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DATE: 11-14-2017

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Date: 5/1/2015

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10/31/62

AIRTEL

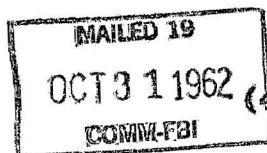
TO: SAC, CHICAGO
FROM: DIRECTOR, FBI (63-7985)

JAMES RIDDLE HOFFA
IRVIN WEINER
ALLEN M. DORFMAN
MISCELLANEOUS- INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION)
(OO:CG)

Rerep SA Kenneth P. Pettijohn dated 10/25/62, at Indianapolis.

Enclosed herewith for the information and assistance of the Chicago Office in planning this investigation are copies of the following documents obtained from the Criminal Division:

- (1) Memorandum dated 1/14/60 from Walter J. Sheridan to Jerome S. Adlerman, captioned "James R. Hoffa - Summit Fidelity & Surety Co.; Allen Dorfman; Teamster Bonding."
- (2) Memorandum dated 7/17/61 from Howard Jenkins, Jr. to Daniel L. O'Connor, captioned "Teamsters Bonding."
- (3) U. S. Department of Labor, Bureau of Labor-Management Reports report of investigation dated 9/1/61, captioned "United Benefit Fire Insurance Company of Omaha, Nebraska; International Brotherhood of Teamsters; James R. Hoffa, President."



- (4) Memorandum dated 5/10/62 from Walter J. Sheridan to the files captioned "Teamster Bonding."

The Chicago Office in outlining and planning the investigation to be conducted in this matter should thoroughly review these items and conduct appropriate investigations as a result of this review.
Enclosures (8)

Tolson _____
Belmont _____
Mohr _____
Casper _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

WAF: eem

NOTE: On 10/31/62 Department Attorney Richard Coleman of the Criminal Division made available to SA Wayne A. Frankenfield documents referred to herein from which copies were made. These documents were returned to Coleman after these copies were made.

MAIL ROOM ☒ TELETYPE UNIT ☐

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AIRTEL TO SAC, CG

RE: JAMES RIDDLE HOFFA, IRVIN WEINER
63-7985

The Department of Labor report dated 9/1/61
is the best copy that the Bureau can obtain from the
Criminal Division.

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WJS

COPY

MEMORANDUM

14 January 1960

TO: Jerome S. Adlerman

FROM: Walter J. Sheridan

RE: James R. Hoffa - Summit Fidelity & Surety Co.;
Allen Dorfman; Teamster Bonding

On January 13, 1960, I contacted Frank Wright, President of the United Bonding Company of Indianapolis, Indiana, telephone: WA 6-1588.

Wright said that he was originally approached in approximately October 1959 by a man named Menerovski who was with the Lake-State Auto Association in Chicago, Illinois. Menerovski claimed that he had the Teamster bonding business sewed up and asked Wright if he would write the business for him. Wright said that he told Menerovski that he was not going to do anything until the rates and forms were more clearly established by the American Surety Association.

Wright said that he next received a call from his own agent in Newark, a man named Matty Silverman, who had been approached by an unknown party who also stated that he had the Teamster bonding business. Wright said that he gave Silverman the same reply.

Wright said that some time in December 1959 he was contacted by a man named Don Pletts, who represented an agency in Miami, Florida, who also told him that he had the Teamster bonding business and offered to post a cash collateral of \$300,000. Pletts had previously contacted Jim Halpern of the United Public Insurance Company of Indianapolis for the same purpose. Wright said that a man named John Quinlan with the Peerless Insurance Company even quit his job to go with Pletts because Pletts seemed so certain of getting the Teamster business.

63-7985-7 file
6-007

WRIGHT

Mr. Adlerman

COPY

January 14, 1960

Wright said that subsequently in December 1959 he was telephonically contacted by E. E. Cefrey of the United Benefit Fire Insurance Company of Illinois, who told him that he had the Teamster bonding business. Cefrey said that he was arranging a group of companies to handle the business and asked Wright if he would participate for 25 percent. At that time, Cefrey quoted a rate of \$6.25 per thousand per annum to be charged for the bonds. Wright agreed to participate.

Wright said that by letter dated December 29, 1959, signed by B. K. Pyle of the United Benefit Company, their check #22886 in the amount of \$9,750 was forwarded to Wright as his portion of a premium deposit of \$100,000 which had been made by the Teamsters Union less 2-1/2 percent premium tax. Wright said that he was surprised when he got the check representing 10 percent interest, inasmuch as he had agreed to participate for 25 percent. He contacted Cefrey, who told him that they had subsequently decided that, inasmuch as his company was the smallest, they would only participate for 10 percent.

