

**Presidential Advisory Commission on
Holocaust Assets in the United States**

PCHA

Box 46

Financial Assets Documents

Folders 68 — 71

Documents 334645 — 336516



**PRESIDENTIAL
ADVISORY COMMISSION
ON HOLOCAUST ASSETS
IN THE UNITED STATES**

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

Edgar M. Bronfman
Chairman

Kenneth L. Klorben
Executive Director

ATTENTION NARA:

THIS IS A COPY SET OF DOCUMENTS AVAILABLE TO THE PUBLIC.

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Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 6-444
Box 17

CONFIDENTIAL REPORT

FOREIGN FUNDS CONTROL INVESTIGATIVE SECTION

Field Office at San Francisco, California

Date June 25, 1942

Report of Agent Blyth Adams

Report No. SF 6-444

Respectfully forwarded APPROVED:

Rae V. Vader
(Signature and title)

fr 4/23/43

044-6-00444

RAE V. VADER, Supervising Agent (Acting)

SUBJECT:

H500
MAURICE HAYEM
2210 Jackson Street
San Francisco, California *120*

REFERENCE:

Mr. Pehle's inter office communication of June 1, 1942 to Mr. May which requested an investigation of transactions between subject and one Raymond Patenotre, and asked for supplementary information of a general nature concerning the latter.

SYNOPSIS:

Maurice Hayem, a citizen of France, declares he made advances in France of \$8,500 to Raymond Patenotre, also a citizen of France, wherewith the latter was to have purchased foreign securities for him. On April 18, 1940, before any such transaction had been completed, Mr. Hayem says he asked for a return of his money and received travelers checks in the sum of \$8,500, endorsed to his order by Patenotre. Collection of these checks is being held up pending action on application NY 393,415.

In spite of several years' acquaintanceship, information disclosed by the subject concerning Raymond Patenotre's social and financial interests was very sketchy.

(FURTHER REPRODUCTION NOT AUTHORIZED)

16-26084-1 GPO

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On June 15 and June 16, 1942 the undersigned visited the office of subject at 406 Montgomery Street, San Francisco, California, where through interview and from an inspection of the limited, pertinent correspondence there available the material for this report was obtained. ✓

Personal History:

Maurice Hayem, a citizen of France, presently residing at 2210 Jackson Street, San Francisco, California, arrived in the United States at the port of New York in November of 1941. He was accompanied by his wife and three minor children. He has not since left the United States.

He was president and majority stockholder of the Banque Commerciale Privee, 9 Rue Scribe, Paris, France, a bank capitalized at 3,000,000 francs. The government of France, however, had made its rediscounting facilities, up to 500,000,000 francs, available to the Banque Commerciale Privee, thus giving it loaning power which was far above the normal for banks with similar small capitalization.

In July 1940, after the occupation of Paris, Mr. Hayem's bank was seized and put under the control of a German administration. Mr. Hayem entertains no hope of regaining that property or any other property seized by the Nazis. He claims to have suffered, at the same time, various other losses of real and personal property, namely: a residence at 20 Rue Petrarque, Paris, which he values at 2,000,000 francs and which contained furnishings (works of art, rugs, silver, etc.) valued at 3,000,000 francs; a factory building in Paris, valued at 2,000,000; residential flats in Paris, valued at 750,000 francs, and a country estate valued at 1,000,000 francs.

Mr. Hayem has enjoyed General License #42 status since February 23, 1942. He maintains interests in several bank accounts, none of which is blocked at present. A List of these bank accounts, with the approximate balances as stated by Mr. Hayem, follows:

<u>BANK</u>	<u>ADDRESS</u>	<u>APPROXIMATE BALANCE</u>
Herzfeld and Stern	30 Broad St., N.Y.	\$ 500.00
Wells Fargo Bank & Union Trust Co.	744 Market Street, San Francisco	700.00
National City Bank	22 William St., N.Y.	Nominal
National City Bank (wife's account)	22 William St., N.Y.	2,000.00

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Marie Madeleine Hayem, wife of Maurice Hayem, is an American citizen of American parentage. Her father is Henry Kahn of San Francisco, California. Maurice Hayem makes the statement that he and his wife are the beneficiaries under two trust accounts at the National City Bank, 22 William Street Office, New York. These trusts are said to yield approximately \$4,000 annually.

Transactions With Raymond Patenotre:

Maurice Hayem, in November and December 1941, presented \$8,500 worth of American Express Travelers Checks to the National City Bank, 22 William Street, New York, for collection. The American Express Company, whose agents had sold the checks on January 11, 1940 in Brussels, Belgium to Raymond Patenotre, a citizen of France, applied for license (Application No. N.Y. 393415) to effect payment of the value of the checks to Mr. Hayem. The issuing company was not willing to make payment for its own checks without the assurance that no enemy country, or any national of such country, had any interest therein, or would secure any benefit as a result of such payment.

Mr. Hayem had possession of the checks but was unable, because the Germans had seized his financial records, clearly to demonstrate his right to such possession. At the request of the National City Bank, Maurice Hayem rendered affidavits on December 16, 1941 and March 24, 1942 as to his claims to rightful possession and ownership of the checks, which had been endorsed to his order and delivered to him on April 18, 1940. The affidavits indicated that Mr. Hayem, "as a banker", had had numerous opportunities to conclude financial transactions with Mr. Patenotre and that the net result of these transactions was a balance of \$8,500 in Mr. Hayem's favor. In interview Mr. Hayem has reported a different set of circumstances giving rise to Mr. Patenotre's debt to him. He states that the transactions between them were purely personal and that the Banque Commerciale Privee did not enter into their dealings in any manner. Instead of the balance of \$8,500 representing the net result of many securities transactions, Mr. Hayem declares, now, that that sum represents nothing more than the amount of money he had entrusted to Mr. Patenotre for purchase by the latter of foreign securities for his interest and account. Mr. Patenotre did not purchase any such securities and, consequently, Mr. Hayem declares, had only to determine how much had been entrusted to him to know the amount of his debt to Mr. Hayem. When he gave the travelers checks to Mr. Hayem on April 18, 1940, he was simply returning Mr.

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Hayem's own money which had been advanced for a specific purpose but had not been employed in the fulfillment of that purpose.

Commercial and Industrial Factors:

Maurice Hayem has recently organized, and is the present sole owner of, a firm known as Commercial and Industrial Factors, located at 406 Montgomery Street, San Francisco, California. This concern is set up to be a manufacturers' representative, marketing patented articles for such other firms as do not have their own sales organizations. E. A. Bourcart, a citizen of France, recently arrived from Tahiti, is the manager of this enterprise. He also served as interpreter in the interviews with Mr. Hayem, who is not yet willing to trust his command of English. Commercial and Industrial Factors has a bank account with the Bank of America, California and Montgomery Streets, San Francisco, with a present balance of approximately \$700.00.

On June 2, 1942, Mr. Hayem, dba Commercial and Industrial Factors, entered into an agreement with Dingor Corporation, a California corporation, with offices at 239 Geary Street, San Francisco, by terms of which he has been named licensee under certain patents owned by the latter concern. The patents relate to certain dispensers of adhesive tape designed for home or hospital use. A trial period of twelve months is to be allowed in which to explore the commercial possibilities of the devices. The agreement includes the extension to Mr. Hayem by Dingor Corporation of an option to buy all the patents and rights thereunder for these devices for \$10,000. A list of the patents and applications is presented as Exhibit A.

The collection of the \$8,500 represented by the American Express Travelers Checks, payment of which is the subject of Application NY 393,415, assumes greater importance for Mr. Hayem now that he is in need of operating capital for his business including the possible purchase of the Dingor Corporation patents. Although Mr. Hayem's claims to ownership of that money has not been substantiated by any direct evidence other than his possession of the checks, he maintains that he could establish that claim if records could be brought from occupied France. When, and if, Mr. Hayem gains the use of the money involved, he plans to use it in this country for the production of the dispensing device of which he expects to sell great quantities to the American Red Cross.

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Raymond Patenotre:

Maurice Hayem has known Raymond Patenotre for several years. It was thought that this acquaintance, together with the experience of his many years in business in France, would enable him to give considerable first-hand information about Raymond Patenotre. Mr. Hayem, however, is a cautious individual and was reluctant to make definite statements about another business man without having evidence to support those statements. He agreed to give what information he could recall about Mr. Patenotre but asked to be allowed time in which to prepare and present it.

Mr. Hayem's statements about Mr. Patenotre include information about real property owned by the latter in various parts of France and about some few enterprises of which Mr. Patenotre maintains a controlling interest. A small number of facts about Mr. Patenotre's family are presented as are some facts about his personal history. Mr. Hayem declares that Mr. Patenotre contemplated retirement from all political activities in 1941. A copy of the statements made by Mr. Hayem about Mr. Patenotre is presented with this report as Exhibit B.

Blyth Adams
BLYTH ADAMS, Investigator

BA:RA

Enclosures:
Exhibit A List of Patents and applications
Exhibit B Statement

Distribution:
Orig. and 4 copies F.F.C., Washington
c.c.: F.R.B., San Francisco

Report cross-indexed under:
P353 Raymond Patenotre 130
C562 Commercial and Industrial Factors 20
C562 Banque Commerciale Privee 480

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EXHIBIT A

The following are the patents and applications for Letters Patent relating to taping devices owned by Dingor Corporation:

- (a) Patent No. 2,123,415; Dimitri L. Gorbatenka, Taping Instrument, dated July 12, 1938.
- (b) Patent No. 2,235,704; Dimitri L. Gorbatenka, et al., Taping Instrument, dated March 18, 1941.
- (c) Patent No. 2,226,282; Dimitri L. Gorbatenka, Multi-Roll Tape Dispenser, dated December 24, 1940.
- (d) Application Serial No. 298,020; Dimitri L. Gorbatenka, Single Roll Tape Dispenser, filed October 5, 1939.
- (e) Application Serial No. 375,190; Dimitri L. Gorbatenka, Tape Dispenser, filed January 21, 1941.

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EXHIBIT B

I have known Mr. Patenotre for several years. He was introduced to me by a mutual friend, Mr. Paul Foy, Attorney for the Cour d'Appel de Paris and who resided at 79 Quai D'Orsay. Mr. Foy was my attorney, as well as, the attorney for Mr. Patenotre, and acted as a Liaison Agent for us.

Socially I have known Mr. Patenotre but little and our contacts were mostly on business occasions, so on his behalf I can give you only the following information:

Mr. Patenotre was a very well known personality in political, financial, industrial and newspaper circles. Before the war he was Depute' du Department de Seine et Oise et Ministre de L'Economic Nationale."

He lived in his own building at 49 rue de la Faisanderie with his mother who was generally reputed to be extremely wealthy and of American origin. Mr. Patenotre is married to Miss Andrethomme of an excellent family but from whom he lives separately.

He is supposed to possess a very considerable fortune and many accounts in French, American, English and Belgium banks. He also controls newspapers in provincial France--"Le Petit Nicois a Nice, le Petit Provencal a Marseille, Lyon Republicain," etc. He also possessed the "Quase Total" of the shares of the radio transmitting post of Nice and he manifested great activity on the Cote d'Azur, where he possessed buildings in Nice and property and houses in Cannes and Antibes. He also possessed the control of the Palace Hotels at Nice and Cannes.

I had lost contact with him for many months but before leaving for America I heard that he was withdrawing from all of his political activities and was seeking a very retired mode of living. Also that he had been subject to a serious surgical operation and had stayed a while in a sanatorium.

(Signed) Maurice Hayem

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SF 6-444

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE June 1, 1942

TO Mr. May
FROM Mr. Pehle

The American Express Company has filed an application (N.Y. 393415) for permission to pay to the National City Bank \$4500 for the credit of one Maurice Hayem, and \$4000 for the credit of his wife, Madeleine, against \$8500 of travelers cheques held by them and issued by the applicant. These cheques were issued in Belgium on January 11, 1940 to Raymond Patenotre, a French citizen. Hayem, also a citizen of France, claims to have received these cheques from Patenotre in Paris on or about April 18, 1940, in settlement of a balance in his favor and against Patenotre, arising out of mutual dealings in foreign securities. Hayem was a banker and asserts that he had many deals with Patenotre. He asserts, however, that he left all his papers in France, and has nothing to substantiate his statement concerning his relations with Patenotre.

Please instruct our San Francisco office to communicate with Hayem in person to determine with some exactitude, if possible, the nature of his business with Patenotre that he claims was the basis of the alleged credit balance in his favor. The scope of the inquiry, however, may properly extend beyond these transactions, since Patenotre, a financier, journalist, and politician with many connections all over the world, is, as you know, one of several subjects now under investigation, and any information that can be collected concerning his financial activities and relations will be of interest to the Department.

J.W.P.

Mr. Hayem's address is:
2210 Jackson Street,
San Francisco, California.

RECEIVED
JUN 1 1942

FORWARDED
for appropriate action
To San Francisco
Date 6-3-42
FOREIGN FUNDS CONTROL
Investigative Section

334652

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Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

The National City Bank
of New York
ESTABLISHED 1812

New York May 6, 1942.

CABLE ADDRESS 'CITIBANK'

IN REPLYING PLEASE QUOTE INITIALS RHT

Mr. Charles R. Clark,
Treasury Representative Acting in
Charge of the Foreign Funds Control,
253 Broadway,
New York, New York.

Dear Sir:

For your information and further to our letter of March 16th acknowledging your letter of March 14th, reference NY 3-440-A, we transcribe an air mail letter dated April 21st just received from our Buenos Aires Branch:

"We refer to your letter of March 16, initials RHT, concerning certain steps which were being taken by Mr. Sigmund Diamant through the Argentine Embassy for the transfer to us of a balance which he has with the Banco Frances e Italiano. We have made inquiries from the Banco Central regarding this matter but they inform us that up to now they have received no communication concerning this transfer.

"This is, therefore, merely to advise you of the status of the matter."

Very truly yours,

R. J. Johnson
Assistant Cashier.

33 1653

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Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

NY 3-440-A
April 7, 1942

DIGEST

Re: Sigmund Diamant, 100 West 55th Street New York City.
Banco Frances E Italiano, Buenos Aires, Argentina.

Conclusions: No further action appears to be required as the subject is endeavoring to transfer his bank funds as requested by the investigator. The actual transfer of his funds which are now in an Argentine bank on the Proclaimed List is dependent upon the approval of the Central Bank of Argentina.

~~cc: Mr. Bennett Mr. Glavin Mr. Clegg Mr. Glavin Mr. Ladd Mr. Nichols
Mr. Rosen Mr. Quinn Mr. Tracy Mr. Egan Mr. Gurnea Mr. Harbo
Mr. Hendon Mr. Pennington Mr. Quinn Tamm Mr. Nease Mr. Clegg
Mr. Coffey Mr. Glavin~~

HKahn:cl 4/7/42

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Authority 968103
By ANT NAPA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

3-440 A

The National City Bank
of New York
ESTABLISHED 1812

file
102

New York, March 16, 1942.

CABLE ADDRESS "CITIBANK"

IN REPLYING PLEASE QUOTE INITIALS **RHT**

Mr. Charles R. Clark,
Treasury Representative Acting in
Charge of the Foreign Funds Control,
253 Broadway,
New York, New York.

Dear Sir:

We are pleased to acknowledge receipt of your letter of
March 14th, reference NY 3-440-A regarding the funds which Mr.
Sigmund Diamant has on deposit in Buenos Aires. We have sent our
Buenos Aires Branch the copy of your letter to us which you enclosed
and also the copy of Mr. Diamant's application addressed to the
Central Bank of Argentina, which we note was remitted through the
Argentine Embassy in Washington. We have asked our branch to be
ready to receive the funds as and when the Central Bank may authorize
the transfer and credit them to our account with the branch under
air mail advice to us so that we may arrange the corresponding pay-
ment to Mr. Diamant through your intermediary.

Very truly yours,

R. K. Hansen
Assistant Cashier.

RECEIVED

MAR 18 1942

Foreign Funds Control
New York

334655

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Authority 968103
By AJT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

NY 3-440-A
0173-00440A
[Handwritten signature]
11/2/45



TREASURY DEPARTMENT
WASHINGTON

FOREIGN FUNDS CONTROL

CONFIDENTIAL. FURTHER REPRODUCTION PROHIBITED.

FOREIGN FUNDS CONTROL
253 Broadway, New York
REctor 2-7373

MAR 14 1942

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

D553

Sir: Re: SIGMUND DIAMANT, 100 West 55th Street, 120
New York City.
F650 BANCO FRANCES E ITALIANO, Buenos Aires, 251
Argentina.

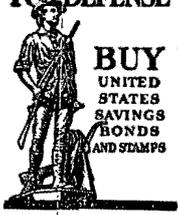
Reference is made to our report NY 3-440 and to your memorandum of February 12, 1942, recommending that a suggestion be made to the subject to withdraw his securities from the Banco Frances e Italiano para la America del Sud, Buenos Aires, Argentina, a bank on the "Proclaimed List", and place them in any United States or South American bank not on the "Proclaimed List".

The subject has already requested the bank in South America to dispose of his securities and to transfer the proceeds to him. In a letter dated January 25, 1942, the bank replied that they had disposed of the securities and were carrying a balance of Pesos 10,039.41 for him, but were unable to transfer these funds to him.

In order to facilitate the transfer of the funds in question a visit was made, with the subject, to the National City Bank. Mr. Thompson, in charge of the Argentina business, explained that due to a blocking order passed by Argentina, an alien of that country is unable to change the status of his account unless authorization is first obtained from the Central Bank of Argentina.

Attached to this report is an application (in affidavit form and in duplicate) made up by the subject, requesting the transfer of his funds from the Banco Frances e Italiano para la America del Sud, to the National City Bank in Buenos Aires, who in turn will transfer same to the subject's account in New York City, providing the request is granted.

FOR DEFENSE



BUY
UNITED STATES
SAVINGS
BONDS
AND STAMPS

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Authority 968103
By AVL NARA Date 6-12-00

RG 131 - Alien Property
Entry FEC Investigative Rpts
File NY 3-440
Box 17

NY 3-440-A

- 2 -

To this end it is suggested that the application be forwarded to the Central Bank of Argentina through the Argentina Embassy in Washington, D. C., if this procedure meets with their approval.

The National City Bank in New York is being furnished with a copy of the application, and they will in turn advise their branch in Buenos Aires.

The subject is very cooperative and is anxious to complete the transfer of his funds to this country. His application reads as follows:

"March 12, 1942

Central Bank of Argentine
Buenos Aires, Argentine

Gentlemen:

I hereby request that my balance of Pesos 10,039.41 with the Banco Frances e Italiano, Buenos Aires, be paid to the National City Bank, Buenos Aires for account of National City Bank, New York, on my behalf.

I hereby certify that I arrived in the U. S. A. on February 28, 1941 under immigration visa. I further state that I obtained my "first papers" on June 28, 1941, and have resided in the U. S. A. continuously since the date of my arrival, and intend to remain in the U. S. A.

I further wish to state that the above funds will not be used directly or indirectly for subversive activities.

Yours very truly,

(Signed) Sigmund I. Diamant

County of New York)
State of New York) ss.

Sworn to before me this twelfth
day of March 1942.

(Signed) Aaron Schwalberg

AARON SCHWALBERG, Notary Public, Queens Co.
Queens Co. Clk's No. 1953, Reg. No. 2049
Cert. filed in N.Y. Co. Clks. No. 906, Reg. No. 2-S-555
Commission expires March 30, 1942

SEAL

334657

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Authority 968103
By AVT NAPA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

NY 3-440-A

- 3 -

"State of New York,)
County of New York,) ss.: No. 51698

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, the same being a Court of Record having by law a seal, DO HEREBY CERTIFY, that AARON SCHWALBERG whose name is subscribed to the annexed deposition, certificate of acknowledgement or proof, was at the time of taking the same a NOTARY PUBLIC acting in and for said County, duly commissioned and sworn, and qualified to act as such; that he has filed in the Clerk's office of the County of New York a certified copy of his appointment and qualification as a Notary Public for the County of QUEENS with his autograph signature; that as such Notary Public he was duly authorized by the laws of the State of New York to protest notes, to take and certify depositions, to administer oaths and affirmations, to take affidavits and certify the acknowledgment or proof of deeds and other written instruments for lands, tenements and hereditaments, to be read in evidence or recorded in this State. And further, that I am well acquainted with the handwriting of such Notary Public, or have compared the signature of such officer with his autograph signature filed in my office, and believe that the signature to the said annexed instrument is genuine.

SEAL

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, this 12 day of Mar. 1942

(Signed) Archibald R. Watson
County Clerk and Clerk of the Supreme Court,
New York County"

Respectfully,
G. Jones
GEORGE W. JONES,
Investigator,
Foreign Funds Control.

Respectfully forwarded:
APPROVED:

S. J. Kennedy
S. J. KENNEDY,
Treasury Representative
Acting in Charge.

Enclosure: Application to Central Bank of Argentine (in duplicate).

Copy to: F. R. B., N. Y. (Caveat Section).

334658

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

State of New York, }
County of New York, } ss.:

No. 51699 Form 2

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, the same being a Court of Record having by law a seal, DO HEREBY CERTIFY, that

Sam Schwaberg
whose name is subscribed to the annexed deposition, certificate of acknowledgment or proof, was at the time of taking the same a NOTARY PUBLIC acting in and for said County, duly commissioned and sworn, and qualified to act as such; that he has filed in the Clerk's office of the County of New York a certified copy of his appointment and qualification as a Notary Public for the County of with his autograph signature; that as such Notary Public he was duly authorized by the laws of the State of New York to protest notes, to take and certify depositions, to administer oaths and affirmations, to take affidavits and certify the acknowledgment or proof of deeds and other written instruments for lands, tenements and hereditaments, to be read in evidence or recorded in this State. And further, that I am well acquainted with the handwriting of such Notary Public, or have compared the signature of such officer with his autograph signature filed in my office, and believe that the signature to the said annexed instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County, this 17 day of May, 1942
Archibald R. Watson
County Clerk and Clerk of the Supreme Court, New York County

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FEC Investigative Rpts
File NY 3-440
Box 17

SIGMUND DIAMANT
100 West 55th Street
New York

March 12, 1942

Central Bank of Argentina
Buenos Aires, Argentine

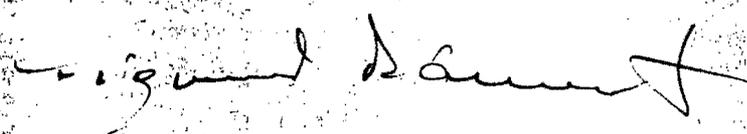
Gentlemen:

I hereby request that my balance of Pesos 10,039.41 with the Banco Frances e Italiano, Buenos Aires, be paid to the National City Bank, Buenos Aires for account of National City Bank, New York, on my behalf.

I hereby certify that I arrived in the U. S. A. on February 28, 1941 under immigration visa. I further state that I obtained my "first papers" on June 25, 1941, and have resided in the U. S. A. continuously since the date of my arrival, and intend to remain in the U. S. A.

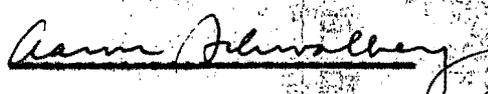
I further wish to state that the above funds will not be used directly or indirectly for subversive activities.

Yours very truly,



County of New York)
State of New York) ss.

Sworn to before me this twelfth
day of March 1942.



AARON SCHWALBERG, Notary Public, Queens Co.
Queens Co. Clk's No. 1333, Reg. No. 2049
Cert. filed in N. Y. Co. Clk's No. 546, Reg. No. 2-3-555
Commission expires March 30, 1942

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Authority 968103
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Entry FFC Investigative Rpts
File NY 3-440
Box 17

3-440A

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE FEB 19 1942

TO Mr. May
FROM Mr. Pehle

In reply refer to:
Report No. 3-440

Re: Sigmund Diamant
127 W. 58th Street
New York City, New York

Reference is made to Report No. 3-440 concerning subject.

It is recommended that a suggestion be made to subject that he withdraw his securities from the Banco Frances e Italiano para la America del Sud, Buenos Aires, Argentina, a bank on the "Proclaimed List" and place them in any United States or South American bank not on the "Proclaimed List".

This transaction may be made pursuant to the authorization of the investigator, and it is suggested that such investigator ascertain the proposed disposition of the securities before authorizing the transfer.

JWP

FEB 20 1942

FEB 23 1942

FORWARDED
for appropriate action
To N.Y.
Date 2/19/42
FOREIGN FUNDS CONTROL
Investigative Section

334661

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Authority 968103
By ANT NAPA Date 6-12-00

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Entry FFC Investigative Rpts
File NY 3-440
Box 17

NY 3-440



RECEIVED
TREASURY DEPARTMENT
FOREIGN FUNDS CONTROL WASHINGTON

FOREIGN FUNDS CONTROL

DEC 19 1941

FOREIGN FUNDS CONTROL
70 Pine Street, New York

INVESTIGATIVE SECTION
WASHINGTON, D. C.

DEC 18 1941

cut

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

Re: SIGMUND DIAMANT,
125 West 58th St., New York, N. Y.

Reference is made to your memorandum of November 24, 1941, relative to the suspected purchase abroad of securities by the subject individual in violation of section 2, subdivision A (1), of Executive Order 8785.

The subject was interviewed on December 12, 1941, and the following information was obtained and substantiated by records in his possession.

BACKGROUND

SIGMUND DIAMANT, a Roumanian citizen, resident of Paris, France, for the past 40 years, where he was engaged in business as an architect. He fled from Paris with his family, wife and two sons, at the time France was invaded, and proceeded to Lisbon, Portugal, en route to the United States. He arrived in the United States with his family in February 1941 under an immigration visa. He has been unemployed since his arrival.

FINANCIAL STATUS

Some time previous to leaving France, Diamant had transferred most of his assets to the United States in accounts with H. Hentz & Co., 60 Beaver Street, and Abrahams & Co., 50 Pine Street, stock brokers of this city. Securities are held in both these accounts, and with Hentz & Co. he has a cash balance of about \$30,000. These accounts were blocked as of June 17, 1940. The subject has been drawing \$500 per month under General License from the Hentz & Co. account. All securities and other assets owned by the subject are stated to have been reported on TFR 300, filed October 29, 1941.

FOR DEFENSE



BUY
UNITED STATES
SAVINGS
BONDS
AND STAMPS

334662

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Authority 968103
By AJT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 3-440
Box 17

- 2 -

NY 3-440

At the time of arrival in the United States, Diamant brought in \$2,000 in cash, but no securities. This cash (\$2,000) he did not deposit in a bank, but retained same in his possession to cover personal expenses. He has been advised that failure to deposit these funds into his blocked account constituted a violation of the Executive Order.

TRANSACTION REFERRED TO IN INTERCEPT

The subject explained that in the year 1934, fearing a further devaluation of the French franc, he had transferred 100,000 francs to the Banco Frances e Italiano para la America del Sud, Cangallo 500, Buenos Aires, Argentina, with instructions to purchase and hold for his account various Argentine securities. Instructions were also given to the bank to reinvest the proceeds from all dividends and coupons.

The intercept refers simply to a letter from the bank relative to the reinvestment of the credit balances, above mentioned.

The subject insists that he has never received any funds or made any remittances from or to any bank or individual outside of the United States, since his arrival in this country. In support of this contention, the subject submitted correspondence which appears definitely to prove his veracity.

Respectfully,

Charles Schlager

CHARLES SCHLAGER,
Treasury Representative.

Respectfully forwarded,
Approved:

S. J. Kennedy
S. J. KENNEDY,
Treasury Representative,
Acting in Charge.

Distribution 1.

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Exhibit "A"

NATIONALBANK FUR BOHEMEN UND MAHREN, PRAGUE

Below is a list of authorized signers for the subject bank:

- | | |
|--------------------|-------------------|
| Frantisek Peroutka | Benno Scholz |
| Vaclav Vanek | Frantisek Brzak |
| Eduard Cap | Rudolf Roubalik |
| Prokop Svoboda | Josef Sourek |
| Erich Sturm | Ferdinand Svoboda |
| Milos Horna | Josef Lis |
| Karel Papousek | Josef David |
| Josef Krill | Frantisek Blazek |
| Otakar Zeidler | |
| Karel Capek | |
| Hynek Janecka | |
| Bretislav Konicek | |
| Josef Sotola | |
| Viktor Kopfstein | |
| Josef Ciry | |
| Antonin Sourek | |
| Josef Kavan | |
| Josef Filip | |
| Jan Opatrny | |
| Antonin Cochmar | |
| Jakub Nemcak | |
| Jan Sommer | |
| Pavel Vodehnal | |
| Tomas Fiala | |
| Jan Cakrt | |
| Jaromir Hollmann | |
| Alois Maly | |
| Jaroslav Balzer | |
| Cenek Hetych | |
| Jan Kozak | |

December 1, 1941

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3-440

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

NOV 24 1941

DATE

TO Mr. May
FROM Mr. Pehle
Re: Sigmund Diamant
~~130 West 58th Street~~
New York, New York

Attached is a copy of Despatch No. 10057, which
is referred to you for such action as may be appropriate.

JWP

See 3-90

RECEIVED
NOV 26 1941
Foreign Funds Control
New York

FORWARDED
for appropriate action
To n. y.
Date NOV 25 1941
FOREIGN FUNDS CONTROL
Investigative Section
CRH

334665

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3-440

We have confidential information to the effect that Banco Frances e Italiano para la America del Sud, Cangallo 500, Buenos Aires, wrote on September 2, 1941, to Sigmund Diamant, 125 West 58th Street, New York.

In conformity with Addressee's instructions, writers have invested credit balance of M\$N 436.46 in Argentine 4% Internal Credit 1936 Bonds. Bank's records show M\$N 9,400 to Addressee's Credit.

Banco Frances e Italiano para la America del Sud appears on the Proclaimed List.

RECEIVED
NOV 22 1941
Foreign Funds Control
New York

CONFIDENTIAL

10057

334666

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Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-439
Box 17

CONFIDENTIAL

**FOREIGN FUNDS CONTROL
INVESTIGATIVE SECTION**

Field Office at **San Francisco, California**

Date **June 11, 1942**

Report of Agent **Charles E. Taylor**

Report No. **SF 2-439**

Respectfully forwarded **APPROVED:**

04-2-00439

Rae V. Vader

fu 10/22/43

(Signature and title)

RAE V. VADER, Supervising Agent (Acting)

SUBJECT: *M 600*
OSCAR MEYER *1-120*
2918 Florence Street
Berkeley, California

REFERENCE: Memorandum for investigation dated June 4, 1942, regarding a cablegram to the subject from Zurich, Switzerland, concerning a proposal to transfer twenty two thousand francs to this country in possible violation or evasion of General Ruling No. 11 or of other provisions of Executive Order 8389, as amended.

SYNOPSIS: The subject, formerly a prominent German liberal, has been a refugee from Germany since March, 1933, and has been stateless since 1940, when his citizenship was revoked by the German government. He came to this country in February, 1941, and has filed first citizenship papers.

The cablegram in question was from his representative in Switzerland and appears to have dealt solely with the problem of transferring to this country the proceeds from the sale of the household goods which the subject was forced to leave in Switzerland when he left there in 1940.

