end of World War I and again entered service in World War II, as an Admiral.

- P E N D I N G -

WFO 46-2607

ADMINISTRATIVE PAGE

LEAD

THE WASHINGTON FIELD OFFICE:

AT WASHINGTON, D. C.:

Will conduct such further investigation as may be required.

REFERENCE: New York teletypes to the Director with CC to Washington Field dated May 8, 1952.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT Washington, D. C.	DATE WHEN MADE 5/9/52	PERIOD FOR WHICH MADE 4/29-30; 5/1-8/52	REPORT MADE BY [REDACTED]
TITLE NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ETAL			CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT

SYNOPSIS OF FACTS:

*166-77421-101
7/24/52
p. 21-ht*

R. W. DUDLEY, former Sec.-Treas., USPC, advised that he entered into an agreement with R. L. BERENSON to purchase DUDLEY's [REDACTED] shares of USPC stock in latter part of 1947 or early 1948. Purchase price [REDACTED] payable in installments [REDACTED] each. To date [REDACTED] has been paid and divided between CASEY, DUDLEY, BOWEN and ROSENBAUM. Last payment in April 1951 in amount [REDACTED] which is included in the [REDACTED] DUDLEY acquired [REDACTED] shares of USPC stock from BOWEN for [REDACTED] BOWEN has been paid [REDACTED] to date and is due [REDACTED] DUDLEY originally paid [REDACTED] per share for his [REDACTED] shares of total [REDACTED] shares issued. BERENSON paid in [REDACTED] for [REDACTED] shares and BOWEN acquired [REDACTED] shares, which DUDLEY financed. Bank account opened in Riggs National or National City Bank in name of USPC. DUDLEY claims no relationship between Onassis-Konialadis Group. DUDLEY refused to furnish financial statement of his worth in 1947. GOODWIN, ROSENBAUM and MEACHAM advised source of money paid by USPC was by checks each in sum of \$25,000, totaling \$100,000 drawn on an American Bank, designation unknown. Dates of checks ascertained. Proceeds split [REDACTED] to DUDLEY, and [REDACTED] each to CASEY and the firm of ROSENBAUM. Interview with E. COURTLAND PARKER reveals that American Marine Corp. was incorporated October 1947 by law firm of GOODWIN, ROSENBAUM and MEACHAM. Does not know who paid for organization expenses. ONASSIS did not enter into negotiations until February 1948 to his knowledge. PARKER does not know source of funds. PARKER does not know who participated in negotiations which resulted in merger with USPC on 3-2-49. Never heard of ARIONA. Negotiators involved in sale of American Marine stock to USPC were PARKER, MILLS, BERENSON and ONASSIS. PARKER was formerly with U. S. Shipping Board, but has no shipping experience.

*2 cc - House - Room 2505
Sp. Div. 5 B-1
20/25*

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7/3/53
ht*

*P
100-11424*

APPROVED AND FORWARDED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 3 Bureau (46-17783) York (46-2507) Washington Field (46-2607)		<p>146-17783-165</p> <p>MAY 15 1952</p> <p>26</p> <p><i>6 ght</i></p>

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HANDLED BY [Signature]

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WFO 46-2607.

DETAILS: At Washington, D. C.:

This investigation is predicated upon a memorandum from Assistant Attorney General JAMES M. Mc INERNEY dated April 17, 1952 to the Director.

Item Number 1 of this memorandum relates to the purchase of [redacted] shares of United States Petroleum Carriers, Inc. Stock by ROBERT L. BERENSON from ROBERT W. DUDLEY on or about January 7, 1948 pursuant to an agreement between the parties.

Part of the information desired by the Attorney General in this item pertains to (A) Amount of money received by DUDLEY for this stock, and (B) With whom did DUDLEY split the money.

INTERVIEW WITH MR. ROBERT W. DUDLEY

Mr. ROBERT W. DUDLEY was interviewed by Special Agent [redacted] and the writer at his residence, 3301 University Avenue, N. W., on May 6, 1952. When Mr. DUDLEY was informed of the nature of the information requested, he advised that his files on U.S.C had been either lost, taken or stolen from his offices and that he would have to rely on his recollection of events which occurred in 1947 and 1948. b7c

With reference to that part of Question 1, which relates to how much money was paid to DUDLEY by BERENSON, DUDLEY informed as follows: b7c That the sale of his, DUDLEY's, [redacted] shares of USPC stock was made to BERENSON for the sum of [redacted]. Of this amount [redacted] has been paid by BERENSON and [redacted] is still due and owing.

According to Mr. DUDLEY, he advised that his best recollection was that the [redacted] which had been paid was split approximately as follows:

- [redacted] to JOSEPH E. CASEY
- [redacted] to ROBERT W. DUDLEY
- [redacted] to Admiral HAROLD G. BOWEN
- [redacted] to JOSEPH ROSENBAUM

b7c The installments in the amount of [redacted] were to be divided approximately as follows:

- [redacted] to JOSEPH E. CASEY
- [redacted] to ROBERT W. DUDLEY
- [redacted] to Admiral HAROLD G. BOWEN
- [redacted] to the Law Firm of JOSEPH ROSENBAUM"

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b7c Mr. DUDLEY advised that the last payment on account was made by Mr. BERENSON in April, 1951 in the amount of [REDACTED] which is included in the total of [REDACTED] paid to date.

Mr. DUDLEY, at this point, advised that he had given this information in detail to the Hoey Committee and that he saw no purpose in again going over all of the details, especially since he had no files with which to refresh his memory as to the events which occurred.

b7c Item Number 2 of the Attorney General's memorandum reads as follows: "When did DUDLEY acquire the [REDACTED] shares of stock originally issued to Admiral BOWEN? What did he pay for it? Did he use his own money? Did BOWEN, DUDLEY and BERENSON actually pay [REDACTED] for the [REDACTED] shares of stock issued by USPC and in what bank was it deposited? Did each use his own money?"

b7c Mr. DUDLEY advised that to the best of his recollection he acquired the [REDACTED] shares of stock in the latter part of 1947 or the early part of 1948 and he was not sure as to the exact date in the absence of his files. With reference as to what DUDLEY paid for this stock, he advised that he agreed with Admiral BOWEN to pay [REDACTED] for the latter's [REDACTED] shares. So far DUDLEY has paid Admiral BOWEN [REDACTED] and owes him [REDACTED] on the balance. He advised that this will be paid when he receives further remittances from BERENSON. With reference to the question as to whether DUDLEY used his own money, he answered in the affirmative, adding that the proceeds from the sale of stock to BERENSON were used in part to pay for this stock.

b7c With reference to the question as to whether BOWEN, DUDLEY and BERENSON actually paid [REDACTED] for the [REDACTED] shares of stock issued by USPC, DUDLEY advised that he paid [REDACTED] per share and that a total of [REDACTED] in cash was paid in to cover the [REDACTED] shares. That this money was deposited, he believes, in the Riggs National Bank in Washington, D. C. in the USPC Account, or possibly in the New York City Bank Account at the National City Bank. He stated that he, himself, paid in [REDACTED] and that he paid BOWEN's share of [REDACTED] and that BERENSON paid [REDACTED] making up the [REDACTED]

With reference to Item Number 4, the Attorney General desired to know the names of the parties in the conference which resulted in the formation of the USPC on or about September 27, 1947 and to what extent the Onassis-Konialadis Group was represented at this conference. Mr. DUDLEY advised that the only parties to this conference, according to his best recollection, were Mr. ROBERT L. BERENSON, JOSEPH ROSENBAUM and himself.

WFO 46-2607.

He was asked whether he could recall whether Mr. CASEY, Admiral BOWEN, or Mr. EUGENE MEACHAM were present and he replied that he did not think that they were at this conference or one or two others which followed. Mr. DUDLEY advised that the USPC was incorporated through the Washington Office of the Corporation Trust Company of Wilmington, Delaware, which has local offices in the Munsey Trust Company Building, Washington, D. C. Mr. DUDLEY informed that he does not recall that any representative of the Onassis-Konialadis Group was present at this conference, although he does recall that subsequently there had been some transactions with respect to the tanker deals with this firm.