Wright said that he has been attempting to get together with Cefrey to determine more about the entire arrangement, particularly the type of reinsurance arrangements being made.

Wright said that his understanding is that he and the other companies will pay United Benefit a 35 percent commission as earned. The volume of premiums over a three-year period was represented to him as being approximately three million dollars, two million of which would be to insure losses over ^{10,000,000} one million dollars with some one like Lloyds of London. He said that this would leave approximately one million to be split among participating companies.

Wright said that his files contained a letter dated December 15, 1959 from Tri-State Insurance Company to United Benefit, signed by D. B. Ehmes of Tri-State, setting forth conditions under which Tri-State agreed to participate to the extent of \$200,000. These conditions included a quarterly meeting of a committee made up of representatives of all the participating companies to review the underwriting and other procedures, at which a majority vote would prevail. It was also stipulated that all money received by United

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Mr. Adlerman

COPY
-3-

January 14, 1960

Benefit from the Teamsters Union would be immediately divided among the participating companies according to the stipulated percentages. It also provided that the form used by United Benefit to write the bonds, unless previously approved by the Attorney General's office, should be submitted to Tri-State for their review and suggestions. Copies of this letter were sent to Charles Bray, Joseph Henning and David Ross. Wright did not know who any of these individuals were.

WJS/def

DeLeon
RMC

THE FILES

May 10, 1962

Walter J. Sheridan

TEAMSTER BONDING

Frank Wright, President of the United Bonding Company in Indianapolis, advised that he had recently been approached by representatives of the Trucking Association in Indiana to write a bond which would cover drivers for such eventualities as speeding tickets and weight infraction violations. He said that he expressed some interest in the idea. He was subsequently contacted by a man named Leonardo who he believed was a former Teamster official in Indiana. Leonardo claimed to be representing the Teamsters Union and said that the Union wanted to promote the same idea but that they wanted to handle the financing. Wright said that he would keep us advised and was not certain what he was going to do about it.

Wright said that the Teamster bonding is now handled by the Resolute Insurance Company. He said that a man named Scribner is President of the Company and has expressed a great concern to Wright about the Teamster bonding situation. Scribner told Wright that Irwin Weiner and Sol Schwartz are getting an 85% cut. He also indicated that Resolute has not received any premiums as yet from the former underwriter, United Benefit Fire Insurance Company. Wright said that a man named Morganstern is the Chairman of the Board at Resolute and runs the Company like a dictator. He said that Scribner is treated like a "lackey" and does only what he is told to do by Morganstern.

63-7985-7 file
6-502

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OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Daniel L. O'Connor

DATE: JUL 17 1961

FROM : Howard Jenkins, Jr. *HJ* *File*SUBJECT: Teamsters Bonding *←*

On June 21, 1961, Frank E. Wright, President and James E. Burch, Secretary-Treasurer, of the United Bonding Insurance Company of 830 East 38th Street, Indianapolis, Indiana, were referred to this office by Sidney Cox of the Treasury Department, and conferred with Mr. Blum of this office with regard to bonding problems in connection with their prospective contracting as primary surety for the International Brotherhood of Teamsters.

During the course of the conference, the informants revealed that United Bonding Insurance had been contacted by one E. E. Cefrey with reference to taking over as primary surety for the Teamsters' master bonding program. The previous primary surety was the United Benefit Insurance Company of Chicago, Illinois of which Mr. Cefrey was formerly vice-president. According to informants, Mr. Cefrey indicated that he was now acting for Charles Bray of the Homer Bray Service Company of Chicago, Illinois. Under the arrangement proposed to the United Bonding Insurance Company, 10 per cent of the premiums received by the United Bonding Insurance Company would be paid the Homer Bray Service Company as a brokerage fee and 25 per cent would be paid to the Homer Bray Service Company as agent for the United Benefit Insurance Company.

Additionally, it was revealed that Lloyds of London had been acting as a reinsurer under the previous bonding arrangement and it was contemplated that Lloyds of London would act as a reinsurer for losses between \$100,000 and \$400,000 in the proposed arrangement. It was also alleged that Central Casualty Company which was apparently a co-insurer under the previous arrangement was wholly owned by Homer Bray.

