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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN DENVER	DATE 1-20-65	INVESTIGATIVE PERIOD 9/29/64 - 1/18/65
TITLE OF CASE FRANK A. BLOSSER, NR HOME INDUSTRIAL BANK, AURORA, COLORADO		REPORT MADE BY SA CARLTON H. WOLFARTH	TYPE mjt
		CHARACTER OF CASE ITSP; AR	

REFERENCES: Chicago letter to Bureau dated 11/9/64.
Chicago airtel to Indianapolis dated 12/17/64. (IO)
Report of SA JESSE L. ORR dated 1/4/65 at Denver.

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LEADS

INDIANAPOLIS AND MILWAUKEE - INFORMATION

Copies of this report have been designated for Indianapolis and Milwaukee inasmuch as there may be a request for possible additional investigation in these offices.

DENVER

AT AURORA, COLORADO. Will ascertain telephone number and telephone credit card number of FRANK A. BLOSSER and ascertain toll calls made by BLOSSER for period February, 1964, to May, 1964.

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
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FEDERAL BUREAU OF INVESTIGATION

Date November 30, 1964

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On November 24, 1964, [redacted], 3452 Chapel Drive, Toledo, Ohio, appeared at the Chicago Office of the FBI and furnished the following information which he requested be maintained on a confidential basis. It is to be noted the following set forth is information furnished by [redacted] verbatim. It is to be further noted that [redacted] in furnishing this account appeared to ramble on aimlessly; however, he was attempting to furnish information as to the facts as they happened.

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It will be further noted that [redacted], born July 11, 1923, is married and the father of four children. He has an extensive educational background, having attended and graduated from Emerson High School, Gary, Indiana; Bliss Electrical Engineering College, Takoma Park, Maryland; and the University of Texas College of Engineering. He is a registered professional engineer and was formerly an Ensign in the United States Naval Reserve from which he was honorably discharged:

OTHER 4

"I went to work for Kaighin and Hughes in August, 1961, as Vice President and Director of the Company. In 1962, I became the Assistant to the President, LLOYD HUGHES. There were two owners, LLOYD HUGHES and KENT KAIGHIN. This was a Toledo, Ohio firm.

In July, 1962, I received a call from a man by the name of HARRY W. BANK of Beverly Hills, California, who stated he was a financier and could finance the design and building of composting plants, and would we come out and see him for these projects. There would be 12 of them. I went out and while talking to him, I had learned just a week or so prior, there had been an argument between KEN KAIGHIN and LLOYD HUGHES in which LLOYD HUGHES stated he would buy out KENT KAIGHIN. He said if LLOYD HUGHES then bought out KENT KAIGHIN he would own the stock. I said that is correct. He said could we then buy the company and I stated, "Yes you could. You would own 100 per cent of the stock." So he identified his associate as SAMUEL PIVAR of 111 John Street, New York, N.Y.

On 11/24/64 at Chicago, Illinois File # 137-5316

by SAs ROBERT L. MALONE
AUGUST C. KEN PFP:djm Date dictated 11/24/64

During this period of time at the company, HARRY W. BANK introduced to me in April, 1963, in his Los Angeles Office, two gentlemen, one by the name of JAMES JACKSON and the other C.W. DEATON and they said that they were financiers and had a shopping center in Tulsa, Oklahoma and we could have the job if we gave them \$50,000. I refused their deal and turned them down.

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Then Mr. PIVAR demonstrated that we could buy a company in Los Angeles that would return about \$1,000,000 to us, which purchase we went ahead with. HARRY W. BANK was to be the financier, which he did not do. Now this led to a fight between the purchasers and the sellers. Then in June, 1963, I received a telephone call from C.W. DEATON of Dallas, who said that JAMES JACKSON said that they had purchased the ownership of the French Pavilion and the World of Food Pavilion at the New York World's Fair and would we be the contractor for them and that they would finance the job. Funds in Escrow from various exhibitors were turned over to them in trust because in some manner they got to be the officers of the corporation. Their attorney at that time was GEORGE MONAHAN, former Commissioner of Police of New York City. The three of them undoubtedly were out to fleece the exhibitors. We didn't know this at the time but the money in trust was turned over to them and we were called in again to examine the prints and agreed we would do the job at cost plus 10. N.Y.

"While there was a fight between the purchasers and the sellers, Mr. HUGHES met with Mr. DEATON in New York City and they discussed Mr. DEATON buying Kaighin and Hughes and Mr. HUGHES was satisfied. I left the decision entirely up to him because you could see as trustee and President of the company, I was getting in the middle of about three or four groups. Mr. HUGHES stated that he would sell to anyone who had the money. Mr. DEATON gave three checks, one in the amount of \$100,000 and two totalling \$250,000. \$100,000 was the deposit on the purchase and \$250,000 was the down payment on the purchase of Kaighin and Hughes. While I was out of town, I got a telephone call from the office and learned that the checks had bounced. We got hold of DEATON and JACKSON and we ran a check on them immediately. DEATON, we could find nothing about at all, except that he was carrying with him a letter on a Bank at Nassau stating that he had a line of credit of \$1,000,000 and was an officer of this bank. On JAMES JACKSON, we learned that he had served a term for fraud in the State of Florida or Georgia. I'm pretty sure it was Florida. So, we