[REDACTED]

With reference to Item Number 9 which relates to the relationship which existed prior to September 27, 1947 with Onassis-Konialadis on the one hand and with DUDLEY et al on the other hand, Mr. DUDLEY advised that there was no relationship whatsoever with the Onassis-Konialadis Group, and that USPC merely represented the Onassis-Konialadis interest in obtaining ships from the Maritime Commission in 1947.

In conclusion Mr. DUDLEY advised that he was formerly connected as a special partner with the law firm of Goodwin, Rosenbaum and Meacham, Washington, D. C., but that he left this firm in 1950 and was at the present time not connected with any legal firm.

INTERVIEW WITH MR. EUGENE MEACHAM.

Mr. EUGENE MEACHAM of the law firm of GOODWIN, ROSENBAUM and MEACHAM, 924 Connecticut Avenue, N. W., was interviewed on May 5, 1952 by Special Agent [REDACTED] and the writer in Mr. MEACHAM's office.

The interview with Mr. MEACHAM was based on Item Number 3 in the Attorney General's memorandum, which stated that in testimony before the Hoey Committee by JOSEPH ROSENEAUM it was developed that \$100,000.00 was paid by USPC to the firm of GOODWIN, ROSENEAUM, MEACHAM and BAILLEN for legal fees. It was requested that the inquiry be directed as to the source of this money, when it was paid, how it was split, and did the

partners who received the split know that it came from a Panamanian Corporation controlled by Onassis-Konialadis. Mr. MEACHAM advised that in order to obtain the exact information with reference to the dates and amounts paid and as to how it was split, he would have to consult his records and files and confer with Mr. ROSENBAUM. He stated he would have this information in the form of a memorandum on May 7, at which time he would call agents and advise them.

On May 7 Mr. MEACHAM called the writer and said that the information requested had been prepared and that it was as follows with reference to (1) Source of money; (2) Amounts and dates of payments; (3) How were the payments split by the partners; and (4) Did the partners who received the split know the money came from a Panamanian corporation controlled by Onassis-Konialadis:

1. The source of the money was United States Petroleum Carriers, Inc.
2. By check dated February, 1948, United States Petroleum Carriers' Ledger Account 331, marked 'J05', we received United States Petroleum Carriers' check in the sum of \$25,000 covering purchase of SS FORT BRIDGER.

By United States Petroleum Carriers' Voucher #134, dated March 18, 1948, check of United States Petroleum Carriers in the sum of \$25,000 was received by the firm in connection with the taking of title to the SS LAKE GEORGE.

By United States Petroleum Carriers' Voucher #138, dated March 19, 1948, a check in the sum of \$25,000 of United States Petroleum Carriers' was received by the firm in connection with the taking of title to SS CAMAS MEADOWS.

Enclosed with its letter of April 5, 1948, United States Petroleum Carriers delivered to the firm its check in the sum of \$25,000 on account of legal services in connection with the taking of title of the SS. ARICKAREE.

These payments were made pursuant to a letter-agreement dated January 13, 1948, signed by United States Petroleum Carriers, Inc., by Robert L. Berenson, Vice President, in which the company agreed to pay this firm \$25,000 simultaneously with the taking of title by United States Petroleum Carriers of each of the four tankers above-mentioned to the company by the Maritime Commission.

3. The above-mentioned payments were divided 33-1/3% to Joseph E. Casey, Esquire; 33-1/3% to R. W. Dudley, Esquire; and 33-1/3% to this firm, Goodwin, Rosenbaum and Meacham. The firm's share was divided among the partners of the firm in accordance with their then existing partnership agreement, with the exception that Dudley received no partnership percentage on these amounts, since he was otherwise compensated as mentioned above.
4. The answer to this question is 'No'. All of the checks described above were drawn on an American bank and issued by an American company."

Mr. MEACHAM in conclusion advised that his firm, prior to last year, was on a regular monthly retainer basis with United States Petroleum Carriers for legal services and that upon occasions his firm was paid special additional fees when the legal work required exceeded the scope of the retainer.

INTERVIEW WITH MR. E. COURTLAND PARKER

Mr. E. COURTLAND PARKER was interviewed in the Washington Field Office by the writer and Special Agent [REDACTED] on May 8, 1952. b7c

Mr. PARKER advised that he was presently employed by the Defense Production Authority in the General Accounting Office Building. He advised that prior to June 1949 he was in private practice at 1025 Connecticut Avenue and that he left Washington in June and became associated with the law firm of Patterson, Eagle, Greenough and Day, 120 Broadway, New York, New York. He is presently residing at 2500 Q Street, N. W., but his permanent residence is at Tuxedo Park, New York.

Mr. PARKER was interviewed with particular reference to Items 33, 34, 35, 36, 37, 38, and 46 in the memorandum of the Attorney General dated April 17, 1952.

With reference as to what law firm incorporated the American Marine Corporation on October 17, 1947, Mr. PARKER advised that it was the firm of Goodwin, Rosenbaum and Meacham, 824 Connecticut Avenue, Washington, D. C. Mr. PARKER did not know who paid for the expenses of the incorporation, which he figured at about \$125,00, but presumed that it was the aforementioned law firm. He further advised that ONASSIS had

nothing to do with the incorporation of the American Marine Corporation to the best of his knowledge. He stated that he first met ONASSIS when the latter was trying to buy the stock of the American Marine Corporation about February of 1948. PARKER advised that he was employed to put together the financing and the operation of the ships to be acquired from the Maritime Commission and that as far as he knew the core of the operations centered in the office of Mr. JOSEPH ROSENBAUM.

Mr. PARKER was asked what banks, if any, had been contacted by officials of the American Marine Corporation to finance the purchase of the vessels, (Item 34). Mr. PARKER advised that he, himself, made no contacts with any of the banks either in Washington or New York. He advised, however, that he contacted the New York Life Insurance Company, New York City, and believes that Mr. JOSEPH ROSENBAUM originated the contact. He advised that when he consulted with the New York Life Insurance Company with reference to financing, there was with him Mr. LESLIE MILLS and that they talked to Assistant General Counsel McLOD of the insurance company. However, after some consultations the insurance company turned down their request for financing. After they were turned down negotiations continued with other buyers or prospective purchasers, the names of which Mr. PARKER could not recall. He does remember that sometimes afterward an offer to purchase was received from USPC, which corporation offered to purchase the stock outright sometime in February 1948. He believes that the stock was sold for approximately \$200,000.00, payable in installments of \$40,000.00 per year.

~~With reference to the incorporation of the American Marine Corporation, he stated that the principal movers in this organization were JOSEPH ROSENBAUM, EDWARD A. BACON, CHAINCEY PARKER and E. COURTLAND PARKER, CHAINCEY being the latter's brother.~~

With reference to Item Number 35, Mr. PARKER was asked whether he, together with SUEL O. ARNOLD and LESLIE MILLS, ever had any prior shipping experience. PARKER advised that he had previously been with the United States Shipping Board and in connection with the organization of American Marine Corporation had contacted a firm in New York City who are operators of vessels by the name of Winchester and Company, that he knew that this firm was reliable and that he had preliminary negotiations with them for the operations of the vessels proposed to be secured. PARKER advised that MILLS is an accountant and as far as he was able to say was not acquainted with shipping experience. He also advised that ARNOLD had no shipping experience as far as he knew.

With reference to Item Number 36 which requested the identification of the discussions and negotiations for charter or operations of the vessels

WFO 46-2607.

prior to submission of American Marine application on October 20, 1947, PARKER advised that he had no knowledge of any prior discussions but that it may be possible that he was in a group which generally discussed Winchester and Company if they were to obtain the boats, which company was to operate them on either a bare boat or charter basis.

With reference to Item Number 37 as to who participated in the negotiations leading up to the sale of all of American Marine stock to USPC on February 3, 1948, Mr. PARKER advised that the principal persons involved were Mr. ROBERT L. BERENSON, representing USPC, Mr. ROBERT W. DUDLEY, and JOSEPH ROSENBAUM of that law firm together with Mr. BACON and PARKER, himself, representing American Marine. He advised that there were several conferences held in Washington in Mr. ROSENBAUM's office and several in New York in Mr. MILLS' office.