From the information revealed there was no reason to believe that United Bonding Insurance Company would not be an acceptable surety under section 502 of the Act. Messrs. Wright and Burch seemed particularly anxious to make sure that they would not be violating any laws in undertaking this arrangement. They indicated a desire to deal directly with the Teamsters Union rather than act through Homer Bray as intermediary. Aspects of the law of the bonding provisions as they relate to surety companies were explained and literature was provided to Messrs. Wright and Burch. Three of the questions they asked are being given consideration and two of them are already under study in connection with other organizations.

63-7985-7 file
6-way
Thomson

15-16-122	
BLMR-C&E	
JUL 17 1961	
DIV:	TITLE:
I ✓	I - VI
II ✓	II
III ✓	III

Mr. Daniel L. O'Connor

2

One is whether the provision of the consolidated bond form giving a first named insured power to act for all the organizations covered by the bond is acceptable under our interpretation of the bonding provisions. The second is whether a master bonding program in which certain of the local organizations are covered only on schedule A of the consolidated bond form is not in effect a blanket bond as regards those locals. The third is whether the placement of collateral with surety by the insured would not in effect amount to a deduction of a percentage of any loss so as to violate the requirement that there is no minimum limitation on the amount for which a person must be covered by bonding.

U.S. DEPARTMENT OF LABOR BUREAU OF LABOR-MANAGEMENT REPORTS Office of Compliance and Enforcement REPORT OF INVESTIGATION	FILE NO. CHI 15-4 DATE SEP 1 1961 REPORT MADE BY W. CARL N. SCHLITZ mfc REPORT MADE AT Chicago, Illinois PERIOD August 23, 1961 OFFICE OF PRIMARY RESPONSIBILITY Division of National Investigation STATUS Pending																
TITLE UNITED BENEFIT FIRE INSURANCE COMPANY OF OHIO, MEMBERS INTERNATIONAL BROTHERHOOD OF TEAMSTERS JAMES R. MORTA, President																	
CHARACTER Bonding (15)																	
REFERENCE Bureau Memo (BMR 15-16) dated August 8, 1961; ROY, C/O MARLE RIDER, Kansas City Area Office dated August 16, 1961																	
SYNOPSIS <p>Absolute Insurance Company, Hartford, Connecticut, assumed bonding formerly handled by United Benefit July 13, 1961. Boston Fire and Casualty Insurance Company, United Bonding Insurance Company and Central Casualty Company are the concerns selected to carry the primary reinsurance up to \$100,000.</p> <p>United Benefit and CHARLES BRAY never supplied details of IDT bonding to FRANK WRIGHT of United Bonding even though WRIGHT asked for details on several occasions.</p> <p>Records at United Bonding show a 10% override was being paid United Benefit on earned premiums. This 10% override would normally be paid BRAY. United Benefit has stated that BRAY is paid only 25% commission.</p> <p>WRIGHT said BRAY has constantly denied association with MORTGAGES or SUMMIT MORTG. WRIGHT has no knowledge of any union person having direct or indirect interest in the placement of the bonds.</p> <p>WRIGHT said refunding of premiums to local unions was delayed by BRAY and United Benefit. Both BRAY and United Benefit anticipated that premiums on new business</p>																	
APPROVED (Attorney) <i>John V. Moran</i> John V. Moran DISTRIBUTION 2 - Bureau (w/encl.) 2 - Boston Area Office (w/encl.) 2 - Kansas City Area Office (w/encl.) 1 - RONY 1 - RONEC 1 - ROCI 2 - File	DO NOT WRITE IN SPACES BELOW <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><i>Chi</i></td> <td style="width: 25%; text-align: center;"><i>15</i></td> <td style="width: 25%; text-align: center;"><i>4</i></td> <td style="width: 25%; text-align: center;"><i>4/1</i></td> </tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> </table> <p style="text-align: center; font-size: 2em;"><i>file</i></p> <p style="text-align: center; font-size: 2em;"><i>6 wry</i></p>	<i>Chi</i>	<i>15</i>	<i>4</i>	<i>4/1</i>												
<i>Chi</i>	<i>15</i>	<i>4</i>	<i>4/1</i>														

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(Synopsis continued)

would offset the amounts needed to be refunded because of the reduced premium rate.

WILSON does not know what arrangements exist between Resolute and United Benefit on the sale of the bonding business or what consideration has been given to the \$100,000 premium advance paid by the International.

WILSON said he heard that IRVING WALKER obtained the insurance from the Castaways Motel and the Everglades Motel, both of whom were the recipients of IIR pension fund loans.