No violation or evasion of General Ruling 11 or of Executive Order 8389, as amended, seems to have been attempted.

(FURTHER REPRODUCTION NOT AUTHORIZED)

16-28864-1 GPO

334667

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By AVT NARA Date 6-12-00

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Entry FRC Investigative Rpts
File SF 2-439
Box 17

The information in this report was obtained from the subject in an interview at his home on June 9, 1942, and was confirmed by information in the possession of the Federal Reserve Bank of San Francisco and the Bank of America, Market-New Montgomery Office, San Francisco.

OSCAR MEYER

The subject was born in Berlin, Germany, in 1876 and is, although now retired, by training a lawyer and economist. From 1919 until 1921 he was Under Secretary of State of the German Republic. From 1924 until 1932 he was the leader of the Democratic Party in the German Reichstag.

On March 31, 1933, he fled to Switzerland, his wife and three children following on April first. He remained in Switzerland until 1940 and then proceeded to Bogota, Columbia. On February 14, 1941, he entered the United States under an immigration visa. In April, 1941, he came to Berkeley, California, where he has resided since.

On June 20, 1940, his German citizenship was revoked by the German government. Documents to substantiate this point were shown to this investigator. He has taken out his first U. S. A. citizenship papers and intends to become a citizen of this country.

Of the subject's immediate family the wife is now dead, the only son is a member of the faculty of the University of Bogota, Bogota, Columbia, one daughter is living in England and the other daughter is a resident of Berkeley, California, where her husband is an instructor at the University of California.

CABLEGRAM GIVING RISE TO THIS INVESTIGATION

On May 27, 1942, the following cablegram was despatched to Oscar Meyer from Zurich, Switzerland:

27A 0378 FB34 SZK5083 Zuerich 63 27 0920
NLT OSCAR MEYER- 2918 FLORENCE ST BERKELEYCALIF"ZNY" "CARE
CABLE CENSOR SFRAN"

ASK YOUR AMERICAN BANK WHICH RATE IS GRANTED TO YOU IF I PUT AT ITS DISPOSAL THROUGH CORRESPONDENT IN ZURICH ABOUT FRANCS TWENTY TWO THOUSAND STOP CABLE IF THIS PROCEEDING POSSIBLE AND DESIGN YOUR AMERICAN BANK AND ITS ZURICH CORRESPONDENT STOP WILL ACCELERATE TRANSFER BUT ENDEAVOUR FIND ADVANTAGEOUS WAY STOP LICENSE FISCHER NOT YET GRANTED

B GEORGE GAUTSCHI

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By ANT NAPA Date 6-12-00

131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-439
Box 17

It was this cablegram which was forwarded to this office by the Office of Censorship, San Francisco, and which it was thought indicated a possible attempt to violate, or evade, the provisions of General Ruling No. 11 or of other provisions of Executive Order 8389, as amended.

Explanation:

When I interviewed Dr. Meyer he voluntarily produced this message and various other cablegrams having to do with the matters involved and explained that when he left Switzerland for South America he was forced to leave behind him his household furniture, consisting in part of valuable antiques and art objects. These were turned over to a well known Swiss auctioneer, named FISCHER, for sale at the best prices obtainable. These articles have now been sold and the proceeds, amounting to approximately 22,000 Swiss Francs, remain in Fischer's possession.

On March 26, 1942, GEORGE GAUTSCHI, a Swiss attorney representing Meyer in Switzerland, sent the following cablegram to him from Zurich:

CABLE CONSENT THAT FISCHER LUZERN PUTS AT YOUR DISPOSAL SWISS CREDIT NEW YORK AGENCY DOLLARS FIVETHOUSAND SIX HUNDRED ALMOST WHOLE EQUIVALENT SALE FURNITURE STOP THIS IS BEST POSSIBLE WAY STOP AMERICAN LICENSE WILL BE REQUESTED BY SWISS CREDIT STOP CABLE EXACTLY ACTUAL ADDRESS.

In reply Dr. Meyer cabled the consent requested. No transfer, however, resulted and it is apparently to this fact that the final sentence of George Gautschi's cablegram of May 27th refers.

On May 29, 1942, Dr. Meyer despatched the following cablegram to George Gautschi:

REQUEST DIRECT TRANSFER IN DOLLARS BASIS YOUR TELEGRAM 26 BANK OF AMERICA MARKET MONTGOMERY SAN FRANCISCO MY ACCOUNT

This message was drawn up for Dr. Meyer by the Bank of America, Market-New Montgomery Office, San Francisco, which anticipates handling his account and affairs here. As yet no transfer of funds has occurred.

The quoted rate of exchange on Swiss francs as it appears in the local newspapers is nearly U. S. \$.30. This would mean that 22,000 francs should equal almost \$6,600.00. It is explained, however, by the Bank of America that actually, in transactions

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of the kind under discussion, the U. S. dollar commands a considerably higher rate in Switzerland than that indicated above, due to the difficulty of using the resulting francs for other than living expenses within Switzerland. The bank states that the amount of \$5,600 mentioned in George Gautschi's cablegram of March 26th represents an unusually favorable rate for the 22,000 francs Fischer is holding for Dr. Meyer and explains the wording of the latter's cablegram of May 29th.

MISCELLANEOUS

In addition to his account with Fischer, Lucerne, Switzerland, Oscar Meyer also maintains an account with J. & W. Seligman, New York, N.Y., consisting of shares in various U. S. A. corporations and of cash.

On April 17, 1942, Meyer filed application SF 24010 to transfer 3,000 Swiss francs to a cousin, RICHARD MEYER of Zurich, Switzerland, for the purpose of aiding the latter to reach Cuba. Foreign Funds Control requested additional information in regard to this application through the Federal Reserve Bank of San Francisco, but this was not furnished. Dr. Meyer states that he has allowed the application to lapse because the Cuban government will no longer give his cousin permission to land there. This explains the presence of certain information concerning Mayer in the files of the local Federal Reserve Bank.

CONCLUSION

No trade or communication with an enemy national and no property within "enemy territory" appear to be involved in this case and no attempt to violate, or evade, any of the provisions of General Ruling No. 11 or of Executive Order 8389, as amended, has been made by Oscar Meyer.

CET/tc

Charles E. Taylor
CHARLES E. TAYLOR, Investigator

Distribution:

- Orig. & 4 copies, F. F.C., Washington, D.C.
- cc: FRB, San Francisco
- cc: Office of Censorship, 180 New Montgomery St. S.F.

Report cross-indexed under:

- G 320 George Gautschi, Zurich, Switzerland 1-421
- F 260 Fischer, Lucerne, Switzerland 1-421
- M 600 Richard Meyer, Zurich, Switzerland 1-421

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SF 2-439

WESTERN
UNION

WESTERN
UNION

WESTERN
UNION

FEDERAL BANK
SAN FRANCISCO
TELEGRAPH

JUN 9 AM 10:58

W7
RAE V. VADER
FOREIGN FUNDS CONTROL
210 SANSOME STREET
SAN FRANCISCO, CALIFORNIA
YOUR 437, 439 AND 440 APPROVED FOR INVESTIGATION.
ERWIN G. MAY
6/9/42 2:00PM

IRVING S. BROWN/gb

334671

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Entry FFC Investigative Rpts
File SF 2-439
Box 17

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

SF 2-439

DATE June 4, 1942

TO Memorandum for Investigation
FROM M.A. Zimmerman, San Francisco

Re: OSCAR MEYER
2918 Florence Street
Berkeley, California

The attached cable message was forwarded to this office by the Office of Censorship, 180 New Montgomery Street, San Francisco, for our information.

This cablegram indicates a possible attempt to violate, or evade, the provisions of General Ruling No. 11 issued on March 18, 1942; also possible attempted violations of other provisions of the Executive Order 8389, as amended.

It would be of interest to ascertain the nature of the license applied for by Fischer.

MAZ:ra

R.V.V.

Enc--copy of cablegram

Distribution:
Orig. and 3 copies FFC, Washington
cc: Mr. May

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334672

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By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-439
Box 17

27A 0378 FB34 SZK5083 ZJERIC 63 27 0920

TRACE *[Signature]*
[SF 2-4]

NLI OSCAR MEYER- 2918 FLORENCE ST BERKELEYCALIF "ZNY "CARE CABLE CENSOR
SFRAN"

ASK YOUR AMERICAN BANK WHICH RATE IS GRANTED TO YOU IF I
PUT AT ITS DISPOSAL THROUGH CORRESPONDENT IN ZURICH ABOUT FRANCS TWENTY
TWO THOUSAND STOP CABLE IF THIS PROCEEDING POSSIBLE AND DESIGN YOUR
AMERICAN BANK AND ITS ZURICH CORRESPONDENT STOP WILL ACCELERATE
TRANSFER BUT ENDEAVOUR FIND ADVANTAGEOUS WAY STOP LICENSE FISCHER NOT
YET GRANTED

GEORGE GAUTSCHI

B.

PASSP FIN 1

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 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Report
 File NY 2-438
 Box 17

MEMORANDUM FOR THE FILES

January 21, 1943

Re: E. J. Keller Company, Inc.
 New York City
 and others

Investigative Report NY 2-438

HISTORY:

The subject company was incorporated in the State of New York on November 4, 1915. The stockholders are Mr. E. J. Keller, Mr. J. L. Nielsen and Mrs. J. L. Nielsen. All are American citizens. The company acts as an importer and wholesaler of paper-maker's supplies.

BASIS OF INVESTIGATION:

Information was requested as to certain money transactions with foreign blocked nationals, which might have been illegal.

SUMMARY:

The company's liabilities included \$23,200 which was due blocked nationals. This debt appeared on its books in the following manner:

<u>Creditors</u>	<u>Status on Books</u>	<u>Date</u>	<u>Amount</u>	<u>Origin</u>
1) Leo Wolff	Not Blocked	5/31/41-8/1/41	\$7,200	Funds sent from abroad
2) Bank of London and South America, Montevideo, Uruguay	"	10/2/41	4,000	" " "
3) Banco Commercial, Montevideo, Uruguay	"	11/14/41	3,300	" " "
4) J. Rozes Aine, Agen, France	"	2/2/40-6/19/40	7,500	For goods sent by them to the Keller Co.
5) Vandrand e Ch. Chap-eran & Co.	"	3/30/41	1,200	" " "
			<u>Total</u>	<u>\$ 23,200</u>

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Of the \$7,200 credited to Leo Wolff, \$4,200 was sent to the subject company by Wolff through H. R. Bohner, Basle, Switzerland. The balance of \$3,000 was received from Arbitrium Handels, A.G., Zug, Switzerland, for the account of Sali and Lore Josef. Under Treasury License NY 282253-M the subject attempted to transfer \$2,800 of the \$3,000 to a Chicago bank which refused the account. Therefore the subject credited the \$3,000 to Wolff's account.

Items (2) and (3) when first received were credited to the Leo Wolff account. Wolff later stated that these sums were not his property, so they were credited to the accounts of the two remitting banks. On January 7, 1942, the subject received the following cable from H. R. Bohner at Basle, Switzerland: "4000 October Fourth 3300 November Fourteenth Please Pay Account Of Guy Josef."

The amounts which are shown as due to J. Rozes Aine and to Vandrand e Ch. Chaperan & Co. belong to Leo Wolff. It is reported that the subject has on file assignments to him covering both of these accounts. While in France, Wolff was a partner in the firm of J. Rozes Aine and senior partner in Vandrand e Ch. Chaperan & Co. When he came to this country Wolff sold his share in both firms to Mr. J. Rozes and took as part payment an assignment of the money due these firms by the subject.

The company's records indicated that the funds received for the accounts of the above-mentioned foreign nationals came to them from H. R. Bohner through Rolf Merlitschek a public accountant of Zurich, Switzerland. Bohner was the selling agent in Switzerland for J. Rozes Aine, Vandrand e Ch. Chaperan and Company, and Josef and Marx. These firms arranged with Mr. Bohner to send him money or goods which he would convert into Swiss francs and send to the subject through the Swiss banks. These banks sent the money through South American banks as they had large dollar holdings there.

It is reported that the subject admitted that the \$23,200 credit balance on its books was being used in its business with the consent of the nationals. Therefore, as its balance sheet of December 31, 1941, showed paid in capital of \$56,000 less a deficit of \$20,457.82 or \$35,542.18 net, which, plus the \$23,200 credit balance equals \$58,742.18, the actual capital of the subject company on December 31, 1941. As the \$23,200 credit balances are more than 25 percent of the \$58,742.18, the Keller Company's business would be subject to blocking. To avoid this the Keller Company made two transfers on January 12, 1942, to special blocked accounts, amounting to \$13,154.94. One transfer of \$5,854.94 was placed in the name of Leo Wolff, and the other transfer in the amount of \$7,300 was placed in the name of Guy Josef, a German national. The remaining credit balance was blocked on the subject's books as money due to Leo Wolff.

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The company's records also indicated that from December, 1939 to August, 1940, approximately \$370,000 was received for the account of Herman Lipper, an unblocked Polish national. There was \$90,000 in the form of rags which was converted into cash and the remainder was in the form of checks and drafts drawn to the order of E. J. Keller Co. These checks all came directly or indirectly from the Dutch Rag Exporters Association, Rotterdam, Holland. Mr. Lipper was a member of this association and used it to send funds to this country in the name of the subject company. As the funds were received here, they were deposited by the subject in Mr. Lipper's account at the Irving Trust Company and the Chase National Bank, New York City.

In January, 1941, E. J. Keller arranged with Leo Wolff, who was then in France, to have Wolff give Keller's name to any of his friends in France whose relatives in the United States wished to send them money. In accordance with this arrangement, Mr. Keller from time to time received sums of money ranging from twenty-five to five hundred dollars from various people in New York. When Keller received this money, he cabled the amount and name of the beneficiary to Wolff who delivered an equivalent amount in French francs to the proper parties. This arrangement was terminated in August, 1941, when Wolff came to this country.

Mr. Keller stated that he did not realize he was doing anything wrong in engaging in these transactions. He agreed not to do so in the future and stated that he would not pay Mr. Wolff any of the money he owes him except under specific license.

It is reported that the officers of the subject firm stated that they had accepted funds sent them from abroad for the accounts of foreign nationals in an attempt to help some of those individuals. They further stated that they did not realize they were doing anything wrong by not blocking these funds but said that if they received any property for blocked nationals in the future, all cash would be placed immediately in a special blocked account and all other property would be blocked on their books.

VIOLATIONS:

1. Not blocking funds of foreign nationals until some time in March, 1942.
2. Arrangement with Leo Wolff whereby Wolff was building up a dollar credit in the United States while the subject was instructing him as to remittances to French nationals.
3. Receiving funds from a Dutch national after May, 1940, and depositing the funds to the national's bank account without a Treasury License.

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By AVT NARA Date 6-12-00

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Box 17

RECOMMENDATION:

In view of the fact that the subject has placed part of the money involved in special blocked accounts in the Chase National Bank and the balance has been blocked on the books of the firm, no further action is deemed necessary at the present time.

*J. Reff
noted B. J. [unclear]*

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 By ANT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 2 - 438
 Box 17

NY 2-438

March 19, 1942

Mr. Bach

R. Schwartz

Re: Leo Wolff
 E. J. Keller & Co., Inc., New York

NY 336676 was approved for two months, permitting withdrawals of \$20,000 per month and as a renewal of 273961 on the 19th of January 1942. It is an operating license for Leo Wolff operating in his own name - "buying, selling, broeking and/or processing waste materials principally rags and fibres" -(TFBE-1)

The approval was made after I had recommended an investigation to be started, and was then informed that one was in process. Leo Wolff was operating with funds that apparently belonged to an Italian national residing in Italy.

An investigation was completed and I received a copy on the 15th of this month. In a number of instances L. Wolff has had funds credited to his name where there exists doubt as to his rightful title to same. The sums involved represent a substantial portion of L. Wolff's assets in this country. Two examples of these transfers are quoted below. The first is an attempted liquidation by Wolff of his stock in a French Corp. and the second is transfer by E. J. Keller which after considerable indecision shows a record of assignments to Wolff of \$8,700, and a total debt to Wolff of \$15,900. These as well as the other transfers to Wolff are not at all clear, and there is reason to doubt his right to all of the funds.

"Contract between Wolff and Jean Rozes, Rue Neuve, at Agen, by which 1,200 shares of Vandrand e Ch. Capran e Co., are returned by Rozes to Wolff. Wolff, however, transfers 400 shares back to Rozes, who places at the disposal of Wolff \$8,000 which are blocked and held by the E. J. Keller Co., 200 Fifth Ave., New York. This is evidently an attempt to free these blocked dollars." - May Report, November 18, 1941.

"The first above creditor, Leo Wolff, is a French national. Of the \$7,200 credited to him, \$4,200 was sent to the Keller Co. by Wolff through H. R. Bohner, Basle, Switzerland. The balance of the \$7,200 - or \$3,000 - was received June 19, 1941, from Arbitrium Handels, A.G., Zug, Switzerland, (a firm now on the Proclaimed List) for the account of Sald and/or Lore Josef, Chicago, Illinois. Under NY 282253-M of November 18, 1941, the Keller Company attempted to transfer \$2,800 of the \$3,000 to a Chicago bank which refused the

RJSchwartz:cr 3/20/42

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account. Thereupon the Keller Co. credited the entire \$3,000 to the account of Leo Wolff, who now claims this sum belongs to him." - May Report, March 2, 1942. A more thorough investigation of Wolff's activities should be made before he is granted the privileges of G.L. 42.

The investigation begun on L. Wolff disclosed a close working relationship between him and E. J. Keller Co., Inc., New York City. Keller Co. "acts as an importer and wholesaler of Paper maker's supplies and is capitalized at \$56,000" (May report). The company is owned and directed by U.S. citizens. Mr. Keller was born in Germany and arrived in the United States thirty-five years ago. Wolff came to this country from France in August of 1941 under an immigration visa. While in France he acted with Keller Co. which received funds from persons in Europe and in some cases remitted funds abroad acting for persons in the United States. The money received here was not deposited to blocked accounts in the name of the nationals abroad, but was used in the business of E. J. Keller Co.

The investigator writes that the funds owed to nationals have been deposited to two blocked accounts with the exception of a small per cent which will be deposited to blocked accounts as a proportionate amount of Keller Co. assets are liquidated.

Recommendation:

Leo Wolff as indicated above should not be freed under G.L. 42 until more information about him is available. On the basis of facts presented to Messrs. Bach and Brodnitz in a short discussion with each, they agreed that I should notify New York not to release L. Wolff under G.L. 42. I spoke with Mr. Hammon (New York) today, (3/19/42) and a written confirmation will be sent to him (Hammon).

E. J. Keller has never been blocked, and considering that their ownership is completely American I would not recommend ad hoc blocking. They well deserve to be blocked, but in view of the promised and initiated correction, I do not think it would be politic to block. However, this may be a case which warrants further considerations. There seems little further action could be taken without more information.

RJSchwartz:cr 3/20/42

334679

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By	ANT NARA Date 6-12-00

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ADDENDA

March 20, 1942

Leo Wolff's Operating License No. 33676 expires March 31st and I have approved NY 380379, an operating license for Leo Wolff for additional two months permitting withdrawals of \$20,000 per month. In conjunction with said approval, we are asking the following questions:

1. Statement giving source of the \$10,000 in his account in Chase National Bank in October, 1941.
2. Details of all assets held by Leo Wolff, including business and personal bank accounts.
3. Details of all monies owed to him, including the origin of such debts as well as the appropriate names and dated.

We are dispatching a teletype to Mr. Hammond of New York, conferring our telephone call, advising not to release Leo Wolff under General License No. 42.

We are dispatching a green slip asking the following Questions of E. J. Keller and Company, 200 Fifth Avenue, New York City:

1. Amount of money, if any, owed to Leo Wolff at present and the origin of all such debts as well as the source of funds with which any payments, under license, may be contemplated.
2. Amount of money paid to Leo Wolff in the past four years and the origin of all such debts, as well as the source of funds used to make such payments.
3. A complete list of all money owed to "nationals" under the order, and the names and addresses of said "nationals". Itemized amount owed to each and the origin of each debt.
4. Furnish a statement showing the present disposition of funds owed to "nationals" under the order.

RJSchwartz:fb 3/20/42

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DIGEST

N.Y. 2-438
March 2, 1942

Re: E.J. Keller Company, New York
Leo Wolff
Herman Lipper, New York

Basis for Investigation: Despatches 5785, 9565, and 8690 indicate that the subjects did not engage in illegal money transactions.

Background Information: E.J.Keller Company imports and distributes paper makers supplies. The officers and stockholders are United States citizens.

Mr. Lipper arrived in the United States in April 1940 from Roumania.

Mr. Wolff arrived in the United States in August 1940 as a refugee from Germany. He had been a partner in two French firms, C.H. Caperan and Cie., Paris, and J. Rozes Aine, Paris. Prior to his departure from Europe he sold his interest in these concerns and received title to debts which the Keller Company had owed to these companies. (TFR-300's reports have been filed by Keller for these accounts.)

Results of the Investigation: The Keller Company owes about \$23,000 to foreign nationals including the accounts now due to Mr. Wolff. In addition to the funds held for Mr. Wolff, the Keller Company was able to acquire from France in 1940, about \$330,000 by shipping paper-making rags to paper companies in France and Holland and invoicing the materials at several times their normal value. These funds have been paid to Mr. Lipper who apparently had passed them on to other individuals for whom he had received the funds. About \$70,000 of this was paid to Frederick Stern. (See report N.Y. 5-413)

None of the money received by the Keller Company has been paid to any blocked national but, except for the funds paid to Mr. Lipper in 1940, these funds have been used as capital for the Keller Company. Acting on the investigator's instructions, the company has liquidated inventories and set up blocked accounts for Mr. Wolff and another national. The balance still owed to nationals, which amounts to less than twenty-five per cent of the firm's capital, has been blocked on the company's books.

Conclusion: This report does not indicate any violation of the Order. Copies of this report have been sent to Mr. Cameron and Mr. Sherbondy, and Mr. Loaliger has received the Control Copy.

cc: Mr. Bennett	Mr. Blake	Mr. Carre	Mr. Day
Mr. Fox	Mr. Olsen	Mr. Quint	Mr. Timmons
Mr. Towson	Mr. Volentine	Mr. Wexler	

PCParker:agr 3/16/42

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PMP:EG

NY 2-438

01-2-00438



TREASURY DEPARTMENT

WASHINGTON

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fi 3/25/43

FOREIGN FUNDS CONTROL
253 Broadway, New York
REctor 2-7373

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

MAR 2 1942

Sir:

Re: *see K460*
W410-0 E. J. KELLER COMPANY, INC., New York, New York
LEO WOLFF, New York, New York
L160 HERMAN LIPPER, New York, New York
and others. *S. Alder*
Card

120

Reference is made to your memorandum of November 18, 1941, enclosing copies of Despatches 5789, 9565, and 8690, which indicate that the E. J. Keller Company, Inc., 200 Fifth Avenue, New York City, may have been engaged in various illegal money transactions with foreign blocked nationals.

SUMMARY

It appears that the E. J. Keller Company and its President, E. J. Keller, helped a group of Frenchmen and others to send money from Europe to this country on behalf of foreign nationals. Mr. Keller also indulged in exchange transactions between the United States and France by accepting payments in dollars in New York for the benefit of residents of France to whom the money was paid in French francs in France.

None of the money received by Mr. Keller or the Keller Company has been paid to any blocked national but instead has been used by Mr. Keller and the Keller Company for their own purposes. Acting upon my instructions, the company has converted certain goods into cash and transferred this, and some other cash they had in their business account, to two special blocked bank accounts for foreign nationals, which has reduced the amount the company owes to blocked nationals to less than 25% of its present capital. The balance still owing has been blocked on its books. It will be converted into cash as quickly as possible and the cash placed in one of the above-mentioned accounts. No money will be paid out of these accounts except under specific license. The company has agreed that, if it receives property for the benefit of blocked nationals in the future, any cash will be placed immediately in a similar account and any merchandise or other property blocked on its books.

Mr. Keller personally has agreed that none of the money he owes to any blocked national will be paid to them except under



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specific license. He said that as soon as possible this money will be segregated from his personal funds and placed in a special blocked account. He promised not to engage in any more exchange transactions between the United States and any foreign country. He said that any property he receives for a blocked national in the future will be blocked by him.

E. J. KELLER COMPANY, INC.

On January 6, 7, 8, and 9, 1942, I visited the offices of the E. J. Keller Co. where, from an inspection of their regular records and books of account, I received the material for this report. Supplementary information was furnished me by the following people:

- E. J. Keller, President of the E. J. Keller Company.
- J. L. Nielsen, Vice-President of the E. J. Keller Company.
- Leo Wolff, 200 Fifth Avenue, New York City.
- Mr. Milne, second Vice-President, Chase National Bank, 200 Fifth Avenue, New York City.
- Mr. Mabon, Credit Department, Continental Bank and Trust Co., 30 Broad Street, New York City.
- Mr. Force, Coudert Bros., 2 Rector Street, New York City.
- Mr. Herman Lipper, 25 Broad Street, New York City.
- (Mr. Lipper was interviewed at this office January 9 and 19, 1942, with the aid of Mr. Clark who acted as interpreter.)

According to its records the E. J. Keller Company was incorporated under New York laws, November 4, 1915. The stockholders are:

- Mr. E. J. Keller, who owns five-sevenths of the capital stock,
- Mr. J. L. Nielsen, who owns one-seventh, and
- Mrs. J. L. Nielsen, who owns one-seventh.

The stockholders are all American citizens.

The company acts as an importer and wholesaler of paper maker's supplies and is capitalized for \$56,000. From 1938 to 1941, it lost money resulting in a surplus deficit as of December 31, 1940 of \$33,000. The profit for 1941 was \$13,000, which the management attributes to an increase in business and to the profitable sale of a large inventory of rags the company had been holding for several years. This profit resulted in the company reducing its surplus deficit to \$20,000 by December 31, 1941.

The company's liabilities included \$22,200 due blocked nationals. This debt appeared on its books in the following manner:

<u>CREDITOR</u>	<u>STATUS ON BOOKS</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>ORIGIN</u>
a. Leo Wolff	not blocked	5/31/41- 8/1/41	\$7,200	Funds sent from abroad

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<u>CREDITOR</u>	<u>STATUS ON BOOKS</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>ORIGIN</u>
b. Bank of London & South America, Montevideo, Uruguay	not blocked	10/2/41	\$4,000	Funds sent from abroad.
c. Banco Commercial, Montevideo, Uruguay	" "	11/14/41	3,300	" " "
d. J. Rozes Aine, Agen France	" "	4/2/40 & 6/19/40	7,500	For goods sent by them to the Keller Co.
e. Vandrand e Ch. Chaperan and Co. Agen, France	" "	3/30/41	<u>1,200</u>	" " " "
			\$22,200	

The first above creditor, Leo Wolff, is a French national. Of the \$7,200 credited to him, \$4,200 was sent to the Keller Co. by Wolff through H. R. Bohner, Basle, Switzerland. The balance of the \$7,200 - or \$3,000 - was received June 19, 1941, from Arbitrium Handels, A.G., Zug, Switzerland, (a firm now on the Proclaimed List) for the account of Sali and/or Lore Josef, Chicago, Illinois. Under NY 282253-M of November 13, 1941, the Keller Company attempted to transfer \$2,800 of the \$3,000 to a Chicago bank which refused the account. Thereupon the Keller Co. credited the entire \$3,000 to the account of Leo Wolff, who now claims this sum belongs to him.

When first received, the \$4,000 and the \$3,300 (items b and c above) were credited to the account of Leo Wolff. Later Mr. Wolff advised that these sums were not his property, so they were credited to the accounts of the two remitting banks. Still later, on January 7, 1942, the Keller Co. received the following cable from Henry Robert Bohner, at Basle, Switzerland:

"4000 Oktober Fourth 3300 November Fourteenth Please Pay Account Guy Josef
 H. R. Rohner"

On November 25, 1941, the Keller Co. applied (NY 310779) to pay \$1,500 of the \$3,300 (received from the Banco Commercial) to Jacques Loeb, Havana, for Cuban visas for Madelaine, Jean and Phillippe Klein, French nationals, but this was refused.

The \$7,500 shown above, (item d), as due J. Rozes Aine and the \$1,200 shown (item e), as due Vandrand e Ch. Chaperan and Company belongs to Leo Wolff, as the Keller Co. has on record assignments to him covering both of these accounts, as mentioned in despatch 8690. Thus, altogether the Keller Co. owed Wolff \$15,900 less advances of \$968.90 for his expenses en route to America.

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DESPATCH 5789

The company's records revealed that the funds received for the accounts of the above-mentioned foreign nationals came to them from H. R. BOHNER, Basle, Switzerland through ROLF MERLITSCHKEK, a public accountant of Zurich, Switzerland. Mr. Bohner was the selling agent in Switzerland for the French firms, J. Rozes Aine, Vandrand e Ch. Chaperan and Company, and Josef and Marx. These firms arranged with Mr. Bohner to send him money or goods which he would convert into Swiss francs and send to the Keller Co. through the Swiss banks. These banks, it is said, sent the money through South American banks as they had large dollar holdings there.

In order to conform with Swiss regulations, the Keller Co. was made to appear as a legitimate creditor of the above-mentioned French firms although actually they never had any creditor transactions with those concerns.

Dealings with Bohner started January 24, 1941, when he cabled the Keller Co. for the American dollar vote on Swiss francs. The company replied by cable that they could buy the francs here through Kidder, Peabody and Company (Despatch 8690) if Bohner would deposit with the American Consul in Zurich whatever sum he wished to send. This exchange of cables is apparently part of the subterfuge resorted to facilitate the exportation of funds from Switzerland.

An inspection of the licenses on file here revealed that the Keller Co. received license NY 146117, dated June 13, 1941, permitting them to take delivery of \$2200 worth of rags and pay \$1200 into the Continental Bank for credit to the blocked account of Etab. Soulier. Their application stated that the remaining \$1,000 was due Vandrand e Ch. Chaperan and Co. and that this firm had no financial interest in the Keller Co. Although the license was granted on the basis of these statements, they were not altogether true. The \$1,200 due Etab. Saulier was paid into its blocked account but there was actually no money owing to the Keller Co. by Vandrand e Ch. Chaperan and Co. at the time of this application. The \$1,000 remained as an unblocked account payable on their books and subsequently, as described in a prior paragraph, were transferred, through assignment, to Leo Wolff while Vandrand e Ch. Chaperan and Co. had no financial interest in the Keller Co. On June 13, 1941 when license NY 146117 was granted, its principal partner, Leo Wolff (a French national) did have an interest of \$12,900 in the Keller Co. at that time.

The Keller Co. admitted that the \$22,200 credit balances on its books (all of which belonged to blockable nationals) was being used in its business with the consent of said nationals. Therefore, as its balance sheet of December 31, 1942 showed paid-in-capital of \$56,000 less a deficit of \$20,457.82 or \$35,542.18 net, which, plus the \$22,200 credit balances equals \$57,742.18, the actual capital of the Keller Co. on December 31, 1941. As the \$22,200 credit balances are more than 25% of the \$57,742.18,

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the Keller Company's business would be blockable.