Mr. PARKER advised that ONASSIS did not play any part in the negotiations as far as he knew, at least prior to February 3, 1948. On the evening of that date PARKER got word from ROSENBAUM to go to the office of the USPC and there met Mr. ONASSIS either in the latter's office or in the office of USPC; however, they were both in the same building which he believes was at 50 Broadway, New York City.

With reference to Item Number 38 as to whether there was any relation between the agreed amount set forth in Exhibit 30 and the \$50,000.00 advanced on February 3, 1948 by ARIONA through SSI, Mr. PARKER advised that he had never heard of ARIONA and knew nothing of the matter referred to, but possibly it could relate to the first payment on the sale to USPC, adding that he was not sure, but that this was pure conjecture.

With reference as to whether PARKER knew of the source of the funds, he said that he did not, but that to the best of his knowledge this was handled by ROSENBAUM, ONASSIS and DUDLEY, however, this was only conjecture.

With reference to Item Number 46 as to who participated in the negotiations which resulted in the merger of American Marine Corporation and USPC on March 2, 1949, Mr. PARKER advised that he did not know who the participants in the negotiations were; however, he stated that he believed that it was the law firm of JOSEPH ROSENBAUM, but added that this was again pure conjecture on his part.

- P E N D I N G -

WFO 46-2607.

ADMINISTRATIVE PAGE

LEADS

WASHINGTON FIELD OFFICE

AT WASHINGTON, D. C.

Will conduct such further investigation as may be required.

REFERENCE: New York teletype dated May 7, 1952.
New York letter dated April 25, 1952.

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: May 12, 1952

FROM : MR. ROSEN *rw*

SUBJECT: NORTH AMERICAN SHIPPING AND TRADING COMPANY, Inc., ET AL
FRAUD AGAINST THE GOVERNMENT

Mr. Tolson	
Mr. Ladd	
Mr. Clegg	
Mr. Glavin	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

Reports reflecting completion of the investigation requested in the Department's memorandum of April 17, 1952, concerning U. S. Petroleum Carriers, Inc., have been received at the Bureau. The Bureau deadline for completion of this investigation was May 9, 1952.

As you will recall, investigation was extensive in the New York Office and was handled as a special there. The report of SA [redacted] dated May 10, 1952, is 207 pages long and completes investigation at New York City. Two reports dated May 9, 1952, have been received from the Washington Field Office completing investigation there. *(b7c)*

These reports and the voluminous exhibits are being reviewed. It is expected copies of these reports will be forwarded the Department on May 13, 1952.

G. I. R. - 3

RECORDED - 36

EX-130

146-17783-166

MAY 14 1952

62 MAY 20 1952

[Handwritten signature]
MAY 15 1952
COMMUNICATIONS SECTION
U.S. DEPARTMENT OF JUSTICE

[Handwritten initials]
Rosen
Egan

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: May 13, 1952

FROM : MR. ROSEN *el*

SUBJECT: NORTH AMERICAN SHIPPING AND TRADING COMPANY, Inc., ET AL
FRAUD AGAINST THE GOVERNMENT

Tolson	✓
Ladd	
Clegg	
Glavin	✓
Nichols	
Tracy	
Harbo	
Belmont	
Mohr	
Tele. Room	
Holloman	
Gandy	

PURPOSE:

[REDACTED]

BACKGROUND:

As you know, we have received five lengthy memoranda from the Department requesting extensive investigation involving the acquisition of some sixty surplus tankers from the U. S. Maritime Administration by North American Shipping and Trading Company and some forty-five subsidiary and affiliated companies.

It was alleged the corporations involved, in order to circumvent citizenship requirements, deceived the Maritime Administration by means of false applications and affidavits as to ownership and financial control. The essence of these allegations is that foreign funds (Greek and Chinese) financed and controlled the corporations which in applications to the Maritime Administration were shown to be headed and controlled by United States citizens.

The Department's most recent request, a memorandum dated April 17, 1952, concerns the U. S. Petroleum Carriers, Inc. This request received at the Bureau April 19, 1952, was sent to the Washington Field and New York Offices April 22, 1952. The Bureau deadline was May 9, 1952.

This entire investigation, including the most recent request, has been very extensive and as you know has been handled as a special.

DETAILS:

The investigation concerning the U. S. Petroleum Carriers, Inc., has been completed. Two reports of SA [REDACTED] dated May 9, 1952, were received at the Bureau from the Washington Field Office on May 9, 1952, and May 10, 1952. The report of SA [REDACTED] dated May 10, 1952, at New York, was received at the Bureau May 12, 1952. The report of SA [REDACTED] dated May 8, 1952, at Los Angeles, was received at the Bureau May 12, 1952.

Attachment

46-17783

ect MAY 20 1952

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12 MAY 14 1952

EX-130

146-17783-167
el
REP
Bob

These reports and the voluminous exhibits have been reviewed and copies have been forwarded by Special Messenger to Mr. Allen J. Krouse, Departmental attorney handling this matter, on May 13, 1952.

STATUS:

ACTION:

There is attached a memorandum to Assistant Attorney General James M. McInerney advising copies of investigative reports and exhibits have been forwarded to the Department and that investigation requested by the Department has been completed with the exception of the investigation at United Tanker Corporation.

ACTION TO BE TAKEN:

While discussing other matters with Allen J. Krouse, Departmental attorney, he advised the investigation requested by the Department to date was designed to corroborate and supplement evidence and information turned over to the Department by the Maritime Administration. Krouse advised he is continuing his review of this material and will in all probability request further investigation on minor phases.

Supplemental requests received from the Department will be followed closely to insure the field continues to meet the Bureau deadline, which will be set on each supplemental request as received.

V.8

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: May 5, 1952

FROM : A. ROSEN *RAM*

SUBJECT: NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL FRAUD AGAINST THE GOVERNMENT

Tolson	_____
Ladd	_____
Clegg	_____
Glavin	_____
Nichols	_____
Tracy	_____
Harbo	_____
Belmont	_____
Mohr	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

C.I.P.S.

PURPOSE

To advise you of the present status of this investigation.

DETAILS

ASAC Hargett in the New York Office advised that agents had worked over the weekend at the office of the U. S. Petroleum Carriers, Inc., and arrangements were made for that office to remain open 1½ to 2 hours extra each day. Hargett states it is believed that this phase of the investigation will be completed by Friday but that due to the circumstances it is impossible to work any longer hours than the officials of U. S. Petroleum Carriers, Inc. will work.

*H. Pennington
J. Edgar Hoover*

With regard to investigation at the National City Bank of New York, Hargett advised one bank official has been devoting as much of his time as possible to assisting agents in going over records at the bank. Hargett believes this phase can be completed by Friday.

One interview with Robert L. Berenson has been delayed inasmuch as Berenson has been in Paris. He is expected to return May 8th and arrangements have been made for an immediate interview which will probably require at least one full day. Hargett advised that everything will be done to expedite this investigation and he believes that it will be possible to submit a report by May 14th but not before.

NEW INVESTIGATION REQUESTED



69 MAY 21 1952

RECORDED - 120
INDEXED - 120

146-17783-168
MAY 10 1952

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MEMORANDUM FOR MR. LADD



ACTION

The above is for your information.

b7c

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 8 1952

TELETYPE

- Mr. Tolson _____
 - Mr. Ladd _____
 - Mr. Nichols _____
 - Mr. Belmont _____
 - Mr. Clegg _____
 - Mr. Glavin _____
 - Mr. Harbo _____
 - Mr. Rosen _____
 - Mr. Tracy _____
 - Mr. Laughlin _____
 - Mr. Mohr _____
 - Tele. Room _____
 - Mr. Holloman _____
 - Miss Gandy _____
- FLH
WILLIAMS

FBI, SAN FRANCISCO 5-8-52 4-55 PM

DIRECTOR AND SACS WASHINGTON FIELD, NEW YORK CITY AND LOS ANGELES

VERY URGENT

ATTENTION --- ASSISTANT DIRECTOR ROSEN

NORTH AMERICAN SHIPPING AND TRADING CO., ETAL, FAG. RETEL FROM NY MAY SEVEN. FOLLOWING INVESTIGATION CONDUCTED BY SA-S [REDACTED]