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immediately broke off relationships with these projects but they had us in pretty bad shape on the World of Food Pavilion because we had let some subcontracts go, and we learned that they money in escrow had disappeared. The FBI was called into it at that time. I know that for a fact some of it went to JOHN MONAHAN, the former Commissioner of New York City Police Department, because he was the Trust Officer for the funds. ~~He had to take part in it.~~ *N.Y.* They this brought the warfare between the group that I represented and LLOYD HUGHES out in the open because they said, "You are interfering with the operations of the company and behind our backs tried to sell to people we didn't want." DEATON and JACKSON professed complete innocence and stated that JACKSON had received a pardon and had established a new life so to speak. So, on September 13, 1963, things became unbearable. I went into consulting practice and did reasonably well. I continued testifying, fighting and representing the purchasers, and it was taken before the Federal Court. Mr. HUGHES had confession notes so he immediately had judgments and we countered with a counter suit for \$5,000,000 and a hearing was held and it was stated that we had grounds for our case so the judgments were set aside and the fight was on. ~~Mr. BANK~~ and POWERS couldn't have and didn't come up with their share of the expenses. Mr. SHARP, who had very little to do with Kaighin and Hughes, came up with \$25,000 cash bond to the court to support the fact that we were people of substance, paid the legal fees and he put out about \$50,000 cash and said that he wanted to get rid of BANK and PIVAR and anyone else in the mess and lets get out of this. He accused me of very poor judgment and he was right. He threw me a couple of bones to work on as an engineer, one of which was a cement plant, and I was able to make the ends meet, but it was close.

In about April, 1964, I received a call from JAMES JACKSON from Tulsa, Oklahoma. I learned since then it was actually Betheny, Oklahoma, which is a suburb of Tulsa. He asked me what I was doing and I told him I was a consulting engineer and taking on clients. He professed complete disassociation with DEATON and said he was now the Chief Mortgage Officer for Columbia National Life Insurance in Tulsa and that he lived

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in Oklahoma City and the main offices were in Tulsa. He asked me if, in my design and engineering, I came across projects that needed financing. I said obviously every project needs financing in some form. He said, "Would you pass them in front of us?" I said, "Well, I would need to know more about your company and how big it is". He said he was going to send the data but he didn't.

Ill. *HARRY ESPENSCHIED*
In May, 1964, about the first of May, I received a conference call. I had JAMES JACKSON, Oklahoma City; HARVEY J. POWERS, an attorney in Chicago, 75 East Wacker Drive; and a gentleman by the name of BILLINGSLEY; on the line. Mr. JACKSON said "Mr. POWERS represents a client who is willing to hire you for your services concerning a steel mill." Mr. POWERS did the talking and asked me if I would take on the client and I said I would be happy to. They discussed my qualifications and I was accepted and paid \$2,000 a month. The contract was signed on May 7, 1964. In a few days after that they brought in a gentleman by the name of HARRY ESPENSCHIED, President of North West Construction Company of Rockford, Illinois, and they stated that they wanted me to work for him as a consulting engineer and he would pay me \$1,000 a month and I would help him obtain construction contracts. This then gave me \$3,000 a month income, so I had the world by the tail. The first project that came up was the Gary Park Tower, Inc., and I learned that the financing was committed to JAMES JACKSON. Then Mr. BILLINGSLEY became interested in some of the projects that I had, and I wrote a memorandum to him describing the jobs I had worked on and that I would be going on during the year and they amounted pretty close to \$100,000,000 worth. This made a lot of people very interested. Mr. POWERS said that if I would work with him he would handle the litigations in Toledo for \$25,000. I didn't have this money, nor did the purchasers, which were BANK and PIVAR. SHARP washed his hands of the whole matter. They said if I would work with their people, they would pay the legal expenses on the fight, continue with my fee, and I would receive a bonus on each job.

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In the latter part of June or first part of July, 1964, Mr. POWERS saw that several of these projects were very much real. We had obtained letters of intent from all of the people giving us equity and construction, providing we could finance. He took me down for coffee and said he would like to give me the background. The background was in two phases; 1. "Do you know who I am?" I said, "No, I do not." He said, "I am the attorney or one of the attorneys for the syndicate and they have control of banks and insurance companies. The banks and insurance companies are very real and very clean and there is nothing irregular about them at all. I would like you to meet my partner." GUIDO FIDANZI appeared and he was introduced as POWERS' partner. He told me that whatever he got Mr. FIDANZI would get half of it, and they could assist me in this program. I said, "Well, let's make it understood now, the person I don't want to do any business with is Mr. JACKSON. I've had a very bad experience. I don't know Mr. FIDANZI or you, Mr. POWERS, but I would want to check you out." They said, "Anytime anything doesn't look right, you can leave and you can move into my office at 75 East Wacker." They put my name on the door of POWERS' office and I moved in. N.Y.

The second phase was that he had to describe to me the reason for certain people being in the picture. The story was so complex that I truthfully cannot repeat it to you so I will tell it to you as I believe it to be.

DEATON and JACKSON appeared on the scene with some securities or purported that they could obtain some securities, from which they could borrow a very sizeable sum of money which would increase the net worth of North West Construction Company considerably. To do this they would need \$60,000. Mr. BILLINGSLEY called Mr. ESPENSCHIED and gave him this story and as unbelievable as it is, Mr. ESPENSCHIED did not bring a check but he came with \$60,000 in cash and they sat him in a motel room. Present at the meeting was HARVEY POWERS, BILLINGSLEY, DEATON, JACKSON, and a gentleman appeared on the scene by the name of FRANK BLOSSER, the President of a bank in Denver. I never did meet him. The meeting had something