To avoid this, the Keller Co. sold part of its rag inventory, namely, \$5,854.94 worth on January 9, 1942, the proceeds of which were deposited January 12, 1942, in an account at the Chase National Bank, Fifth Avenue and 23 Street, New York, New York called:

"E. J. Keller Company, Inc., Special Account for the blocked account of Leo Wolff - French National."

On the same day, January 12, 1942, the Keller Co. deposited \$7,300 to the following account, also at the Fifth Avenue and 23 Street branch of the Chase National Bank:

"E. J. Keller Co., Inc., Special Account for the blocked account of Guy Josef, German National."

Thus, these two transfers of \$5,854.94 (to Wolff) and \$7,300 (to Josef) together \$13,154.94, reduces the outstanding credit balances on the Keller Company's books from \$22,200 to \$9,045.06, which amount is less than 25% of the resultant working capital, \$44,587.24 (i.e. \$57,742.18 less \$13,154.94).

The remaining credit balance of \$9,045.06, all shown as due Leo Wolff, was blocked by the Keller Company on its books. As liquid funds are acquired by the Keller Co., they will gradually transfer this \$9,045.06 credit balance to their special account in the Chase National Bank of "Leo Wolff, French National," under General License No. 1.

The company's records also show that from December, 1939 to August, 1940, approximately \$370,000 was received for the account of Herman Lipper, unblocked foreign national. There was \$90,000 in the form of rags which was converted into cash and the remainder was in the form of checks and drafts drawn to the order of E. J. Keller Co. These checks all came directly or indirectly from the DUTCH RAG EXPORTERS ASSOCIATION, Rotterdam, Holland.

Mr. Lipper was a member of this association and used it to send funds to this country in the name of the Keller Co. As the funds were received here, they were deposited by the Keller Co. in Mr. Lipper's accounts at the Irving Trust Co. and the Chase National Bank, New York City.

The officers of the Keller Co. informed me that they had accepted funds sent them from abroad for the accounts of foreign nationals in an attempt to help some of these individuals. They did not realize they were doing anything wrong by not blocking these funds but said that if they received any property for blocked nationals in the future, all cash would be placed immediately in a special blocked account and all other property blocked on their books. They said the company has had no dealings of any sort with foreign nationals except those described herein.

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E. J. KELLER

Mr. Keller was born in Germany and is a naturalized American citizen. He has been in this country for the past thirty-five years. His business has frequently taken him abroad, where he has made many friends. In an effort to help these people, he arranged, in January, 1941 with Mr. Leo Wolff, who was then in France, to have Mr. Wolff give Mr. Keller's name to any of his friends in France whose relatives in the United States wished to send them money.

In accordance with this arrangement, Mr. Keller from time to time in 1941 received sums of money ranging from twenty-five to five hundred dollars from various people here in New York. When he received the money he cabled the amount and the name of the beneficiary to Mr. Wolff (Despatch 8690) who, it is said, delivered an equivalent amount in French francs to the proper parties.

This arrangement was terminated in August, 1941, when Mr. Wolff came to this country. Altogether Mr. Keller had collected \$3,410 which he was supposed to hold for Mr. Wolff but had used the money to meet personal expenses. Mr. Keller's personal account at the Chase National Bank, Fifth Avenue and 23 Street branch is now less than \$100.

Mr. Keller stated he did not realize he was doing anything wrong in engaging in these transactions. He agreed not to do so in the future and said that he will not pay Mr. Wolff any of the money he owes him except under specific license.

DESPATCH 9565

Mr. Keller said he has had no dealings of any sort with other foreign nationals except with Mr. ALBERT LANG, Corraze, France. He holds Mr. Lang's Power of Attorney to take charge of his Canadian interests including the approximate sum of \$25,000 in the Royal Bank of Canada, Montreal, Canada. Mr. Lang has requested that Mr. Keller try to transfer this balance to himself and also to collect the dividends due him on his stocks which are:

- 25 shares, Montreal Heat and Power Co., Canada
- 50 shares, Shawinigan Water and Power Co., Canada
- 10 shares, Allied Chemical Co.
- 10 shares, American Telephone and Telegraph Co.
- 10 shares, Consolidated Gas

Nothing has been done about this request as Mr. Keller is still consulting with his attorneys, Coudert Bros., 2 Rector Street, New York City. He holds no funds for Mr. Lang at present.

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LEO WOLFF

Mr. Wolff came to this country, August 18, 1941, under immigration visa No. 21447, dated May 19, 1941. He came from France where he had been located since March, 1936. He was born August 28, 1889 in Schwaeb-Hall, Germany. His German citizenship was invalidated in 1938 but he never took out French papers.

Since 1906 he has been engaged here and abroad in the business of buying and selling rags and waste paper. He brought \$1,000 in cash to this country which he carries in his pocket. Prior to his entry here, he had a custodian security account with the Chase National Bank, 11 Broad Street, New York (Mr. States) which has been liquidated and the balance, \$20,000 placed on deposit in two accounts with the Chase National Bank, 200 Fifth Avenue, New York City. His personal account averages \$900 and was opened September 11, 1941. It is being operated under General License 11. His business account, "Leo Wolff B," opened November 9, 1941, averages \$5,000. It was operated under specific license NY 273961, dated November 9, 1941, which expired January 9, 1942. He has applied for a renewal but has not as yet received any answer to his application. The expired license permitted payments for merchandise up to \$20,000 per month and payments for operating expenses up to \$370 also per month. In the near future he intends to form a corporation with friends and buy a plant for the storage of rags and waste paper.

DESPATCH 8690

Mr. Wolff stated that while in France he was a partner in the firm of J. ROZES AINE and senior partner in the firm of VANDRAND E CH. CHAPERAN AND CO., both of Agen, France. When he came to this country he sold his share in both firms to Mr. J. Rozes and took in part payment an assignment of the money due these firms by the Keller Co. Mr. Rozes also owned the SOCIETE INDUSTRIELLE D' AQUILAINE, Bordeaux, France, which company had \$3,395.89 worth of merchandise stored in Dewsbury, England. It was arranged that the balance of the money due Mr. Wolff from Mr. Rozes would be paid him by giving the Keller Co. an assignment of these goods so that they could turn the proceeds over to Mr. Wolff, when the goods were sold. Mr. H. Farman, Leeds, England, instructed to sell these goods, sold 300 lbs. worth but through a misunderstanding tried to remit the proceeds to Mr. Rozes instead of the Keller Co. As a result the money was seized by the Custodian of Enemy Property of Great Britain. Mr. Wolff does not think that England will allow the proceeds of any further sale of these goods to leave the country, even to the Keller Co.

Before Mr. Wolff left France, he was able to get some money out of the country by sending it through his selling agent in Switzerland, H. R. Bohner, who also acted in this capacity for the firm

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of JOSEF & MARX, feather merchants of Agen, France. The money was sent by Mr. Bohner to the Keller Co. who had instructions to do anything they wanted with it unless Mr. Bohner cabled them to the contrary.

Mr. Wolff said that Mr. GUY JOSEF, a partner in the firm of Josef & Marx, arrived in this country several weeks ago and is now staying with his brother SALI JOSEF, a "blocked" national, in Chicago. He said the Josefs were definitely anti-Nazi and claimed it was just a coincidence that the \$3,000 the Keller Co. received for Sali Josef on June 19, 1941, came from ARBITRIUM HANDELS AG., Zug, Switzerland, a firm on the January 14, 1942 supplement to the Proclaimed List.

Mr. Wolff was not able to get money out of France by any other direct means but was able to exchange some of his French francs in France into American dollars in America, and into other assets which he hoped to be able to convert into dollars. In exchange for francs he procured an order to pay to himself \$5,000 from the bank account of SUMNER M. KIRBY at the Chase National Bank. This money he has not been able to get, however, as the Chase National Bank is still waiting for a license to pay it to him.

He also has an assignment through the Keller Co. of \$235.64 due to Geneix-Basset, France, by Darmstadt, Scott and Courtney, New York City. This money has not been paid to the Keller Co. but when it is, it will go immediately into the special blocked account the Keller Co. has set up for the funds belonging to Wolff.

He was also able to send over here, through KURT FLATAU, 686 Lexington Avenue, New York City, certain antiques and pictures valued at approximately \$4,200. These have been offered for sale but no one has made any reasonable offer for them. Part of them belong to Mr. Flatau who has agreed to buy Mr. Wolff out for \$2,600 including \$500 Mr. Flatau owes Mr. Wolff for a prior deal which fell through. If Mr. Wolff ever receives this money, he says he will put it in his personal blocked account.

Mr. Wolff further tried to send some paintings to the United States through FREDERIC ZLOCZOWER, Luchon, France, but these were not shipped in time and will remain in France for the duration of the war.

From a friend of his in France he purchased and brought with him to this country the patent-rights for a certain type of French electric light bulb. He discussed the patenting of these rights in the United States with a friend of his here who told him that it could not be done as the French patents are more than two years old, thus worthless.

When Mr. Wolff came to this country he hoped to engage in the rag and waste paper business here or in the Argentine with J. R. TOLIBIA, 137 Hudson Street, New York City. He brought with him a letter of introduction to that gentleman from MR. PACINI, Prato, Italy who was Mr. Tolibia's uncle. The letter suggested that Mr. Tolibia invest \$20,000 with Mr. Wolff in a waste paper factory. It said that Mr. Tolibia was

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authorized to invest this money for Mr. Pacini's account but not to disclose to anyone the fact that Mr. Pacini was interested in the business. Mr. Wolff explained this precaution was to be taken because Mr. Pacini did not want the Italian authorities to know he had an interest in an American concern. Mr. Wolff pointed out that there was no attempt to violate the "President's Freezing Order" as when the letter was written in April, 1941, there were no restrictions here on Italian nationals. Unfortunately, by the time Mr. Wolff arrived in this country Mr. Tolibia had died so the deal was never consummated and Mr. Wolff had to go into business by himself.

HERMAN LIPPER

Mr. Lipper is a Polish national who arrived in this country under a visitor's visa, April 11, 1940. In 1941 he went to Canada and reentered this country March 26, 1941 under American immigration visa 5738. He received his first citizenship papers September 17, 1941. He was born March 28, 1895 in Kolomyja, Poland.

For several years prior to coming to this country, he was engaged in the waste paper business in Roumania. As it was cheaper to import waste paper from America to Holland and reship it to Roumania, than it was to import direct to that country, he with others became a member of the Dutch Rags Exporters Association. When hostilities broke out in Europe he used this connection to get some of his money and some belonging to his friends out of Roumania to the United States. The money was sent to the Keller Co. in its name so that the Roumanian authorities would not know that Mr. Lipper and his friends had money in the United States.

Altogether, approximately \$370,000 was sent over here in that manner during 1940. Of this amount, \$280,000 was sent in cash and \$90,000 in merchandise. Of the cash, \$40,000 was paid the Keller Co. for its expenses in shipping some merchandise to the Dutch Rags Exporters Association on March 28 and April 30, 1940 leaving \$330,000 cash to Lipper's credit after the sale of the shipment of rags for \$90,000.

Mr. Lipper submitted the following approximate analysis of what he has done with the \$330,000 which was transferred to him by the Keller Co. when he arrived in this country.

<u>TO WHOM GIVEN</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>REASON</u>	<u>COMMENTS</u>
ALVER & CO., Lisbon, Portugal	May, 1940	\$ 45,500	Frederick and Leon Stern's share of money sent to the Keller Co.	Frederick and Leon Stern are Roumanian nationals.
FREDERICK STERN, 10 E.40 St., N.Y.C.	" "	25,000	" " "	" " "

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<u>TO WHOM GIVEN</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>REASON</u>	<u>COMMENTS</u>
Frederick Stern	1941	\$ 21,000	Believed to be part of his share of money sent to the Keller Co.	Put in Frederick Stern's account at the Chemical Bank. He is an unblocked national.
DR. A FEINSTEIN, 25 Broad St., N.Y.C.	1940	23,000	His share of money sent to the Keller Co.	Dr. Feinstein is said to have come to this country prior to April, 1940.
Family of Mr. Lipper	1941	30,000	To enable them to come to this country.	Given chiefly in the form of letters of credit issued by the Chase Bank.
Friends of Mr. Lipper	1941	40,000	" " "	" " "
Hirsch Lillienthal & Co.	1940-42	100,000	Mr. Lipper's trading account with this firm.	
Merchants Bank	1942	6,000	Present balances in Mr. Lipper's accounts.	
Irving Trust Co.	1942	2,500		
Chase National Bank	1942	500		
SAMUEL KVEILER	1941	15,000	His share of money sent to the Keller Co.	Put in Blocked account at Irving Trust Co.
Sundry living expenses	1940-42	<u>21,500</u>	Rent, car, etc.	
TOTAL		\$330,000		

In connection with the \$21,000 given to Frederick Stern, Mr. Lipper said he was not sure this belonged to him. Mr. Lipper received \$40,000 from the Keller Co. without knowing to whom it belonged. Mr. Stern claimed this but Mr. Lipper did not want to give it to him without proof that it did belong to him. They finally compromised and Mr. Lipper gave him half.

Of the \$40,000 that Mr. Lipper sent friends so that they could come to this country, he said he may get some of this back, possibly \$12,000.

Since Mr. Lipper has been in this country, he has not

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engaged in any business but has devoted his time to buying and selling stocks, bonds, and commodities through Hirsch, Lillenthal and Co., which trading has been done in the name of the Waste Products Trading Corporation now located at 25 Broad Street, New York City. He intends to start a waste paper and rag business shortly and will operate under the above-mentioned company.

WASTE PRODUCTS TRADING CORP.

Organized under New York laws, September 3, 1941. The officers were J. L. Nielsen, President, Louis Sternlieb, Vice-President and Secretary, Herman Lipper, Treasurer. The entire capital of \$10,000 was paid in by Mr. Lipper, but until December 26, 1941, Mr. Nielsen, an American born citizen, appeared as the owner of 99% of the stock. As of that date, it is said that Mr. Nielsen transferred his stock to Mr. Lipper and resigned as an officer. No one has been elected to take his place but Mr. Lipper says he will shortly become the new President. The company is inactive at present with cash of \$280 as its only asset. However, cash receipts totalled \$112,000 while Lipper was using the company to deal in securities.

Mr. Lipper stated he had no intention of misleading anyone by making Mr. Nielsen the principal stockholder but said he had done so merely as a precaution. He said his experiences abroad had taught him to take such precautions.

It might be important to note, however, that when this company's account was blocked by the Chase National Bank because Mr. Lipper was the only signing officer, they received a letter, dated June 25, 1941, from Mr. J. L. Nielsen saying that he owned 99% of the stock, and implying that he was the principal at interest in the company.

Respectfully,


 PAUL M. PILCHER,
 Investigator, Foreign
 Funds Control.

Respectfully forwarded,
 APPROVED:


 S. J. KENNEDY,
 Treasury Representative,
 Acting in Charge.

Copy to: F. R. B., New York (Caveat Section)

334692

DECLASSIFIED
 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 2-438
 Box 17

NY 2-438

-12-

This case also indexed under:

D 320	Dutch Rags Exporters Association	461
K 460	E. J. Keller	120
W 230	Waste Products Trading Corp.	120
H 210	Josef and Marx	480
J 210	Guy or Sali Josef	120
P 536	(Societe) Pentru Industria Textile	000
A 500	J. Rozes Aine	480
V 536	Vandrand e Ch. Chaperau and Co.	480
B 560	H. R. Bohner	421
M 648	Rolf Merlitschek	421
I 532	(Societe) Industrielle d' Aquitaine	480
L 520	Albert Lang	480
K 610	Sumner M. Kirby	120
F 420	Kurt Flatau	120
Z 426	Frederic Zloczower	480
P 250	Pacini	450
A 416	Alver and Company	442
S 365	Frederick or Leon Stern	120
F 523	A. Feinstein	120
K 146	Samuel Kveiler	120

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2-438

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE NOV 18 1941

TO Mr. May
FROM Mr. Pehle
Re: Leo Wolff
200 Fifth Avenue, New York City
and
E. J. Keller Company, Inc.
200 Fifth Avenue, New York City

See other undelivered names within

Attached are copies of Despatches Nos. 5789, 9565 and 8690 which are referred to you for such action as may be appropriate.

JWP

FORWARDED
for appropriate action
To NY
Date NOV 24
FOREIGN FUNDS CONTROL
Investigative Section
CRH

? See 7-248 Dr. D. Lang, NY

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NOV 26 1941

Foreign Funds Control
New York

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2-438

Confidential information has been received to the effect that E. J. Keller Co. Inc., 200 Fifth Avenue, New York, wrote on June 21st, 1941, to:-

1. H. R. Bohner, 45 St. Alban-Anlage, Basle, Switzerland.
2. Rolf Nerlitschek, 51 Dufour Strasse, Zurich, Switzerland.

Correspondence to the two addressees comprises:

To No. 1: Letter dated 21st June 1941 states Mr. Wolff due to sail from Lisbon 8th August per "Exeter."

Letter dated 27th January 1941 indicated that Rolf Nerlitschek has been instructed to examine addressees books and to take off 30% on all sales of Feathers and 10% on all sales of Raw Materials according to agreement.

The above percentages represent writers commission on all transactions with the firm Jean Rozes & Josef & Marx, both of Agen, France, and Vandrand & Ch. Caperan & Cie of Montauban, France, who deal exclusively through writers with first addressee.

To No. 2: Confirmation of above arrangement, and instructions that amounts collected should be transferred to writers at New York.

"H"

CONFIDENTIAL

5789

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Authority 968103
By AJT NARA Date 6-12-00

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Entry FFC Investigative Rpts
File NY 2-438
Box 17

2-438

Confidential information has been received to the effect that Albert Lang, 16 Rue De L'Hotel De Ville, Drive, (Corrazo) France wrote on August 14th 1941 to E. J. Keller Company, 200 Fifth Avenue, New York.

Writer requests addressee, (who holds Power of Attorney) to take charge of his (writer's) Canadian interests, comprising the following:-

- 25 Shares in Montreal Heat & Power Co., Montreal
- 50 Shares in Shawinigan Water & Power Co. Montreal,
- for which legalized letters (with copies) are enclosed, instructing the Dividends to be paid to addressee for a/c of writer.
- 10 Shares Allied Chemical Corp.
- 10 " American Telephone & Telegraph.
- 10 " Consolidated Gas, New York
- for which writer holds uncashed Dividend Cheques and addressee is asked to request the Companies to open special personal a/cs in their books or to pay such dividends to addresses for a/c of writer.

Writer estimates that the Royal Bank of Canada, Montreal, holds the sum of Can. \$25,000 for his a/c proceeds of shipments of skins made to Canada through the "Commercial Fur" (Suers Goldstein) and addressee is asked to try and secure the transfer of this balance to himself in New York.

"H"

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NOV 21 1941
Foreign Intelligence
New York

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Authority	968103
By	ANT NARA Date 6-12-00

RG	131 - Alien Property
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File	NY 2-438
Box	17

2438

Confidential information has been received to the effect that Leo Wolff (German Nationality) travelled from Lisbon to New York per S.S. "Exeter" on August 15, 1941. His New York address is:

c/o E. F. Keller Co.,
200 Fifth Avenue,
New York.

Leo Wolff was chief shareholder of Vandrand e Ch. Caperan e Cie., 4 Alleees de Mortarieu, Montauban, Paris, address of this firm being 5 rue des Ardennes, Paris 19^e.

Wolff holds the following contracts:

- Contract between abraham Weiss of Perpignan, Emile Kahn, Perpignan, and Wolff, for the exploitation of Weiss' patents in America. The patents are for electric bulbs which are already patented in France, and in Luxemburg. Details of electric bulbs are attached.
- Contract between Wolff and Jean Rozes, rue Neuve, at Agen, by which 1,200 shares of Vandrand e Ch. Capran e Co., are returned by Rozes to Wolff. Wolff, however, transfers 400 shares back to Rozes, who places at the disposal of Wolff \$8,000 which are blocked and held by the E. J. Keller Co., 200 Fifth Ave., New York. This is evidently an attempt to free these blocked dollars.
- Contract between Wolff and Kurt L. Flatau, c/o French Antique Co., 686 Lexington Ave., New York. French Antiques and pictures were evidently taken to the U. S. A. by Flatau who is now selling them.
- Contract between Wolff and Frederic Zloczower, 59 Alleees d'Etigny, Luchon, for the sale of the following pictures in the U.S.A.

"Fighting Peasants", "Amorous Scene" by Jan Steen and "Winter Landscape" by Aert van der Neer.

99 bales of old Cotton Rags were shipped on March 30, 1941, by S. A. Vandrand e Ch. Chaperan & Co., to New York via Fort de France per S.S. "Belain d'Esnambuc". Invoices for \$690.20 and \$1,016.20 were sent to E. J. Keller Co. Inc., 200 Fifth Ave., New York, and letters dated May 16th, 1941, request Keller to pay these amounts to Wolff on his arrival in New York. An attempt is apparently being made to free blocked dollars in this case also.

Wolff also holds a letter addressed to E. J. Keller, 200 Fifth Ave., New York, ordering him to pay Wolff \$8,000 - amount of invoices issued by J. Rozes, Aine, of Agen, on April 2, 1940, and June 19, 1940. This also appears to be an attempt to evade U.S. Executive Orders. Letter dated May 19, 1941, by Etablissements Geneix Basset, 30 rue St-Jerome, Lyons, to Darmstadt, Scott & Courtney, 147 Nassau St., New York, requesting them to transfer \$235.64 to E. J. Keller for account of Wolff.

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Foreign Funds Control
New York

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- 2 -

Wolff holds a letter from Mr. Pacini of the firm of Luigi Pacini & Co., wool manufacturers Prato (Italy), addressed to Mr. J. R. Tolibia, 137 Hudson St., New York. Tolibia is requested to invest \$20,000 in a rag factory which Wolff intends opening in the U.S.A. or the Argentine, on behalf of Pacini, but Pacini's name must not figure in the transaction.

Wolff holds two letters, one from J. Rozes Aine Agen, addressed to E. J. Keller, 200 Fifth Ave., New York, in which it is stated that Rozes has sold all the goods stored at Dewsbury, England, property of the Societe Industrielle d'Aquitaine, to E. J. Keller & Co. The second letter is addressed to Mr. H. Farman, Leeds (Yorks) notifying him of this sale. The goods in question are felts.

In conjunction with E. J. Keller, Wolff has been indulging in exchange transactions between the U.S.A. and France. Keller has been accepting payments in Dollars in New York, and Wolff has paid out in French francs in France.

Attached telegrams show various payments which have been made in France by Wolff on account of Keller. The result of these operations is that indirectly Free Dollar Accounts were being opened in the U.S.A. on behalf of French citizens by E. J. Keller in collaboration with Wolff in France.

Wolff is in touch with a man named Bohner residing at Basle, Switzerland, who is to transfer money (amount not specified) from Switzerland to U.S.A. The transfer would be effected by depositing this sum with the American Consul in Zurich for account of Kidder, Peabody & Co., of New York. Bohner's address in Basle is 45 Alban Anlage Basel. Letter dated June 6, 1941, with reference to Bohner states that in addition to the \$741.45 received from Switzerland a week ago, a further \$3,000 came to hand today and also the \$1,000 from Buenos Aires which we have credited to "your" account. This letter is addressed by Keller to Wolff.

Photostats are attached to this report of the more important papers referred to therein.

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 New York

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KELLER, E. J. CO. INC.
Sec. 1-Page 1

IMPORTER & WHOLESALE
PAPER MAKER SUPPLIES

NEW YORK CITY
200 Fifth Ave.

SECTION I RATING, SUMMARY, INVESTIGATION

654 | OCTOBER 15, 1943

RATING - -

SUMMARY

AN UNPROFITABLE TREND WHICH HAD EXISTED FOR SEVERAL YEARS IS REPORTED TO HAVE BEEN CHECKED BY THIS CORPORATION DURING 1942, IN WHICH YEAR OPERATING EXPENSES WERE REDUCED AND A SMALL NET PROFIT REALIZED. INVESTIGATION INDICATES CURRENT VOLUME CONTINUES AT A RELATIVELY LOW LEVEL. LATE FINANCIAL DETAILS HAVE BEEN WITHHELD.

WAR EFFECT INVESTIGATION

In March, 1943, Edward J. Keller, President and Treasurer, stated that the war has materially curtailed importations of this corporation and as a consequence, the larger part of its merchandise requirements is now being obtained from domestic suppliers, adding that net sales for the calendar year 1942 were not as large as for the previous year but due to a reduction in operating expenses, margin of profit on sales increased and the corporation closed the calendar year 1942 with a small net profit. He declined to furnish specific financial details at that time, but said that as of March 30, 1943, the liabilities were represented by current bank loans, current merchandise obligations and accruals and that the total debt was covered close to two times over by combined Cash and Receivables. Merchandise inventory was then described as at a low level in comparison with former years.

Interviewed on October 11, 1943, Joseph Kenny, Secretary, advised that current volume to date in 1943 is a little in excess of that transacted during the comparable period of previous year, and indications are current operating results have also been fully as good. Aside from stating that no bank indebtedness exists and that liabilities are now represented principally by current merchandise obligations and accruals, Joseph Kenny would furnish no information of a financial nature.

BANK INVESTIGATION

Relations are maintained in local banking quarters where accommodation has been received in the past on letters of credit and bankers acceptances in connection with importations. Direct loans were also obtained from this quarter on corporation notes secured by bank certificate of deposit. It is reported nothing is currently owing in this quarter.

TRADE INVESTIGATION

Periodical trade checkings made in the past have found this corporation extended credit in amounts ranging up to \$10,000 with payments made in accordance with terms. During the past several months purchases are reported to have been curtailed and while a current list of merchandise suppliers has not been furnished during an investigation completed September 7, 1943, one house reported selling this account up to \$5,000, on 30 day terms, with payments prompt, and another supplier reported selling up to \$3,000, on 30 day terms with payments prompt.

10-15-43 (59) L 5 A (e)

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Foreign Funds Control

Investigator J. W. Brown
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Dated 11-2-43

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DIVISION
A
 REPORT

KELLER, E. J. CO., INC.
 Sec. 1-Page 1

IMPORTER & WHOLESALE
 PAPER MAKER SUPPLIES

NEW YORK CITY
 200 Fifth Ave.

SECTION I RATING, SUMMARY, INVESTIGATION

654 | APRIL 8, 1943

RATING - -

SUMMARY

FOR SEVERAL YEARS, UP TO AND INCLUDING 1941, THIS CORPORATION INCURRED NET LOSSES WHICH MATERIALLY REDUCED TANGIBLE NET WORTH AND NET WORKING CAPITAL. SINCE THE EARLY PART OF 1942, SOME IMPROVEMENT IN OPERATING RESULTS HAS BEEN REPORTED. HOWEVER, A LATE DETAILED BALANCE SHEET HAS BEEN WITHHELD, WHICH PREVENTS ESTABLISHING THE COMPANY'S PRESENT FINANCIAL STATUS.

DIRECT INVESTIGATION

Interviewed on March 30, 1943, Edward J. Keller, President and Treasurer, stated that the war has materially curtailed importations of this corporation and as a consequence, the larger part of its merchandise requirements is now being obtained from domestic suppliers. He pointed out that net sales for the calendar year 1942 were not as large as for the previous year but due to a reduction in operating expenses, margin of profit on sales increased and the corporation closed the calendar year 1942 with a small net profit, adding that so far during 1943 sales level has been fairly well maintained. Closer operating information was not made available and specific financial details were declined. However, in commenting on financial condition, Edward J. Keller on March 30, 1943 stated verbally that liabilities are now represented by current bank loans, current merchandise obligations and accruals and that the total debt is covered close to two times over by combined Cash and Receivables. Merchandise inventory was described as at a low level in comparison with former years, due to curtailed purchases. Further financial details could not be obtained from Edward J. Keller, nor were they available in outside quarters consulted.

BANK INVESTIGATION

Relations are maintained with two local banks and from one accommodation has been received on letters of credit and bankers acceptances in connection with importations. Direct loans were also obtained from this quarter on own notes secured by bank certificate of deposit. With the other bank the account is reported carrying a relatively moderate balance on a non-borrowing basis.

TRADE INVESTIGATION

Periodical trade checkings made in the past have found this corporation extended credit in amounts ranging up to and at times in excess of \$5,000 with payments made well within terms. During recent months, purchases are reported to have been curtailed. During a trade investigation completed March 31, 1943, the account was found sold as follows:

	<u>HIGH CREDIT</u>	<u>OWE</u>	<u>PAST DUE</u>	<u>TERMS OF SALE</u>	<u>PAYMENTS</u>
1.	\$ 10,000	-----	-----	30 days	Discount
2.	1,200	-----	-----	1-10 E.O.M.	Discount
3.	5,000	-----	-----	- - -	Prompt

4-8-43 (25) L 5 A (e)

Investigator Pilcher
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 no longer needed. N.Y.
 Notes PPP Date 4/16/43

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DIVISION

REPORT

KELLER, E. J. CO., INC.
Sec. 3-Page 1

IMPORTER & WHOLESALE
PAPER MAKER SUPPLIES

NEW YORK CITY

SECTION 3 ANTECEDENTS, METHOD OF OPERATION

654 | APRIL 8, 1943

Edward J. Keller - President & Treasurer
Joseph Kenny - Secretary

BOARD OF DIRECTORS: Frederic H. Cowden, Edward J. Keller and Elizabeth B. (Mrs. Edward J.) Keller.

PERSONNEL

Edward J. Keller, 57, married, is a naturalized citizen. Prior to his organization, the subject corporation in November, 1915 was employed in this country as general manager for a German paper making concern. He is the principal at interest and is active in the buying and selling phases of the business.

Joseph Kenny is 28, married and native born. He joined this corporation as an employee in 1935, was employed as bookkeeper until 1938 when he severed his connection with the corporation following which he did accounting work for others until 1940 when he again entered the employ of the subject corporation as an accountant and so continues. In March, 1942 was elected Secretary to fill the vacancy created by the resignation in the latter part of February, 1942 of John L. Nielsen who was Vice-President, Secretary and a Director.

Frederic H. Cowden is 54, married, an attorney by profession, with offices at 60 Wall Street, New York City. Elizabeth B. Keller succeeded John L. Nielsen as a director about the latter part of February, 1942. She is the wife of Edward J. Keller and is not active in the management of this business.

HISTORY

Incorporated under New York laws November 4, 1915 with an original authorized capital of \$50,000. Subsequently, several changes were made in the authorization with increases to \$100,000 recorded, which was further increased to \$250,000 on October 20, 1924. On October 18, 1929 authorized capital was reduced to \$35,000 and on December 29, 1936 was again increased to \$100,000, common stock, par value of shares \$100.