[REDACTED] - JAMES M. WARFIELD, THREE SEVEN NAUGHT HAMPTON ROAD, PIEDMONT, CALIF., NO LONGER CONNECTED WITH JOSHUA HENDY CORP., ADVISED DURING INTERVIEW THAT HE WAS EXECUTIVE VICE PRESIDENT OF PACIFIC TANKERS INC., DURING PERTINENT PERIOD, ADMIRAL A. F. CARTER, PRESIDENT, ALLAN CAMERON, VICE PRESIDENT, STEVE BECHTEL, STOCK HOLDER, DIRECTOR, AND POSSIBLY VICE PRESIDENT, AND JOHN A. MC CONE, CHAIRMAN, BOARD OF DIRECTORS. ADVISED ALL OFFICIAL RECORDS SETTING FORTH COMPLETE LIST OF STOCK HOLDERS, OFFICERS, AND DIRECTORS, AS WELL AS COMPLETE DETAILS REGARDING NEGOTIATIONS WITH UNITED STATES PETROLEUM CARRIERS, IN CUSTODY OF JOHN A. MC CONE IN LOS ANGELES, HOWEVER, FOLLOWING DETAILS FURNISHED BY WARFIELD FROM MEMORY -

RECORDED 46-17783-170

MAY 14 1952

WARFIELD SUBSCRIBED TO THREE HUNDRED AND FIFTY SHARES PTI STOCK MARCH EIGHTEEN, FORTY EIGHT, AND ONE HUNDRED SHARES STOCK AUGUST EIGHTEEN, FORTY EIGHT, FOR PURPOSE OF PURCHASING TWO TANKERS, NAMELY MC KITTRICK HILLS AND MONTEBELLO HILL, FROM U. S. MARITIME COMMISSION. STATED

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HANDLED BY TYPE UNIT

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PAGE TWO --

TANKERS PURCHASED ON OR ABOUT MARCH EIGHTEEN, FORTY EIGHT. WARFIELD ADVISED HE RECEIVED REQUEST FROM EITHER MC CONE OR BECHTEL TO GO TO NEW YORK FOR PURPOSE OF NEGOTIATING WITH USPC FOR SALE OF TWO TANKERS DURING LATTER PART OF NOVEMBER OR FIRST PART OF DECEMBER, FORTY EIGHT. HE MADE APPROX. FIVE TRIPS TO N. Y. FROM THAT TIME UNTIL MARCH EIGHT, FORTY NINE, WHEN TRANSACTION FINALLY CONSUMATED. WARFIELD DEALT WITH ROBERT L. BERENSON, PRESIDENT, USPC, AND N. COKKINIS, PRESIDENT, CENTRA-AMERICAN STEAMSHIP AGENCY, INC., BOTH OF WHOM REPRESENTED ARISTOTLE ONASSIS. STATED ALLAN CAMERON WAS OPERATING MANAGER AND ATTENDED APPROX. TWO OF THESE MEETINGS MERELY WITH REGARD TO DETAILS OF PHYSICAL INSPECT-ION AND TRANSFER OF TANKERS. OFFICE OF JOSHUA HENDY CORP., ADVISES CAMERON PRESENTLY IN JAPAN AND WILL NOT RETURN FOR AT LEAST APPROXIMATELY ONE WEEK.

ATTORNEYS FOR USPC ATTENDED SOME OF THESE CONFERENCES, AS WELL AS ATTORNEYS ROBERT BRIDGES AND WILLIS S. SLUSSER, OF FIRM OF THELEN, MARR-JOHNSON, AND BRIDGES, ONE ELEVEN SUTTER ST., SF. CAMERON AND ATTORNEYS NOT BEING INTERVIEWED UACB.

WARFIELD STATED THAT SOMETIME AFTER NEGOTIATIONS IN PROGRESS, USPC DECIDED TO PURCHASE ALL OUTSTANDING STOCK OF PTI, RATHER THAN JUST TWO INSTANT TANKERS. STATED PTI HAD CONTRACT WITH U. S. NAVY FOR OPER-ATION OF NAVY SHIPS, BUT THIS CONTRACT NOT TRANSFERRED BUT WAS RETAINED AND OPERATION SET UP UNDER COMPANY WHICH IS NOW KNOWN AS PACIFIC TANKER.

PAGE THREE -

DIVISION OF JOSHUA HENDY CORP.

WARFIELD STATED HE AND OTHER OFFICIALS OF PTI WERE AWARE THAT ONASSIS HAD SOME IF NOT A GREAT AMOUNT OF CONTROL OVER USPC, BUT DOES NOT RECALL CITIZENSHIP OF ONASSIS OR USPC. STATED EFFORT WAS MADE TO ASCERTAIN SUCH CITIZENSHIP AND AFFIDAVIT FURNISHED BY USPC REFLECTED MAJORITY OF OFFICERS AND STOCK HOLDERS OF THAT CORPORATION WERE U. S. CITIZENS.

ADVISED ORIGINAL OF AFFIDAVIT FURNISHED USMC AND COPY RETAINED IN PTI FILES PRESENTLY IN CUSTODY OF MC CONE.

WARFIELD ADVISED USMC AWARE OF ACTIVITIES OF PTI AT ALL TIMES AND USMC APPROVAL GIVEN. STATED ADMIRAL A. F. CARTER, PRESIDENT, PTI, DEALT WITH ADMIRAL SMITH, USMC, AND WARFIELD DEALT THROUGH FINANCIAL REPRESENTATIVES OF USMC WHOSE NAMES HE DOES NOT RECALL. RUC.

ABBATICCHIO

END ACK IN ORDER PLS

WA OK FBI LA JMD

WA 8-06 PM OK FBI WA JD

NHYC OCF

LA OPR LA OPR

cc: Mr Rosen

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 8 1952

TELETYPE

WASH 31 NYC 6 AND WFO FROM LOS ANGELES
DIRECTOR, SACS URGENT
ATTENTION ASSIST. DIRECTOR ROSEN

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
2581 PM	_____
Mr. Laughlin	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

NORTH AMERICAN SHIPPING AND TRADING COMPANY, ET AL, FAC
RE NY TEL MAY SEVEN LAST. JOHN A. MC CONE PRESIDENT, JOSHUA
HENDY CORP., LA, ADVISES FIRST PART OF FORTYNINE HE WAS FIFTEEN
PERCENT STOCKHOLDER PTI. HE STATES EDWARD MORAN, MORAN TOWING
CO., NYC, STIMULATED INTEREST OF ONASSIS IN PURCHASE OF TWO
TANKERS OF PTI, ABOUT DEC. FORTYEIGHT. HE SAYS J.M.
WARFIELD CARRIED ON NEGOTIATIONS. FOR PTI, AND HE TALKED TO ONASSIS ON-
LY TWO OR THREE TIMES. NEGOTIATIONS FOR SALE OF STOCK OF
PTI AT SOMETHING UNDER TWO MILLION DOLLARS TO USPC WERE WITH MR.
BEHRENS AND MR. COQUINOUS /PHONETIC/ ONE A V.P. AND OTHER TREASURER OF
USPC. HE GAINED IMPRESSION, NOW HE CANNOT RECALL, ONASSIS WAS OF
GREEK EXTRACTION AND A CITIZEN OF ARGENTINE AND OBVIOUSLY OWNED A DOMIN-
ATING AND CONTROLLING INTEREST IN USPC. HE TOLD ONASSIS PTI WOULD
ONLY SELL SHIPS IF USMC IN AGREEMENT FROM A MORAL AND LEGAL STANDPOINT.
HE INSTRUCTED ADM, A.F. CARTER, PRESIDENT AND J.M. WARFIELD, EXEC. V.P.
P. PTI TO KEEP USMC, INCLUDING CHAIRMAN ADM. SMITH, COMPLETELY ADVISED
AND BE SURE THEY APPROVED THE ENTIRE DEAL FROM MORAL AND LEGAL STAND-
POINT, AND KNOWS THEY WERE ADVISED BUT NOT HOW THEY WERE ADVISED. HE

END PAGE ONE

60 MAY 26 1952

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INDEXED
MAY 14 1952

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MAY 14 1952
cc Harby

PAGE TWO

FURNISHED CARTER-S ADDRESS AS THREE ONE TWO ONE CLEVELAND AVE., NW,
WASHINGTON D.C., TELEPHONE ORDWAY EIGHT SIX SEVEN SEVEN.