- 1a -

DETAILS:

INDIANAPOLIS, INDIANA

1. On August 23, 1961, the writer interviewed FRANK E. WRIGHT, President, and NORMAN L. STUTTS, Chief of Bond Department, United Bonding Insurance Company, 820 East 18th Street, Indianapolis, Indiana, Phone: RA 6-1303, with regard to their participation in the bonding of IBT officials.

2. WRIGHT said that BRAY, who was unknown to him at the time, solicited him to participate in the bonding of the Teamsters. He did not know what caused BRAY to contact him. WRIGHT said he met IRWIN WEINER some years ago but had no direct dealings with him. He said BRAY denied that the BORPMANS or MORPFS had any connection with the bonding. WRIGHT also said he spoke to the State Director of the Indiana Insurance Department and was told that if the BORPMANS are even slightly interested, MORPFS would also be in the picture. WRIGHT said he was surprised to receive a request during 1960 from Central Casualty to underwrite a \$17,500 bail bond for SUMNER MORPFS. WRIGHT said he wrote the bond and now understands that MORPFS beat the charges.

WRIGHT said that he has no knowledge of any union person interested in the placement of bonds.

3. WRIGHT said that the real reason for United Benefit getting out of the IBT bonding was because the Insurance Commissioner of the District of Columbia refused to renew United Benefit's license. The Commissioner's action was based on the fact that United Benefit had filed false reports with him.

WRIGHT added that United Benefit was also discontinuing writing bail bonds which Central Casualty had been placing with United Benefit. (BRAY acquired the bail bonding business formerly held by Summit Fidelity Insurance Company of Akron, Ohio when ANGELO BIANCHI severed his connections with Summit at the investigation of PAUL BORPMAN and IRWIN WEINER). WRIGHT said he thought Resolute Insurance Company would now write the bail bonds for Central Casualty. He also said that a recent insurance publication announced that CHARLES LEICK was now associated with Resolute. LEICK was formerly associated with BIANCHI in the bail bond operations of Summit Fidelity.

WRIGHT said CHEPNEY's release from United Benefit stemmed from large losses United Benefit sustained on construction bonds written through the efforts of CHEPNEY. United Benefit stood the entire loss of \$140,000 on one bond because CHEPNEY failed to have it reinsured. WRIGHT did not know with whom CHEPNEY is currently associated.

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4. WRIGHT said that he asked BRAY and CAPREY on several occasions to supply him with a list of the locals who were bonded by United Benefit. While they never refused him the information, it was never furnished. He also asked for details as to how the premium payments were processed. He wondered whether the unions made their checks payable to United Benefit or to Homer Bray Services, Inc. WRIGHT said he had never heard of Oxford Agency, Inc. being the agency for the bonds and never learned to whom the premium payments were made.

5. The correspondence file WRIGHT submitted for examination contained a letter to United Bonding from United Benefit dated June 29, 1961, to which was attached a statement of account for May 1961 (copy attached). This statement shows that the reinsurers are paying United Benefit 25% commission on earned premium and override on earned premiums at the rate of 10%. WRIGHT said that in the insurance field the override represented a commission that is usually paid to the originator of the business. He said that from the way he understood this transaction BRAY would be entitled to the override. It is to be noted that United Benefit insisted that BRAY would only receive a 25% commission. It should also be noted that the question of an override was never raised with United Benefit or BRAY. WRIGHT said that if there were special arrangements, United Benefit could disburse the override to persons other than BRAY. It should be noted that United Benefit and BRAY controlled the entire operation. They gave the reinsurers little or no information. The reinsurers were forced to accept the figures United Benefit furnished on paid and earned premiums.

6. STOTTS said he made frequent inquiries of United Benefit to determine why Union Bonding was continually being charged for "excess of loss premium due." He got vague replies. On July 14, 1960, he had a telephone conversation with B. KEITH PYLE, Vice President of United Benefit regarding this. He was told that this represented refunds of premiums to locals caused by a competitive reduced rate which they thought would be overcome by an increased volume of premiums on new business. A note of his phone conversation with PYLE, dated July 14, 1960, is attached. WRIGHT said he could not understand why United Benefit was delaying the refund of excess premiums. WRIGHT said his concern would immediately refund excess premiums received since it was other people's money. WRIGHT said he understood that BRAY was instrumental in the delay of refunding as BRAY told Tri-State Insurance that new business would offset the need for refunding. WRIGHT is dissatisfied with the manner in which the premiums were handled and pointed out that he is constantly required to pay back money. Following is a control statement of Union Bonding's position covering their 10% reinsurance as of June 30, 1961.