METHOD OF OPERATION

Engaged as a wholesaler of paper makers supplies, specializing in old and new cotton and linen rags, cotton juts and flax wastes, and wood and rag pulp. Prior to the present World War, the company imported a portion of its merchandise requirements from European countries. Imports from these sources have been discontinued and the bulk of merchandise requirements are now obtained from domestic suppliers, although some imports continue to be made from foreign markets, principally Canada and to a smaller extent South America under letters of credit on drafts, and on open account. Sales are made principally to a number of the larger paper mills in the United States and to a small extent to paper mills located in Canada, the regular selling terms to these accounts being 10 and 30 days. During the past year some exporting has been done to South America. Purchasing is said to be done largely against orders and merchandise is stored in various railway terminals and warehouses.

LOCATION & FIRE HAZARD

Rents office quarters on the ninth floor of this fifteen-story office building in excellent repair. Other tenants are engaged primarily in the importing line and as manufacturers' representatives. Rental details are not available. FIRE RECORD: During 1918 a fire damage of \$40,000 was suffered in a public warehouse at Troy, N.Y. and in 1929 a fire damage at the Lehigh Valley Terminal was sustained, amounting to \$2,000. It is reported that the full amount of the loss was received in both instances. No further loss reported.

4-8-43 (25) L 5 A

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DIVISION
A
REPORT

KELLER, E. J. CO., INC.
Sec. 1-Page 1

IMPORTER & WHOLESALER
PAPER MAKER SUPPLIES

NEW YORK CITY
200 Fifth Avenue

SECTION I RATING, SUMMARY, INVESTIGATION

654 I JULY 17, 1942

RATING -- *P. P. [Signature]*

SUMMARY

THIS CORPORATION IS REPORTED TO HAVE INCURRED NET LOSSES DURING RECENT YEARS WHICH MATERIALLY REDUCED ITS TANGIBLE NET WORTH AND NET WORKING CAPITAL. DURING THE EARLY PART OF 1942 SOME IMPROVEMENT IN OPERATING RESULTS IS REPORTED TO HAVE BEEN REALIZED. ON THE OTHER HAND, A CURRENT BALANCE SHEET HAS BEEN WITHHELD AND INVESTIGATION INDICATES THAT LIABILITIES ARE RELATIVELY LARGE IN RELATION TO NET INVESTMENT.

DIRECT INVESTIGATION

Interviewed on July 14, 1942 Edward J. Keller, President and Treasurer, stated that because of the present war importations of this corporation have been materially curtailed and that it has been necessary to obtain by far the larger part of merchandise requirements from domestic suppliers, adding that so far during 1942 sales level has been fairly well maintained in comparison with the corresponding period of previous year and some improvement in operating results has occurred. A late detailed balance sheet or close financial information were withheld, but according to Keller the total debt is well covered by trading assets and that at present no direct bank loans exist, liabilities now being represented principally by current merchandise obligations, and amount owing to bank on letters of credit covered by trust receipt in connection with importations, and a relatively moderate amount of current operating accruals. More specific financial details could not be obtained.

BANK INVESTIGATION

Relations are maintained with two local banks and from one accommodation has been received on letters of credit and bankers acceptances in connection with importations. Direct loans were also obtained from this quarter on own notes secured by a bank certificate of deposit, but nothing is currently owing on this type of borrowing. With the other bank the account is reported carrying a relatively moderate balance on a non-borrowing basis.

TRADE INVESTIGATION

According to the management a portion of merchandise requirements are imported. However, since the start of the European war, a sizable portion of merchandise requirements have been obtained from domestic suppliers. These consulted during a trade investigation completed July 14, 1942 reported the following experiences:

	HIGH CREDIT	OWE	PAST DUE	TERMS OF SALE	PAYMENTS
1. \$	1,080	---	---	1-10-30	Discount
2.	3,200	3,200	---	Net 30 days	Prompt
3.	3,000	---	---	Sight Draft	Prompt
4.	957	---	---	30 days	Prompt
5.	---	---	---	---	Prompt

7-17-42 (52) L 5A

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REPORT

KELLER, E. J. CO., INC.
 Sec. 2-Page 1

IMPORTER & WHOLESALE
 PAPER MAKERS SUPPLIES

NEW YORK CITY

SECTION 2 FINANCIAL INFORMATION

654 1 JULY 17, 1942

FINANCIAL INFORMATION

This business was established in 1915, and since its inception has been dominated by Edward J. Keller, President and Treasurer. Progress is reported to have been made until 1931 and during that year and 1932 operations were affected by a decline in unit volume and lower price levels. The moderate ground lost during those two years is said to have been regained in 1933 when a pick-up in volume and trend towards better prices enabled the company to resume profitable operations. This favorable trend is said to have continued up to about the last quarter of 1937 when due to a lessened demand for paper and lower price levels, also due to large inventories carried by manufacturers and distributors of paper, concerns on whom the company depended for business, curtailed production which in turn affected the sales of E. J. Keller Co., Inc. The last detailed statement made available on E. J. Keller Co. Inc., and which relates to December 31, 1937 showed current assets of \$196,143.20, current and total liabilities \$100,038.32 and a Tangible Net Worth of \$101,702.67. Capital stock outstanding at December 31, 1937 amounted to \$56,000, and at that time a Surplus of \$45,702.67 existed.

A late detailed balance sheet on this corporation has been declined. However, it was directly stated by John L. Nielsen, Secretary, that due to unfavorable conditions existing in the paper manufacturing industry, volume transacted by E. J. Keller Co., Inc. during 1938 was approximately 50% below that transacted during the previous year, operations were unprofitable, tonnage volume during 1939 nearly equalled that transacted during the previous year, but due to better prices which prevailed during the latter part of 1939, operating results improved, although for the entire year a net loss was incurred. John L. Nielsen, also asserted that both tonnage and dollar volume transacted during 1940 was below that transacted during the previous year and operating results were somewhat similar.

Although a late detailed balance sheet on E. J. Keller Co., Inc., could not be obtained directly or in outside quarters, it is reliably learned that since December 31, 1937 there has been a material change in the financial condition, which has become unbalanced, characterized by relatively heavy indebtedness in relation to Tangible Net Worth and only a relatively moderate net working capital. Due to losses incurred during recent years, the Surplus account which previously existed has been eliminated and a deficit in Surplus created. It is learned that at June 30, 1941, capital stock outstanding amounted to about \$56,000, Surplus Deficit amounted to approximately \$31,000 and Tangible Net Worth was about \$25,000. Liabilities which were of a current nature and consisted largely of merchandise obligations and amounts due bank on letters of credit, acceptances and for direct loan covered by bankers certificate of deposit, were about equal to three times Tangible Net Worth. While current indebtedness was moderately exceeded by current assets including inventory, it fell somewhat short of being covered by such liquid assets as cash, bank certificates of deposit and outstanding receivables. In addition to the current debt, the corporation then had a contingent liability for unused letters of credit. It was pointed out that the corporation as a rule buys only against orders received with the result that merchandise inventory usually is considerably less than outstanding receivables. Sales are said to be made chiefly to paper mills in the United States and Canada on 10 and 30 day terms, and during the past year or more some exportations have been made to South America. The management advised that during late years, little difficulty has been experienced in making collections promptly.

When interviewed in January, 1942, John L. Nielsen, former Vice-President, Secretary and Director, stated that during October, 1941 this company negotiated for the sale of a substantial portion of its inventory, a large part of which then represented

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RG 131 - Alien Property
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REPORT

KELLER, E. J. CO., INC.
Sec. 2-Page 2

NEW YORK CITY

SECTION 2 FINANCIAL INFORMATION

654 | JULY 17, 1942

FINANCIAL INFORMATION (Cont'd.)

goods which were imported a number of months ago and on which accrued expenses in connection with the carrying of this particular inventory were written off at the end of October when inventory then carried was reduced on the books to cost or market, whichever was lower. Delivery on this particular merchandise sold and which sale was in a moderate five figure amount was to cover a period of several weeks. A book profit on this particular sale would be realized and after delivery has been completed, according to John L. Nielsen, combined cash and receivables would cover the total current debt with a fairly wide margin. While not inclined to furnish a late detailed balance sheet for publication, Nielsen asserted that on date of interview, unsold inventory on hand was at the lowest level it had been over a period of many years and amounted to approximately \$4,500, adding that current liabilities then consisted principally of about \$17,000 owing to bank on letters of credit and bankers acceptances in connection with importation, a direct loan of \$10,000 made from bank secured by a bank certificate of indebtedness of the same amount, merchandise obligations of approximately \$35,000 and current operating accruals, adding that exclusive of inventory sold but not delivered up to that time the total debt was covered close to one and one-half times over by current assets. Capital stock outstanding then amounted to \$56,000 and a surplus deficit of around \$30,000 existed.

In view of the fact that during late years the Tangible Net Worth of this corporation is reported to have decreased considerably and that liabilities have become relatively large in relation to net investment and liquid assets, a late detailed balance sheet together with complete operating information is essential to definitely determine present financial status.

7-17-42 (52) L 5A

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KELLER, E. J. CO., INC.
Sec. 3-Page 1

IMPORTER & WHOLESALE PAPER
MAKER SUPPLIES

NEW YORK CITY

SECTION 3 ANTECEDENTS, METHOD OF OPERATION

654 I JULY 17, 1942

Edward J. Keller - President & Treasurer
Joseph Kenny - Secretary

BOARD OF DIRECTORS: Frederic H. Cowden and Edward J. Keller are reported to be the only directors.

PERSONNEL

Edward J. Keller, 57, married, is a naturalized citizen. Prior to his organizing the subject corporation in November, 1915 he was employed in this country as general manager for a German paper making concern. He is the principal at interest and is active in the buying and selling phases of the business.

Joseph Kenny is 28, married and native born. He joined this corporation as an employee in 1935, was employed as bookkeeper until 1938 when he severed his connection with the corporation following which he did accounting work for others until 1940 when he again entered the employ of the subject corporation as an accountant and so continues. In March, 1942 was elected Secretary to fill the vacancy created by the resignation in the latter part of February, 1942 of John L. Nielsen who was Vice-President, Secretary and a Director.

Frederic H. Cowden is 53, married, an attorney by profession, with offices at 60 Wall Street, New York City.

HISTORY

Incorporated under New York laws November 4, 1915 with an original authorized capital of \$50,000. Subsequently several changes were made in the authorization with increases to \$100,000 recorded, which was further increased to \$250,000 on October 20, 1924. On October 18, 1929 authorized capital was reduced to \$35,000 and on December 29, 1936 was again increased to \$100,000, common stock, par value of shares \$100.

METHOD OF OPERATION

Engaged as a wholesaler of paper makers supplies, specializing in old and new cotton and linen rags, cotton juts and flax wastes, and wood and rag pulp. Prior to the present World War, the company imported a portion of its merchandise requirements from European countries. Imports from these sources have been discontinued and the bulk of merchandise requirements are now obtained from domestic suppliers, although some imports continue to be made from foreign markets, principally Canada and to a smaller extent South America under letters of credit on drafts, and on open account. Sales are made principally to a number of the larger paper mills in the United States and to a small extent to paper mills located in Canada, the regular selling terms to these accounts being 10 and 30 days. During the past year some exporting has been done to South America. Purchasing is said to be done largely against orders and merchandise is stored in various railway terminals and warehouses.

LOCATION & FIRE HAZARD

Rents office quarters on the ninth floor of this fifteen-story office building in excellent repair. Other tenants are engaged primarily in the importing line and as manufacturers' representatives. Rental details are not available. FIRE RECORD: During 1918 a fire damage of \$40,000 was suffered in a public warehouse at Troy, N.Y. and in 1929 a fire damage at the Lehigh Valley Terminal was sustained, amounting to \$2,000. It is reported that the full amount of the loss was received in both instances. No further loss reported.

7-17-42 (52) L 5A

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 REPORT

KELLER, E. J. CO. INC. IMPORTER & WHOLESALE PAPER MAKER NEW YORK CITY
 Sec. 1-Page 1 SUPPLIES 200 Fifth Avenue

SECTION I RATING, SUMMARY, INVESTIGATION
 654 I NOVEMBER 1, 1941

RATING - -

SUMMARY

INVESTIGATION DISCLOSES THAT LOSSES INCURRED BY THIS CORPORATION DURING RECENT YEARS HAVE MATERIALLY REDUCED ITS TANGIBLE NET WORTH AND NET WORKING CAPITAL AND THAT LIABILITIES HAVE BECOME RELATIVELY LARGE IN RELATION TO NET INVESTMENT. OF LATE SOME IMPROVEMENT IN OPERATING RESULTS IS REPORTED TO HAVE BEEN EXPERIENCED, BUT A CURRENT BALANCE SHEET HAS BEEN WITHHELD.

DIRECT INVESTIGATION

Interviewed on October 30, 1941 John L. Nielsen, Vice-President and Secretary, stated that recently this company negotiated the sale of a substantial portion of its inventory a large part of which represented rags which were imported a number of months ago and on which accrued expenses in connection with the carrying of this particular inventory were written off and the end of 1940 when inventory then carried was reduced on the books to cost or market value, whichever was lower. Delivery on this recent sale of merchandise which is in a moderate five figure amount will cover a period of several weeks. A book profit on this particular sale will be realized and after delivery has been completed combined cash and receivables will cover the total current debt with a fairly wide margin. While not inclined to furnish a late detailed balance sheet for publication Nielsen asserted that at present unsold inventory on hand is at the lowest level it has been over a period of many years and amounts to approximately \$4,500, adding that current liabilities now consist principally of about \$17,000 owing to bank on letters of credit and bankers acceptances in connection with importations and which will be reduced within the next few days by approximately \$5,400, a direct loan of \$10,000 made from bank and which is covered by a bank certificate of indebtedness of the same amount, merchandise obligations of approximately \$35,000 and current operating accruals, adding that exclusive of inventory sold but not yet delivered the total debt is covered close to one and one-half times over by current assets. Capital stock outstanding amounts to \$56,000 and a Surplus Deficit of around \$30,000 exists. In commenting on current operating results Nielsen advised that on the basis of the trend so far during 1941 the company will close the year with a profit and which will be the first profit realized in several years.

BANK INVESTIGATION

Relations are maintained with two local banks and from one accommodation has been received on letters of credit and bankers acceptances in connection with importations and also direct loans have been granted on own notes secured by a bank certificate of deposit. Currently an amount is owing on both types of borrowing. With the other bank, the account is reported carrying on a non-borrowing basis.

TRADE INVESTIGATION

According to the management a portion of merchandise requirements are imported. However, since the start of the European War a sizable portion of merchandise requirements have been obtained from domestic suppliers, and these consulted during a trade investigation completed August 26, 1941, reported the following experiences:

	<u>HIGH CREDIT</u>	<u>OWE</u>	<u>PAST DUE</u>	<u>TERMS OF SALE</u>	<u>PAYMENTS</u>
1. \$	13,000	13,000	---	1-10-30	Discount to Prompt
2.	4,000	4,000	---	1-10-30	Prompt
3.	2,000	---	---	1-10 days	Prompt
4.	2,000	---	---	Net 30 days	Prompt
5.	1,750	---	---	Net 30 days	Prompt

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KELLER, E. J. CO., INC.
 Sec. 2-Page 1

IMPORTER & WHOLESALER
 PAPER MAKERS SUPPLIES

NEW YORK CITY

SECTION 2 FINANCIAL INFORMATION

654 | OCTOBER 14, 1941

FINANCIAL INFORMATION

This business was established in 1915, and since its inception has been dominated by Edward J. Keller, President and Treasurer. Progress is reported to have been made until 1931 and during that year and 1932 operations were affected by a decline in unit volume and lower price levels. The moderate ground lost during those two years is said to have been regained in 1933 when a pick-up in volume and trend towards better prices enabled the company to resume profitable operations. This favorable trend is said to have continued up to about the last quarter of 1937 when due to a lessened demand for paper and lower price levels, also due to large inventories carried by manufacturers and distributors of paper, concerns on whom the company depended for business, curtailed production which in turn affected the sales of E. J. Keller Co., Inc. The last detailed statement made available on E. J. Keller Co. Inc. and which relates to December 31, 1937 showed current assets of \$196,143.20, current and total liabilities \$100,038.32 and a Tangible Net Worth of \$101,702.67. Capital stock outstanding at December 31, 1937 amounted to \$56,000, and at that time a Surplus of \$45,702.67 existed.

A late detailed balance sheet on this corporation has been declined. However, it was directly stated by John L. Nielsen, Secretary, that due to unfavorable conditions existing in the paper manufacturing industry, volume transacted by E. J. Keller Co., Inc. during 1938 was approximately 50% below that transacted during the previous year, operations were unprofitable, tonnage volume during 1939 nearly equalled that transacted during the previous year, but due to better prices which prevailed during the latter part of 1939, operating results improved, although for the entire year a net loss was incurred. John L. Nielsen, also asserted that both tonnage and dollar volume transacted during 1940 was below that transacted during the previous year and operating results were somewhat similar.

Although a late detailed balance sheet on E. J. Keller Co., Inc. could not be obtained directly or in outside quarters, it is reliably learned that since December 31, 1937 there has been a material change in the financial condition, which has become unbalanced, characterized by relatively heavy indebtedness in relation to Tangible Net Worth and only a relatively moderate net working capital. Due to losses incurred during recent years, the Surplus account which previously existed has been eliminated and a deficit in Surplus created. It is learned that at June 30, 1941, capital stock outstanding amounted to about \$56,000, Surplus Deficit amounted to approximately \$31,000 and Tangible Net Worth was about \$25,000. Liabilities which were of a current nature and consisted largely of merchandise obligations and amounts due bank on letters of credit, acceptances and for direct loan covered by bankers certificate of deposit, were about equal to three times Tangible Net Worth. While current indebtedness was moderately exceeded by current assets including inventory, it fell somewhat short of being covered by such liquid assets as cash, bank certificates of deposit and outstanding receivables. In addition to the current debt, the corporation then had a contingent liability for unused letters of credit. It was pointed out that the corporation as a rule buys only against orders received with the result that merchandise inventory at all times is considerably less than outstanding receivables. Sales are said to be made chiefly to paper mills in the United States and Canada on 10 and 30 day terms, and during the past year or more some exportations have been made to South America. The management advised that during late years, little difficulty has been experienced in making collections promptly.

In view of the fact that during late years, the Tangible Net Worth of this corporation is reported to have decreased considerably and that liabilities have become relatively large in relation to net investment and liquid assets, a late detailed balance sheet together with complete operating information is essential to definitely determine the present financial responsibility.

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REPORT

KELLER, E. J. CO. INC.
 Sec. 3-Page 1

IMPORTER & WHOLESALE PAPER
 MAKERS SUPPLIES

NEW YORK CITY

SECTION 3 ANTECEDENTS, METHOD OF OPERATION

654 I SEPTEMBER 2, 1941

Edward J. Keller - President & Treasurer
 John L. Nielsen - Vice-President & Secretary

BOARD OF DIRECTORS: The officers with Frederic H. Cowden

PERSONNEL

Edward J. Keller, 56, married, is a naturalized citizen. He was originally employed in this country as General Manager for a German paper making concern and prior to his organization of this corporation. He is the principal at interest and dominant figure, and is active in the buying and selling phase of the business.

John L. Nielsen, 41, married, is a public accountant by profession. He was auditor for E. J. Keller Co. Inc. from 1921 until 1929 when he was elected Secretary. On July 16, 1937, he succeeded William J. Green as Vice-President and now holds both official capacities. He is in charge of the office and also assists in buying and selling.

Frederic H. Cowden is 52, married, and an attorney by profession, with offices at 60 Wall Street, New York City.

HISTORY

Incorporated under New York laws, November 4, 1915, with an original authorized capital of \$50,000. Subsequently several changes were made in the authorization with increases to \$100,000, recorded, which was further increased to \$250,000, on October 20, 1924. On October 18, 1929, authorized capital was reduced to \$35,000, and on December 29, 1936, was again increased to \$100,000, and additional \$21,000, was paid in in cash.

William Green, former President, resigned July 16, 1937, in order to start business on his own account in the same line. He had no capital stock interest, consequently his resignation did not affect the financial condition of the company.

METHOD OF OPERATION

Imports and wholesales paper makers supplies, specializing in old and new cotton and linen rags, cotton juts and flax wastes, and wood and rag pulp. A portion of purchases are made in foreign markets, principally Canada and to a smaller extent, South America, under letters of credit, on drafts, and on open account, the balance being made from domestic suppliers on open account. Sales are made to a number of the larger paper mills in the United States and Canada, on 10 and 30 day terms, also do some exporting to South America. Purchasing is done largely against orders and merchandise is stored in various railway terminals and warehouses. The officers are active in sales and in all, ten are employed.

LOCATION & FIRE HAZARD

Rents office quarters on the ninth floor of this fifteen-story office building in excellent repair. Other tenants are engaged primarily in the importing line and as manufacturers' representatives. Rental details are not available. FIRE RECORD: During 1918 a fire damage of \$40,000, was suffered in a public warehouse at Troy, N.Y. and in 1929 a fire damage at the Lehigh Valley Terminal was sustained, amounting to \$2,000. It is reported that the full amount of the loss was received in both instances. No further loss reported.

9-2-41 (88) L 5-A

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File	NY 5-462
Box	17

MEMORANDUM FOR THE FILES

AD HOC UNIT

May 7, 1942.

Subject: Frederick Unger
European Textile Corp.

01-5-00462

Reference is made to investigative reports Nos. NY 5-462 and SF 5-118, dated January 8, 1942 and April 14, 1942, respectively, relative to the above subjects.

Frederick Unger

It is brought out that Frederick Unger, 2524 Warring Street, Berkeley, California, is holding the sum of \$177,668 for his sister-in-law, Liese Haas, and her husband, Dr. Felix Haas, who are at present in Yugoslavia and Austria, respectively. These funds are not blocked. They are intermingled with holdings of Unger and represent claims against various types of property including bonds, stock, cash and real property owned by Unger and his wife, Anna. \$3,784.00 of the total represents a 25% share in a fund held by European Textile Corp., 116 Broad Street, New York City, for the former partners of William Abeles and Co., Vienna, Austria. In addition, a certificate for 15 shares of stock of the Bank of International Settlement of Basle, Switzerland, which certificate is registered jointly in the names of Anna Unger and Liese Haas, is held in an unblocked safe deposit box in the names of Frederick and Anna Unger at the American Trust Co., First Berkeley Branch, Berkeley, California.

European Textile Corp.

The subject corporation was formed in January, 1920, under the laws of the State of New York. Capital of \$4,000,000 was subscribed by American International Corporation, Guaranty Trust Company, Lockwood Greene and Company and George H. McFadden and Brothers. The original purpose of the corporation was for the investment of funds in establishing a textile business in Europe. Stock was purchased in various textile mills in Europe, among which were Spinnerie and Webberie and Danubius Textile Works, which were owned by the Unger-Anninger family of Vienna, Austria. After several years of unprofitable operations, the organizers of the subject corporation discontinued business, sold their properties and distributed the assets to the original stockholders. Spinnerie and Webberie and Danubius Textile were returned to the Unger-Anninger group. The corporation was offered to and accepted by this group and was used as a holding company for other family enterprises. Capital was reduced from \$4,000,000 to \$10,000, consisting of 400 shares of \$25 par value each. Such shares were distributed equally among Robert Anninger, Victor Anninger, Annie Unger and Liese Haas.

These individuals are the descendants of the original founders of the firm of William Abeles and Company, which was formed in Vienna in 1872 to engage in the cotton and textile business. At the time of the Austrian Anschluss, the various members of the family fled Austria and eventually arrived in the United States (by 1939). Exceptions were Liese Haas and her husband, Dr. Felix Haas. As stated above, Liese went to Yugoslavia and is

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believed to have become a citizen of that country. Dr. Haas remained in Austria and is presently being held by the Germans in a concentration camp.

Prior to coming to this country, Frederick Unger went to Switzerland and managed to have all available liquid assets of the family enterprises forwarded there for transmittal to the United States. About \$600,000 was then sent from Switzerland to this country through the account of European Textile Corporation. These funds were credited on the corporations's books to the accounts of the various members of the family. Frederick Unger transferred the bulk of the funds due him, also those received for the Haas', to banks in California. He still has, however, funds on deposit in New York banks amounting to approximately \$144,000.

It should be mentioned at this point that Unger, before parting from Liese Haas in Austria, was given a power of attorney authorizing him to transfer her stock in the subject corporation to any person he chose. On March 17, 1941, Unger transferred her 100 shares of stock to Bernard Singer, a native-born citizen of the United States who has represented the family interests in this country since their arrival. The transfer of stock is said to have been made in order to prevent German seizure of Liese's interest therein. Singer states that he is willing to re-assign the stock immediately on the request of any member of the family.

Conclusion

From the foregoing, it would seem to be desirable to block the accounts of Frederick Unger and his wife, in view of the substantial sums of money being held for nationals of Yugoslavia and Austria. Since such nationals are residing in countries occupied by Germany, it would appear necessary to block the funds being held for them in order to safeguard such funds against possible German pressure. After blocking, Unger could be permitted to segregate his funds from those he is holding for the Haas'. Consideration could then be given to the matter of unblocking his personal accounts.

With regard to the European Textile Corp., it has been brought out that 25% of the stock interest therein is held beneficially for nationals residing in blocked countries. Accordingly, it would seem technically correct to regard the corporation as a "national" and to block its accounts. Inasmuch as we are in receipt of no information pointing to suspicious or undesirable activities on the part of the corporation or any of the persons interested therein, consideration could then be given to the granting of liberal licenses or generally licensed national status.

H. W. Glenn.

CC: Mr. Sherbondy
Mr. Seibel

CONFIDENTIAL

HWG
HWGlenn:evb 5/7/42

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 22, 1942

TO Mr. Kennedy, New York
 FROM Mr. May, Washington
 Re: Frederick Unger
 2524 Warring Street
 Berkeley, California

File
~~Circulate to~~
~~Group heads~~

San Francisco report No. SF 5-118 (4-14-42) relating to the subject person, copy of which was forwarded to your office direct, states in par. 4, page 2, as follows:

"This information, and the subject's New York address, was wired to Mr. Pehle's office on February 19, 1942 along with the suggestion that subject be contacted in New York. To date this office has received no reply with regard to the above. However, immediately upon subject's return from New York he called at this office and expressed his willingness to answer any questions. With the information obtained from this interview we felt justified in closing this investigation."

It is noted from your report NY 5-462-A that Mr. Unger was interviewed, presumably at the instance of Mr. Vader's telegraphic request, although our memo of Feb. 20th is not mentioned in the report. Further, it is noted that a copy of your report 5-462-A was not sent to Mr. Vader in accordance with instructions contained in Field Memorandum No. 1.

Please issue necessary instructions to all investigators and group heads to insure future compliance with Field Memorandum No. 1.

CRAH

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APR 23 1942

Foreign Funds Control
 New York

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CONFIDENTIAL REPORT

FOREIGN FUNDS CONTROL
INVESTIGATIVE SECTION

Field Office at **San Francisco, California**Date **April 14, 1942**Report of Agents **William A. Ruet** and
Lyle H. Harris**RECEIVED**Report No. **SF 5-118**

Respectfully forwarded APPROVED:

APR 20 1942

Foreign Funds Control
New York

RAY V. VADEN (Signature and title)
Supervising Agent

Re: Frederick Unger
2524 Warring Street
Berkley, California

Reference is made to a communication from Mr. Ray addressed to this office, dated February 4, 1942 and to Report No. NY 5-462, a copy of which was transmitted therewith, also to our telegram of February 19, 1942, and our letter of confirmation of the same date, to Mr. Pello's office.

On February 16, 1942, we interviewed Mrs. Anna Unger, wife of the subject, at their residence at 2524 Warring Street, Berkeley, California. On April 13, 1942 Frederick Unger and his wife called at this office and were interviewed by the undersigned. A search was also made of the FRB 300 reports filed by the subject and his wife at the Federal Reserve Bank of San Francisco. The material for this report was derived from the foregoing.

Additional background material is to be found in report No. NY 5-462 referred to above.

SUMMARY

Subject is holding the sum of \$177,666 for Felix Hans and Idona Hans, Austrian and Yugoslavian nationals respectively. These funds have been reported on Form FRB 300 but are not blocked. Anna Hans wife of the subject, also reported, on Form FRB 300, a half interest belonging to Idona Hans, in 15 shares of the stock of the Bank of International Settlement of Basel, Switzerland. Value of these shares was listed as unknown. This certificate is in an unblocked safe deposit box.

Subject stated that he had referred the entire matter of funds held for foreign nationals to the Federal Reserve Bank of New York and is at present awaiting their decision as to the disposition of the above mentioned funds.

(FURTHER REPRODUCTION NOT AUTHORIZED)

16-26064-1 GPO

334712

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NY 5-4116

~~above mentioned funds.~~

DETAILS

Frederick Unger and Anna Unger are Austrian refugees who fled Austria at the time of Anschluss and arrived in this country via France and England in 1939. Frederick Unger states that he is indebted to Felix Haas and Liese Haas to the extent of \$177,668.00.

Liese Haas, a sister of Anna Unger, also fled Austria at the time of Anschluss and went to Yugoslavia and became a citizen of that country. She is still believed to be in Yugoslavia. Felix Haas, husband of Liese Haas, remained in Austria and was committed to a concentration camp.

At the time Mrs. Unger was interviewed on February 18, 1942 she stated that she had no knowledge of her husband's financial affairs and that it would be necessary to contact Mr. Unger, who was at that time in New York.

This information, and the subject's New York address, was wired to Mr. Pohl's office on February 19, 1942 along with the suggestion that subject be contacted in New York. To date this office has received no reply with regard to the above. However, immediately upon subject's return from New York he called at this office and expressed his willingness to answer any questions. With the information obtained from this interview we felt justified in closing this investigation.

FUNDS HELD FOR NATIONALS

Subject stated that he is indebted to Felix Haas and Liese Haas for the sum of \$177,668.00. This sum is repayable after December 31, 1942. This amount does not constitute actual funds specifically held for Felix Haas and Liese Haas but is intermingled with holdings of the subject and represents claims against various types of property including bonds, real property, stocks and cash, owned by the subject and his wife.

Of the above mentioned total, the sum of \$3,754.00 represents a 25 per cent share in a fund held by the European Textile Corporation, 119 Broad Street New York City, for the former partners of Fm. Ables and Company of Vienna, Austria. This fund now contains a total of \$15,136.00 which constitutes cash proceeds from the liquidation of assets of said firm. This fund is now being held contingent to possible liabilities incurred in the course of liquidation.

In addition Anna Unger is holding a certificate for 15 shares of stock of the Bank of International Settlement of Basel, Switzerland. This certificate is registered jointly in the name of

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Anna Burger and Isaac Hays. The value of these shares is as present investments. This certificate is at present held in an unwithdrawn safe deposit box in the name of Frederick W. Anna Burger of the American Trust Company, First Parkside or Branch, Berkeley, California.

All of the above mentioned assets have been reported on Form TFR 300.

FINANCIAL STATEMENT OF FINES

Subject stated that while in New York City in February, 1942 he referred the entire matter of his indebtedness to foreign individuals to the Foreign Funds Control Department of the Federal Reserve Bank of New York and was in turn referred to a Mr. Coonan of the Legal Department. Subject stated that he made all the facts known to Mr. Coonan and also supplied him with a complete statement of all assets owned by himself and his wife in this country.