HE STATED THAT WITHIN TWO WEEKS HE INTENDED TO REVIEW ALL
RECORDS PERTAINING TO THIS TRANSACTION AND PREPARE A WRITTEN
SUMMARY FOR HIS OWN. INFORMATION WHICH WILL
BE MADE AVAILABLE IF DESIRED.

CARSON

END

LA R 31 VA DBD

ALSO RELAY DBD

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

FILE NO.

REPORT MADE AT <p style="text-align: center; font-weight: bold;">LOS ANGELES</p>	DATE WHEN MADE <p style="text-align: center; font-weight: bold;">5/8/52</p>	PERIOD FOR WHICH MADE <p style="text-align: center; font-weight: bold;">5/8/52</p>	REPORT MADE BY <div style="background-color: black; width: 100%; height: 15px;"></div> <p style="text-align: right; font-weight: bold;">RJH</p>
TITLE <p style="font-weight: bold;">NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL</p>		CHARACTER OF CASE <p style="font-weight: bold;">FRAUD AGAINST THE GOVERNMENT</p>	
<div style="display: flex;"> <div style="width: 30%; font-size: small; padding-right: 10px;"> <p>SYNOPSIS OF FACTS:</p> <p><i>12cc Kronos - was 1/3 Spec mem 5/13/52 1cc returned</i></p> <p><i>1cc - Grant - 2/13/52 2/13/52 1cc - P.O. - 2/13/52</i></p> </div> <div style="width: 70%;"> <p>JOHN A. MC CONE, President, Joshua Hendy Corporation, Los Angeles, advised first part of 1949 he was 15% stockholder Pacific Tankers, Incorporated. He stated EDWARD MORAN, Moran Towing Company, New York City, stimulated interest of ONASSIS in purchase of two tankers of Pacific Tankers, Incorporated about December, 1948. He said J. M. WARFIELD carried on negotiations for Pacific Tankers, Incorporated, and he talked to ONASSIS only two or three times. Negotiations for sale of stock of Pacific Tankers, Incorporated at something under two million dollars to United States Petroleum Carriers were with Mr. BEHRENS and Mr. COQUINOUS (phonetic), one a Vice President and other Treasurer of United States Petroleum Carriers. He gained impression, how he cannot recall, ONASSIS was of Greek extraction and a citizen of Argentina and obviously owned a dominating and controlling interest in United States Petroleum Carriers. He told ONASSIS Pacific Tankers, Incorporated would only sell ships if United States Maritime Commission in agreement from a moral and legal standpoint. He instructed Admiral A. F. CARTER, President, and J. M. WARFIELD, Executive Vice President, Pacific Tankers, Incorporated, to keep United States Maritime Commission, including Chairman,</p> <p style="text-align: right;"><i>EXHIBIT PROCESSED</i></p> </div> </div>			
APPROVED AND FORWARDED <div style="text-align: center;"><i>[Signature]</i></div>		SPECIAL AGENT IN CHARGE <div style="text-align: center;"><i>[Signature]</i></div>	
COPIES OF THIS REPORT 5 - Bureau (AMSD) (Att. Assistant Director) 3 - Washington Field 2 - New York (AMSD) (46-2507) 2 - Los Angeles (46-2054)		DO NOT WRITE IN THESE SPACES <div style="font-size: large; font-weight: bold; text-align: center;">46-17783-174</div> <div style="font-size: large; font-weight: bold; text-align: center;">RECORDED-12</div> <div style="font-size: large; font-weight: bold; text-align: center;">EX-80</div> <div style="font-size: large; font-weight: bold; text-align: center;">HANDLED BY</div>	

Admiral SMITH, completely advised and to be sure they approved the entire deal from a moral and legal standpoint. He knows they were advised, but not how they were advised. He furnished CARTER'S address as 3121 Cleveland Avenue, Northwest, Washington, D. C.; telephone Ordway 8677. He stated that within two weeks he intended to review all records pertaining to this transaction and prepare a written summary for his own information, which will be made available if desired.

- RUC -

DETAILS: This is a joint report of investigation conducted by SAA [REDACTED] and the writer. b7c

JOHN A. MC CONE, President, Joshua Hendy Corporation, and Chairman of the Board of Directors, Pacific Far East Lines, Incorporated, Room 312, General Petroleum Building, 612 South Flower Street, Los Angeles, California, Telephone Number Madison 66771, advised that he formerly owned fifteen percent and controlling interest in the stock of Pacific Tankers, Incorporated (referred to as P. T. I.) during the early part of 1949. He stated that about January of 1948 P. T. I. acquired two T-2 tankers which were bought under the Ship Sales Law from the United States Maritime Commission and for which they paid the statutory price of about one million, seven hundred fifty thousand dollars each. They took advantage of the mortgage concession offered by the United States Maritime Commission by paying twenty five percent in cash for each ship and the balance on a mortgage to the Maritime Commission. Their regulations provided a corporation or an individual buying a ship had to have a net worth equal to fifty percent of the purchase price of the ships and net current assets of twenty five percent. To qualify, Pacific Tankers, Incorporated had to have a net worth in excess of one million, seven hundred fifty thousand dollars and current assets of one-half this amount. Mr. MC CONE stated that, actually, as he recalls, P. T. I. had a net worth of about one million, eight hundred thousand dollars and net quick assets above the minimum required. These ships were chartered and operated until the first part of 1949, when the stock of P. T. I. was sold to United States

Petroleum Carriers (referred to as U. S. P. C.).

Mr. MC CONE stated that, at the time the ships were purchased, the Chairman of the Board was JOHN FRANKLIN, President, United States Steamship Lines. Mr. MC CONE also stated that it was decided that the economic future of these ships did not appear too healthy, and he was concerned with the deteriorating tanker market during the latter part of 1948. About December, 1948, EDWARD MORAN, Moran Towing Company, New York City, a director and stockholder of P. T. I., stimulated an interest in the purchase of these ships on the part of ARISTOTLE ONASSIS. Mr. MC CONE did not know the date of any former return agreement concerning this transaction, but, as he recalled, he believed that the money passed about March of 1949 at New York City when P. T. I. received something less than two million dollars from U. S. P. C. of the purchase of P. T. I. stock. Mr. MC CONE stated that the old negotiations contemplated that the ships themselves would be sold to ONASSIS, but he decided to buy the corporation instead. He does not know the reason why. Mr. MC CONE stated that he saw ONASSIS at New York about two or three times during the first few months in 1949, and he gained the impression, how or from whom he cannot recall, that ONASSIS is of Greek extraction and, at that time, of Argentine citizenship.

Mr. MC CONE advised that J. M. WARFIELD, Executive Vice President of P. T. I., carried on the negotiations for P. T. I. and talked mostly with Mr. BEHRENS and Mr. COQUINOUS (phonetic), one a Vice President and the other the Treasurer of U. S. P. C.. He stated he only met these two individuals once. Mr. MC CONE advised that U. S. P. C. is a corporation in which ONASSIS previously owned a dominating and controlling interest and that the U. S. P. C. men handling the negotiations were previously, judging by their actions and statements, hired hands of ONASSIS, although he stated he saw no records to indicate this to be the case.

Mr. MC CONE advised that it was his understanding that the law requires that a corporation purchasing ships must be predominantly American, and he recalled that Mr. ONASSIS stated that he understood that and said that U. S. P. C. is predominantly American. As he recalls, Mr. ONASSIS filed affidavits with the United States Maritime Commission to that effect.

Mr. MC CONE stated that ONASSIS never said to him directly whether he was a citizen, or not, although it was commonly discussed among P. T. I. people that he was a citizen of Argentina. Mr. MC CONE stated that, to his knowledge, no effort was made to verify whether ONASSIS was a citizen of the United States, or not.

He recalled that he told ONASSIS that P. T. I. would only sell the ships if the United States Maritime Commission was in agreement from a moral and legal standpoint, and he instructed Admiral A. F. CARTER, President, P. T. I., 3121 Cleveland Avenue, Northwest, Washington 8, D. C., Telephone Number Ordway 8677, and J. M. WARFIELD, Executive Vice President, P. T. I., to keep the United States Maritime Commission, including the Chairman, Admiral SMITH, completely advised about the deal, and to be sure they approved the entire deal throughout the entire negotiation, both from a moral and legal standpoint. Mr. MC CONE knows that they were so advised, and the United States Maritime Commission did approve the transaction. He stated, however, that he does not know whether such instructions were given orally or in writing, nor to whom they were given.