Control Sheet Union Bonds

10% Reinsurance Accepted From United Benefit Insurance Company

As of June 30, 1961

Premiums written through 6/30/61		\$56,103.46
Excess of loss deposit premiums 1960	\$5,000.00	
Excess of loss deposit premiums 1961	<u>2,500.00</u>	
	\$7,500.00	
2 1/2% tax retained	<u>1,402.59</u>	
		<u>8,902.59</u>
		<u>\$37,200.87</u>
Premiums earned through 6/30/61	\$27,369.05	
25% commission on earned premiums	\$6,842.26	
10% override on earned premiums	<u>2,736.91</u>	
		<u>9,579.17</u>
		<u>\$37,621.70</u>
Claim adjustment expense	43.38	
Loss paid	<u>42.32</u>	
		<u>85.70</u>
Balance		<u>\$37,536.00</u>
Received from United Benefit	\$56,336.00	
Refunds already paid	<u>19,952.00</u>	
	\$40,384.00	
	<u>2,847.92</u>	
	<u>\$37,535.99</u>	

BRAY, after the IBT Miami Convention, told WRIGHT he would get the West Coast bonding.

WRIGHT also said he heard a rumor that IRWIN WEINER got the insurance business of the Castaways Motel and the Everglades Motel, both of whom are recipients of IBT pension fund loans. He said that the premiums on the Everglades could total \$1,000,000. and that WEINER got the business "by just walking in." It is to be noted that a previous chronology shows that WEINER was at the Atlanta Cabana and that BRAY telephoned the General Ogelthorpe for a reservation.

8. On August 23, 1961, WRIGHT received a letter from BRAY confirming that Resolute was going to "front" the IBT Bonds. Attached to BRAY's letter was an offer to United Bonding from Resolute for United Bonding to participate in 25% of the reinsuring. BRAY's letter indicates that Houston Tire and Central Casualty would be the other primary \$100,000 reinsurers. The letter does not show what portion Houston and Central would cover. It is to be noted that the offer of reinsurance to United Bonding from Resolute shows "premium to be determined." WRIGHT said this provides a justification for the underwriter to delay refunding of excess premiums. WRIGHT said the same provisions appeared in the agreement with United Benefit. WRIGHT was not asked if he planned to participate in the new arrangement.

It is interesting to note that BRAY's letter states that "Central Casualty will handle all of the reinsurance money, claims, et cetera."

9. Besta's Insurance Reports, 1961, show Resolute Insurance Company of Providence, Rhode Island, principal office at 163 Asylum Avenue, Hartford, Connecticut, has a policy holders rating of A+ and a financial rating of AAA. They have cash assets in excess of \$15,000,000. Besta states that Resolute is principally engaged in financing auto loans and home loans. It insures these loans.

The Chairman of the Board is LEWIS MORGENSTERN. Following is a list of the officers and directors of Resolute as shown in Besta Reports:

President	EDWARD K. SCRIBNER
Vice President	LEWIS ARMAO
Vice President	HOWARD W. COX
Vice President	VAL T. JONES
Vice President	ANTHONY W. KERCH
Secretary	HENRY D. ORDWAY
Treasurer	K. H. FIELD

Directors:
H. BURKE
MILTON GOODMAN
LEWIS MORGANSTERN
E. K. SCRIBNER
LEWIS F. SNOW

10. BESTS shows that Central Casualty has sustained losses during the years of 1958, 1959 and 1960. The losses in 1960 exceeded those incurred in 1958 and 1959. The expenses of Central Casualty were 118.8% of premiums received. BESTS points out an unusual situation in the financial report of Central Casualty. The report shows about \$467,000 of uncollected premiums from its agents whereas Central Casualty reports about \$350,000 in premiums due.

The report shows that an additional \$300,000 was put into the business in 1960. It also shows that its assets were increased by \$90,000. This asset represents a \$90,000 office building located in Albuquerque, New Mexico. (Previous investigation shows this building has an actual value of \$15,000.)

WRIGHT compared the salaries paid by Central Casualty against those of his company. He said that Central Casualty salaries appeared to be way out of line. He wondered if the salaries were so high to provide for kickbacks.

PENDING
ENCLOSURES

FOR BUREAU, WASHINGTON 25, D.C.