Subject further stated that he expressed his willingness to Mr. Coonan to deposit the sum which he owes to foreign individuals in a blocked account with the Chinese National Bank of New York, if the Treasury Department felt that this was proper.

On the date of this writing, subject has not received a decision from the Federal Reserve Bank of New York with regards to the disposition of the funds in question.

William A. Hays
 William A. Hays
 Investigator

Laford H. Morris
 Laford H. Morris
 Investigator

WAW/jaw/aw
Distribution:

Orig. and 3 copies TFD, Washington
2 copy TFD San Francisco

1 copy N. Y.

Main report also indexed under:

Anna Burger
Frederick Hays
Isaac Hays

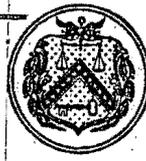
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NETS

NY 5-462-A
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TREASURY DEPARTMENT

WASHINGTON

FOREIGN FUNDS CONTROL

FOREIGN FUNDS CONTROL
253 Broadway, New York
Rector 2-7373

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MAR 27 1942

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

SS26
EG15 Re: BERNARD SINGER, New York, N. Y. 120
E320 EUROPEAN TEXTILE CORP., New York, N. Y. 120
US26 ETEXCO A.G., Zurich, Switzerland. 421
US26 FREDERICK UNGER, Berkeley, California. 120
H200 ANNA UNGER 120
H200 FELIX HAAS 423

Reference is made to your memorandum of February 4, 1942 requesting further information to augment that already reported by Narcotic Agent Palier under file no. NY 5-462.

H200 LIESE/HAAS/ 433

On February 9, 1942 and several successive days, the undersigned interviewed Mr. Bernard Singer and Mr. Frederick Unger in the offices of European Textile Corp., 116 Broad Street, New York, N. Y. The corporate records of the European Textile Corp. were analyzed to determine the exact status of the Swiss holding company Etexco A.G. in relation to the European Textile Corp. Supplemental information supplied by Mr. Unger and Mr. Singer.

A552 VICTOR/ANNINGER/ 120

SUMMARY A552 ROBERT/ANNINGER/ 120

The stock of the European Textile Corp. which was transferred to Bernard Singer has little or no value as evidenced by the balance sheet submitted as Exhibit "A". It was never reported on TFR-300 for this reason, and has now been transferred to the European Textile Corp. and is no longer in the hands of Mr. Singer.

ASSETS OF ETEXCO

Assets of Etexco A.G. the Swiss Corporation, as shown on the balance sheet of European Textile Corp., attached as Exhibit "A", have been assigned to Mr. E. G. Binder, 60 Beaver Street, New York City, an American citizen, to conceal from the German and Swiss Governments their true status, and have been reported by him on TFR-300 showing German ownership. All capital stock of Etexco A.G. has also been

FOR DEFENSE



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UNITED STATES
SAVINGS
BONDS
AND STAMPS

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assigned to him, but was distributed to the owners under separate agreement. This distribution was sanctioned by license issued pursuant to application NY 145214. All shares so transferred are held by the Swiss Bank, Zurich.

FUNDS TRANSFERRED TO THE U. S.

In order to verify the amounts held under the loan agreement attached as Exhibit "B", the undersigned traced all monies deposited in the Chase National Bank by European Textile Corp. All payments were made to generally licensed nationals except such money as was paid to Dr. Frederick Unger on behalf of Felix Haas. Of this sum there was originally \$162,455.85 paid to Dr. Unger. This agrees with the loan agreement figure, except for some minor changes, made at a later date.

The books of European Textile Corp. indicate that a total of \$616,873.42 was transferred and later distributed as explained in Report NY 5-462.

DR. FREDERICK UNGER

The undersigned interviewed the subject while in New York and was assured that TFR-300 had been filed by him at the Federal Reserve Bank in San Francisco. Such money as is held for Dr. Felix Haas is not separated from his own funds and is held under a loan agreement, a copy of which is attached hereto as Exhibit "B". Mr. Unger stated that the amount set forth in the agreement, i.e. \$162,067.60, has changed slightly because of payments made under licenses issued by the Federal Reserve Bank in San Francisco for taxes, fees and the like. The funds so held are in Mr. Unger's own accounts in the Bank of America, Berkely, California and are not blocked. It is Mr. Unger's wish to abide by the existing laws concerning foreign monies and he has contacted Mr. Harding Cowen of the Federal Reserve Bank in order that some disposition may be made of the funds now held by him on behalf of Dr. Haas.

Respectfully,

William E. Tague
WILLIAM E. TAGUE,
Investigator,
Foreign Funds Control.

Respectfully forwarded,
APPROVED:

S. J. Kennedy
S. J. KENNEDY
Treasury Representative,
Acting in Charge

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Copy to: F.R.B., New York (Caveat Section)
Cable Censor (Lt. Bound), 67 Broad St., N. Y. C.

Enclosures: Exhibits "A" and "B".

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EXHIBIT "A"

EUROPEAN TEXTILE CORPORATION
 BALANCE SHEET
 AS OF 12/31/40
 (AFTER ELIMINATING CONTRA ITEMS)

ASSETS

Cash	129,648.55
Rotterdamsche Bank	951.41
Credit Lyonnaisse	70.00
Petty Cash	11.29
Etexco (Swiss Francs)	37.58
	<u>130,718.83</u>

LIABILITIES

Notes Payable to Amninger & Unger	120,000.00
Joint a/c	13,127.58
Liese Haas	250.00 *
Etexco	1,143.74 *

CAPITAL DEFICIENCY

Deficit	35,897.55	
Less - Paid in surplus	22,000.00	
Interest	95.06	
Capital stock	<u>10,000.00</u>	<u>32,095.06</u>
Capital deficiency		<u>3,802.49 (red figure)</u>
		130,718.83.

* These amounts have been assigned to a dummy: E.G. Binder, 60 Beaver Street, New York an American citizen, in order to conceal actual ownership from the German Government.

Reference is made to TFR-300 filed by European Textile showing the other items listed on this balance sheet. Also to the TFR-300 filed by E. G. Binder mentioned above showing his holdings.

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EXHIBIT "B"

RRO MEMORIA

Between the signed Frederick Unger, 68 West 58th Street, New York, and Dr. Oscar Heitler, 380 Riverside Drive, New York, acting as proxy for Dr. Felix Haas, of Dugaresa, Jugo Slavia/ Zuerich, Switzerland, the following matters have been discussed on this 2nd day of July, 1940:

- (1) Mr. Unger produces a statement of the account of Dr. Felix Haas with him, showing payments made to him by Dr. Haas up to this day. The total amount of these payments is \$ 162,455.85. From this amount have to be deducted \$ 388.25 for payments made by Dr. Unger on behalf of Dr. Haas, leaving a net balance of \$ 162,067.60 in favor of Dr. Haas. Mr. Unger recognizes this sum being due by him to Dr. Haas in accordance with his letter to Dr. Haas of May 7th, 1940, and with the wire of Dr. Haas to Dr. Heitler of May 16th, 1940.
- (2) Mr. Unger states that the whole net amount is still kept in cash and no investments have been made so far. Therefore, he is not bound to pay interest on the amount due to Dr. Haas for the time being.
- (3) Mr. Unger is proceeding with his investigations concerning business activities and he is confident that they will lead to such results, as to enable him to grant interest before long. Mr. Unger will provide for that at any event smaller parts of the loan will be available for repayment upon demand of Dr. Haas at any time.
- (4) Mr. Unger declares that pending a special agreement the amount will not be vested into securities or commodities.
- (5) Dr. Heitler takes notice of the foregoing statements with the understanding that the figures given under (1) are to be checked and approved by Dr. Haas.
- (6) Dr. Heitler mentions that no material increase of the amount of the loan may be expected, but some additional few thousand dollars probably will be made available to Mr. Unger.

(Signed) F. Unger

Dr. Oscar Heitler

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5-462B

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

Palin

DATE February 20, 1942

TO Mr. Kennedy, New York
FROM Mr. May, Washington

Re: Frederick Unger (NY5-462)

Confirming today's telephone conversation, following is the text of a message which has just been received from Mr. Rae Vader, Acting Supervising Agent at San Francisco, to whom your report NY 5-462 of January 8th was referred for further information.

"Reference Washington inter-office communication February 4, 1942 concerning Frederick Unger Berkeley, California mentioned Report No. NY5-462 Mrs. Unger interviewed disclaims any knowledge of transactions stop Frederick Unger may be located now at Hotel Park-Chambers 68 West 58th Street New York City. He is not expected to remain there more than a few days."

SM

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FEB 22 1942

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5-462-A

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

February 4, 1942

TO Mr. Kennedy
FROM Mr. May

RECEIVED
FEB 10 1942
Foreign Funds Control
New York
Re: Bernard Singer
European Textile Corporation

In reference to your Report No. NY 5-462 relative to the the above subject, it is requested that the following additional information be secured and transmitted to this office.

- 1) Whether Bernard Singer has reported on Form TFR-300 the shares of European Textile Corporation stock he is holding for Liese Haas,
- 2) The total amount of assets held by European Textile Company for, or on behalf of, Etexco, a Swiss Corporation.
- 3) Whether these funds have been reported on Form TFR-300,
- 4) Whether they have been placed in a blocked account, and
- 5) The ratio between funds so held and the total assets of The European Textile Company.

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FEB 3 1942

: Mr. May European Textile Corp
: Mr. Pehle Bernard Singer
Re : Frederich Unger, Berkeley, California

Reference is made to Report No. NY 5-462. Further information is requested concerning the following:

- 1) The amount of money held by Mr. Unger for Felix Haas and Liese Haas, "nationals", *To S.F. by separate memo CHT*
- 2) Whether these funds have been reported on Form TFR-300, and
- 3) Whether they are held in blocked accounts.

In addition further inquiry in New York is requested to determine:

- 1) Whether Bernard Singer has reported on Form TFR-300 the shares of European Textile Corporation stock he is holding for Liese Haas.
- 2) The total amount of assets held by European Textile Company for, or on behalf of, Etexco, a Swiss Corporation,
- 3) Whether these funds have been reported on Form TFR-300,
- 4) Whether they have been placed in a blocked account, and
- 5) The ratio between funds so held and the total assets of The European Textile Company.

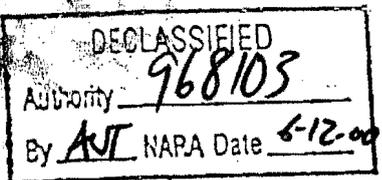
To NY by separate memo CHT

FORWARDED
for appropriate action

To New York
Date 2/4/42
FOREIGN FUNDS CONTROL
Investigative Section
CHT

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FEB 4 1942
LOWER POWER DIVISION

(Initialed) J.W.P.



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DIGEST5-462
January 8, 1942

Re: European Textile Corp. N.Y. City (ETC)
 Frederich Unger, Berkeley, California
 Annie Unger, N.Y. City
 Victor Anninger, N.Y. City
 Robert Anninger, N.Y. City
 Liese Haas, Yugoslavia

Basis of the Investigation: Despatch 12857 indicated that ETC was holding funds for "nationals" and for "national" corporations, which were not blocked.

Background Information: The Anningers came to the U. S. in September 1938 and the Ungers in the Spring of 1939 after having fled from the Nazis in Austria. Together they had owned extensive holdings in textile mills throughout Europe, controlled through Etexco, A.G., a holding company in Switzerland. Most of their holdings have now been confiscated by the Nazis, and the remaining assets of Etexco are now held by a N.Y. holding corporation, ETC. The stock of ETC is held equally by Robert Anninger, Victor Anninger, Annie Unger and Liese Haas.

Results of the Investigation: Frederich Unger managed to liquidate part of the holdings of Etexco and in 1939 about \$900,000 was paid through ETC to members of the two families. Liese Haas is still in Yugoslavia, but her stock in ETC was transferred on March 17, 1941 to Bernard Singer, an attorney for the families and a U.S. citizen, to avoid German confiscation. Mr. Singer paid nothing for the stock and has agreed to return it at the request of any member of the family. The stock has not been reported on Form TFR-300.

Frederich Unger now holds at least \$100,000 belonging to Liese Haas. He is said to have reported this on Form TFR-300, but it is understood that the accounts are not now blocked.

Conclusion: Further investigation will be requested to determine why the funds held by Frederich Unger for Liese Haas have not been blocked and the extent of "national" interest in the ETC. (The control copy of this report has been sent to Mr. Sherbondy)

cc Mr. Bennett
 " Carre
 " Fox
 " Olsen
 " Quint
 " Timmons
 " Towson
 " Volentine

PCParker: cam 1/26/42

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 TREASURY DEPARTMENT

JAN 10 1942

WASHINGTON

FOREIGN FUNDS CONTROL

INVESTIGATIVE SECTION
 WASHINGTON, D. C.
CRA

FOREIGN FUNDS CONTROL
 70 Pine Street, New York

JAN 8 1942

John W. Pehle, Esquire,
 Assistant to the Secretary,
 Treasury Department,
 Washington, D. C.

Sir: Re: EUROPEAN TEXTILE CORPORATION, New York City.
FREDERICH UNGER, Berkeley, California.
LIESE HAAS, Yugoslavia.

Reference is made to your communication dated November 29, 1941, transmitting a copy of despatch No. 12857, relative to the above subjects.

On December 23, 1941, I interviewed Robert Anninger at his home, 395 Riverside Drive, New York City, and also interviewed Bernard Singer, his attorney, who was present. Robert Anninger is a stockholder of European Textile Corporation and is a member of the family which is involved in this investigation. On December 24, I interviewed Bernard Singer at the offices of the European Textile Corporation (hereinafter referred to as ETC) at 116 Broad Street, New York City, and inspected numerous records, books of accounts, cancelled checks and other pertinent data. On the same date I secured information concerning bank accounts of the individuals and firms herein from the Chase National Bank and from the Manufacturers Trust Company. A search was also made of applications of individuals herein on file at the Federal Reserve Bank. The material for this report was derived from the foregoing.

SUMMARY

More than \$100,000 belonging to nationals of Yugoslavia and Austria is being held for them by a relative, Frederick Unger, in unblocked bank accounts in the United States. A stock interest of one of the Yugoslavian nationals was transferred, under a power of attorney, to a United States citizen in New York City without the payment of any consideration by the transferee.

HISTORY

In 1872, the firm of William Abeles and Company was formed in Vienna to engage in the cotton and textile business.



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The firm acquired several textile factories in the succeeding years, and prospered. The descendants of the original founders were Robert and Victor Anninger (brothers), Annie Unger and Liese Haas. In 1937, the family fortune was said to have amounted to more than ten million dollars. The family lived in Vienna where a large house was owned.

Liese, a granddaughter of one of the original Abeles founders, was very ugly. An adventurer, Felix Haas, met and married her, attracted more by her wealth than by her personality, it was said. Felix had a number of impractical notions about business, and before his true nature was learned, he had cost the family much annoyance and money.

On March 11, 1938, the German army, to consolidate the Anschluss of Austria with Germany, marched into Vienna. The Anningers and Ungers, who were Jews, knew that their lives were in peril, and so they fled across the border into Hungary, just minutes ahead of the German troops. Felix Haas, with his usual jauntiness, refused to join them, believing that everything would be all right with himself and his wife, Liese. Felix soon found that he had guessed wrong again, and was placed in a concentration camp. Liese fled to Yugoslavia. A few letters have been received from her. Before the conquest of Yugoslavia by Germany, she wrote that she had become a citizen of Yugoslavia, but no word has been received from her for months.

The Anningers and the Ungers reached France shortly after their escape from Austria, and remained in France for a few months. Victor and Robert Anninger then set out for the United States, arriving in New York City on September 1, 1938 on immigration visas. The number of Robert's visa was 956523.

In the meantime, Frederick Unger had gone to Switzerland from where he had managed to communicate with his agents in Austria, Czechoslovakia and Holland. Unger made arrangements for all available liquid assets of the family enterprises to be forwarded to Switzerland, whence they would be transmitted to the United States. In this manner about \$600,000 was sent from Switzerland to the United States by transmission through the account of the European Textile Corporation, as noted in despatch No. 12857. The Ungers came to the United States in the Spring of 1939.

Victor and Robert Anninger, their wives, Lily and Kitty, their father, Otto Anninger, Frederick Unger and his wife, Annie, and their daughters Gitta and Greta were now in New York City. The Anningers engaged in some speculation on the New York Stock Exchange, buying General Motors and Commercial Credit.

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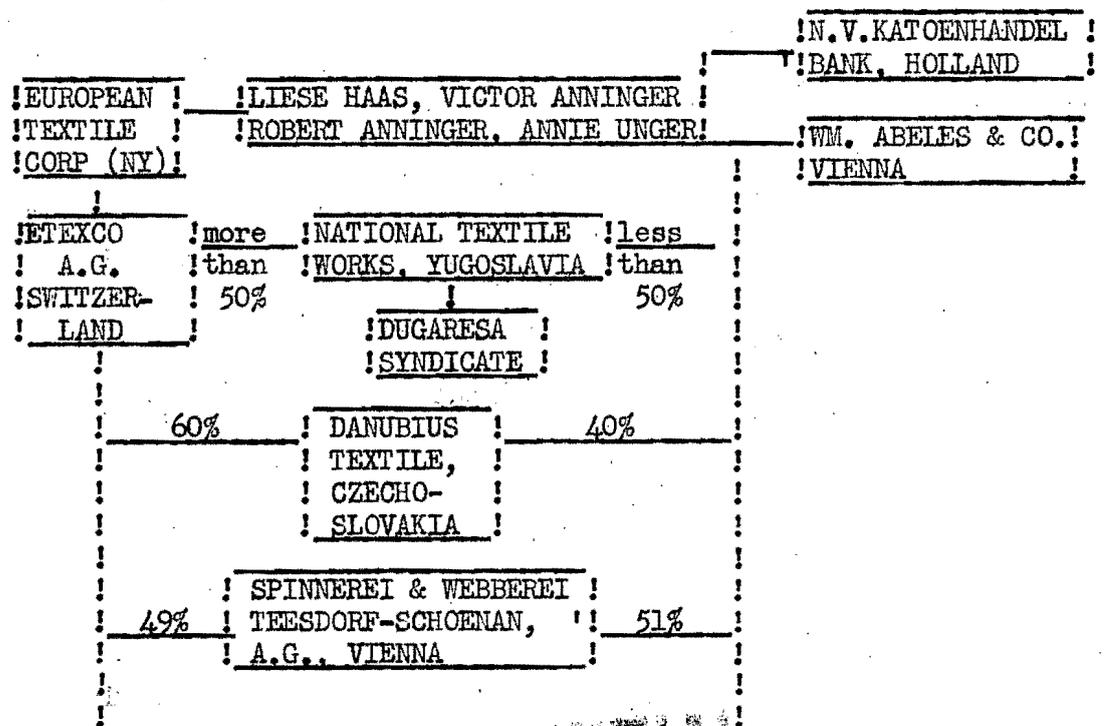
NY 5-462

After sustaining a loss of over \$10,000, they stopped speculating. Gitta Unger, a girl of thirteen, went to high school, while Greta Unger, nineteen years old, went to Radcliffe College in Cambridge, Massachusetts. Frederick Unger, a noted economist in Austria, who had served as financial advisor to the Austrian Government, lived as a retired gentleman. In July, 1941, the Unger family moved to Berkeley, California, where they leased a house at 2524 Warring Street.

Robert Anninger secured his first citizenship papers on May 9, 1939, at New York City, No. 432725. His brother, Victor, went to Seattle, Washington, but has returned to New York within the past week and expects to live in New York. The father, Otto Anninger, is retired and lives with his son, Robert.

ORGANIZATION

The organization of and relationships between the firms controlled by the Anninger-Unger-Haas families are rather complicated. The following chart shows the situation as it existed in 1938, before the German invasion of Austria:



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ORIGINS OF FIRMS HEREIN

Following are data concerning the origins of the firms described in this report:

<u>NAME</u>	<u>DATE ORGANIZED</u>	<u>COUNTRY OF ORGANIZATION</u>	<u>ORGANIZERS</u>
European Textile Corp.	Jan. 24, 1920	U.S. (N.Y.)	American International Co., Guaranty Trust
Wm. Abeles & Co.	1872	Austria	Abeles family
Etexco, A. G.	1931	Switzerland	Anninger-Unger-Haas
National Textile Mfg. Spinnerei & Weberei	1884	Yugoslavia	Anninger-Unger
Danubius Textile Mfg.	1930	Austria	Anninger-Unger
	1909	Hungary	Abeles-Unger-Anninger
Katoenhandel, N. V.	1935	Holland	Anninger-Unger-Haas

ORGANIZATION AND OPERATIONS OF EUROPEAN TEXTILE CORPORATION

Shortly after the termination of the 1914-1918 war, a group of American capitalists considered that a favorable opportunity existed for the investment of funds in establishing a textile business in Europe. A company called the European Textile Corporation was formed under the laws of the State of New York on January 24, 1920, and a capital of \$4,000,000 was subscribed by American International Corporation, Guaranty Trust Company, Lockwood, Greene and Company and George H. McFadden and Brothers.

ETC began operations by purchasing stock in various textile mills already established in Europe, among them being Spinnerei and Weberei and Danubius Textile, which were owned by the Anninger-Unger families. After almost four years of unprofitable operations, the organizers of ETC realized that their enterprise was doomed to failure. They discontinued business, sold their properties, returning Spinnerei and Weberei and Danubius Textile to the Anninger-Unger family, and distributed their assets to the original stockholders. ETC was now an empty shell, owning no property and having no assets; all it had was a corporate existence. The original founders of ETC offered the empty shell to the Anninger-Unger-Haas family which accepted it. The family decided to use ETC as a holding company for the shares of Etexco, A. G. which, in turn, was a holding company for other family enterprises. The capital of ETC was reduced from \$4,000,000 to \$10,000 consisting of 400 shares of \$25 par value each. One hundred shares of ETC was distributed to each of the following individuals: Robert Anninger, Victor Anninger, Liese Haas, Annie Unger.

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As ETC was an American corporation, it was decided to appoint two U. S. citizens as officers. The following officers were designated:

R140
P450 Eric Keibel, President
Mannfred Palm, Vice-President. 130

These two officers were mere figure-heads for ETC. They conducted their own import and export business at 116 Broad Street, New York City. They merely provided desk space for ETC in this country, filed the necessary corporate returns each year and maintained custody of the corporation books. For these services they received \$2500 per year, which, according to Anninger, represented a gross overpayment for such minor services. They had no voice whatever in the business conduct of ETC.

Before the Ungers parted from Liese Haas in Austria, the latter gave to Frederick Unger a power of attorney allowing him to transfer her stock in ETC to whomever he desired. On March 17, 1941, the power of attorney was exercised by Frederick Unger who transferred Liese Haas's 100 shares of ETC to Bernard Singer, a lawyer who has represented the Anninger-Unger interests in this country since their arrival. Singer is a native United States citizen. With great reluctance, Singer admitted that he had paid no consideration for the stock, and that he had agreed to become a stockholder as an accommodation for the Unger-Anninger family. It was conceded that Liese Haas had not been notified that a transfer had been made of her stock. Singer admitted that he would re-assign his stock immediately on the request of any member of the Anninger-Unger family. The transfer to Singer was made, it was said, to prevent the Germans from declaring a seizure of Liese Haas's interest in the stock, on the ground that she is a citizen of Austria or Yugoslavia. Incidentally, it should be noted that the date of the transfer of the stock to Singer was March 17, 1941, just seven days before the date of the promulgation of the Executive Order affecting the property of Yugoslav nationals. I inspected the stock book of ETC which showed that certificate No. 82 had been issued for 100 shares on March 17, 1941, to Bernard Singer. As stated, Anninger told me that he had received a letter from Liese Haas in which she stated that she had become a citizen of Yugoslavia.

TRANSACTIONS

Despatch No. 12857 shows the transfer of almost \$600,000 from Switzerland to the United States, through the account of ETC, and the crediting of various portions of this sum to a number of individuals and firms. Following is a recapitulation of the amount credited to each account as shown by despatch 12857:

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VICTOR & ROBERT ANNINGER	\$216850.00
DANUBIUS TEXTILE WORKS	810.52
DUGARESA SYNDICATE	18935.69
ETEXCO, A.G.	9000.55
FELIX HAAS	16813.90
LIESE HAAS	197750.00
N.V. KATOENHANDEL	21122.47
ANNIE UNGER	17050.00
ANNIE UNGER & LIESE HAAS	26350.00
GITA & GRETA UNGER	<u>42500.00</u>
TOTAL	\$567183.13

Inspection of the books and records of ETC shows that the amounts actually credited to the accounts of the various individuals herein vary greatly from the figures shown above. Nearly all the money transferred to this country was credited to the members of the Anninger-Unger-Haas family. The item above showing that \$21122.47 was credited to the account of N. V. Katoenhandel, for example, is not an accurate representation of the facts; that sum was realized from the liquidation of the assets of N. V. Katoenhandel, and when transferred to this country, was apportioned among the various members of the family. Following is a table showing the actual distribution of the transferred funds, as reflected by the books of ETC:

VICTOR & ROBERT ANNINGER	\$262614.50
LIESE HAAS	18470.82
ANNIE UNGER	18470.82
FELIX HAAS	100738.90
FREDERICH UNGER	110460.91
GITA UNGER	20500.00
GRETA UNGER	<u>28000.00</u>
TOTAL	\$559255.95

The total shown above is approximately \$8,000 less than the total shown in despatch No. 12857. This difference was deposited in the account of ETC at the Chase National Bank which at present amounts to \$51400 (not blocked).

Another instance wherein the distribution of funds shown by despatch No. 12857 varied markedly from the distribution shown by the books of ETC is, for example, the item of March 20, 1939. The despatch shows that a \$330,000 sum received that day was distributed, \$150,000 to Victor and Robert Anninger, and \$180,000 to Liese Haas. The books of ETC show that the \$330,000 received on that day was actually distributed as follows:

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 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
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-8-

Robert Anninger	\$75,000
Victor Anninger	75,000
Felix Haas	75,000
Frederich Unger	75,000
Liese Haas	15,000
Annie Unger	15,000

The sum of \$810.52 which was credited to the account of Danubius Textile Works, represents the proceeds of a lawsuit in which the company was victorious.

Of the \$9000 which was credited to the account of Etexco, A. G., as shown by the despatch, the sum of approximately \$6300 was deposited in an account of Etexco, A. G. at the Chase National Bank. This account is the only one concerned in this investigation which is blocked, Etexco, A.G. being deemed a national of Switzerland.

LOCATION OF DISTRIBUTED FUNDS

Victor and Robert Anninger divided their \$262614.50 between them, each one receiving \$131307.25. Robert's money is at present invested as follows:

Savings Banks	\$80,000
Brokers	30,000
(Goldman, Sachs)	
(Content, Zucker)	
Defense Bonds	10,000

As stated, Robert lost about \$10,000 speculating in Wall Street. I did not interview Victor Anninger, but Robert told me that Victor's money was invested in approximately the same manner as Robert's.

Frederich Unger, as stated, is now living in California with his family. I was told that before Unger moved to California, he transferred the bulk of his money to banks in California. All his funds are said to be in bank accounts in his name. I learned that he still has on deposit the following sums in New York banks:

Chase National Bank	\$44091.95
Manufacturers Trust	100000.00 (Exact sum)

His daughter, Gita, has on deposit in her name the sum of \$2462.79 at the Chase National Bank. The accounts of Unger

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at the Chase National Bank and at the Manufacturers Trust Company are unblocked.

Bernard Singer, the lawyer, and Robert Anninger told me that Frederick Unger was holding the funds of Felix and Liese Haas. Singer said that he had seen a copy of a form TFR 300 filed by Frederick Unger showing that he was holding more than \$100,000 for Felix and Liese Haas. Unger filed his TFR 300 with the Federal Reserve Bank in San Francisco.

Anninger and Singer were certain that Frederick Unger was holding none of the funds of Felix and Liese Haas in a blocked account. The money of the Haases was mingled with the money of Unger in the various bank accounts he maintained, and there had been no attempt made to segregate the funds of the two families.

The sum of \$48,500 actually credited to the account of Gita and Greta Unger was said to represent a gift by Frederick Unger to his two daughters, and not a distribution of assets legally owed to the two girls.

LICENSES

A search was made in the files of the Federal Reserve Bank for all applications and licenses in the names of the individuals and firms appearing in this report. Two licenses had been granted to Robert Anninger, NY 73747 and NY 78278, permitting him to transmit funds to Paris for the payment of traveling expenses for his old nurse so that she could come to the United States. She is now here, employed in the Anninger household. Another application, NY 169526, was for the same purpose, but was cancelled. Robert Anninger filed application NY 234778 for authority to send \$12.40 to Switzerland for payment of a newspaper subscription, but the application was denied.

Frederich Unger received license NY 148940 permitting him to remit \$10 from the funds being held for Felix Haas, for the support of an uncle in Belgium.

Respectfully,

Leo Palier

LEO PALIER,
Narcotic Agent.

Respectfully forwarded,
APPROVED:

S. J. Kennedy
S. J. KENNEDY,
Treasury Representative,
Acting in Charge.

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Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

SEATTLE BRANCH
FEDERAL RESERVE BANK OF SAN FRANCISCO
FISCAL AGENT OF THE UNITED STATES

VIA AIR MAIL

January 8, 1942

Federal Reserve Bank of New York
New York, New York

Dear Sirs:

Reference is made to our letters of January 5 and January 7 concerning withdrawals from local savings and loan associations by Robert Anninger and Lily Anninger of 395 Riverside Drive, New York.

Today we are advised by a third institution, the Northern Federal Savings and Loan Association, Seattle, of requests for withdrawals received from Robert Anninger and Victor Anninger in the amounts of \$2,000 and \$3,000, respectively, from accounts established by these individuals in July, 1941, each in the amount of \$5,000.

Inasmuch as the Association holds an affidavit of Robert Anninger that he entered the country in 1938, it is permitting the release of the requested funds from his account; however, it is withholding release of funds from the account of Victor Anninger until such time as it receives evidence in the form of an affidavit or otherwise, that he complies with the provisions of General License 42 or General License 42A.

Victor Anninger also has given his address as 395 Riverside Drive, New York.

Yours very truly,

/signed/ C. R. SHAW
Managing Director

DECLASSIFIED	
Authority	968103
By	ANT NAPA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	NY 5-462
Box	17

SEATTLE BRANCH

FEDERAL RESERVE BANK OF SAN FRANCISCO

FISCAL AGENT OF THE UNITED STATES

January 7, 1942

Federal Reserve Bank of New York
New York, New York

Dear Sirs:

Subject: Foreign Funds Control

In our letter dated January 5, we informed you of a report by the Citizens Federal Savings and Loan Association of Seattle that on July 9, 1941, one ROBERT ANNINGER of 395 Riverside Drive, New York, deposited \$5,000 with the institution, which now has received a request from the individual that the funds be withdrawn and sent to him. The Citizens Federal Savings and Loan Association has complied with the request. According to the Association, Anninger reported that he entered the United States from Germany in September, 1938, and that he declared his citizenship intention in 1939.