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to do with the securities being carried by DEATON and something to do with the Denver Bank. Two securities appeared and, without the advice of Mr. POWERS, the \$60,000 was handed to Mr. DEATON. Also at this same time, \$70,000 was paid by Mr. ESPENCHEID to Mr. BILLINGSLEY for stock in a mining company that would pay in gold or reclaim gold. They spoke of having another processing system that would make steel very quickly and they showed me the data. I told them it was not a steel producing formula at all, it was merely a mix that you put in a blast furnace that would speed it up. Mr. ESPENCHEID claimed that he had been bilked of a \$130,000. C.W. DEATON disappeared in five minutes and was driven to the airport by BILLINGSLEY and left with the money. POWERS, being there, offered his services to Mr. ESPENCHEID to collect the money for 25 per cent of what he collected and he brought in GUIDO FIDANZI as the man able to collect it. They kept putting off Mr. ESPENCHEID stating that he would build the Gary Project and the Shreveport, Louisiana Project. I felt sincerely that he would be given the opportunity to build them. They claimed that because of the moneys involved that originated from the Syndicate in Chicago, they had to keep JACKSON in the pot, but the money always came from ESPENCHEID, who is very clean businessman. So they must have had a third dealing which I didn't know about and that JACKSON is and has been notified over the phone concerning. The deal was that he was to pay the \$60,000 back to POWERS.

In August, they said they would introduce me to a man who had access to 16 actuaries or insurance companies and another man who had access to banks. The man who had the 16 actuaries was GUS RUBINO whom I didn't know. He appeared on the scene with a man who was his chauffeur, BILLY DAUBER. That evening they asked me to have dinner with them and they introduced me to their banker, CHARLES YORK, whose brother they claimed was the President of an insurance company in Indianapolis, and said that Mr. YORK was the President of a bank at Mascoutah, Illinois. At dinner when they got to feeling pretty

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good, they were telling me that YORK had made a mistake at the Bank of Mascoutah and was close to a Federal Indictment. They said he had about four hours to get out and he had gotten out by getting somebody to buy the stock of the bank. In August I went to POWERS and asked him who these people were. I said I didn't like the looks of it and should we continue. He said, "With these associations with these people, you can get out any time you want but this is strictly legitimate because I will be handling the money and it comes from your biggest insurance companies. How can you go wrong?" He said, "We will introduce you to principals." So they loaded me in a car and took me down to 645 North Michigan Avenue to the office of the First National Mortgage Company and introduced me to JOSEPH STEIN. Present at the meeting were FIDANZI; DAUBER; RUBINO; STEIN; another gentleman from STEIN's office, LEONARD STALLMAN; CHARLES YORK; and myself. They were talking about making BILLINGSLEY make some checks good. They wanted to know if they could handle any projects where they could get the 10 per cent fees. They said they have a very good plan and asked me to leave the room. So I left the room and they were talking for about an hour. When they came out they drove me to Wheeling, Illinois, to 251 East Dundee Road, where I met a gentleman by the name of BOB FERRELL. He said that he was a man worth \$2,500,000 and was very successful in obtaining financiers. They said they don't touch anything for less than 10 per cent down. I said, "If I don't get the money for them or the loan, what happens to the 10 per cent?" They said, "We get the loan." I said, "Okay". So FERRELL was put on the Board and they incorporated. Actually we were in business for a couple of weeks, but doing nothing. We really started about the middle of September, and we had meetings in FERRELL's office with DAUBER and FIDANZI and POWERS being present. Sometime after there was a falling out between POWERS and FIDANZI over a large sum of money that was theoretically handed to POWERS to be transported to a gentleman

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by the name of ~~FRED HEINZ~~ in Miami, Florida, \$5,000 of it got there and the balance didn't. They described to me that they had two people in Miami pick up HEINZ and take him to a motel room and let him make one phone call to someone in New York and that someone in New York called Chicago before they stopped whatever they were going to do to him. FIDANZI got on the phone in front of me and got POWERS on the line and said, "You have til midnight to come up with my half of the money, which is \$12,500, or I'll get you". It may have been true as HARVY POWERS did disappear. I later heard that he hid out in BILLINGSLEY home in Zion, Illinois. He approached BILLINGSLEY's home at 2:00 in the morning with a .45 and said that he was in trouble. BILLINGSLEY, being a religious fanatic, brought him in and had a prayer meeting to work together and have everything come out. They then considered me as an outsider because I was left at World Wide and it ended up where everything flopped over to where I was with FIDANZI, RUBINO, and FERRELL and on the otherside was POWERS and BILLINGSLEY. Each were calling the other names and I wanted to find out who I was to take orders from. BOB FERRELL said, "I have been instructed to tell you that I work for one family and there is another family, but we are connected through me here, and you will be in a new concern that we are going to build up." I said, "Well that sounds very nice but who are the principals?" He said, "I will take you to them." So we made a trip to Denver, Colorado, and we went to the offices of the National Security Investment Company and I was introduced to Miss VIOLA ORENDORFF, who was President; and her fiance, whose name was BERT BOOTHBY. They were married two weeks ago. She said that they had an office in Dallas, an office in Denver, and an office in Miami, and they had just put through a \$27,000,000 deal from which a tremendous amount of money had been made. There was something peculiar about the funding of this commitment which they did not discuss but said that they "handled it through a very large insurance company in Tulsa where they owned the vice president." This was my first indication of the tie up of Miami, Dallas, Denver and Chicago.

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At dinner that evening, BOB FERRELL gets drunk real quick and talks. And at that time, when everyone left the table, he said to BURT BOOTHBY, "We want to tell BOB what his opportunities are and I want to confirm to him that you and I are brothers." BURT seemed to be quite startled by it and he said, "No, no BURT, BOB has to be one of us and you have to tell him, we want to identify each other." BURT said, "Yes, BOB, in a manner of speaking, we are brothers."