He stated that the transaction took the form of a sale of all of the capital stock of P. T. I. to U. S. P. C. for cash and that, as he recalls, a certified check of the U. S. P. C. was received by direct negotiation between representatives of the two companies. He stated that ONASSIS or his representative made some sort of representations to the United States Maritime Commission, but he stated he does not know the details of this or whether any of his men were present. He stated that, besides himself, those representing P. T. I. were EDWARD MORAN, Admiral CARTER, J. M. WARFIELD, and ALLAN CAMERON, who were present during some stage of the negotiations.

Mr. MC CONE stated that all officers and directors of P. T. I. are American citizens and that, during this transaction, the headquarters of P. T. I. were at San Francisco.

Mr. MC CONE stated that all of the above information was furnished from memory and all of the records pertaining to this transaction are presently in storage. Mr. MC CONE volunteered the information that within the next ten days or two weeks he intends to review all

LA 46-2054

available records pertaining to this transaction and prepare a written summary for his own information. He stated that he would make a written summary available if desired and, further, that any records he has pertaining to this transaction will be made available at any time.

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

LA 46-2054

ADMINISTRATIVE PAGE

LEADS

WASHINGTON FIELD DIVISION

At Washington, D. C.: Will consider the necessity or advisability of obtaining a written summary, to be prepared by JOHN A. MC CONE, concerning this transaction, and, if necessary, request the Los Angeles office to obtain it.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (46-11783)¹⁷⁷⁸³
 FROM : SAC, New York (46-2507)
 SUBJECT: NORTH AMERICAN SHIPPING AND TRADING CO., INC.; ET AL
 FAQ

DATE: May 14, 1952

RE: U. S. PETROLEUM CARRIERS, INC.

There are attached hereto one photostatic copy of each of the following memoranda which were made available by EDWARD J. ROSS, of Breed, Abbott and Morgan, counsel for USPC, Inc.:

- A. An unsigned memorandum of agreement made November 6, 1947 between JOSEPH E. CASEY, ROBERT W. DUDLEY and ROBERT L. BERENSON.
- B. A memorandum dated October 1, 1948 on the stationery of Goodwin, Rosenbaum, Meacham and Bailen. The initials RWD:cmw appear in the lower left-hand corner of this memorandum.

EXPED. PROCESSED

Reference to the above memoranda is made on pages 175 and 177 of New York report of SA(A) [redacted] dated May 10, 1952.

ENCL
 Encls. (2)
 - 70 Dyt
 5-16-52
 Ecm

RECORDED
 46-17783-179
 146-11783
 b7c

cc: Washington Field (Encls. 2)

31 MAY 15 1952

[redacted]
 5-19-52
 7/10/52
 16/52

memo sent
 5-16-52
 Ecm

23
 [Handwritten signatures and initials]
 b7c
 MAY 12

Assistant Attorney General
James M. McInerney

May 19, 1952

RECORDED

Director, FBI

46-17783-179

NORTH AMERICAN SHIPPING AND
TRADING CO., INC.; ET AL
FRAUD AGAINST THE GOVERNMENT

Reference is made to my memorandum dated May 14, 1952.

There is enclosed one copy each of the following memo-
randa which were made available to our New York Office by Edward
J. Rose of Breed, Abbott and Morgan, counsel for United States
Petroleum Carriers, Inc.:

a. An unsigned memorandum of agreement made November
6, 1947, between Joseph E. Casey, Robert W. Dudley, and Robert
L. Berenson.

b. A memorandum dated October 1, 1948, on stationery
of Goodwin, Rosenbaum, Meacham, and Bailen.

The above memoranda are referred to in the report of
Special Agent [redacted] dated May 10, 1952, at New York City,
on pages 175 and 177. b7c

Copies of this report were forwarded to Mr. Allen J.
Krouse of your Division by special messenger on May 13, 1952.

Enclosure

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease
Miss Gandy

DEPT. OF JUSTICE
FBI
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COMM - FBI
MAY 19 1952
MAILED 18

(46-17783)

JUN 3 1952

DEPT. OF JUSTICE
FBI

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[Handwritten signatures and initials]

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Office Memorandum • UNITED STATES GOVERNMENT

Mr. Tolson	<input checked="" type="checkbox"/>
Mr. Ladd	<input checked="" type="checkbox"/>
Mr. Nichols	<input checked="" type="checkbox"/>
Mr. Belmont	<input checked="" type="checkbox"/>
Mr. Clegg	<input checked="" type="checkbox"/>
Mr. Glavin	<input checked="" type="checkbox"/>
Mr. Harbo	<input checked="" type="checkbox"/>
Mr. Rosen	<input checked="" type="checkbox"/>
Mr. Tracy	<input checked="" type="checkbox"/>
Mr. Laughlin	<input checked="" type="checkbox"/>
Mr. Mohr	<input checked="" type="checkbox"/>
Mr. Room	<input checked="" type="checkbox"/>
Mr. Holloman	<input checked="" type="checkbox"/>
Miss Gandy	<input checked="" type="checkbox"/>

TO : Director, Federal Bureau of Investigation

DATE: May 22, 1952

FROM : *James M. McInerney* James M. McInerney, Assistant Attorney General,
Criminal Division

JEM:AJK:pd

SUBJECT: United Tanker Corporation

146-20-596

RA
77

In connection with the above subject, which has been under investigation by the Bureau pursuant to my request, there was reported to me called to my attention a letter addressed to the Chairman of the Maritime Commission by Congressman Willis W. Bradley, dated January 29, 1948. A copy of this letter is attached.

It would appear from a notation thereon, that copies thereof were furnished to each of the former Commissioners. If the Commissioners had in fact seen this letter prior to delivery of the ships, this would militate against a criminal prosecution based upon the theory of concealment of facts or of conspiracy to defraud the United States.

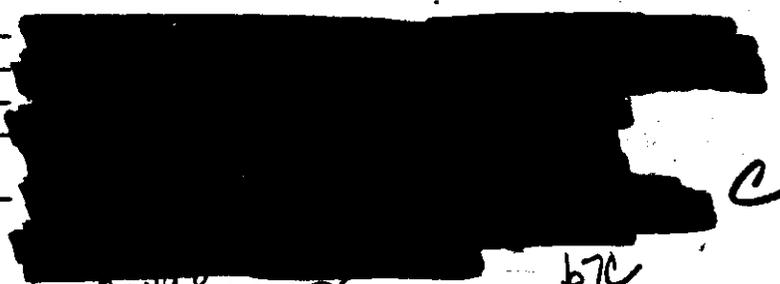
I am writing to request that the former members of the Maritime Commission be interviewed for the purpose of determining what knowledge they had of the contents of this letter prior to the delivery of the vessels concerned in this investigation. I also request that Mr. G. H. Helmbold, former Chief, Bureau of Operations, U. S. Maritime Commission, be interviewed to determine whether he had any discussion with any member of the former Commission about the contents of this letter prior to delivery of the vessels. I understand the letter was sent to Mr. Helmbold, upon receipt, by Mr. Huntington I. Morse, Special Assistant for Government Liaison.

Mr. Helmbold is now President, U. S. Petroleum Carriers, Inc., which is also the subject of investigation by the Bureau. The address of U. S. Petroleum Carriers is 52 Broadway, New York City.

The former members of the Commission, as of the date of receipt of the letter, together with their present addresses are:

E. I. R. 3

- Admiral William Ward Smith -
- Raymond S. McKeough -
- Grenville Mellen -
- Joseph K. Carson, Jr., -
- Richard Parkhurst -



1-ENCL.
13

Enclosure No. 25456

memo to W...
6-25-52 - bld 6-11-52
ect.

cc [redacted] b7c

60 JUN 18 1952 129

HANDLED BY
[redacted] DESK

RECORDED - 13
INDEXED - 13

MAY 27 1952

146-17783-180

[Handwritten initials]

WILLIAM W. BRADLEY
18TH DISTRICT, CALIFORNIA

HOME ADDRESS
LONG BEACH, CALIFORNIA

COMMITTEE:
MERCHANT MARINE AND FISHERIES

SUBCOMMITTEES

CHAIRMAN
SHIP CONSTRUCTION AND OPERATION AND
MARITIME LABOR
MEMBERS
MARITIME AFFAIRS
SHIP OWNERS, CRAFT AND CREWING
SAFETY, AND PUBLIC HEALTH SERVICE

SECRETARIES
HENRY C. SHANNON
DON MUCHMORE
WASHINGTON, D. C.
TOSY WICK
FEDERAL BUILDING
LONG BEACH, CALIF.