We are today advised by the Puget Sound Savings and Loan Association, Seattle, that a MRS. LILY ANNINGER, also of 395 Riverside Drive, New York, has addressed an urgent request to that Association asking that \$5,000 deposited in 1941 be forwarded immediately to her in the form of a draft. The records of the Association show that the account originally was opened by Lily Weimann, who later became Mrs. Robert Anninger, and whose address on January 10, 1941, was Apartment 205, 1631 Sixteenth Avenue, Seattle. The records of the Association show that Mrs. Anninger was born in Vienna, Austria, on July 16, 1914, the daughter of Margarete Hahn. The Puget Sound Savings and Loan Association will release the funds on January 9 unless other information develops before that date indicating that the funds should be blocked.

The Federal Bureau of Investigation at Seattle has no record of these individuals and we are forwarding the information to you in order that you may possibly place it in the hands of the Foreign Funds Control Investigative Division.

Yours very truly,

/signed/ D. R. SHAW

Managing Director

4 copies to Mr. May

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DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

SEATTLE BRANCH
FEDERAL RESERVE BANK OF SAN FRANCISCO

January 5, 1942.

Federal Reserve Bank of New York,
New York,
N. Y.

Dear Sirs:

Subject: Foreign Funds Control

It has been reported to us by the Citizens Federal Savings and Loan Association of Seattle that on July 9, 1941, one Robert Anninger of 395 Riverside Drive, New York, deposited \$5,000 with them. They are now in receipt of a request that this amount of money be withdrawn and sent to the above individual, which is being done today.

It is reported that Mr. Anninger entered this country from Germany in September 1938, and that he filed his first papers during the year 1939.

The above information is given to you so that it may be placed in the hands of the proper authorities.

Yours very truly,

/s/ C. R. SHAW,
Managing Director.

DECLASSIFIED
Authority 968103
By ANT NAPA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

5-462

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE **NOV 29 1941**

TO Mr. May
FROM Mr. Pehle

Re: European Textile Corporation,
116 Broad Street,
New York, N. Y.

In view of the information regarding the subject contained in the attached Despatch 12857, it would be appreciated if you will have an investigation made to ascertain its ownership, activities, and the nature of funds being held in its account or the accounts of those listed in the "Schedule of Cash Transfers".

Just

RECEIVED

DEC 3 - 1941

Foreign Funds Control
New York

FORWARDED
for appropriate action

To NY
Date Dec 1 1941
FOREIGN FUNDS CONTROL
Investigative Section
CMK

DECLASSIFIED
 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 5-462
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5-462

"European Textile Corp. is a personal holding company organized in 1920 which owns 100% of the stock of Etexco, A.G., a foreign personal holding company whose address is Bahnhofstrasse 66, Zurich, Switzerland.

"Etexco, A.G. owned a substantial interest in National Textile Works of Yugoslavia and a substantial minority (49% in Spinnerei & Weberei Teesdorf-Schoenan, A.G., Vienna, (Called Teesdorf herein), also a textile concern.

"The stockholders of European Textile Corp. controlled in addition to the above, the Danubius Textile Works, a private bank known as H. U. Katoenhandel, and the partnership of Wm. Abeles & Company (Vienna). This control was exercised either directly or through members of the families. The stockholders and their families, also owned, under the name "Dugaresa Syndicate", the remaining interest in National Textile Works of Yugoslavia.

"The names and addresses of the stockholders are as follows:

<u>Name</u>	<u>Address</u>
Liese Haas	Dugaresa, Yugoslavia
<u>Annie Unger</u>	68 West 58th St., New York, N. Y.
<u>Robert Anniger</u>	68 West 58th St., New York, N. Y.
<u>Victor Anniger</u>	68 West 58th St., New York, N. Y.

"The names and relationships of the various other members of the families involved are:

<u>Name</u>	<u>Relationship</u>
Dr. Felix Haas	Husband of Liese Haas
Dr. Friedrich Unger	Husband of Annie Unger
Gita Unger	Daughter of Annie Unger
Greta Unger	Daughter of Annie Unger

"All these people were residents of Austria prior to the Anschluss in 1938. But when the Germans came in, all but two fled and came to the U.S.A. Dr. Felix Haas was arrested and is still detained by the Germans and his wife, Liese Haas, settled in Yugoslavia.

RECEIVED

The property of Wm. Abeles & Company including 51% of the stock of Teesdorf was taken over by Germany in 1938 after the taking of Austria.

DEC 3 - 1941

Foreign Funds Control
 New York

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12857

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DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

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"In 1939 various amounts of money and credits amounting to a total of approximately \$600,000. were transferred from Europe to the U.S.A. in the name of the European Textile Corporation and placed in the Chase National Bank to the credit of the various stockholders and their relatives as shown in the attached sheet. Practically all the amounts originated in Switzerland where the Swiss Bank Corporation, Geneva has a safekeeping account for Etexco, A.G."

RECEIVED

DEC 3 - 1941

Foreign Funds Control
New York**CONFIDENTIAL**

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DECLASSIFIED
 Authority 968103
 By ANT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 5-462
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SCHEDULE OF CASH TRANSFERS
EUROPEAN TEXTILE CORP.

8-15/41

Date Received	Dollar Amounts Received	For the account of the following:	Amount credited to each account
2-10	\$ 3,101.12 ✓	Etexco, A.G.	\$ 3,101.12
3-20	200,000.00 ✓	(Victor and Robert Anniger)	150,000.00
	130,000.00 ✓	(Liese Haas)	180,000.00
	20,000.00 ✓	(Victor and Robert Anniger)	10,000.00
		(Liese Haas)	5,000.00
		(Annie Unger)	5,000.00
	14,000.00 ✓	(Victor and Robert Anniger)	11,500.00
4-20	9,000.00 ✓	(Liese Haas and Annie Unger)	11,500.00
	16,813.90 ✓	Dr. Felix Haas	16,813.90
5-9	19,000.00 ✓	Victor and Robert Anniger	19,000.00
7-12	42,500.00 ✓	Gita and Greta Unger	42,500.00
8-7	30,000.00 ✓	(Victor and Robert Anniger)	11,500.00
		(Liese Haas)	12,750.00
		(Annie Unger)	5,750.00
7-29	6,084.24 ✓	H. V. Katoenhandel	6,084.24
8-11	155.81 ✓	"	155.81
8-28	4,700.00 ✓	"	4,700.00
8-29	6,000.00 ✓	Annie Unger	6,000.00
9-1	31,540.00 ✓	(Victor and Robert Anniger)	14,850.00
9-2	660.00 ✓	(Annie Unger and Liese Haas)	14,850.00
		(Etexco, A.G.)	2,500.00
9-5	1,561.25 ✓	Etexco, A.G.	1,561.25
9-15	9,417.52 ✓	H. V. Katoenhandel	9,417.52
9-28	564.90 ✓	"	564.90
8-16	200.00 ✓	"	200.00
11-14	300.00 ✓	Annie Unger	300.00
11-15	1,838.18 ✓	Etexco, A.G.	1,858.18
12-15	810.52 ✓	Danubius Textile Works	810.52
12-20	18,935.69 ✓	Syndicate Dugarisa	18,935.69

567,183.13

RECEIVED

DEC 3 - 1941

Foreign Funds Control
 New York

CONFIDENTIAL

12857

334738

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

10-27-41

DATE

TO Mr. May
FROM Mr. Pehle

RE: European Textile Corporation
116 Broad Street
New York, New York

Attached hereto are Mr. Runyon's memorandum dated October 8 and Mr. Carlock's memorandum dated October 17 concerning European Textile Corporation.

It will be appreciated if you will have made an investigation of the subject's ownership and activities referred to in the attached memoranda.

Enclosure

JXP:MZ -10-27-41

334739

DECLASSIFIED
 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 5-462
 Box 17

October 17, 1941.

Mr. Sherbondy

Mr. Carlock

RE: European Textile Corporation
116 Broad Street
New York, New York

Reference is made to Mr. Runyon's memorandum to you dated October 8, 1941, concerning this company. The information contained therein was gathered by Internal Revenue Agents, and was transmitted under date of September 18, 1941.

It appears that one of the four stockholders of the corporation is a resident of Dugaresa, Yugoslavia. Since the corporation should be blocked if her interest is "substantial", it is suggested that Mr. May's office might obtain this information. At the same time the various transfers of money and credits made in 1939 should be investigated. If European Textile Corporation still holds \$600,000, part of which belongs to nationals of foreign countries designated in the Order, its accounts could be blocked for that reason alone. If the Agents' statement means that the money was deposited in Chase National Bank in the names of the various beneficiaries then those accounts should be blocked in appropriate cases, including Etexco A.G., Liese Haas, Felix Haas, H. V. Katvenhandel, and presumably Danubius Textile Works, and Syndicate Dugaresa.

JKC/brg 10-17-41

JKC

[Handwritten initials]

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Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

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STRICTLY CONFIDENTIAL

October 8, 1941

TO Mr. Sherbondy through Mr. Klaus
FROM Mr. Runyon

The following information has been received in this office from a thoroughly reliable source and may be of interest to FFC in that it shows that European Textile Corporation holds some \$600,000 of "refugee funds" of various Austrian Nationals - some of whom are now in the United States although one is in German custody and one is in Yugoslavia:

"European Textile Corp. is a personal holding company organized in 1920 which owns 100% of the stock of Etexco, A.G., a foreign personal holding company whose address is Bahnhofstrasse 66, Zurich, Switzerland.

"Etexco, A. G., owned a substantial interest in National Textile Works of Yugoslavia and a substantial minority (49% in Spinnerei & Weberei Tusdorf-Schoenan, A. G., Vienna, (Called Teesdorf herein), also a textile concern.

"The stockholders of European Textile Corp. controlled in addition to the above, the Danubius Textile Works, a private bank known as H. U. Katoenhandel, and the partnership of Wm. Abeles & Company (Vienna). This control was exercised either directly or through members of the families. The stockholders and their families, also owned, under the name "Dugaresa Syndicate", the remaining interest in National Textile Works of Yugoslavia.

"The names and addresses of the stockholders are as follows:

<u>Name</u>	<u>Address</u>
<u>Liese Haas</u>	Dugaresa, Yugoslavia
<u>Annie Unger</u>	68 West 58th St., New York, N. Y.
<u>Robert Anniger</u>	68 West 58th St., New York, N. Y.
<u>Victor Anniger</u>	68 West 58th St., New York, N. Y.

"The names and relationships of the various other members of the families involved are:

<u>Name</u>	<u>Relationship</u>
<u>Dr. Felix Haas</u>	Husband of Liese Haas
<u>Dr. Friedrich Unger</u>	Husband of Annie Unger
<u>Gita Unger</u>	Daughter of Annie Unger
<u>Greta Unger</u>	Daughter of Annie Unger

DECLASSIFIED
Authority 968103
By AVT NAPA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
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- 2 -

"All these people were residents of Austria prior to the Anschluss in 1938. But when the Germans came in, all but two fled and came to the U.S.A. Dr. Felix Haas was arrested and is still detained by the Germans and his wife, Liese Haas, settled in Yugoslavia.

"The property of Wm. Abeles & Company including 51% of the stock of Teesdorf was taken over by Germany in 1938 after the taking of Austria.

"In 1939 various amounts of money and credits amounting to a total of approximately \$600,000. were transferred from Europe to the U.S.A. in the name of the European Textile Corporation and placed in the Chase National Bank to the credit of the various stockholders and their relatives as shown in the attached sheet. Practically all the amounts originated in Switzerland where the Swiss Bank Corporation, Geneva has a safekeeping account for Etexco, A. G."

CR.

SK

over

334742

EUROPEAN TEXTILE CORPORATION
 CASH DISBURSED FOR PERIOD JANUARY 1, 1938
 TO JANUARY 1, 1940 SHOWING CONTRA ACCOUNTS
 DEBITED

DATE	FOLIO	CREDIT CHASE NATIONAL BANK	WM. ABELES RES. ACCT.	(A) ANNINGERS	(A) OTHER FORMER PARTNERS	(B) PROFIT AND LOSS	(C) DUGARESA MILL	(D) ETEXCO A.G.*	(E) WILLIAM AEPFLE	JOINT ACCOUNT
1938										
3/15	112	179.18	179.18							
16	"	98.15	98.15							
29	"	12.00	12.00							
10/14	"	78.44	78.44							
"	"	1,200.00	1,200.00							
19	113	2,500.00		1,250.00	1,250.00					
12/21	114	2.50				2.50				
		<u>4,070.27</u>	<u>1,567.77</u>	<u>1,250.00</u>	<u>1,250.00</u>	<u>2.50</u>				
1939										
3/8	116	31,651.56					31,651.56			
15	"	59.81				59.81				
24	118	10,000.00		10,000.00						
28	119	22.00				22.00				
5/9	"	10,000.00		10,000.00						
/10	"	14,000.00			14,000.00					
13	"	10.50				10.50				
15	"	28.71				28.71				
19	"	1.50				1.50				
31	120	7,000.00						7,000.00		
6/2	"	1,000.00			1,000.00					
16	"	1,000.00			1,000.00					
2	"	2.60				2.60				
19	"	3,748.75			3,748.75					
28	"	20,000.00			20,000.00					
7/11	121	40,000.00			40,000.00					
12	"	10,000.00		10,000.00						
15	"	1.00				1.00				
20	122	5.60			5.60					
8/21	"	5,000.00		5,000.00						
29	"	10,000.00		10,000.00						
31	123	12.00				12.00				
9/8	"	6,000.00		6,000.00						
9	"	10,000.00			10,000.00					
13	124	61,843.10			61,843.10					
14	"	12,500.00			10,000.00			2,500.00		
15	"	2.60				2.60				
22	125	10,000.00		10,000.00						
10/11	"	10,000.00		10,000.00						
25	"	6,000.00		6,000.00						
11/10	127	6,000.00		6,000.00						
21	126	1,158.82						1,413.34		
"	"	254.52								
12/1	127	4,500.00		4,500.00						
12/7	128	4,000.00		4,000.00						
8	"	3,000.00						3,000.00		
21	"	9.88								9.88
"	"	2,500.00				2,500.00				
"	"	2,897.81								2,897.81
"	"	1.05							1.05	
TOTALS		<u>304,211.81</u>		<u>91,500.00</u>	<u>161,597.45</u>	<u>2,640.72</u>	<u>31,651.56</u>	<u>10,913.34</u>	<u>3,001.05</u>	<u>2,907.69</u>
GRAND TOTAL		<u>308,282.08</u>								

EXHIBIT B

334744

131 - Alien Property
 Entry File NY 5-462
 Box 17

DECLASSIFIED
 Authority 98803
 By ANI NARA Date 6-12-09

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 5-462
Box 17

- (A) Payments made were deposited in bank accounts of Anningers-Haas-Unger in United States.
- (B) Sundry expenses of European Textile. Main share is \$ 2,500.00 Administration fee to Goldsmith & Co., New York.
- (C) See note (c) on cash receipts schedule.
- (D) Return to Europe of certain funds requested by Dr. Haas.
- (E) Amount advanced to former Swiss employee to assist him in starting a small business.

*See analysis on separate sheets.

EXHIBIT B

334745

EUROPEAN TEXTILE CORPORATION
ANALYSIS OF SOURCES OF CREDITS AND DEBITS TO
ACCOUNT OF DR. ROBERT ANNINGER AND MR. VICTOR
ANNINGER ON BOOKS OF EUROPEAN TEXTILE CORPORA-
TION FOR PERIOD JANUARY 1, 1938 TO JANUARY 1,
1940

(Accounts of Mr. Haas And Mr. Unger Are Sub-
 stantially similar)

DATE	FOLIO	CREDITS			DEBITS				
		R. ANNINGER (80)	V. ANNINGER (81)	TOTAL	WM. ABELES & CO. RESERVE ACCOUNT	CHASE NATIONAL BANK	PROFIT AND LOSS	ETEXCO A.G.	SUNDRY
1938									
10/17	113	738.16	738.17	1,476.33	1,476.33				
10/1	113	757.12	757.11	1,514.23		1,514.23			
12/31	114	72.33	72.33	144.66			144.66		
12/31	115	625.00	625.00	1,250.00			1,250.00		
TOTALS - 1938		2,192.61	2,192.61	4,385.22	1,476.33	1,514.23	1,394.66		
1939									
2/10	116	775.28	775.28	1,550.56		1,550.56			
4/4	117	75,000.00	75,000.00	150,000.00				150,000.00	
4/20	118	5,000.00	5,000.00	10,000.00				10,000.00	
4/24	118	5,750.00	5,750.00	11,500.00				11,500.00	
5/8	119	9,500.00	9,500.00	19,000.00		19,000.00			
5/31	120	11,000.00	11,000.00	22,000.00					22,000.00 Dr. Haas
5/31	121	3,250.00	3,250.00	6,500.00					6,500.00 Dr. Unger
8/7	122	5,750.00	5,750.00	11,500.00		11,500.00			
9/21	124	7,425.00	7,425.00	14,850.00				14,850.00	
10/16	125	3,750.00	3,750.00	7,500.00					7,500.00 Dr. Haas
11/21	127	477.07	477.08	954.15				954.15	
12/21	128	1,437.28	1,437.29	2,874.57					2,874.57 Joint Accounts
TOTALS - 1939		129,114.63	129,114.65	258,229.28		32,050.46		187,304.15	38,874.57
GRAND TOTALS		131,307.24	131,307.26	262,614.50					

DATE	FOLIO	DEBITS			CHASE NATIONAL BANK	PROFIT AND LOSS
		R. ANNINGER (80)	V. ANNINGER (81)	TOTAL		
1938						
12/19	113	625.00	625.00	1,250.00		
31	114	775.28	775.28	1,550.56	1,550.56	
TOTALS - 1938		1,400.28	1,400.28	2,800.56	1,550.56	
1939						
4/24	118	5,000.00	5,000.00	10,000.00	10,000.00	
5/9	119	5,000.00	5,000.00	10,000.00	10,000.00	
7/12	121	5,000.00	5,000.00	10,000.00	10,000.00	
8/21	122	2,500.00	2,500.00	5,000.00	5,000.00	
8/29	122	5,000.00	5,000.00	10,000.00	10,000.00	
9/8	123	3,000.00	3,000.00	6,000.00	6,000.00	
9/22	125	5,000.00	5,000.00	10,000.00	10,000.00	

... in process of liquidation...
 ... interest ...
 ... a portion of which were due to ...
 ... early in 1940

EXHIBIT D
 EXHIBIT A

334747

151 - Alien Property
 Entry File Box 17
 NY File NY 5-462

DECLASSIFIED
 Authority 98803
 By AJL NAPA Date 6/12/00

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
 Authority 968103
 By ANT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 5-462
 Box 17

1939 (Continued)

DEBITS

FOLIO		R. ANNINGER (80)	V. ANNINGER (81)	TOTAL	CHASE NATIONAL BANK	PROFIT AND LOSS
10/11	125	5,000.00	5,000.00	10,000.00	10,000.00	
10/25	125	3,000.00	3,000.00	6,000.00	6,000.00	
11/10	127	3,000.00	3,000.00	6,000.00	6,000.00	
12/1	127	2,250.00	2,250.00	4,500.00	4,500.00	
12/7	128	2,000.00	2,000.00	4,000.00	4,000.00	
TOTAL - 1939		<u>45,750.00</u>	<u>45,750.00</u>	<u>91,500.00</u>	<u>91,500.00</u>	
GRAND TOTALS		<u>47,150.28</u>	<u>47,150.28</u>	<u>94,300.56</u>		
Balance - 1/1/40		<u>84,156.96</u>	<u>84,156.98</u>	<u>168,313.94</u>		

EXHIBIT D

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-421
Box 17

DIGEST

2-421
December 23, 1941

RE: Israel Burkos, New York
Tobias Stein, Lisbon

Basis for investigation: Despatch No. 11974 indicated illegal transfers of money by Mr. Burkos.

Background Information: Mr. Burkos, a Czech "national," arrived in the United States on March 15, 1941. Mr. Burkos owes Mr. Stein \$6,000, which he has reported on Form TFR-300.

Results of the investigation: When Burkos was in Lisbon, prior to coming to the United States he left \$150 with Stein to be used in sending food packages to his mother in Warsaw. In May, 1941 Burkos sent an additional \$50.00 for the same purpose.

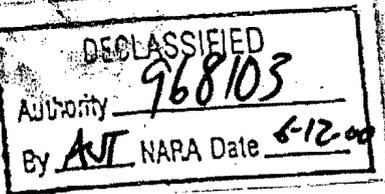
Mr. Burkos said he did not intend to send any more money to Stein either for his mother or in payment on the debt.

Conclusion: No violation of the Order is indicated by this investigation.

cc: Mr. Bennett
Mr. Carre
Mr. Fox
Mr. Olsen
Mr. Quint
Mr. Schmidt
Mr. Timmons
Mr. Towson
Mr. Volentine

PCParker:ld 1/14/42

334749



RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 2-421
 Box 17



FOREIGN FUNDS CONTROL

~~RESERVED~~ DEPARTMENT
 FOREIGN FUNDS CONTROL
 WASHINGTON

DEC 23 1941

FOREIGN FUNDS CONTROL
 INVESTIGATIVE SECTION 70 Pine Street, New York
 WASHINGTON, D. C.

DEC 23 1941

John W. Pehle, Esquire,
 Assistant to the Secretary,
 Treasury Department,
 Washington, D. C.

Sir:

Re: ISRAEL BURKOS, New York ¹²⁰
TOBIAS STEIN, Lisbon ⁴⁴²
S350

Reference is made to your memorandum dated November 22, 1941, enclosing Despatch No. 11974, concerning possible illegal transfers of money by Israel Burkos.

On December 10, I interviewed Israel Burkos at his office, 551 Fifth Avenue, New York. Mr. Burkos stated that he is a Czech National and that he arrived in the United States from Lisbon on March 15, 1941. He showed me a receipt for his application for first papers for United States citizenship. He now lives at 740 West End Avenue, New York, and is in the diamond business at 551 Fifth Avenue, New York.

His account with the Manufacturers Trust Company is blocked. He has Licenses NY 222667 - A and B - and NY 281358 ABE and BBE. Mr. Burkos stated that he has known Tobias Stein, who is also a diamond dealer, for about 15 years, socially and in business, and that while he was in Lisbon, he borrowed \$6,000 from Stein but gave no security. This debt has been reported on TFR 300 by Mr. Burkos.

As to the parcel business, Burkos explained that while he was in Lisbon he left \$150 with Stein from which Stein was to send 450 grams of food per week to Burkos' mother, who is in Warsaw. These packages were to be ordered from Hochheiser and Henisch who are in the food business in Lisbon. In May 1941, Burkos sent an additional \$50 to Stein for the same purpose. No further remittances have been sent. Burkos stated that he had not heard from Stein for several months. It should be noted that the despatch is marked "H".

FOR DEFENSE



BUY
 UNITED
 STATES
 SAVINGS
 BONDS
 AND STAMPS

334750

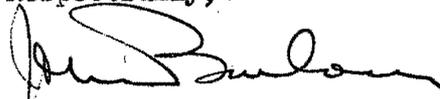
DECLASSIFIED
 Authority 968103
 By ANT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 2-421
 Box 17

- 2 -

Burkos said he had no file of any correspondence with Stein and that if he did have, it would only contain one letter from Stein in Yiddish and the receipt for the \$50 sent in May with its letter of transmittal. I attempted to obtain an explanation of the word "greetings" as used by Stein, but Burkos insisted that he knew nothing of its meaning beyond the usual inquires about health and business. He said he could not remember using the word in correspondence with Stein and as the despatch is marked "H", his statement is possibly true. I asked Burkos if he intended to send any more money to Stein either for food or in repayment of the debt, and he said he did not, that he understood he could ^{not} send money without getting ^a license, that he knew Stein would advance the money for food for his mother, and that Stein was not worrying about the loan. Burkos said that he and Stein had owed each other far more than this many times and that when the war is over he and Stein would get together somewhere and balance their accounts.

Respectfully,



JOHN D. BARLOW,
 Investigator - Alcohol Tax Unit.

Respectfully forwarded:
 APPROVED:



S. J. KENNEDY,
 Treasury Representative
 Acting in Charge.

334751

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-421
Box 17

INTER OFFICE COMMUNICATION

DATE **NOV 18 1941**

TO **Mr. May**
FROM **Mr. Pehle**
Re: **J. Burkos**
551 Fifth Avenue
New York, N. Y.

Attached is a copy of Despatch No. 11974 which is referred to you for such action as may be appropriate.



FORWARDED
for appropriate action

To Mr. May

Date NOV 18 1941

FOREIGN FUNDS CONTROL
Investigative Section

CAH

RECEIVED

NOV 21 1941

Foreign Funds Control
New York

CONFIDENTIAL

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-419
Box 17

File
2-419

Federal Bureau of Investigation
United States Department of Justice
607 U. S. Court House
Foley Square
New York, N. Y.

CONFIDENTIAL

January 8, 1942

Foreign Funds Control
70 Pine Street
New York City

ATTENTION: John D. Barlow

Dear Sir:

Receipt is acknowledged of your report dated January 5, 1942 relative to FELICE KENT, also known as Felice Kojcem.

It is desired to express the appreciation of this office for the information contained in this report.

Very truly yours,

P. E. Foxworth
P. E. FOXWORTH
Assistant Director

1-9-HV

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Repts
File NY 2-419
Box 17

DIGEST

2-419

January 5, 1942

Re: Felice Kent, N. Y.
Paul Herzog, Kenosha, Wisconsin
Vilim Goldschmeid, Italy

Basis of the Investigation: Another Governmental agency requested an investigation of Felice Kent.

Background Information: Mr. Herzog has custody of several thousand dollars sent him by relatives fleeing from Europe to South America. A short time ago they wrote him and requested that he assign part of these funds to Felice Kent, of whom Mr. Herzog had never heard.

Results of the Investigation: Mrs. Kent's son Felix, a generally licensed national had written to Mr. Herzog about the matter. He was born in Austria, but came to the U. S. in February, 1939. Mr. Kent had received a letter from his uncle Vilim Goldschmeid in Italy asking him to get in touch with Dr. Herzog. When he had proved to Mr. Herzog that Mr. Goldschmeid was Mrs. Kent's sister, Mr. Herzog sent \$9,100 to the National City Bank for Mr. Kent's account. With these funds he tried to finance passage and visas for his uncle to come to Cuba. The war between the U. S. and Italy made this impossible and the money was returned to Mr. Herzog.

Conclusion: The transaction was a family affair and did not violate the order. (The control copy of this report was sent to Mr. Sherbondy)

PCParker:bss 1/23/42

334754

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-419
Box 17

B:EH

NY 2-419

01-2-00419

for 8/23/48



FOREIGN FUNDS CONTROL

TREASURY DEPARTMENT

RECEIVED
WASHINGTON
FOREIGN FUNDS CONTROL

JAN 7 1942

FOREIGN FUNDS CONTROL
70 Pine Street, New York

INVESTIGATIVE SECTION
WASHINGTON, D. C.
CRN

JAN 5 1942

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir: *K-530*
Re: *11-120*
K-250 FELICE KENT, also known as
FELICE KOJCEM, New York 2-120

Reference is made to your memorandum dated November 22, 1941, enclosing information received from Paul Herzog of KENOSHA, WISCONSIN, concerning a request for money from Felice Kent, New York.

Inquiry of Felice Kent revealed that she speaks very little English and knows nothing of the transactions with Paul Herzog. I was referred to her son, Felix Kent, who is a clerk in the law office of Schlesinger and Schlesinger, 17 East 42nd Street, New York City.

On December 31, 1941, I interviewed Felix Kent at 17 East 42nd Street. All of the information obtained from Mr. Kent was oral as he had no file or written substantiation of his statements available.

Mr. Kent stated that he is 18 years old, was born in Austria, traveled on a German passport and arrived in the United States with his mother Felice Kent in February 1939. His real name is Kojcem, but he and his family have simplified it to Kent and are taking steps to have it changed by the courts. He has a brother, Enrique, a student at City College, who arrived in the United States in November 1938. The only bank account in the family is in the name of his mother at the Royal Industrial Bank, New York, and is not blocked. The balance as of December 27, 1941, was \$396. Felix Kent has applied for his first papers.

Mr. Kent stated that he had not known and had never seen Paul Herzog, who is a doctor at Kenosha, Wisconsin, until the first part of November 1941, when he received a letter from his uncle, Vilim Goldschmeid, who was in Italy at the time, asking

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

DECLASSIFIED	
Authority	968103
By	ANT NARA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	NY 2-419
Box	17

NY 2-419

- 2 -

him to get in touch with Dr. Herzog, and stating that he was writing to Dr. Herzog asking him to finance the expenses of himself and his family from Italy to the United States.

Mr. Kent said that before he took any action on the letter he received a letter from Dr. Herzog, asking about Felice Kent and her relationship to Vilim Goldschmeid. Mr. Kent stated that he then telephoned to Dr. Herzog and explained about the change of names from Kojcem to Kent. Dr. Herzog did not seem entirely satisfied and asked for further proof of her identity. Kent then sent a copy of her birth and marriage certificates showing her maiden name to be Goldschmeid. The next word Kent received was from the National City Bank, stating that they had received \$9,100 from Dr. Herzog. Kent took \$8,700 of the amount and obtained a letter of credit in favor of the Cuban Government from the Chase National Bank. Due to the state of war between the United States and Italy, Kent does not expect his uncle to be able to obtain passage to the United States. When the letter of credit expires, the money will be refunded to Dr. Herzog. Felix Kent stated emphatically that he has no idea why Dr. Herzog should send him the money for the account of his uncle, nor whether Dr. Herzog is related to him, nor whether Dr. Herzog was holding money belonging to his uncle. Kent has lost the letter from his uncle and stated that all of his correspondence with Dr. Herzog was on the subject of his mother's identity.

I am satisfied that the transaction is a family affair and there is no evidence of a forced assignment due to foreign governmental pressure.

Respectfully,



JOHN D. BARLOW,
Investigator - Alcohol Tax Unit.

Respectfully forwarded:
APPROVED:



S. J. KENNEDY,
Treasury Representative
Acting in Charge.

Copy to F. B. I. (Attention of Mr. Kirkland)

334756

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-419
Box 17

2-419

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE **NOV 18 1941**

TO Mr. May
FROM Mr. Penle

Re: Felice Kent
608 West 139th Street
New York City, N. Y.

A letter addressed by Paul Herzog of Kenosha, Wisconsin, to another Government Agency has been transmitted to this office. This letter indicates that certain relatives of the writer are fleeing Europe, hoping to settle in Cuba or South America. They have several thousand dollars on deposit in this country.

The writer, Paul Herzog, has apparently received a letter and wire requesting that part of this money be assigned to the subject, Felice Kent of 608 West 139th Street, New York City.

He does not know the subject and feels that he (or she) may be an agent of a foreign government to whom his relatives have been forced to assign their money. It would therefore be appreciated if you will have an investigation made of the subject in connection with the foregoing.

It is suggested that you contact the New York office of the F.B.I. regarding this investigation.