I returned to Whedding and they started handling or processing these packages; each job is called a package, and we cancelled some of the packages which BILLINGSLEY was in default of. They called BILLINGSLEY up and said the Denver package can be handled in Denver and we will get you a commitment but it will cost you \$25,000. So he came up and a contract was prepared and they asked me to sign it, which I did. He paid \$25,000 cash and in three installments. He claimed that in essence he was buying back his own deal but he was legally and rightfully in default. When I had gone to Denver, I went with a gentleman by the name of AMERMAN of Shopping Center Utilities, Inc., 369 Lexington Avenue, MU 2-7130, New York, a legitimate business man. The Denver Tower people introduced me to a Mr. ROY HARMON, Jr., President of Harmon and Beckett, a very legitimate businessman, and the owner of this tallest building in the world and he asked me if I had any association with a fellow by the name of BILLINGSLEY, or HOWARD SCHAAD, and JOHN BIRDSSELL. I said, "Yes. I worked with them as a consulting engineer." He said, "Well, BIRDSSELL and SCHAAD were involved in a \$75,000 fraud in Denver and BILLINGSLEY is a part of them, and we are going to void our contracts. I said, "I am with another Denver Company and they can finance it, which is National Security. So they cancelled the authorization to POWERS and worked with a man in Denver and FIDANZI went fanatically mad about it. That is when DAUBER told me "Has it dawned on you yet that the warfare between POWERS and FIDANZI is put on, and that actually POWERS is with BILLINGSLEY and that is how FIDANZI and POWERS can control BILLINGSLEY. This way they have milked by threat or promise of contract, over \$250,000 from BILLINGSLEY.

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In the formation of World Wide when we opened up the offices in the middle of September, there was a fight between DAUBER and POWERS about money due him, so they broke up. Then RUBINO and FIDANZI got into a fight and FIDANZI was out and DAUBER was out. It ended up where I was with DONALD ROSS, an attorney who had been a former judge, GUS RUBINO and ROBERT FERRELL. The Board of Directors which included DALE ROBERTSON, SEBASTIAN CABOT, J.W. SHARP, MORRIS LANDSMAN, 422 Madison Avenue, New York, ROBERT FERRELL, and a fellow by the name of BABIN of Ashland State Bank of Chicago. We had a land loan sent to us from a company called Home and Commercial Corporation in Newark, New Jersey, and an OWEN MEDDLES, contacted me, through the efforts of MORRIS LANDSMAN, for a legitimate land loan. They were developing a complete subdivision and they had plenty of collateral but they had no cash. They could provide the guarantees and they wanted to borrow only \$325,000. So we told them put up \$32,500 and would get the loan. RUBINO called a gentleman by the name of DON ROBERTS at Kansas City who had arranged to send a dummy credit deposit of \$600,000 to a Utah Bank who would issue the \$325,000 loan for six per cent. I asked him how can you use a credit deposit of that type to arrange that kind of a loan and he said, "Well these things are done, and don't worry about it." So I called OWEN MEDDLES and explained to him that I don't particularly like this way of raising money. An hour later I was called on the carpet and was told that I made too many phone calls, and I trusted too many people, and I talked too much and that this man owed \$32,500 and he better get it in because we are going to pay \$325,000. I said, "Well, I like to know how but I won't talk any more." I later learned that OWEN MEDDLES is to receive back 2 per cent of the 10, so he must have been part of the arrangement. Then I received a package called Pocono Downs Race Track at Wilkes Barre, Pennsylvania, and they wanted to borrow \$3,500,000 and it came through OWEN MEDDLES. I had no way of financing it and was going to give it back and say I couldn't

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handle it, because I had not looked at the plans or made any surveys on it. I told them that I was going to send it back. They gave me the word I shouldn't send it back, that they could handle it, and they had a way of funding it and would send it through the Denver Office of National Security. From Denver it went to Dallas and it is now in the Dallas Office. A fellow by the name of MESSINA called me from New York, and said he was a principal at Pocono, and if we put it through would there be a percentage on the concessions and programs. I said, "Who are you, Mr. MESSINA?" He said, "I'm a principal" in a very gruff voice. I said, "Well, I don't see your name on the list of principals." He said, "Let's just say that I'm a principal and I have other people handling it for me." About a half hour later I got chewed out by FIDANZI.

In October, apparently they saw the projects that I had coming and they were all excited so then it became a question as to who was to run the operations. They had signed this contract with Mr. BILLINGSLEY and I learned that they had collected \$25,000 and I don't believe more than \$2,000 of it got into the bank. I had been to Denver with BOB FERRELL and met the Denver people and then I met JOE STEIN and they agreed that STEIN would help us. There was dissension between FIDANZI, RUBINO, and DAUBER.

So on a Saturday in October, I got a telephone call from GUS RUBINO and he said, "Can you work with me?" I said, "Yes. I'm World Wide Mortgage, so if you can get mortgages, yes." An hour later I got a call from FIDANZI and he said GUS RUBINO was out and, "Will you work with me?" I said, "You fellows don't seem to understand this, but this is a company that I am running, and I am World Wide Mortgage, and don't make a statement of that nature." He said, "Well the man decided that RUBINO is out. I said, "Who's the man?" He said, "Never mind." Then DAUBER got on the phone and using very vile language said, "Well I was at GUS' house

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when you told him you would work with him." I said, "I'm World Wide Mortgage and I will work with those people that can perform in the field of financing." "I know where I have the projects." "I don't know RUBINO." "I don't know FIDANZI and I don't know you." About this time no question was in my mind what I was getting myself into. I said, "I would like to talk to the man and before I go any further, I want to know what I'm getting into." He said, "Well, can you quietly sneak into Chicago, but don't you tell FIDANZI I'm arranging it."