Congress of the United States
House of Representatives
Washington, D. C.

29 January, 1948.

905-1-1-1
00130

Dear Admiral Smith:

Sometime ago, the Maritime Commission authorized the sale of certain American tankers (T-2's) to applicants who are operating under the American flag.

Among those to whom tankers were allocated was the American Overseas Tankship Corporation which was authorized to purchase three tankers then in operating condition. It is my understanding that these tankers have not yet been delivered to the American Overseas Tankship Corporation.

I have now been informed that a contract has been signed by the American Overseas Tankship Corporation for the sale of its assets to a company composed of Chinese individuals (non-citizens of the United States) at a price which will net \$150,000 profit per ship. I am informed that while the contract has now been signed, or is about to be signed, the actual delivery to the Chinese nationals will not take place for six months.

Another successful bidder for these T-2 tankers was the American Viking Corporation to which one ship was sold. I am informed that this ship has been delivered and that it has been disposed of, by similar arrangements to those mentioned above, to the same company of Chinese nationals.

It is presumed that it was not the intention of the Maritime Commission to allow these tankers to be purchased by foreigners, through such a subterfuge as that mentioned, while there were reputable American tankship operators ready to take them over and to continue their operations under the American flag as a part of the American Merchant Line.

In view of the above it is believed that the sale of the three tankers to the American Overseas Tankship Corporation should be stopped if investigation by the Maritime Commission indicates that the facts of the case are in accordance

Secretary's Office
Received 2-2-48
1-Mr. Moran
2-Operations
3-Mr. Sells
4-Mr. Pumphrey

See next page - file
46-17783-180
ENCLOSURE
T. J. D.
Office all
Comm. on
Mar. Affairs

0043

with the information which has been furnished to me and which I am here communicating to you as Chairman of the Commission.

I believe that expeditious investigation of this matter is justified.

Best wishes.

Sincerely,

W. W. Bradley

in a Home Office corridor after one of the Committee hearings.

Vice Admiral W. W. Smith, USN, Ret.,
Chairman, U. S. Maritime Commission,
Washington, D.C.

I discussed this letter with Cong. Dudley Jernigan - told him we had heard similar rumors and was trying to run them down. He voluntarily suggested that no reply need be made to this letter - jokingly Jernigan said he was just needing the commission on the sale of these tenders. He also stated that if the sale had been made he did not know what the Commission could do about it.

Smith

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *ink*

DATE: June 2, 1952

FROM : Mr. Rosen *hr*

SUBJECT: NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL; FRAUD AGAINST THE GOVERNMENT

TANKER MEACHAM; MEACHAM CORPORATION; NATIONAL TANKER CORPORATION; ET AL; ADMIRALTY MATTER

ink
V. B...

PURPOSE:

To analyze First Interim Report of Hoey Senate Committee on Sale of Government Surplus Tankers. Committee believes various criminal statutes may have been violated and is of opinion sufficient evidence exists for civil action.

ANALYSIS OF COMMITTEE REPORT:

The Interim Report of the Senate Permanent Subcommittee on Investigations (Hoey Committee), 82nd Congress, released May 29, 1952, concerns hearings on the sale of Government-owned surplus tanker vessels. The Committee took sworn testimony on 27 witnesses in 14 public hearings from February 18 to March 14, 1952. The Committee staff, together with representatives of the Maritime Administration and the General Accounting Office, spent several months marshaling the complex and intricate facts in the purchase, chartering and resale of tanker vessels.

RECORDED - 5

146-17783-183

Summary of Findings

INDEXED - 5

JUN 6 1952

A group headed by former Congressman Joseph Casey purchased from the Maritime Commission and subsequently chartered 8 tankers through the American Overseas Tanker Corporation and its several affiliates. Five tankers were financed through a loan from the Metropolitan Life Insurance Company and operated under a charter arrangement with the Greenwich Marine Corporation, a Panamanian affiliate of American Overseas. Three tankers were chartered to the United Tanker Corporation, a subsidiary of the China International Foundation, Inc.

Subsequently, the Casey group disposed of five tankers by selling interest in American Overseas and Greenwich to corporations financed and controlled by Stavros Niarchos.

United Tanker Corp.

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46-17783

cc: 131-47

61 JUN 12 1952

*6/3/52 New request
Crim. Div sent the plans WFO
Boston, N.Y. Spillane 6/11/52*

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67c*

Memorandum to Mr. Ladd

Greek national. United Tanker Corporation, initially financed by a group of Chinese nationals, obtained the other three tankers by acquiring the stock of the National Tanker Corporation, an affiliate of American Overseas.

The stockholders of the Casey group realized \$3,250,000 from the sale of their stock interests, on which there was an initial investment of \$101,000.

Robert W. ~~Dudley~~, partner in Washington law firm of Goodwin, Rosenbaum, Meacham and Bailen and a brother-in-law of Casey, was active in handling clients obtaining vessels from the Maritime Commission. Ten companies, including the U. S. Petroleum Carriers, Inc., were represented by the Rosenbaum law firm and acquired a total of 33 surplus vessels. Three hundred ninety war-built surplus tankers were disposed of by the Maritime Commission. Only two are known to have engaged in trade with the Soviet Union or other Communist areas while flying the American flag. Both of these tankers were controlled by the United Tanker Corporation.

Newbold Morris, President of China International Foundation, and senior partner in the law firm, Lovejoy, Morris, Wasson and Huppuch, received gross fees of approximately \$30,000 as a share of \$158,000 in legal fees earned by his firm in connection with tanker transactions.

The report said that despite Newbold Morris' contention that he played only a minor role in this matter it was noted that he gave almost all critical or important problems his personal attention and was and still is President of the China International Foundation, Inc., which through stock ownership had absolute control over the six tankers owned by United Tanker Corporation or its affiliates. The report said that the wide publicity given to Morris' appearance as a witness can be attributed to the foregoing plus his own behavior as a witness and the fact that he then held the position of Special Assistant to the Attorney General in charge of investigating corruption in Government.

The report related that various groups of shrewd and calculating businessmen and attorneys through an intricate series of corporate and financial transactions were able to realize substantial profits by taking advantage of the confusion and mismanagement which marked the administration of the surplus ship

Memorandum to Mr. Ladd

disposal program by the old Maritime Commission. The report said that if the Commission had administered that program in a business-like manner and in accordance with the clear intent of the law, it would have been impossible for the individuals and firms involved to have engaged in activities which violated the spirit and, in many instances, the actual letter of the law.

With respect to the five tankers operated by the Casey group under a charter arrangement with the Greenwich Marine Corporation, the report pointed out that the bulk of the income from the charter hire was channeled into the Greenwich Marine Corporation, which was a Panama corporation not subject to United States taxes. These earnings were used to pay off the loan which American Overseas Tanker Corporation had obtained from the Metropolitan Life Insurance Company for the purpose of purchasing the tankers. The report said that, had the Casey group not been able to escape Federal taxes amounting to \$850,000 or \$1,400,000 in this manner, it would not have been possible for them to acquire the vessels with such a small outlay of their own funds and to build up substantial equities in them in such a short period of time. The report said the Greenwich Marine Corporation was organized primarily as a means of escaping Federal taxes and it did not appear to serve any other real business purpose. The Subcommittee recommended that the Bureau of Internal Revenue take appropriate action to recover these taxes.

The report pointed out that although United Tanker Corporation and its affiliated firms had a gross income of approximately \$14,000,000 from the operation of six tankers from 1948 to 1950, these corporations paid a total of only \$24.97 in Federal taxes during the same three year period. The Subcommittee also felt that a \$450,000 payment received by National Tanker Corporation from United Tanker Corporation should have been reported by the stockholders of National Tanker Corporation as income for services rendered rather than a long-term capital gain. Our investigation did not, of course, relate to the income tax phases of this matter.