JWP

RECEIVED
NOV 21 1941
Foreign Funds Control
New York

FORWARDED
for appropriate action
To NY
Date NOV 18 1941
FOREIGN FUNDS CONTROL
Investigative Section
CAH

DECLASSIFIED	
Authority	968103
By	ANT NARA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	NY 2-419
Box	17

TREASURY DEPARTMENT**INTER OFFICE COMMUNICATION****STRICTLY CONFIDENTIAL**

DATE October 27, 1941

TO Mr. Seibel through Mr. Klaus

FROM Mr. Runyon

Attached is a copy of a letter from Paul Herzog, Kenosha, Wisconsin, referred to us from a confidential source. This is sent to you according to our telephone conversation of today for your use in investigating the possibility that Felice Kent may be a Nazi agent. We shall appreciate being advised of such information as your investigation may develop.

SK

dk

334758

DECLASSIFIED	
Authority	968103
By	AVT NARA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	NY 2-49
Box	17

C O P Y

The following letter was addressed by Paul Herzog, Kenosha, Wisconsin, to a confidential source:

"I would appreciate your advice and assistance, if you think the latter is necessary, in regard to sending a rather large sum of money to a strange person in New York City.

"Some relatives of mine are fleeing the Nazi in Europe and hope to settle in Cuba or South America. They have several thousand dollars on deposit here. (Where this deposit is was not given, but it is presumably in Kenosha.) It is part of this money which they requested by letter and wire be assigned to the following: Felice Kent, 608 West 139th Street, New York City.

"The problem I have is whether this man may be some foreign agent representing somebody abroad who may have forced those relatives of mine to send the money to him. Would it be possible to help me in determining the reliability of this man? If not, what method would you suggest as next most effective? Inasmuch as the matter is urgent, I would appreciate as early a reply as possible."

334759

DECLASSIFIED
 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File S.F. 2-418
 Box 17

FEDERAL RESERVE BANK OF SAN FRANCISCO

FISCAL AGENT OF THE UNITED STATES
 SAN FRANCISCO 20, CALIFORNIA

August 9, 1945

RECEIVED
 FOREIGN FUNDS CONTROL

AUG 11 1945

INVESTIGATIVE SECTION
 SAN FRANCISCO, CALIF.

Mr. Blyth Adams,
 Acting Agent in Charge,
 Investigative Unit,
 Foreign Funds Control,
 200 Bush Street,
 San Francisco, California.

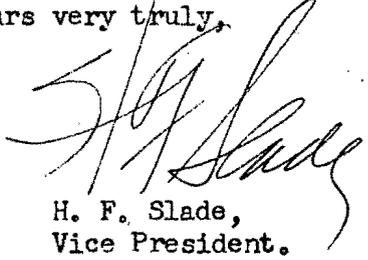
Dear Mr. Adams:

We enclose copy of anonymous letter received by this bank July 26, 1945, relating to possible evasions of Executive Order No. 8389, as amended, by Felix Braun, whose residence address is given as 3251 Washington Street, San Francisco, California.

According to our records, Felix Braun is Vice President of Felix Braun & Co. and also of James Pels Co., Inc., 25 California Street, San Francisco, California. We have in our files certain correspondence and applications for Treasury licenses in connection with the operation of James Pels Co., Inc., which information will be available to you upon request. There has also been filed by Mr. Braun application No. S. F. 43676 on Form TFE-2, revised, requesting the attachment of Form TFEL-2 to certain bonds of the Tehuantepec National Railway Company, which bear German stamps.

It is suggested that you give this matter your usual attention and inform us with respect to any evasions or violations of the Order which might have been made.

Yours very truly,


 H. F. Slade,
 Vice President.

Enclosure.



334760

DECLASSIFIED
 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File SF 2-418
 Box 17

C
O
P
Y

Felix Braun is hiding at his place 3251 Washington
 4 big bundles of stocks and bonds the owner of which is a
 blocked enemy national, resident of a European country. Brown
 knows these securities should be in a blocked account.

A couple of months ago only he sold to a not licensed
 individual jewelry amounting to \$3000.--, owner of which was a
 blocked national also.

Brown himself told me so the other day.

Anonymous

Copy to F.B.I.

Federal Reserve Bank
 Foreign Funds Control
 Investigation Dept.
 San Francisco, Cal.

RECEIVED
 FOREIGN FUNDS CONTROL

AUG 13 1945

INVESTIGATIVE SECTION
 SAN FRANCISCO, CALIF.

334761

DECLASSIFIED
Authority 968103
By AVJ NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

File Copy for
Investigative Section
Washington, D. C.

SF 2-418

May 26, 1942

Memorandum for Investigation

Norman F. McIntyre

Re: Felix Braun & Co., ✓
25 California Street
San Francisco, California

The attached cablegram indicating a possible
illegal transfer of funds was forwarded to this
office for investigation by THE OFFICE OF CENSORSHIP,
The Cable and Radio Censor, San Francisco.

NFM/te

Distributions:

- Orig. & 3 copies, F.F.C., Washington
- cc: Mr. May, Washington, D.C.
- cc: FRB, San Francisco.

Encl.

*Approved for investigation
June 2, 1941
J.S.B.
6/2/42
approved copy
sent S.F.
R*

ORIGINAL & COPIES
To Enforcement Section

date June 2, 1942
J.S.B.

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

File Copy for
Investigative Section
Washington, D. C.

(COPY)

TO CCC APRIL 29 1942

23 AL565 FB167 SW7571 24 STOCKHOLM 23 1740

NLT EDMUND VALK 44 RETIROWAY SANFRANCISCO CAL /C/O

CABCENSOR SANFRANCISCO/

LEAVING VIENNA IMPOSSIBLY TRY TRANSFER YOUNG MEN

ASSOCIATION WAR OFFER NY %) KRONOR ARRIVED SAME WAY

ILSE ENGEL

WASHINGTON D C
INVESTIGATIVE SECTION
APR 29 1942
RECEIVED

334763

DECLASSIFIED
Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

2-418

THE OFFICE OF CENSORSHIP
THE CABLE AND RADIO CENSOR

IN REPLY REFER TO:
(IN/028B/2717)

180 NEW MONTGOMERY STREET
SAN FRANCISCO, CALIFORNIA

SA 0315

CONFIDENTIAL

April 30, 1942

CONFIDENTIAL

Mr. Rae V. Vader
Foreign Funds Control Section, Investigative Unit
210 Sansome Street
San Francisco, California

Dear Mr. Vader:

We are herewith enclosing a copy of a message addressed to Mr. Edmund Valk of San Francisco, California, which indicates that there may be some method used by this individual for transferring money illegally.

This person was investigated by us and he is believed to be a member of a firm which deals with Axis firms in South America. This person also is being watched by the Federal Bureau of Investigation and the Office of Naval Intelligence. - At the present time we are conducting a further investigation on this individual and upon completion of our investigation will advise you of any matters of interest.

Very truly yours,

A. T. Cook
A. T. COOK
Lieutenant (jg)
Contact Division

RECEIVED
FOREIGN FUNDS CONTROL

MAY 2 1942
INVESTIGATIVE SECTION
SAN FRANCISCO, CALIF.

334764

DECLASSIFIED
Authority 968103
By AJT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

FBI Copy
Investigative
Washington, D.C.

COPY

TO OCC APRIL 29 1942

23 A1565 FBI67 SW7571 24 STOCKHOLM 23 1740

NLT EDMUND WALK 44 RETIROWAY SANFRANCISCO CAL /C/O CABENSOR
SANFRANCISCO/

LEAVING VIENNA IMPOSSIBLY TRY TRANSFER YOUNG MEN ASSOCIATION WAR

OFFER MY 50 KRONOR ARRIVED SAME WAY

ILSE ENGEL

Washington, D.C.
Mr. J. Edgar Hoover, U.S. Dept. of Justice
Mr. W. C. Clegg, U.S. Dept. of Justice
Mr. E. A. Tamm, U.S. Supreme Court
Mr. Clegg, U.S. Dept. of Justice

RECEIVED
FOREIGN FUNDS CONTROL

MAY 2 1942

INVESTIGATIVE SECTION
SAN FRANCISCO, CALIF.

Approved for investigation
June 2, 1942
copy
sent SF

ORIGINAL & COPIES
to Enforcement Section

date June 19, 1942
2578

DECLASSIFIED
Authority 968103
By ANT NAPA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

FILE COPY

SF 2-418

AM

May 11, 1942

Mr. Kennedy, New York

Mr. Ras Vader, San Francisco

During an investigation of Felix Braun & Company, 25 California Street, San Francisco, California the investigating officers uncovered a close relationship between the above firm and James Pels Company, Inc., 521 Fifth Ave., New York, N. Y. on whom further information is desired.

James Pels is believed to be a German-Jewish refugee now living in Tel-Aviv, Palestine. He was formerly an importer and wholesaler of chemicals in Hamburg, Germany. He left Germany in 1938 and fled to Holland where, in December of 1938, he discussed with one Edmund Valk, also a German-Jewish refugee, the possibility of establishing a chemical export business in the United States. Valk was a personal friend of Pels of many years' standing in Hamburg.

Shortly after their discussion Pels left for Tel-Aviv and Valk left for the United States where he entered into partnership with Felix Braun in San Francisco, doing a general export business. Braun is a brother-in-law of Valk and also a personal friend of James Pels.

Braun and Valk organized and incorporated James Pels Company, Inc. in California, licensed to do business in New York. Authorized capital was \$50,000 of which \$20,000 was subscribed by the following persons:

James Pels	\$9,500
Edith Valk	5,500
Alice Braun	<u>5,000</u>
	\$20,000

Edith Valk and Alice Braun are the wives of Edmund Valk and Felix Braun, respectively.

James Pels Company, Inc. is represented in New York by William Hesse and Max Kentner. Kentner, an experienced chemicals man, is apparently the active manager, all other interested persons appear to be in supervisory

DECLASSIFIED	
Authority	968103
By	AJT NARA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	SF 2-418
Box	17

SF 2-418

-2-

capacity, only.

The officers of James Pels Company, Inc. are:

President -- Edmund Valk
Vice President -- Felix Braun
Secretary -- Edith Valk

This company is operating under specific Treasury license.

It is requested that a full investigation be made into the affairs and operations of the corporation and forwarded to this office. The investigative officer should make an especial effort to determine whether or not any trade was attempted or effected with individuals whose names appear on the Proclaimed List.

NFM:RA

cc: Mr. May

334767

DECLASSIFIED
 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File SF 2-418
 Box 17

CONFIDENTIAL REPORT

FOREIGN FUNDS CONTROL
 INVESTIGATIVE SECTION

for 11-16-42

Field Office at San Francisco, California

Date May 28, 1942

Report of Agents Thomas M. Mulvihill and
 Norman F. McIntyre

Report No. SF 2-418

Respectfully forwarded APPROVED:

64 2-00418

Rae V. Vader

(Signature and title)

RAE V. VADER, Supervising Agent (Acting)

SUBJECT: ^{V420} EDMUND WALK / 120
 25 California Street
 San Francisco, California

REFERENCE: Memorandum for investigation dated May 26, 1942 concerning an intercepted cablegram which seemed to indicate that Edmund Walk may have engaged in an illegal transfer of funds.

SYNOPSIS: Edmund Walk, a Jewish refugee and generally licensed national of Germany, is a partner with his brother-in-law in Felix Braun & Company, San Francisco exporters. Subject individual is the sole support of his mother-in-law, an aged German national of Jewish descent to whom he had been remitting funds in Vienna for maintenance and who has recently been communicating with Walk through a friend in Stockholm, Sweden. The Office of Censorship forwarded to this Unit an intercepted cablegram from Stockholm indicating that Walk might be a party to an illegal transfer of funds. Upon investigation it was determined that the subject had not engaged in any illegal exchange transactions.

(FURTHER REPRODUCTION NOT AUTHORIZED)

16-20604-1 GPO

334768

DECLASSIFIED
Authority <u>968103</u>
By <u>ANT</u> NARA Date <u>6-12-00</u>

RG	<u>131 - Alien Property</u>
Entry	<u>FFC Investigative Rpts</u>
File	<u>SF 2-418</u>
Box	<u>17</u>

On May 8, 1942 the undersigned visited the offices of Edmund Valk at 25 California Street, San Francisco, where, upon investigation, it was learned that the subject's affairs were so closely interwoven with those of the partnership of which he was a member that any report concerning him would necessarily embrace the company also. Accordingly this report, material for which was obtained from personal interviews with Edmund Valk and Felix Braun and the books and files of Felix Braun & Company, will concern itself with both Valk and Felix Braun & Company.

ORGANIZATION:

Felix Braun & Company is a partnership composed of Felix Braun and Edmund Valk, engaged in importing and exporting, but primarily exporting. Its exports consist mainly of California dried fruits shipped to Europe and South America. Felix Braun & Company was first organized by Braun as a sole proprietorship in July 1938 and later formed into a partnership in March 1939 when Braun's brother-in-law, Edmund Valk, came to San Francisco. The partners are of German nationality. A financial statement of the company as of December 31, 1941 and May 8, 1942 is attached as Exhibit "A".

The partnership is also doing business under the trade names of West Coast Importing and Exporting Company and the Keerdjik Trading Company. The former is the trade name used for exporting to South America, the latter is used for exporting to Europe, having been first adopted as an accommodation for shipping to one of its customers, Keerdjik, N.V., Holland, a Dutch importing company. The Department of State, Washington, D.C., has issued various licenses to the West Coast Importing and Exporting Company and to Keerdjik Trading Company to cover exportation of certain commodities, particularly dried fruits to Switzerland. No evidence was found that the subject firm had been trading with individuals on the proclaimed list of certain blocked nationals.

Both Braun and Valk are generally licensed nationals under General License 42. Their bank accounts, together with that of their partnership, are held in the Bank of America, San Francisco. None is blocked.

FELIX BRAUN:

Felix Braun, a German citizen of Jewish descent, was born March 23, 1895 at Miloslaw, Poland, which was then a part of

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Germany. From Miloslaw, Braun went to Hamburg, Germany in 1919 and established the firm of Braun & Company importing California dried fruits. In December of 1937 he was admonished by the attorney for the Nazi Party in Hamburg to abandon forthwith his business as no importing license would be issued to him as a Jew. He immediately applied for a visa to America, to which he immigrated under the Polish quota, arriving in New York on June 23, 1938. He came to San Francisco in July of the same year and filed, on August 24, 1938, his declaration of citizenship in the United States in the Superior Court of the State of California in and for the City and County of San Francisco. His residence in America since his entry has been uninterrupted.

EDMUND VALK:

Edmund Valk, a German citizen of Jewish descent, was born on August 9, 1900 at Hamburg, Germany. His first entrance into the United States was at the port of New York on January 27, 1939, whence he came to San Francisco and filed, in March 1939, his declaration of citizenship in the United States in the Superior Court of the State of California in and for the City and County of San Francisco. Valk is the brother-in-law of Braun who married Valk's sister. The maiden name of Valk's wife is also Braun but she is not related to Felix Braun.

While in Germany Valk was a stock broker and banker doing business under the name of Valk & Company, a firm which was founded by his father in 1893. Eventually his clients were forbidden further transactions with him since he was a Jew and early in 1938 the Gestapo ordered him to emigrate to Switzerland. He immediately left Germany and entered Holland, whence he came to America. His parents are now residing at Amsterdam, Holland. He has a cousin, Lydia Comradi, who left Germany via Switzerland, and who is now awaiting, in Havana, Cuba, a visa to enter America. He states he also has a cousin in Brazil, by the name of Valk, with whom he has had no communication and of whose whereabouts in Brazil he has no knowledge.

In the attached letter from the Office of Censorship, it is remarked that Valk is under the surveillance of the Federal Bureau of Investigation, whose file discloses that his name was found in the personal address book of Eno W. Ercklentz, German business representative of the Commerz und Privatbank, Berlin, Germany, when he left the United States for Japan in 1941.

Valk informed us that Eno W. Ercklentz is the nephew of

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Herbert Schulubach of New York City. The Schulubach family in Germany had been a client of Valk's for more than twenty years. On Valk's departure from Germany, Eric Schulubach in Hamburg referred him to his brother, Herbert Schulubach, in New York City for a recommendation to his nephew Ercklentz, if he could be of assistance to Valk in re-establishing himself in America. This same information Valk provided the United States District Attorney in San Francisco when interrogated on his application for a permit to travel to New York in February 1942.

Valk and Braun are listed with the Jewish National Welfare Fund of San Francisco. Mr. W. L. Montgomery, manager of the Foreign Trade Bureau of the Chamber of Commerce of San Francisco, and Mr. John Judge, Regional Manager Field Service, United States Department of Commerce, report that Braun and Valk are Jewish refugees.

TRANSACTION:

The Office of Censorship intercepted the following cablegram addressed to Valk from Ilse Engel at Stockholm, Sweden, dated April 29, 1942:

"LEAVING VIENNA IMPOSSIBLY TRY TRANSFER YOUNG MEN
 ASSOCIATIONWAR OFFER MY 50 KRONOR ARRIVED SAME WAY"

The cablegram was not delivered to addressee Valk and it was requested by the Office of Censorship that neither its contents nor existence be divulged to him.

There has been ascertained from this investigation the following facts in connection with the above cablegram:

At various times in 1940 and 1941 Valk had remitted German Registered Marks through the Wells-Fargo Bank of San Francisco for the subsistence of Mrs. Josefina Perl Braun. Josefina Perl Braun is Valk's mother-in-law, age 74, living with her cousin, Dr. Friedmann, at Wollzeile 9, Vienna, Germany. Valk's last remittance to her was in September, 1941, but it was returned for want of license. Valk then submitted, on November 17, 1941, his application SF13465 for a license to effect a remittance to a "free" account for the subsistence of Mrs. Braun. The license was denied.

At the time of his attempted remittance in September 1941, and without knowledge that it would be returned, Valk wrote to Mrs. Braun informing her that the remittance had been sent. When, however, it was returned and his application SF13465 refused, he

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 By AVT NARA Date 6-12-00

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again wrote to advise her of its return and of his inability to effect further remittances. Presumably, Mrs. Braun received Valk's first letter of September 1941 but not the second. When the expected funds did not arrive, Mrs. Braun wrote to her friend Ilse Engel at Stockholm, Sweden, who is unknown to Valk, stating that she had not received the remittance spoken of in Valk's first letter. Ilse Engel so advised Valk by cable from Stockholm in March 1942 and also requested him to help provide funds for Mrs. Braun. Valk made no reply to this cablegram.

Later Valk read in an April issue of the "Reconstruction", a Jewish immigrant newspaper published in New York City, that the Swedish Government would issue visas to elderly Jewish people in Germany to prevent their deportation to Poland, on the proviso that the Jewish Congregation in Sweden would guarantee their subsistence. Valk then sent by cable dated April 21, 1942 the following message, imparting the above information and requesting Engel to ascertain the possibilities for his mother-in-law to obtain a visa:

"NLT ANSWER PREPAID
 ILSE ENGEL 39 ERIK DAHLBERGSGADE
 STOCKHOLM, SWEDEN

SWEDISH GOVERNMENT ISSUING IMMIGRATION VISA FOR
 ELDERLY GERMAN JEWS UNDER GUARANTEE OF YOUR JEWISH
 CONGREGATION PLEASE INQUIRE POSSIBILITIES MOTHER
 STOP WILL PROBABLY GET LICENSE TO CABLE MONEY FOR
 THIS PARTICULAR PURPOSE. EDMUND VALK."

Devious methods were employed to ascertain the significance in Engel's cablegram of the phrase, "Young Men Associationwar offer". Edmund Valk denied having any knowledge of its meaning.

MISCELLANEOUS:

Both Edmund Valk and Felix Braun are principal officers in James Pels & Company, Inc., a chemical export firm with offices in New York City. A supplementary report covering this corporation will be forwarded at a later date upon receipt of certain information from the New York Field Office of the Investigative Unit.

Thomas M. Mulvihill
 THOMAS M. MULVIHILL, Investigator

Norman F. McIntyre
 NORMAN F. MCINTYRE, Investigator

TMM/NFM:ra

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RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File SF 2-418
 Box 17

Enclosure:

Balance Sheet of Felix Braun & Company
 Letter from Office of Censorship

Distribution:

Orig. and 2 copies, FFC, Washington

cc: Mr. May

F.R.B., San Francisco

Office of Censorship, Cable and Radio Censor, S.F.

Report also indexed under:

B650 Felix Braun - 120
 B650 Felix Braun & Company - 120
 W232 West Coast Importing Company - 120
 K632 Keerdjik Trading Company - 120
 E524 Ilse/Engel - 473
 E624 Eng W. Ercklentz - 410

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 Authority 968103
 By ANT NAPA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts.
 File SF 2-418
 Box 17

EXHIBIT "A"

FELIX BRAUN & COMPANY
 San Francisco, California

Balance Sheet

ASSETS:	<u>12/31/41</u>	<u>5/8/42</u>
Cash	\$ 3,352.64	\$ 12,270.37
Investments	3,663.61	4,113.61
Accounts receivable	12,379.11	
Inventory	<u>2,611.23</u>	<u>2,730.89</u>
Total Assets	<u>\$22,006.59</u>	<u>\$ 19,114.87</u>
LIABILITIES AND CAPITAL:		
Liabilities:		
Accounts Payable	840.40	673.00
Loan Edmund Valk	<u>2,400.00</u>	<u> </u>
	3,240.40	673.00
Capital:		
Felix Braun at 1/1/41	\$ 7,272.15	9952.69
Profit for period	<u>3,132.48</u>	<u>723.84</u>
	10,404.63	10676.53
Less withdrawals	<u>451.94</u>	<u>974.65</u>
	9,952.69	9,701.88
Edmund Valk at 1/1/41	6,811.10	8813.50
Profit for period	<u>3,132.48</u>	<u>723.84</u>
	9,943.58	9537.34
Less withdrawals	<u>1,130.08</u>	<u>797.35</u>
	8,813.50	8739.99
Total Liabilities and Capital	<u>\$22,006.59</u>	<u>\$19,114.87</u>

334774

DECLASSIFIED	
Authority	968103
By	AVT NARA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	SF 2-418
Box	17

THE OFFICE OF CENSORSHIP

The Cable and Radio Censor

CONFIDENTIAL

April 30, 1942

Mr. Rae V. Vader
Foreign Funds Control Section
Investigative Unit
210 Sansome Street
San Francisco, California

Dear Mr. Vader:

We are herewith enclosing a copy of a message addressed to Mr. Edmund Valk of San Francisco, California, which indicates that there may be some method used by this individual for transferring money illegally.

This person was investigated by us and he is believed to be a member of a firm which deals with Axis firms in South America. This person also is being watched by the Federal Bureau of Investigation and the Office of Naval Intelligence. At the present time we are conducting a further investigation on this individual and upon completion of our investigation will advise you of any matters of interest.

Very truly yours,

(SIGNED)

A. T. COOK
Lieutenant (jg)
Contact Division

334775

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

(Handwritten initials)

SF 2-418

May 26, 1942

Memorandum for Investigation

Norman F. McIntyre

**Re: Felix Braun & Co.,
25 California Street
San Francisco, California**

The attached cablegram indicating a possible illegal transfer of funds was forwarded to this office for investigation by THE OFFICE OF CENSORSHIP, The Cable and Radio Censor, San Francisco.

MFM/ce
Distribution:
Orig. & 3 copies, P.F.C., Washington
cc: Mr. Hoy, Washington, D.C.
cc: MFM, San Francisco.

Encl.

Investigation instituted prior to receipt of J.M. #16.

RECEIVED
FOREIGN FUNDS CONTROL
JUN - 8 1942
INVESTIGATIVE SECTION
SAN FRANCISCO, CALIF.

Approved for investigation
June 2, 1941
8578

DECLASSIFIED
Authority 968103
By AJT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

(CONT)

TO CCC APRIL 29 1942

23 13569 78167 587571 24 BTCHICOLE 23 1740

MR EDWARD WALK 44 BETHUNAY SANFRANCISCO CAL 16/0

CARDENOR SANFRANCISCO/

LEAVING VIRGINIA IMPOSSIBLY TRY TRANSFER YOURS NEW

ASSOCIATIONAS OFFER BY %) BROKER ARRIVED EARLY MAY

THE END

DECLASSIFIED
 Authority 968103
 By AVT NAPA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File SF 2-418
 Box 17

SF 2-418

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 6, 1942

TO Memorandum for Investigation
 FROM Thomas M. Mulvihill

Re: Edmund Valk
 44 Retiro Way
 San Francisco, California

The attached copy of letter from the Office of Censorship, San Francisco, enclosing a copy of a message addressed to Mr. Edmund Valk, indicates that there may be some method used by this individual to transfer money in violation of Executive Order No. 8389, as amended.

Edmund Valk was born in Germany and arrived in the United States January 1939. He is believed to be a member of James Pels Co., Inc., which has been suspected of dealing with Axis firms in South America.

No direct investigation of Valk has been made by the Office of Censorship, or by the Federal Bureau of Investigation with whom his name is filed because it was found in the personal address book of Eno W. Ercklentz, German business representative of Commerz und Privatbank, Berlin, Germany, when he left the United States for Japan in 1941.

R, V, V

TM/sr

Distribution:

Orig. and 3 copies to FFC, Washington D.C.
 cc: Mr. May

334778

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Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

COPY

THE OFFICE OF CENSORSHIP
THE CABLE AND RADIO CENSOR

180 New Montgomery Street
San Francisco, California

CONFIDENTIAL

Mr. Rae V. Vader
Foreign Funds Control Section, Investigative Unit
210 Sansome Street
San Francisco, California

Dear Mr. Vader:

We are herewith enclosing a copy of a message addressed to Mr. Edmund Valk of San Francisco, California, which indicates that there may be some method used by this individual for transferring money illegally.

This person was investigated by us and he is believed to be a member of a firm which deals with Axis firms in South America. This person also is being watched by the Federal Bureau of Investigation and the Office of Naval Intelligence. At the present time we are conducting a further investigation on this individual and upon completion of our investigation will advise you of any matters of interest.

Very truly yours,

A. T. COOK
Lietenant (Jg)
Contact Division

334779

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Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

COPY

TO CCC APRIL 29 1942

23 A1565 FBI67 SW7571 24 STOCKHOLM 23 1740

NLT EDMUND VALK 44 RETIROWAY SANFRANCISCO CAL /C/O CABENSOR
SANFRANCISCO/

LEAVING VIENNA IMPOSSIBLY TRY TRANSFER YOUNG MEN ASSOCIATION WAR

OFFER MY 50 KRONOR ARRIVED SAME WAY

ILSE ENGEL

334780

CABLEGRAM

Postal Telegraph

THE INTERNATIONAL SYSTEM

CLASS OF SERVICE DESIRED	
FULL (ORDINARY) RATE	
FULL RATE CDE (CODE)	
DEFERRED RATE	
NIGHT LETTER	
URGENT RATE	
URGENT RATE CDE (CODE)	

Patrons should check class of service desired, otherwise message will be transmitted as a full-rate communication.

RECEIVER'S NUMBER
CHECK
TIME FILED
STANDARD TIME

Commercial Cables



All America Cables

Mackay

Radio

Send the following message, subject to the terms on back hereof, which are hereby agreed to

2 CBL

April 21, 1942

SF 7-418

NET ANSWER PREPAID

ILSE ENGEL 39 ERIK DAHLBERGSGADE

STOCKHOLM (Sweden)

SWEDISH GOVERNMENT ISSUING IMMIGRATIONVISA FOR
 ELDERLY GERMAN JEWS UNDER GUARANTEE OF YOUR
 JEWISH CONGREGATION PLEASE INQUIRE POSSIBILITIES
 MOTHER STOP WILL PROBABLY GET LICENCE TO CABLE
 MONEY FOR THIS PARTICULAR PURPOSE

EDMUND VALK

(25 California Str. Room 151)

PAID
 POSTAL TELEGRAPH-CABLE CO.

APR 21 1942

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File SF 7-418
 Box 17

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 968103
 Authority
 By AVJ NARA Date 6-12-00

REPRODUCED AT THE NATIONAL ARCHIVES

334781

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Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File SF 2-418
Box 17

VALK, EDMUND

BRAUN, FELIX

BRAUN FELIX & COMPANY

ENGEL, ILSE

ERCKLENTZ, ENO W.

KEERDIK TRADING COMPANY

WEST COAST IMPORTING COMPANY

DECLASSIFIED
 Authority 968103
 By AVI NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File SF 2-418
 Box 17



SUN - FISH BRAND

FELIX BRAUN & CO.

25 CALIFORNIA ST
 SAN FRANCISCO CALIF

PHONE
 EXBROOK 5146
 CABLE ADDRESS
 SUNRIPE
 CODES
 ACME
 A.B.C. 6TH ED.
 BENTLEY'S
 CALPAC
 RUD. MOSSE
 MEISENBACH 3 LETTERS
 PRIVATE 3 LETTERS

Approximately Statement
 May 12, 1942

Assets:

Bank of America, Commercial Acc.	12,201.76
Wells Fargo Savings	68.61
Short term Investments	3,663.
consisting of:	4,113.61
1200. - Defense Bonds	1050. -
25 General Motors	ab 980. -
20 U.S. Steel	ab 1132. -
50 Calif. Packing	ab 950. -

Inventory:

150 cases Apricots	760. -
600 " Raisins, Boston	1050. -
300 " " New York	536. -
Buttons Mexico	159.89
	2,505.89
Automobile:	225. -
	19,114.87

Liabilities and Capital

Liabilities:

Accounts payable:	
Commission Vidal Manataras Montevideo	ab. 300. -
" Francisco Moran, Mexico	" 168. -
" Manuel Segura, Buenos Aires	" 135. -
Telephone expenses March	appr. " 30. -
Western Union Wires	" 40. -
TOTAL LIABILITIES	about 673. -

CAPITALS

Felix Braun at 1/1/42	9952.69	
Profit for period	723.84	
	10,676.53	10,676.53
Less Withdrawals	974.65	
	9,701.88	9,701.88
Edmund Valk at 1/1/42	8813.50	
Profit for period	723.84	
	9,537.34	
Less withdrawals	797.35	
	8,739.99	8,739.99

Total Liabilities and Capital

19/14,87

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 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts.
 File SF 2-418-
 Box 17

FELIX BRAUN & CO.
 San Francisco, Calif.