So I came in Sunday morning on the 8:00 plane and only RUBINO was there. He took me in a car and I said, "Who am I going to see." He said, "I don't use names. You are meeting a man by the name of JIM." So I watched where we went and we went to 10309 South Laramie, and I went in and I met a gentleman introduced to me as JIM C. and told "You can call him JIMMY." He said, "Who can you work with, RUBINO or FIDANZI". I said, "I want to know what this is leading to" and he said, "We need college educated men, men of good background who have legitimate programs and we want to keep it legitimate. We have ways of raising money through banks and insurance companies all very clean and legitimate, and I don't want anybody interfering with it." "Can you work with RUBINO?" I said, "If he can get commitments, yes." He said, "RUBINO can get four commitments in one week." This land loan he spoke of; the Gary High Rise commitment; a loan to a man where they were going to make \$45,000 cash; and he mentioned fourth one which he didn't tell about, but it was smaller. Then JIM asked me if I could work with FIDANZI and I said I can work with anyone at World Wide. What would he do? He said, "Well, I wouldn't do anything". I said, "FIDANZI took this Denver package of mine and he sold it to a group". JIM really got mad and said, "He sold it to him for how much?" I said, "\$25,000." He said, "Did you need the money?" I said, "No. That is what I don't like." DAUBER then came in and said that they decided that I would stay with RUBINO because he could get commitments and DAUBER would stay with FIDANZI so that he would know what FIDANZI was doing so that he could report quickly to JIM and RUBINO.

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We moved out to RUBINO's real estate office called King's Rental, 14428 South Western Avenue, Posen, Illinois. We were there for about a week and out of a clear blue sky FIDANZI and RUBINO were good friends and I said, "I would like to talk to the man again to see what the situation is." So RUBINO and DON ROSS and DAUBER and I went back to JIM C's home. He decided that RUBINO's time was up and he couldn't get the commitments but FIDANZI knew how to raise the money and that he was supporting business. I again asked how is he supporting the business when he collected \$25,000 that FIDANZI did sign and the money was never deposited, he just put it in his pocket and he went. That was the night JOE BANANAS' mother died and they were having a wake in Chicago Heights and over the phone by code they said, "JOE's mother's wake, you know where, and he wants you there at 8:00." FIDANZI went there and JIM told him, "Get the Denver Package back or you put the \$25,000 back." That is when it really dawned on me there was going to be no package or \$25,000 back. When I got the mail in November, there was a letter from Ashland State Bank stating they chose not to have us as an account."

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We had my secretary, Mrs. ROSE BECK, call ASHLAND to find out why and we learned that a check for \$5,700 had been written on our account that GUIDO FIDANZI had taken. They had schemed up an arrangement with a fellow by the name of DON BLAZAVIER who is an innocent dupe and whom they have gotten for about \$30,000 to date. Now what he was to do with this check was they had arranged to take it to a fellow by the name of BICKL in Kenosha and he would give them \$5,700 in cash, hold the check for a few days and then deposit it. And, GUIDO FIDANZI got the \$5,700, and he got two additional checks that I don't know their exact amounts, but I know that the three checks together totaled \$10,800. The \$5,700 check was not held by BICKL but immediately deposited with the bank the next day and they had closed our account.

That is when I said that I demanded to see JIMMY because I don't want to have anything to do with that at all, that there was not any attempt being made to be legitimate and I wanted out. So I got a call by coincidence from GUIDO FIDANZI, and I said, "GUIDO, I have typed up my resignation and I want an explanation for the \$5,700." I said, "I also want an explanation for the \$25,000", and he says, "Well the operating funds for the company have come out of my pocket." And, I said, "How could that be? How much have you put in?" So he went down the line and he itemized about anything that he could possibly think of, including fictitious payments to themselves, and he could only go up as high as about \$14,000. So I said, "Actually, then GUIDO, you haven't put any money in, have you?" And, he said, "No, but it was my idea as to how to get it from BILLINGSLEY." I said, "I was told that I was president and that you fellows were not involved, and that this would be cleaned up. It isn't going to be and I'm resigning." And, with that BILLY DAUBER got on the phone and snarled like an animal. It was something that I can't describe. He threatened me with language, that I couldn't repeat. He said that I was going to stay and make my projects come through and get these deposits and fees. He said that he didn't like me from the beginning anyhow and that I didn't understand the situation. He said, "I take care of guys like you with an ice pick and I'm on my way over", and "We'll get you some night and gouge your eyes out or use a .45 on you." "Big shot," he said, "President", he says, "I'm in charge. I'm the