Committee Conclusions:

It was the Committee opinion that Casey, Dudley and the Rosenbaum law firm profited in a large part from selling Government allocations of vessels to other corporations and to this extent were engaged in speculative ventures not contemplated by the Merchant Ship Sales Act of 1946.

Memorandum to Mr. Ladd

It was the opinion of the Committee that in the concealment and misrepresentation of pertinent facts by various officers and representatives of the firms involved, various criminal statutes may have been violated. The Committee was of the further opinion there appeared to be sufficient evidence of violations of the civil provisions of the Merchant Ship Sales Act in the tanker transactions to warrant prompt action by the Department of Justice.

STATUS OF INVESTIGATIONS:

Criminal Phase:

Our investigation of the tanker deals commenced with Department memorandum dated December 26, 1951. We have received five lengthy supplemental memoranda requesting investigation into the four phases; namely, North American Shipping and Trading Company, United Tanker Corporation, American Overseas Tanker Corporation and U. S. Petroleum Carriers, Inc. The investigation concerned the acquisition of some sixty tankers from the Maritime Commission by these companies and their subsidiaries and affiliates.

The investigation requested by the Department has been most extensive, has been handled as a special and has been completed with the exception of investigation at United Tanker Corporation where the investigation was suspended by the law partner of Newbold Morris.

The Department's requests have been designed to supplement and corroborate the reports, documents and evidence referred to the Department by the Maritime Administration. The Departmental attorney handling this matter has advised he is continuing his review of the reports, documents and evidence to determine if additional corroboration and evidence are necessary. He has stated informally that in all probability he will refer additional requests on minor phases inasmuch as the investigation of the Maritime Administration was not complete.

Civil:

So far as is known the only civil action taken by the Department to date to recover any of the vessels in question is in the Tanker Meacham Admiralty matter. On November 9, 1951, the Department filed a libel for the forfeiture of the Tanker Meacham for violation of the Shipping Act. The Government's suit demands forfeiture of the tanker on the grounds that although the tanker is registered under the American flag, the vessel is actually owned and controlled by alien Chinese interests.

Memorandum to Mr. Ladd

At the request of the Claims Division, the Bureau conducted accounting investigation in this matter and interviewed certain of the American officers who served aboard the Meacham during the period the vessel was alien-controlled for the purpose of determining whether they had any knowledge of the fact that the vessel was under the control of alien Chinese interests. At the request of the Claims Division, we have also furnished them information bearing on the issue as to whether the Chinese individuals and corporations involved in the matter have connections with Communist China.

Our civil investigation has been completed with the exception of supplemental requests from the Claims Division forwarded to the Washington Field Office on May 12, 1952, and to the New York Office on May 23, 1952. The Bureau deadline for the completion of all of this investigation is June 6, 1952, and this matter is being closely followed. The Meacham civil case is scheduled for trial on June 16, 1952.

ACTION:

A deadline will be placed on all supplemental requests and the field will be closely followed to insure the investigations are completed without delay and that the field continues to meet the Bureau deadlines.

*See that all phases requiring
our attention are given priority.*

K.

*New request
to field 4/3
w/ deadline 6/1
Gant*

[COMMITTEE PRINT]

82d Congress }
2d Session }

SENATE

HOLD For Release
WHEN FILED
THURS MAY 29 1952

SALE OF GOVERNMENT-OWNED
SURPLUS TANKER VESSELS

INTERIM REPORT
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
MADE BY ITS
SENATE PERMANENT SUBCOMMITTEE
ON INVESTIGATIONS

PURSUANT TO

S. Res. 251

A RESOLUTION AUTHORIZING THE COMMITTEE ON
EXPENDITURES IN THE EXECUTIVE DEPARTMENTS
TO CARRY OUT CERTAIN DUTIES



Printed for the use of the Committee on Government Operations

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1952

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FEDERAL BUREAU OF INVESTIGATION
FOIPA [REDACTED] INFORMATION SHEET

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- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Document(s) originating with the following government agency(ies) _____, was/were forwarded to them for direct response to you.

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46-17793-193 ENC

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

FILE NO.

REPORT MADE AT NEW ORLEANS, LA.	DATE WHEN MADE 6/9/52	PERIOD FOR WHICH MADE 6/6/52	REPORT MADE BY [REDACTED]
TITLE NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL			CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT

SYNOPSIS OF FACTS:

ATTENTION: ASSISTANT DIRECTOR A. ROSEN

*7 CC G.V. from
from 205 list
by spec from
6-11-52
ICC Release*

[REDACTED] former member U. S. Maritime Commission, does not remember ever seeing letter from Congressman WILLIS W. BRADLEY to Admiral W. W. SMITH dated 1/29/48.

- EUC -

DETAILS:

AT GULFPORT, MISSISSIPPI

[REDACTED] former member of the U. S. Maritime Commission, advised as follows. He cannot definitely state he never saw the letter from Congressman WILLIS W. BRADLEY to Admiral W. W. SMITH dated January 29, 1948, but he cannot remember ever having seen this letter.

*ICC - Maritime Commission
3/10/52
5/21/52
4/10/52
ICC - P 2/3/52*

EXPEDITE PROCESSING

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

APPROVED AND FORWARDED: J. M. Lopez	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 5 - BUREAU (46-17783) (AMSD) 1 - NEW YORK (46-2507) (Info) (AMSD) 2 - WASHINGTON FIELD (46-2607) (AMSD) 2 - NEW ORLEANS (46-820)		46-17783-188 RECORDED 677 19 JUN 1952 <i>[Signatures]</i>

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64 JUN 19 1952

NO 46-820

ADMINISTRATIVE

One copy of report being designated for New York Office
for information purposes in accordance with Bureau instructions.

REFERENCE:

Bureau letter to Washington Field dated 6/3/52.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

FILE NO.

EMF

REPORT MADE AT NEW YORK	DATE WHEN MADE 6/6/52	PERIOD FOR WHICH MADE 6/6/52	REPORT MADE BY [REDACTED]
TITLE NORTH AMERICAN SHIPPING AND TRADING COMPANY, INC., ET AL			CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT

SYNOPSIS OF FACTS:

*see A. J. Kowal
from report
6-11-52
ICC Retained
ICC - AA 6/13/52*

[REDACTED] states to best of recollection never saw a letter dated 1/29/48 from Congressman BRADLEY to Admiral SMITH. **[REDACTED]** advises never discussed contents of letter with any member of U. S. Maritime Commission.

- RUC -

*ICC - Maritime Admin.
M. M. Fisher
1/29/52
2/9/52 - 1/1*

DETAILS:

This investigation is predicated upon Departmental memorandum dated May 22, 1952 from JAMES M. MC INERNEY, Assistant Attorney General, Criminal Division, to the Director to which was attached a photostatic copy of a letter dated January 29, 1948 from Congressman WILLIS W. BRADLEY to Admiral SMITH, Chairman of the United States Maritime Commission. Instant memorandum requested that **[REDACTED]** United States Maritime Commission, be interviewed to determine whether he had any discussion with any member of the former Commission about the contents of this letter prior to delivery of the vessels.

EXPEDITE PROCESSING

On June 6, 1952 **[REDACTED]** was interviewed at the office of U. S. Petroleum Carriers, Inc., 655 Madison Avenue, New York City, by SA **[REDACTED]** and the writer in the presence of his attorney, **[REDACTED]** of Breed, Abbott and Morgan, 15 Broad Street, New York City. **[REDACTED]** advised that to the best of his recollection he had never seen the above-mentioned letter. He also advised that to the best of his recollection he had never discussed the contents of this letter with any member of the former Commission, nor was he aware that such a letter was ever written.

- REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN -

APPROVED AND FORWARDED: <i>Edward Schmitt</i>	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 5 - Bureau (46-17783) 3 - Washington Field (46-2607) 2 - New York (46-2507)	46-17783-189 RECORDED - 22 JUN 16 1952 <i>Robert [unclear]</i>
64 JUN 19 1952	

NY 46-2507

ADMINISTRATIVE PAGE

REFERENCE: Bureau letter to Washington Field, 6/3/52.