Balance Sheet
 December 31, 1941

ASSETS

Cash - commercial bank		\$ 2,857,78
savings account		494,86
Short - term investments		3,663,61
Accounts receivable	\$13,549,03	
Less, reserve for doubtful accounts	<u>1,169,92</u>	12,379,11
Inventory		2,386,23
Automobile	\$577,25	
Less, reserve for depreciation	<u>152,25</u>	<u>225,00</u>
Total assets		<u>\$22,006,59</u>

LIABILITIES AND CAPITAL

Liabilities:		
Accounts payable		\$ 840,40
Loan Edmund Valk		<u>2,400,00</u>
Total liabilities		\$3,240,40
Capital:		
Felix Braun at 1/1/41	\$ 7,272,15	
Profit for period	<u>3,132,48</u>	
	\$10,404,63	
Less, withdrawals	<u>451,94</u>	\$9,952,69
Edmund Valk at 1/1/41	\$ 6,811,10	
Profit for period	<u>3,132,48</u>	
	\$ 9,943,58	
Less, withdrawals	<u>1,130,08</u>	<u>8,813,50</u>
Total liabilities and capital		<u>18,766,19</u>
		<u>\$22,006,59</u>

334784

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 By ANT NAPA Date 6-12-00

RG 131 - Alien Property
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 File SF 2-418
 Box 17

Statement of Profit and Loss
 January 1 to December 31, 1941

Sales:

Cash receipts	\$109,841.84	
On account	<u>7,794.16</u>	\$117,636.00
Freight-out	12,310.72	
Interest on Saving account	23.69	
Dividends on securities	<u>121.25</u>	<u>12,455.66</u>
Net sales		\$105,180.34

Cost of goods sold:

Inventory at 1/1/41		2,575.10	
Purchases during 1941	\$95,700.04		
Short-term investm.	\$3,063.61		
Charges 1940	<u>495.80</u>	<u>3,559.41</u>	92,140.63
Brokerage and commission		<u>2,215.06</u>	
		\$96,928.79	
Inventory at 12/31/41		<u>2,386.23</u>	<u>94,542.56</u>
Gross profit			\$ 10,637.78

Selling expense:

Rent	\$	210.00	
Telegraph		1,042.30	
Telephone		300.85	
Insurance merchandise		747.70	
Automobile: gas, oil, repairs etc.		159.71	
Office supplies		330.55	
Postage		378.65	
Sundry expenses		178.08	
Bad debts		<u>1,169.92</u>	<u>4,517.76</u>
Net operating profit			\$ 6,120.02

Other Income:

Interest on saving account Wells Fargo Bk,	\$	23.69	
Dividends on short-term investments		<u>121.25</u>	<u>144.94</u>
Net Profit			\$ <u>6,264.96</u>

Distribution of net income:

Felix Braun	\$	3,132.48
Edmund Valk		<u>3,132.48</u>

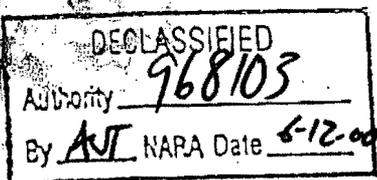
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Authority 968103
By ANT NAPA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-418
Box 17

(1)

*O. Q. S.
Interesting: Application denied,
Applicant tried to effect
transaction without license.
Apparently foiled by British.*

*File -
no digest*



RG	<u>131 - Alien Property</u>
Entry	<u>FFC Investigative Rpts</u>
File	<u>NY 2-418</u>
Box	<u>17</u>

JDB:ELM

NY-2-418

01-2-~~004~~-18

TREASURY DEPARTMENT

WASHINGTON

FOREIGN FUNDS CONTROL

FOREIGN FUNDS CONTROL
70 Pine Street, New YorkCONFIDENTIAL. FURTHER REPRODUCTION PROHIBITED.

FEB 19 1942

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

Re: ERNEST/METZGER/¹New York. M326 120

¹⁹ Reference is made to your memorandum dated November 22, 1941, enclosing Despatch No. 9083, relating to the transfer of money by Ernest Metzger to Tanger.

The delay in reporting on this case was caused by the fact that Ernest Metzger moved from 210 West 101st Street and gave no forwarding address. I finally located his home at 119 West 106th Street, and interviewed him at Advance Games, Inc., 18 West 21st Street, New York, where he is employed.

Mr. Metzger stated that he and his wife and small child are Jewish refugees from France who were interned in Morocco and brought to this country on the S.S. Guine through the efforts of Hias Ica - Emigration Association, 425 Lafayette Street, New York (in report NY-7-559). They arrived on August 6, 1941, with English currency in the equivalent of \$400. and 4,000 Moroccan francs. They exchanged the English money without any difficulty but could find no one who would buy the Moroccan francs which were worth about \$60. Mr. Metzger claims that he telephoned the Chase National Bank, head office, after having filed an application for a license, NY-219901, and was told that inasmuch as he was only exchanging the money he did not need a license. It seems doubtful that a bank would give any advice over the phone to a stranger without knowing more of his status than he apparently gave, but this might be explained by his difficulty in speaking and understanding English.

Mr. Metzger stated that he then wrote on August 11, 1941 sending the 4,000 Moroccan francs to Isaac Joseph Cohen in Tanger for exchange. He said he did not write on August 25, 1941, as stated in the despatch, and I believe he is correct in this as he showed me a copy of the letter dated August 11, 1941, which apparently was a letter of transmittal of the francs. It should be noted that his application for a license is dated August 12, 1941 which would make it appear that he had already sent the

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

334787

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 Authority 968103
 By ANT NARA Date 6-12-00

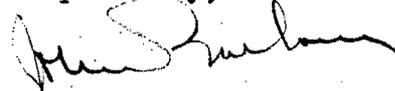
RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File NY 2-418
 Box 17

francs when he applied for the license. I called this discrepancy to his attention, but he insisted that he did not send the letter until after he had applied for the license, and had then received what he claims to have understood to be advice from the Chase Bank that he did not need a license. It is of course possible that he mailed the letter sometime after it was dated.

He also showed me a copy of a letter dated October 18, 1941, to Cohen asking for word about his francs and the answer from Cohen stating that he had never received them.

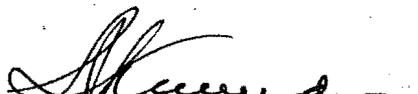
Metzger said that he and his wife had received their first papers for United States citizenship and had no bank accounts except a savings account amounting to about \$20 in the East River Savings Bank which is blocked but subject to General License No. 11.

Respectfully,



JOHN D. BARLOW,
 Investigator, Alcohol Tax Unit.

Respectfully forwarded,
 APPROVED:



S. J. KENNEDY,
 Treasury Representative,
 Acting in Charge.

Copy to Federal Reserve Bank, N. Y. (Caveat Section).

334788

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Authority 968103
By AJT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 2-418
Box 17

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE **NOV 18 1941**

TO **Mr. May**
FROM **Mr. Pehle**

Re: Ernest Matzger
Apt. 4 F, 210 West 101st Street,
New York City

Attached is a copy of Despatch No. 9083 which is referred to you for such action as may be appropriate.

We have in our files a New York Application 219901 requesting a license to send Fcs. 4000 in bank notes to Isaac Joseph Cohen and Company in Tanger. This application was denied under General Authorization 42 by the Federal Reserve Bank.

JP

RECEIVED

NOV 17 1941

Foreign Funds Control
New York

FORWARDED
for appropriate action

To *ny*
NOV 18 1941

Date
FOREIGN FUNDS CONTROL

Investigative Section
CRH

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Authority 968103
By ANT NAPA Date 6-12-00

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File NY 2-418
Box 17

Confidential information has been received to the effect that E. Metzger, Apt. 4 F, 210 West 101st Street, New York, wrote on 25th August 1941 to Isaac Joseph Cohen & Cie., Tanger, sending four 1,000 Banque d'Etat du Maroc bank notes equal fr. fcs. 4,000.--.

Writer requires dollar cheque on New York in exchange.

"I"

CONFIDENTIAL

9083

334790

DECLASSIFIED	
Authority	968103
By	ANT NARA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	NY 9-377
Box	16

NY 9-377

January 8, 1943

Mr. Theodore H. Ball, Acting Chief, Field Investigative Staff, FFC, Washington
 Mr. Charles R. Clark, Investigative Unit, FFC, New York City.

In your memorandum of yesterday you inquired about one Mr. Archdeacon. The following information is submitted regarding this individual.

His full name is ERIC LAWRENCE FREDERICK ARCHDEACON, residing at Old Church Road, Greenwich, Connecticut. He was born March 31, 1897, in Liverpool, Lancashire, United Kingdom, the son of Mr. and Mrs. P. M. L. Archdeacon. He was educated in Germany and claims he was forced into the German armed forces in the World War.

In 1919 he entered the employ of Deutsche Bank in Germany where he remained until 1922 when he joined M. M. Warburg & Co., at Hamburg, Germany, where he remained until 1924, when he became associated with Thyssen Iron & Steel Works which company was merged in 1926 with Vereinigte Stahlwerke, A.G. (United Steel Works of Germany). That position he held until 1926 when he was elected first managing director of the British Subsidiaries of Vereinigte Stahlwerke, A.G.

In an application which he made in 1929 for a position with the Bankers Trust Company, he stated that he was, during 1927 and 1928, with Dillon, Reed & Co., Paris office, as their new business representative, and maintained an office in Berlin until April, 1939, when he was transferred to the New York office of the Bankers Trust Company where he is at present employed in an unofficial capacity at a salary of \$12,000 a year. At present he is devoting his entire time, with the Bank's permission, to "Geopolitics". He was introduced to the Bankers Trust Company by Mr. Ferdinand Eberstadt, assistant to Mr. Donald Nelson, Director of the War Production Board.

On November 4, 1942, Mr. Archdeacon wrote a memorandum to his attorney, William de Kraft, of No. 14 Wall Street, New York City, in which he set forth his life history. Mr. De Kraft in turn forwarded a copy of this memorandum, on November 6, 1942, to Lt. Col. William S. Culbertson, War Department General Staff, 2431 Munitions Building, Washington, D. C.

334791

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Authority <u>968103</u>
By <u>ANT</u> NARA Date <u>6-12-00</u>

RG	<u>131 - Alien Property</u>
Entry	<u>FFC Investigative Rpts</u>
File	<u>NY 9-377</u>
Box	<u>16</u>

- 2 -

Mr. Archdeacon has been married twice. His first wife was Miss Erika Redorn, a German, whom he married in Berlin in 1932 and divorced in 1936. It is reported her family had been very close to the Imperial Court. The same year, 1936, he married Miss Susan Beardslee Hall, an American, daughter of William Edwin Hall of Greenwich, Connecticut, a New York attorney, who was a member of the Belgian Relief Committee during the World War. The announcement of the wedding which appeared in the New York Herald Tribune on December 10, 1937, stated that Mr. Archdeacon was the son of Mrs. P. M. L. Archdeacon of Bonn-on-Rhine, Germany. No mention was made of his father. The records of the Bankers Trust Company show his mother to be a German but there is nothing to indicate his father's nationality. He has recently told friends that his father had been working for the British Government in China, and they presume he is still with the British Government.

While representing the Bankers Trust Company in Germany he consulted Dr. Gerhardt A. Westrick on Behalf of the Bank's legal matters. We have been told it was through Dr. Westrick's efforts that he was able to have his household furnishings removed from Germany to this country.

C. R. C.

334792

DECLASSIFIED	
Authority	968103
By	ANT NAPA Date 6-12-00

RG	131 - Alien Property
Entry	FFC Investigative Rpts
File	NY 9-377
Box	16

January 7, 1943

Mr. Allen

Mr. Ball

It is requested that we conduct a very discreet investigation regarding a Mr. Archdeacon, formerly a representative of the Bankers Trust Company in Berlin, Germany.

It is our understanding that his mother was German and that his father was an Englishman residing in Germany. He is said to have been very close to various Nazi officials during his residence.

We should investigate his present activities, position that he is holding with the Bankers Trust Company at the present time, the people with whom he is associating, and any other pertinent facts which can be obtained.

334793

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 Authority 968103
 By AVT NARA Date 6-12-00

RG 131 - Alien Property
 Entry FFC Investigative Rpts
 File N.Y. 9-377-
 Box 16

DIGEST

9-377
 November 25, 1941

Subject: Possible Concealment of Nazi Assets (New York Banks).

Basis for investigation: An article appeared in the Roanoke Times, October 20, 1941, quoting Walter Winchell to the effect that a certain New York bank had a secret tie-up with the Nazis and that the bank suddenly entered the "billion-dollar class".

Results of the investigation: The investigator made inquiries among several large New York banks and brokerage houses but was unable to ascertain the accuracy of Mr. Winchell's allegations.

Aside from those New York banks which have been in the billion-dollar class for many years, there were at least three New York banks which approached this category. Of these, the Chemical Bank & Trust Co. made the most impressive showing; total deposits increased from about \$440,000 on January 8, 1938 to about \$900,000,000 on November 13, 1941. Most of this growth was due to domestic deposits, not to foreign holdings; maximum foreign deposits never exceeded \$32,000,000. Four other New York banks had increases approximating that of the Chemical Bank and Trust Co., also due primarily to the growth of domestic deposits.

Moreover, some of the relatively smaller New York Banks indicate sizeable holdings of European funds, as of November 13, 1941: J. P. Morgan & Co., about \$96,000,000, chiefly from France; Brown Bros. Harriman Co., about \$30,000,000; Swiss Banking Corp., about \$47,000,000; and Credit Suisse, about \$25,000,000.

Possible location of Nazi funds: An officer of the Bankers Trust Co. believes that Nazi officials may have deposited funds with certain Swiss holding companies in the names of U. S. citizens appointed as directors thereof, and that the National City Bank, New York, might be an outstanding recipient of such funds.

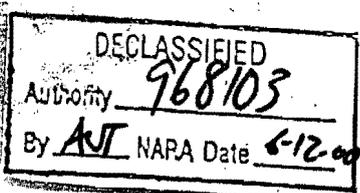
Other possible recipients of Nazi funds, according to the foregoing official of Bankers Trust Co., are the following: The Lumberman's Mutual Insurance Co., Chicago, and the Boatman's National Bank, St. Louis. The latter, especially, was believed to have carried on negotiations for the purchase of breweries, etc., for the account of Von Ribbentrop.

Conclusion: This investigation has failed thus far to disclose the existence of deposits belonging to Nazi officials. It is somewhat questionable whether a furtherance of this investigation will be productive of any significant findings. (A copy of this report was sent to Mr. Klaus).

cc Mr. Bennett Mr. Quint
 Mr. Carre Mr. Schmidt
 Mr. Fox Mr. Timmons
 Mr. Olsen Mr. Towson

PG:lz (12/13/41)

334794



RG	131 - Alien Property
Entry	FFC Investigative Rpts
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- 2 -

NY 9-377

foreign holdings during the same period showing an increase of only \$15,144,000. This bank's total deposits for foreign accounts have not exceeded \$32,000,000 at any time since January 8, 1938, and currently they amount to \$27,098,000, of which only \$9,089,000 are shown as European deposits.

Four other prominent New York Clearing House banks, which are in the same class as the Chemical Bank & Trust Company, have had similar increases in their total deposits since 1938, due almost entirely to domestic accounts. On the other hand, three of the largest New York banks hold sizeable foreign accounts (Chase, National City Bank, and the Guaranty Trust Co.), but these institutions have been comfortably within the so-called "billion-dollar class" for many years.

A statistical chart has been prepared, accompanying this report as Exhibit "A", showing a comparative statement of total deposits and a separate record of foreign funds held by the ten leading New York banks at various intervals during the years 1938, 1939, 1940 and 1941. Foreign deposits held by a number of additional prominent local banking houses are mentioned separately below.

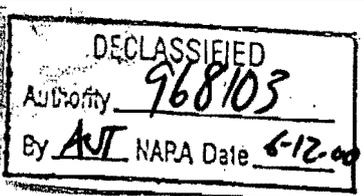
In view of the information ascertained, it would appear that none of the well-known New York banks has "suddenly entered the billion-dollar class," quoting Walter Winchell. Moreover, a careful examination of the foreign-deposit statements of the ten principal banks has failed to disclose the existence of considerable sums originating from any one country, with the exception of the Chase and National City Banks. The deposits for foreign account, when separated by countries, do not indicate advances of an unusual character.

RECORD OF FOREIGN DEPOSITS
IN OTHER LOCAL BANKS:

Aside from the deposits indicated for the ten New York banks listed under Exhibit "A", the following larger institutions in New York also report sizeable holdings of foreign funds:

<u>Bank</u>	<u>Total Foreign Deposits on Nov. 13, 1941</u>	<u>Deposits for Europe Alone</u>
J. P. Morgan & Co.	\$115,997,000	\$95,689,000 incl. (France: \$52,582,000 (Holland: 12,586,000 (Switz.: 10,214,000

334796



RG	<u>131 - Alien Property</u>
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File	<u>NY 9-377</u>
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NY 9-377

<u>Bank</u>	<u>Total Foreign Deposits on Nov. 13, 1941</u>	<u>Deposits for Europe Alone</u>
Brown Bros. Harriman Co.	\$ 38,618,000	\$ 29,982,000
Swiss Banking Corp.	49,892,000	47,248,000
Credit Suisse	25,371,000	24,864,000
American Express Co.	14,786,000	11,324,000

OPINION OF MR. ERNST MELLI:

Mr. Meili of the J. Henry Schroder Banking Corp. stated that he had not heard of any bank in New York which had shown unusual increase in foreign or domestic deposits in comparison to other New York banks. He said he knew that the Chemical Bank & Trust Co., New York, had increased its total deposits somewhat in excess of those recorded by other local banks in its class, but since the separation of Herman Kollmar from the said bank, he doubted that the Chemical Bank & Trust Co. would be holding funds of any importance for Nazi account.

Kollmar's relations with the Chemical Bank & Trust Co., New York, have been discussed in detail under our reports dated September 24, 1941, and June 23, 1941, File NY 20.6.

POSSIBLE LOCATION OF NAZI FUNDS:

Mr. Erich Archdeacon of the Guaranty Trust Co. said that he personally suspected large amounts belonging to well-known Nazi officials and ranging from perhaps \$10,000,000 to \$30,000,000 or more, to have been deposited with certain Swiss investment and holding corporations in the names of U. S. citizens appointed as directors of such Swiss institutions in the United States.

In this connection, Mr. Archdeacon referred particularly to the National City Bank, New York, which he believed held large deposits of Swiss funds for the account of holding companies in Switzerland. The probability exists, he said, that a part of these funds actually belong to Germans, especially in view of the fact that a few years ago the National City Bank acted as American agents either for the German Reichsbank itself, or for affiliates of the latter such as the Reichskreditgesellschaft, or Federal Credit Corporation.

334797

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 File NY 9-377
 Box 16

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NY 9-377

From scraps of information obtained at private dinner parties and similar gatherings, Mr. Archdeacon said he also was of the impression that it was much more likely for Nazi funds to have been deposited with banks in the Middle West rather than at widely-known institutions in New York. He added that it was rather unlikely for high Nazi officials to have placed sizeable sums in U.S. dollars with any of the representative New York banks, at least not amounts which are easily identified as belonging to Nazi personages.

On the other hand, Mr. Archdeacon stated that two Middle-West institutions, among others possibly involved, could be suspected in this connection. He specifically referred to the following:

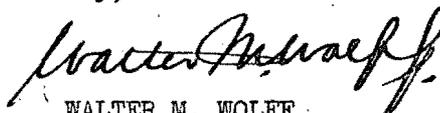
1. Lumberman's Mutual Insurance Co.,
Chicago, Ill.
2. Boatman's National Bank,
St. Louis, Mo.

Other potential depositories for Nazi funds were believed to be banking houses, insurance companies, etc., located at Chicago, St. Louis, Milwaukee or Minneapolis.

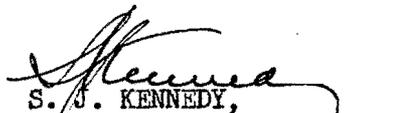
The Lumberman's Mutual Insurance Co. is headed by a Mr. James Kemper (president) who was at one time president of the International Chamber of Commerce.

Mr. Archdeacon said he recalled having heard that the Boatman's National Bank, St. Louis, Mo., had negotiated the purchase of certain breweries and champagne wineries in the Middle West for the account of Von Ribbentrop, the Nazi Foreign Minister. In view of this investment, it is quite possible that further interests on behalf of Nazi leaders may be represented by this or another institution located in centers remote from New York and eastern cities.

Respectfully,


 WALTER M. WOLFF,
 Treasury Representative.

Respectfully forwarded,
 Approved:


 S. J. KENNEDY,
 Treasury Representative,
 Acting in Charge.

Enclosure: Exhibit "A"
 (Comp. Statement of Bank Deposits)

Distribution 1.

334798

TOTAL AVERAGE DEPOSITS
"BILLION DOLLAR CLASS"
LARGEST FIVE NEW YORK BANKS
(000 omitted)

EXHIBIT "A"

File NY 9-377

334799

	<u>Jan. 8, 1938</u>	<u>Dec. 31, 1938</u>	<u>Jul. 20, 1939</u>	<u>Dec. 23, 1939</u>	<u>Jul. 18, 1940</u>	<u>Dec. 26, 1940</u>	<u>Jul. 2, 1941</u>	<u>Oct. 23, 1941</u>	<u>Nov. 13, 41</u>
<u>1. CHASE NAT'L BANK</u>									
Tot. Aver. Demand and Time Deposits:	\$1,890,300	\$2,182,620	\$2,446,617	\$2,650,150	\$3,072,275	\$3,270,630	\$3,430,198	\$3,340,921	\$3,145,646
Tot. Foreign Dep.:	195,856	242,988	319,601	363,666	376,178	380,060	351,480	373,160	364,028
<u>2. NATIONAL CITY BANK</u>									
Tot. Aver. Demand and Time Deposits:	\$1,588,887	\$1,744,181	\$1,975,128	\$2,250,982	\$2,548,429	\$2,753,251	\$2,810,206	\$2,795,748	\$2,741,095
Tot. Foreign Dep.:	215,550	254,930	359,003	439,551	490,900	501,636	469,631	442,956	445,049
<u>3. GUARANTY TRUST CO.</u>									
Total Demand and Time Deposits:	\$1,339,742	\$1,507,042	\$1,834,363	\$2,012,934	\$2,283,604	\$2,299,811	\$2,377,378	\$2,329,171	\$2,237,413
Tot. Foreign Dep.:	122,080	182,376	310,814	319,445	330,290	307,047	290,863	269,475	261,340
<u>4. CENTRAL HANOVER B. & T.</u>									
Total Demand and Time Deposits:	\$ 751,037	\$ 855,848	\$ 935,561	\$1,044,696	\$1,223,734	\$1,218,500	\$1,288,103	\$1,221,802	\$1,188,600
Tot. Foreign Dep.:	41,480	49,521	67,432	55,205	38,383	45,212	35,715	34,914	35,148
<u>WALKERS TRUST CO.</u>									
Total Demand and Time Deposits:	\$ 772,090	\$ 862,031	\$ 981,077	\$1,093,989	\$1,187,127	\$1,315,099	\$1,280,861	\$1,275,198	\$1,278,711
Tot. Foreign Dep.:	57,552	62,126	95,723	81,699	64,309	65,672	63,220	57,644	57,098

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 File NY 9-377
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 BY AJL NARA Date 6-12-09

REPRODUCED AT THE NATIONAL ARCHIVES

TOTAL AVERAGE DEPOSITS
"SUB-BILLION DOLLAR CLASS"
SECOND LARGEST GROUP OF NEW YORK BANKS
(000 omitted)

	<u>Jan. 8, 1938</u>	<u>Dec. 31, 1938</u>	<u>Jul. 20, 1939</u>	<u>Dec. 28, 1939</u>	<u>Jul. 18, 1940</u>	<u>Dec. 26, 1940</u>	<u>Jul. 2, 1941</u>	<u>Oct. 23, 1941</u>	<u>Nov. 13, 41</u>
<u>1. CHEMICAL BANK & TR.</u>									
Total Demand and Time Deposits:	\$440,209	\$515,279	\$595,213	\$667,079	\$747,894	\$782,435	\$874,137	\$891,456	\$904,013
Tot. Foreign Dep.:	11,954	19,742	26,208	30,387	22,991	22,025	31,689	27,064	27,098
<u>2. MANUFACTURERS TRUST</u>									
Total Demand and Time Deposits:	\$547,133	\$613,459	\$686,216	\$728,821	\$769,138	\$862,576	\$876,560	\$896,213	\$864,118
Tot. Foreign Dep.:	8,728	14,522	23,956	28,322	27,728	30,876	30,305	29,925	28,082
<u>3. FIRST NATIONAL BANK</u>									
Total Demand and Time Deposits:	\$414,984	\$509,699	\$571,032	\$587,839	\$737,001	\$803,806	\$813,911	\$884,367	\$820,929
Tot. Foreign Dep.:	4,343	6,151	5,652	7,110	3,955	4,146	3,533	3,155	3,152
<u>4. IRVING TRUST CO.</u>									
Total Demand and Time Deposits:	\$464,926	\$532,046	\$596,373	\$636,714	\$719,408	\$720,371	\$752,385	\$747,080	\$740,259
Tot. Foreign Dep.:	41,131	70,102	84,860	106,304	91,273	89,519	76,583	77,169	78,119
<u>5. BANK OF MANHATTAN</u>									
Total Demand and Time Deposits:	\$435,246	\$508,776	\$500,885	\$595,129	\$648,304	\$653,328	\$667,800	\$672,516	\$651,253
Tot. Foreign Dep.:	31,843	32,163	50,791	59,387	55,513	44,579	47,101	59,967	53,048

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File NY 9-377
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334800

EXHIBIT "A"

File 9-377

Page 3

INCREASE IN DEPOSITS

FROM JAN. 8, 1938, to NOV. 13, 1941.

(000 omitted)

	<u>Total Av. Increase</u>	<u>Increase Av. in Foreign Deposits</u>	<u>Incr. Av. Foreign Deposits Jan. 8, 1938-Dec. 26, 1940</u>
1. CHASE NATIONAL BANK	\$1,255,343	\$ 168,172	\$184,204
2. NATIONAL CITY BANK	1,152,208	229,499	286,086
3. GUARANTY TRUST CO.	897,671	139,260	184,967
4. CENTRAL HANOVER BANK & TR. CO.	437,563	13,668	3,732
5. BANKERS TRUST CO.	506,621	(d) 454	8,120
6. CHEMICAL BANK & TRUST CO.	463,804	15,144	10,071
7. MANUFACTURERS TRUST CO.	316,085	19,354	22,148
8. FIRST NATIONAL BANK	405,945	(d) 1,191	(d) 197
9. IRVING TRUST CO.	275,333	36,988	3,448
10. BANK OF THE MANHATTAN	216,407	21,205	12,736
		(d) Decrease	(d) Decrease

334801

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File NY 9-377
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By AJL NARA Date 6-12-09

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DECLASSIFIED
Authority <u>968103</u>
By <u>AST</u> NARA Date <u>6-12-00</u>

RG	<u>131 - Alien Property</u>
Entry	<u>FFC Investigative Rpts</u>
File	<u>NY 9-377</u>
Box	<u>16</u>

9-377

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL.

DATE November 1, 1941

TO **Mr. Kennedy**
FROM **Mr. May**

Enclosed is a memorandum from Mr. Klaus, together with copy of an article which recently appeared in the Roanoke Times based on information given in Walter Winchell's column.

Winchell's information is vague and if he really means a New York bank in the billion dollar class his allegations would be pretty well limited to the three largest banks which are Chase, National City and Guaranty Trust. However, he may have in mind some such bank as Chemical Bank and Trust Company because of its former connection with Herman Kolmar.

I suggest that you make discreet inquiry of a few of the people in New York banking circles with whom you have already made fairly close contact. I don't anticipate that you will obtain much information but you might get viewpoints indicative of whether or not there is any substance to Winchell's allegations. In this connection I suggest you talk with Ernst Meili of Schroeder's, Sterling Bunnell of National City, Eric Archdeacon of Bankers Trust, Mr. Gormory of Manufacturers Trust or any one else who might be in a position to know something about this matter.

If any such huge deposits have been made as Winchell suggests they should certainly be reflected in a banks' periodic statement of deposits. Semi-annual balance sheets over a period of several years might be useful.

SM

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NOV 5 1941

Foreign Funds Control
New York

334802

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Authority 968103
By ANT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 9-377
Box 16

9-377

TREASURY DEPARTMENT

INTER-OFFICE COMMUNICATION

STRICTLY CONFIDENTIAL

DATE October 27, 1941

TO Mr. May

FROM Mr. Klaus

Pursuant to our telephone conversation, I send you herewith a copy of the article which appeared in the ROANOKE TIMES on October 20, 1941.

SN

**RECEIVED
FOREIGN FUNDS CONTROL**

OCT 28

**INVESTIGATIVE SECTION
WASHINGTON, D. C.**

RECEIVED

NOV 5 1941

Foreign Funds Control

DECLASSIFIED
Authority 968103
By AVT NARA Date 6-12-00

RG 131 - Alien Property
Entry FFC Investigative Rpts
File NY 9-377
Box 16

9-377

FROM

ROANOKE (VIRGINIA) TIMES, 10/20/41

THEY'D BETTER WATCH THEIR STEP

According to Walter Winchell, who sometimes knows what he is talking about, Uncle Sam is investigating a certain New York bank's alleged Nazi ties. "A year ago", according to Winchell, "it was just another bank. Suddenly it came into the billion dollar class. Goering and other German biggies are said to deposit there. One of its executives makes private speeches to industrialists, 'seeing no reason why we can't do business with the New Order, etc.'"

If the bank in question has any secret tie-up with the Nazis, it ought not to be too difficult for the alert investigators of the Treasury and the Department of Justice to establish that fact. There are ways of getting to the bottom of such matters, undoubtedly, and what is known or suspected by Winchell can hardly be utterly beyond the ken of the Government.

Bank officials or others who seek to further the interests of their own institutions by furthering the cause of Adolf Hitler are playing a dangerous game and one that is apt to boomerang disastrously. No matter what they may think about it, this country most certainly isn't going to do business with the New Order and it isn't going to be in the mood very long to do business with those who advocate such procedure. That's something for Mr. Big and others who may have Nazi connections to think about.

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FOREIGN FUNDS CONTROL

OCT 28 1941

INVESTIGATIVE SECTION
WASHINGTON, D. C.

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File	NY 9-231-A
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NY 9-231-A

NY 9-231-A

TREASURY DEPARTMENT
Washington

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FOREIGN FUNDS CONTROL
253 Broadway, New York
Rector 2-7373

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Mar 9, 1942

Sir: Re: AMERICAN UNION TRANSPORT, INC.
 33 Rector Street
 New York City, N. Y.

This supplemental report has reference to your letter dated September 12, 1941, attached to which was copy of Despatch No. 7094, concerning the possible illegal transfer of funds from Rumania. A preliminary report has been mailed previously on this case under number NY 9-231. Reference is also made to cases NY 5-678 and 5-628 in which the principal, M. M. HOLZER, is mentioned.

On February 2, 1942, and subsequent days, I visited the office of the AMERICAN UNION TRANSPORT, INC., and discussed the matter of foreign FUNDS BEING USED BY THE SUBJECT COMPANY, WITH Marcel M. HOLZER, president and owner of the business and with his auditor, who furnished certain records, relating to the cash funds employed. R. HICKS, treasurer of INTERNATIONAL MERCANTILE MARINE, INC., through whom HOLZER secured control of the business now being conducted as his own company, was interviewed and the various banks where funds are kept, were contacted and certain information secured from their credit files.

The information presented in this report was secured from the above sources.

SUMMARY

MARCEL W. HOLZER, is the present owner of the AMERICAN UNION TRANSPORT, INC., which he acquired through alleged manipulation.

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