

APC

DECLASSIFIED
Nazi War Crimes Disclosure Act
PL105-246

By: SLH Date: 10/2/2000

184

In reply, please refer to: HQI:EP:JAB:ej
F-28-28486-A-1 F-28-2151 F-28-18982
F-28-2151-7-2 F-28-2151-A-4 F-28-4801-A-1
F-28-2151-A-5 F-28-18982-A-1 F-28-4801
F-28-2151-0-1 F-28-4801-A-2 F-28-2151-7-1

December 19, 1947

MEMORANDUM TO: Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation

Attention: Mr. Alex Rosen

FROM: David L. Bevelon
Assistant Attorney General
Director, Office of Alien Property

D. J. B. Hughes

SUBJECT: Property of Mrs. Edward (Anna de Bary) Wertheimer
(Request No. 42)

This Office is desirous of obtaining further information relative to certain property items which are reported to be owned by subject individual.

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An extract from HQAX-1 Report Number 004/10341 shows that Cuenper's and Company, 30 Kaiserstr., Frankfurt/Main, reported that Mrs. Edward (Anna de Bary) Wertheimer of Frankfurt/Main, Germany owns \$51,000 of St. Louis & San Francisco Ry. bonds 4 due 7/1/50, and 10 shares of BOA stock. These property items, as well as three claims against the vestibility of the property, are described in the following paragraphs.

I

St. Louis & San Francisco Ry. Co. Prior Lien Mtg., Series A 4 due 7/1/50, Ctf of Deposit Default No. AD3329/73 @ \$1000 each, AD917-984/5 @ \$500 each, AY417/20-434/4 @ \$250 each. The total face value of these bonds is \$51,000; the present actual value is about half of that amount. These bonds are held at the National City Bank of the City of New York, which reported them on Forms FER-500 and APC-56, as held in the name of Cuenper's and Co. This bank also reported the sum of \$3,873.55 held in a separate account, this sum representing interest on the bonds.

There are three claims which affect the vestibility of these bonds. The further information needed on each claim by this Office is set out below together with an explanation of the claim.

RECORDED
SERIALIZED 114-141-1

1. This claim is made by Edward Barry, son of Mrs. Wertheimer, and a naturalized American citizen residing at 777 Klatskanie Road, Manhasset, New York. The claim is to the effect that Mrs. Wertheimer suffered persecution under the Nazi regime in Germany and that her property is therefore exempt from vestin. On this claim this Office would like to learn what proof can be offered of the alleged persecution suffered by Mrs. Wertheimer.

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DATE 10/4/99 BY SPICER/SAT

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Specifically Edward Barry should 1) cite the law, decree or regulation (on which his mother's claim is based); which imposed discriminations upon all members of a particular political, racial, or religious group and 2) offer facts showing that Mrs. Wertheimber, as a consequence of this law, decree or regulation at no time between December 7, 1941 and the time when the law, decree or regulation was abrogated, enjoyed full rights of citizenship under the laws of Germany. Any details Barry may care to give clarifying the forced sale to Cuepper's and Co. will be helpful.

2. The second claim, also advanced by Edward Barry, is that this property can not be vested because it belongs to him. His father, Ernst Wertheimber, died in September 1940 leaving his wife, Edward Barry's mother, as sole heir. Barry claims that under the German law he is entitled to a compulsory portion of his father's estate, in his case 1/8. He says his father's estate amounted to 1 million Reichsmarks, "equal in 1940 to \$400,000," and that he should thus receive 50,000. Since the total of all of his mother's property in the United States is less than this amount, he claims that he should receive all of her property in this country. A copy of his father's will with translation was submitted by Edward Barry, together with an opinion of a New York investment advisor who formerly practiced law in Germany. As far as it goes, the opinion seems to confirm Barry's interpretation of his father's will, but it is based on facts submitted by Barry. As of March 1947, Barry had made no contest of his father's will, nor has there been any proof of the value of his father's estate.

On this claim this Office would like to know why Barry did not sue his mother for his share of the estate before now and whether the German law did not preclude him from so doing; also, what was the date of his entry into the United States. A copy of the will is attached to this memorandum.

3. The third claim made by the Banque Federale of Zurich, Switzerland, is that these bonds were pledged to them since long before the war. This claim is mentioned by The National City Bank in its above mentioned WER-300 report on these securities. The Wertheimber family were formerly in the banking business in Frankfurt/Main but made a forced sale of the business under the Nazis to Cuepper's and Co. in 1938. It seems that Ernst Wertheimber had pledged these securities to the Banque Federale before July 1932; Edward Barry says that the bonds were pledged as collateral for a revolving credit extended to his father's banking business by the Banque Federale.

The National City Bank wrote to the Office of Alien Property on December 11, 1946, stating that they formerly held the securities for the account of Wertheimber Company but by July 1932 they had deposited the whole \$51,000 to the account of Banque Federale under Wertheimber's instructions. They also said that they exchanged the bonds in 1932 for a like amount of certificates of deposit; that the Union Bank of Switzerland, Zurich took over the Banque Federale and that they recognized only the Union Bank as their principal.