- 1 - Copy of letter from United Benefit to United Bonding with attachments, dated June 29, 1961
- 2 - Copy of memo of phone conversation dated July 14, 1960
- 3 - Copy of letter from Homer Bray Service to United Bonding, with attachment, dated August 21, 1961

FOR BOSTON AREA OFFICE, 333 WASHINGTON ST., BOSTON 8, MASSACHUSETTS
Same as above

FOR KANSAS CITY AREA OFFICE, 823 WALNUT ST., KANSAS CITY 6, MISSOURI
Same as above

UNDEVELOPED LEADS

BOSTON, MASSACHUSETTS AREA OFFICE
AT HARTFORD, CONNECTICUT

1. Will obtain information from the Resolute Insurance Company, 163 Asylum Street, Hartford, Connecticut relative to their purchase of that IBT bonding business previously underwritten by the United Benefit Fire Insurance Company, Omaha, Nebraska. The investigation should include, but not be limited to: (1) obtaining copies of purchase agreements between Resolute and United Benefit; (2) examination of fiscal documents to determine the actual payee for the bond business purchase; (3) ascertaining the names of the persons who introduced Resolute to United Benefit and the names of the persons who negotiated the deal; and (4) what consideration, if any, was given to the \$100,000 advance premium that IBT paid United Benefit which was a condition of bonding the International officials for a three-year period effective December 15, 1959.
2. In addition to the aforementioned, information should be developed which will include, but not be limited to: (1) copies of agreements between Resolute and Homer Bray Services, Inc., of Chicago or Evanston, Illinois; (2) copies of agreements between CHARLES BRAY, President of Homer Bray Services, Inc.; and (3) copies of agreements between Resolute and Central Casualty Company of Evanston or Chicago, Illinois. CHARLES BRAY is also President of Central Casualty.
3. Also obtain from Resolute the names of the reinsurers of the primary \$100,000 covered and the percentage of their coverage. We know that United Bonding Insurance Company has been offered 25% of the reinsurance. We do not know what percentage has been offered to Central Casualty or Houston Fire and Casualty Insurance Company.
4. Also obtain the names of the concerns who will reinsure the excess coverage and the percentage of their coverage. Also determine what arrangements, if any, that Resolute has made with Lloyds of London applicable to reinsurance of excess coverage of these same union bonds.
5. In addition to a 25% commission, the reinsurers paid an override in the amount of 10% of the earned premiums to United Benefit. If this same condition prevails in the agreement between Resolute and its reinsurers, determine to whom the 10% override is paid.
6. Special attention should be given to those provisions between Resolute and Central Casualty wherein Central Casualty will handle all of the reinsurance money, claims, etc.

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KANSAS CITY, MISSOURI AREA OFFICE
AT OMAHA, NEBRASKA

1. Will obtain from United Benefit Fire Insurance Company copies of their sales agreement with Resolute. The investigation should include, but not be limited to, obtaining detailed information relating to the handling of the \$100,000 premium advance for insuring of the IBT officials for a three year period, effective December 15, 1959.
2. Will obtain the names of the persons who introduced United Benefit to Resolute, and the names of the persons who negotiated the transaction.
3. Will examine the 10% override account maintained by United Benefit and determine the names of those concerns or persons who were paid from this account. It is not anticipated that many payments are involved and copies of cancelled checks covering such payments should be obtained.
4. Will obtain copies of cancelled checks representing payments for commissions to Homer Bray Services, Inc. (Commissions were due Homer Bray Service in the amount of 25% of the earned premiums. The program was in effect for one and one-half years as of June 30, 1961. The bonds were for a three-year period. Except for latter developed business, HOMER BRAY would be entitled to 25% of half of the paid premiums).
5. Will obtain from United Benefit copies of their final statements to their reinsurers of closing out of Teamsters bonding business.
6. Will examine a representative number of refunds to local unions in excess of \$100.00 to determine whether or not the payments were made payable to the local unions or to officials of the local unions. The cancelled checks covering such payments should be examined to determine that they were deposited to the accounts of the local unions to whom they were made payable. Copies of checks should be obtained in such instances where the check bears a second endorsement.
7. Will ascertain whether or not all refunds have been made. If all refunds have not been made obtain the identity of the locals to whom refunds are due and the amounts involved.

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CHICAGO AREA OFFICE
AT CHICAGO, ILLINOIS

Based on information developed by the Boston and Kansas City Area Offices, the Chicago Area Office will subpoena the books and records of Central Casualty Company, Homer Bray Services, Inc., and Oxford Agency, Inc. to ascertain whether or not payments, direct or indirect, have been made to IBT Officials, et cetera.

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