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boss. I've been the boss all along and I answer to JIMMY and if you want it proved," he said, "You just get in that car and you head for Toledo." He said, "We'll get you with a little treatment, that we call with the shotguns, you and your family." He said, "How would you like that?" He said, "You're going to stay there and you're going to like it and you're going to do what you're told to." I said, "I want to see the man." He said, "You are talking to the man." With that I looked for FERRELL and couldn't find him. That night he called me back and I repeated to him what was said, and I told him that I wanted out, and he must take me to the man or whatever it is that you do to get out 'cause I know where I am. He says, "Well, [] I can't tell you what to do because I'm the boss up there, and we've got big plans". He said, "JIMMY is just a small potato and takes orders from me." And he said, "Don't let these fellows excite you." And he says, "My boss is MILWAUKEE PHIL ALDERISIO", and he says, "I'll put JIMMY at any meeting at any time you want him there." He said, "These two fellows, you can have them in the river if you want them." He was drunk and when he's drunk he talks, so the next morning I went to his office and I said, "Look, get me to JIMMY. I want out." He said, "Well, [] let me show you how I operate." And, he drew a map, a chart, and it showed a closed line and on the left side was MILWAUKEE PHIL ALDERISIO, and he said, "I am directly under him and I answer only to him. On the other side is JIMMY CATUARA and MILWAUKEE PHIL tells JIMMY CATUARA what to do. Now if you have a complaint you can only take it to JIMMY CATUARA and CATUARA takes it to ALDERISIO. Now if I have a complaint I can only go to MILWAUKEE PHIL who will then go to JIMMY CATUARA who will then take care of it, but you can't go direct. We're having a meeting Wednesday downtown and I will mention this matter there. I can't tell you and will not tell you what to do for obvious reasons. I will call you and tell you only yes or no and then it's up to you, but if you get out you will be in our camp where there is real money, very businesslike and very profitable, and we can bring you out of debt."

Well, I never got the call.

That night BILLY DAUBER, at the office, called me and he apologized and said that he had heavy gambling debts and he was under pressure and said I trust too many "Square JOHN'S" as they call it.

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He said, "We need money and we got to get it fast because we have to answer to some people." So they said that we want to get this going and we want you to set up a meeting with POWERS and BILLINGSLEY, and we will tell you about it.

So the next day they came in, DAUBER, FIDANZI, and a third fellow I had never seen before, and have never seen since. He was not introduced to me - Italian, slender, very slender, usual dark clothes, weighed only about 135, about 5' 7". He apparently took great delight in setting up this meeting, and they decided to have it at a restaurant up North, which they didn't name, and then they said, "Can you get POWERS to come to 31st and Halsted?" So I said I could and they said, "Well, we want to talk to him. We need a lawyer and we need a good one and if nothing else, he could steal for us. We always make money with him. We don't trust him but he has not stolen too much."

So I called from my apartment POWERS, and he and BILLINGSLEY instead of going to the restaurant, came to the apartment. I called DAUBER and said that POWERS was at the apartment and I then opened the door and let them in, BILLINGSLEY and POWERS. They said that they wanted me to come with them and resented the fact that I had abandoned them. I thought that was unusual because they had really abandoned me, because that's how I got into it.

That's like the White Sox playing the Yankees and I'm on the White Sox to the seventh inning and then in the 8th inning I find out that I'm on the Yankees and don't know how I got there. They said, "Let's work together" and "if we can trust you we will show you how to really make money."

So they left, and about five minutes later there was a thump on the door and GUIDO FIDANZI, BILLY DAUBER and GUS RUBINO, who is now back on the scene, burst into the apartment. They were loaded with weapons and were looking for POWERS and BILLINGSLEY. I said they had just left and I thought this was to be a meeting. They said, "You just trust too many people", and walked out and slammed the door. Then I went back to FERRELL and told FERRELL the next day that I had to see the man to get permission or whatever it took, that I was getting out.

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He said the man you work with or should work with is my man STEIN, they make plenty of money. So he said, "You have to make the move."

So they had BILLINGSLEY and POWERS go out with my packages and they were getting deposits from various people. They collected \$22,000 for Truman and Company on the Gary job, and they claimed they gave it to the attorney for Truman and Company who delivered a commitment.

Then I was ordered by GUIDO to go to New York and verify last week, which I did.

For all intents and purposes it is a commitment, but there was an application with it, and, if you have a loan you don't have a commitment for a loan and then have to fill out an application and attach \$10,000 to it. They said, "Well, don't worry about that. We have the money. You just get the application signed", and I said, "Well, the bank in Gary is obviously going to make a call. They're going to call the Truman Company in New York and it will be verified."

So, on Friday, I got the call for Tennessee Gas which I've been waiting for for months. It involves a very legitimate deal with Mr. SHARPE. I mentioned that I was going to Houston, and I told DAUBER about it. I told GUIDO, and GUIDO said, "Well, can't we get the deposit money from Gary?" And, he said, "We want the \$10,000."

I says, "Well, the \$10,000 you don't get. It goes with the application back to the Truman Company."

He says, "Well, we've got to get money in this office and we have to get it in quick."

I said, "Well, it's my understanding a lot has come in, but I haven't seen it," and said, "There is such a thing as income tax".

And, he says, "Well, you don't write figures down and you don't remember figures".

And then DAUBER said he wanted to be my friend and help me out and he described that they had a meeting one week ago Monday

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in a motel where POWERS, FIDANZI, MESSINA from New York, and DAUBER were present to discuss me, and POWERS said that his people wanted me.

DAUBER says, "You know they get you one of two ways. We trade you or they buy flesh - you know what we mean?"

And I said, "I get a pretty good idea."

He said, "We put a \$100,000 price on you. If they want you they must pay us \$100,000 and you are free."

BILLINGSLEY, after my trip to New York where I went to Truman and Company on the Gary and Denver jobs, felt he was saving me, as he put it, and the \$100,000 was a reasonable price to pay because he had large sums of money in there already.

Obviously I was the key and the only key anyone had to making money.

I said that I wanted to be free of any of this activity and out of it. He said I knew that he was clean and went through quite a demonstration of religion and prayer. He took me to a Dr. MUNTZ outside of Philadelphia, by Kings Row or something like that, a little suburb, and introduced me to Dr. MUNTZ, who is in "Who's Who", a very clean and religious man, and quite devoted man, and he verified BILLINGSLEY was a good man.

BILLINGSLEY said he would help me work my way out.

Then because of the heavy fog we drove from New Carlisle, Pennsylvania, to Pittsburg to catch a plane, and on the way I told him that they had made all kinds of threats and it was getting very dangerous, and he says, "Don't worry partner. I'm the key and I've got the power over them, and POWERS knows all about them, and POWERS is going to get you out and I'm going to get you out, and because of what I've got over them. I've paid a lot of money, and if it came to that I'd go to the FBI if it couldn't do."

This was later mentioned by telephone to POWERS, and POWERS emphatically said, "You never go there because you'd never live. BILLINGSLEY said that the LORD protected him, he was right, and if he went nothing would happen to him." POWERS said in this case he wouldn't stop bullets.

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Then, when I got back to the office on Friday I talked to DAUBER again, and he told me he had my diary and I said, "I figured you would have and what are you going to do about it?"

He said, "You know FIDANZI and POWERS are working together. " He said, "They have stolen a lot of money in two weeks. Now you told me about \$10,800 and JIMMY knows about \$45,000 also. I think the noose is going to be put on FIDANZI even though they are related, and I don't think it's going to be much longer. Now we had this meeting on you to decide whether you were in or out, and you are in, as long as you do what you're told. BILLINGSLEY is going to tell you what to do."

So I discussed with BILLINGSLEY my call from Tennessee Gas and the urging of FIDANZI to go to Gary to get the deposit, and BILLINGSLEY said, "By all means go to Houston because this man is the kind of man that gives you an appointment maybe three months in advance. He travels all over the world and their subsidiaries."

I was determined about my livelihood, in that shortly I was getting out of this, and things like Tennessee Gas are in my line. So the word got out, apparently over the weekend, that I was going to Houston and that night at 11:30 GUIDO FIDANZI called me, and in a blinding rage told me that I was not going to Houston, that they needed money and they needed it fast, big money, and Gary was big money.

He says, "Now you said you'd get the commitment, now you collect", and I said, "I didn't get the commitment. BILLINGSLEY did."

He said, "Well, you approved it."

I said, "I didn't approve anything. I will go to Gary but I must go to Houston."

He said, "Don't get on that plane."

And, then I got another call at 1:30 A.M. Sunday from FIDANZI screaming and warning that he had met with the fellows and

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that they are tired of not making any money.

So, this is obviously a trap within their own group, because JIMMY knows that they have collected over \$100,000 and GUIDO is still claiming that he collected \$18,000, and he, over the phone, said that \$18,000 was not enough and they had to get the deposits in.

MESSINA said he could deliver a contractor for \$275,000 on a job in Baltimore which I didn't know about, but BILLINGSLEY joined up with POWERS and they say that they prefer that that not be built, that they can handle it, but they will get the \$275,000 and if anything is said they'll shut them up, but they want the \$275,000.

I said, "POWERS will have to handle that. I don't know anything about it."

Backing up to the last Friday before I left, GUIDO talked about raising money and he mentioned in front of me the \$6,000 that was to pick up from Mr. AMERMAN in New York.

In front of me he called this Mr. ACE ~~MESSINA~~, who is at Winged Time, Inc., 265 West 14th Street, Suite 904, New York. *NY* His phone number is WA 4-3480. I met Mr. ~~MESSINA~~ *WEL* I was in New York.

They told me that because I did go to New York and worked on the Gary commitment and this Denver commitment that I was proving to MESSINA that I was okay. I wanted to know where MESSINA came in and they passed that off by other conversation.

Now, MESSINA is also behind this Pokono Manor Race Track and curses and threatens and everything until that comes through at a ten percent finance charge with two percent Back to OWEN MEDDLES who is at a home and commercial mortgage company in Newark, New Jersey.

So, the second time when GUIDO called he said the fellows decided that I wanted money. He said, "We don't have a college education but we can think in the terms of cash."

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GUIDO FIDANZI called Mr. MESSINA in New York, and I was present, and he said, "ACE, about that collection job that POWERS spoke to you about when he was in New York for \$6,000, go and see the man Monday or Tuesday. Give him a day and a few hours, preferably 48 hours to come up with the money. Be a gentleman, keep it nice, keep it neat, after 48 hours," he said, "You know what to do."

MESSINA must have said okay and he will take care of it.

That was Friday.

AMERMAN is a little fighter, so if he did get contacted I think he would tell you - I'm pretty sure he would tell you, he's a fighter.

Then going back again to my Saturday calls, Sunday morning I was called by GUIDO FIDANZI who said that he had met with the fellows and they wanted me. He said, "We don't have a college education but we know how to collect money and you are going to collect it or we are going to have to show you how."

He used all kinds of profanity and threats as to what they were going to do and he said, "You will call your 'billionaire SOB' in Vancouver and tell him not to go to Houston, he owes us \$30,000 on his commitment for the cement."

I said, "You gave him no commitment for the cement plant. You introduced him to no principals."

He said, "I don't give a damn. Who does he think he is, some kind of god or something, that we have to introduce him to principals. He wants money, we've got money. He'll pay the deposit quick. You get him into Chicago and that's an order, and I'll collect the money. FERRELL's out. I'm telling you, don't get on that plane and don't you let SHARPE get to Houston, everybody shows up in Wheeling Monday and we are going to decide who's what and what the next thing is going to be."

So, first thing Sunday morning I called BILLINGSLEY and he says, "Look, POWERS has the control over those fellows and can handle them. The LORD is with us and will protect us and I have control over those fellows because of the money. , you

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trust us and we'll buy you out of there but talk to HARVEY because he can do it and I will see him Monday."

I said, "Have HARVEY call me."

Anyway, HARVEY calls me and tells me the exact opposite. "You better show up at the meeting in Wheeling and you better not go to Houston."

So, I call back BILLINGSLEY and told him. He couldn't believe it and he said, "You must learn to trust POWERS", and I said, "Well, believe me, at this stage of the game, I've had it and you better know who's lying."

So I then made the call to your Toledo Office and the Cleveland Office and then snuck into Chicago and took the 7:15 plane to Houston. When I got there I figured I was all right because no one would figure that one out but they paged me, and so I figured "no, I'm not going to take the page", that would only identify me. So I stepped into a phone booth and telephoned for the message and they gave me "Please call Operator 33" and gave me this number which was GUIDO'S number and I said thank you and that was it.

I went to the hotel with SHARPE and we discussed shortly what we were going to discuss and I went to the lobby and made the call to this SANDRA SADILLO. I called her from a pay phone because I didn't know anyone or what and didn't want to talk long and said the threat was made again to me because they know I'm here and I think they are going to meet the plane when I'm back.

We went over to the Tennessee Gas Office building, 30 stories high, largest utility in the world - to give you some idea of the great number of employees. We are standing at the reception desk, BILL SHARPE here, Mr. WHITMER, Senior Vice President of the company and President of most of their subsidiaries next to me, and the phone at my fingertips rings and the young lady says, "It's a call for you." It's GUIDO FIDANZI. He says, "I see that you got there, and I see that you don't listen,

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and I guess you don't answer my page", and I said, "I didn't take your page." He says, "Miss So and So, whom I called twice, on the second call said you picked up the message", and I said, "On my word of honor I did not pick up the message and you call her back".

It's true, I did not take that message and it would still be laying there. Apparently someone was there. In this tremendous building they knew exactly where I was standing, which was no where near WHITMER'S office. We conducted our business which showed a very fine opportunity in 1965 which I want, I want it very badly. I didn't know what would happen when I got back to Chicago and stepped off the plane last night.

I'd like to add that J. ~~SARNO~~ is from Atlanta, Georgia, and owns several very elaborate motels - the Atlanta Cabana, the Dallas Cabana, and the Los Altos Cabana. He approached our group with a proposition to finance the Desert Cabana in Las Vegas for which he has leased the land. He told me that he had \$9.7 million loan from the Teamsters, that he knows HOFFA personally and intimately, and they talk once a week and that ten percent of the stock goes back under the table in another name to JIMMY HOFFA.

He said if we came up with two and one-half million for the second mortgage, and one million for the gambling guarantee require by the State of Nevada, and a contractor who would hold his profit to the end of the job, we would have seventy percent of the venture. They wanted the deal real badly, the group here. This was handled downtown, so this was above JIMMY.

I know that to be a fact. That would have to be STEIN'S office. The term downtown from FERRELL has always meant STEIN'S office and he is always there in the afternoon. If I wanted him now I could call him and he would be at STEIN'S Office. Then they wanted DALE ROBERTSON to front it.

I called and went to see DALE out in Hollywood and explained to him and told him he should say "no" because of his commitments. He said "no" and I discouraged the contractor from going into it. I got called by J. SARNO two weeks ago tomorrow (November 25, 1964) wherein he said that he had just spent two days in Las Vegas with several of the Teamster trustees and they were going to also buy out a hotel in Reno. I have got the name of the Black Mare or something. He said they positively re-committed

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this deal to them and he says, "I have no fear of losing that one." He says, "So don't worry about that but are your people going to move?"

And I told him no and with that he hung up. Our people, GUIDO and all, said that they want him to go to Las Vegas very badly and to do anything we can in order to get him there.

I said, "I know of no way at the present time to do it."

So, they didn't press that matter but they are fanatical now about getting this money in.

I don't recall the date but I guess it was around September or October, somewhere in there. By a series of telephone calls I know that RUBINO, PHIL ALDERISIO, and CHARLIE YORK flew to St. Louis and saw a gentleman by the name of STEVE LUMETTA of 1795 Dunn Road, St. Louis, Sherwood 1-5100, because he had a contractor who was going to pay \$200,000 cash for the privilege of doing the Gary job, in advance. They said that there could be no Gary job. *mo.*

MILWAUKEE PHIL ALDERISIO
Then I learned that LUMETTA is associated with JACKSON, and I don't know how but JIM JACKSON is now the authorized agent for a group of legitimate businessmen in Pueblo, Colorado, to sell one million four hundred thousand worth of stock in this new race track that is under construction. And, I understand, he has been paid either thirty-five thousand or fifty thousand dollars. I have heard both figures. JACKSON, LUMETTA, RUBINO and ROSS are handling that one. They almost got their loan through Harris Trust here because there is a bank lawyer in a high position who passes on these matters and they own him. He was going to handle it but they had no "Square JOHN" as they call them to go on the paper. They attempted to get a gentleman by the name of KENNETH HARRINGTON in Indiana as a contractor to go on it; because he is the contractor that I intend to use on the Gary job 'cause he is good, clean and well-established and has the net worth. He looked it over and after meeting JACKSON, RUBINO and ROSS, called me up and told me he wanted to have no part of the buildings, but don't buy the stock. He said, it doesn't look right to me."

I said, "I'm glad you came to that conclusion."

*1795 Dunn Road
St. Louis, Mo.
B6*

*Stephane M. X. L. H. H.
Stephane M. X. L. H. H.*

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They had been in Chicago and stayed at the Dixie Governor
Motel on South Western Avenue where they were trying to peddle
the stock while JACKSON was there. The commitments will start to
come through right now.

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