With respect to this claim this Office would like to know 1) the full terms of the original pledgor-pledgee relationship; 2) is the pledgor now entitled to the return of the property and, 3) if not, what conditions have yet to be fulfilled. Also, are there any other Wertheimber funds held in account with the Banque Federale from which the loan can be satisfied. Presumably this information can be obtained through interviews with officers of the National City Bank, requesting them to elicit the information from the Banque Federale.

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II

The second property item reported by Cuepper's and Co. on the above mentioned MCAX report as the property of Mrs. Wertheimer is "ten pieces" of RCA stock held at the Eidgenoessische Bank A.G., Zurich under the name Cuepper's and Co. The Irving Trust Co., 1 Wall Street, New York, New York, reported 11 shares of RCA common stock, certificate no. 39182 for ten shares and certificate no. 9414 for 1 share, as property owned by Cuepper's and Co. and held in the name of Charles, Frederic and Co., nominee for Irving Trust Co. Quite possibly this is the same stock referred to by Cuepper's and Co. in their MCAX report.

The same three claims which were outlined above as outstanding against the St. Louis & San Francisco Ry. bonds, are made with respect to this RCA stock. Banque Federale's claim against the RCA stock was made in their letter of June 2, 1944 to the Irving Trust Co. With respect to these three claims the Office would like to have the same information as that requested above with respect to the claims against the St. Louis & San Francisco Ry. bonds.

III

The following property items were reported by H. Cassel and Company, 61 Broadway, New York, New York as the property of Mrs. Wertheimer: \$55,000 of Mexican 4/10 small second assented bearer bonds; \$10,000 Mexican Treasury 6/15 small second assented bearer bonds; and \$10,000 National Railway of Mexico 4-28 bearer bonds. Additionally, a debt was reported as "credit balance, collection of interest on Mexican Railway bonds - \$1,719.43." These bonds are held under the name of Cuepper's and Co., but that company has admitted Mrs. Wertheimer is the owner.

With respect to these property items the same claims are made as are made with respect to the St. Louis & San Francisco Ry. bonds and the RCA stock, except that Banque Federale makes no claim that these securities were ever pledged to them. In other words only claims 1 and 2 are made with respect to these Mexican securities; as to claims 1 and 2 the same information as requested above is needed by this Office.

The files from which this memorandum was composed will be kept available in case examination of them is desired. Will you please address your reply to the attention of Mr. Hilken. Mr. Barry, Operations Branch, Attention 209, is presently assigned to the case.

D.L.B.

Attachment

W I L L

Frankfurt on the Main
August 31, 1940

Ernst Isr. Wertheimer and Anna born de Bary, at Frankfurt on the Main,
declare each other mutually as sole devisee (literally: "heir").

I, the wife, have written down, dated and signed, the foregoing
by my own hand. The husband will add his signature as the sign of his
agreement.

/s/ Anna Wertheimer born de Bary
/s/ Ernst Israel Wertheimer -
agreed

Frankfurt on the Main
August 31, 1940

(The above document was translated by Mr. Maximilian Friedmann, Room 605,
Williard Bldg. - March 12, 1947)

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DATE 10/14/99 BY SP1 CLK/GAI

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ENCLOSURE

114-141-1

SSR:EW
65-3043
65-30919-446
65-10554
65-7267

Blocked accounts

April 19, 1941

179

MEMORANDUM

RE: FOREIGN FUNDS - *German*
I. G. FARBEINDUSTRIE;
BATA SHOE COMPANY

The following information was received by the Bureau from Mr. Samuel Klaus of the Treasury Department, which information was received by the Treasury Department from a confidential source:

CONFIDENTIAL

Copy of letter received from Ministry of Economic Warfare, London, dated February 15th, 1941. (S-1)(c)

We have had information of an exchange of remarks between Berlin and New York which are not entirely clear to us, but which are very interesting as showing a trend of Nazi thought at the moment. We believe the Berlin representative to have been Dr. Conrad Damer, of the Golddiskontbank, and the New York man, Kollmar. (S-1)(c)

After stating that they must buy some dollars, Berlin enquired what could be done about the frozen Danish, Norwegian or Dutch dollars and on being told that these were blocked, asked whether they could make use of an American middleman. New York doubted whether this would be possible, as the Dutch dollars are under the control of the Dutch Legation in Washington, and the Treasury are very strict, but thought that there might, with American prompting, be a chance of obtaining Danish and Norwegian dollars fairly easily, on the analogy of the case of the permit to the International Telephone & Telegraph Co. (S-1)(c)

Berlin then suggested that they should get an American who wanted to sell his property in Germany to try and obtain the proceeds out of a blocked dollar account, which New York thought might be possible, as a compensation deal, and suggested advertising in an American paper for such a man. (S-1)(c)

That is all the information we have, and I don't know whether you will be able to fathom it, but if the suggested (S-1)(c)

(S-1)
15
(TREASURY DEPT.)
FOI/PA # 315,090
APPEAL
CIVILIACT. #
E.O. # 12326
DATE 1/29/90
GCL

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Foxworth _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Carson _____
- Mr. Quinn Tamm _____
- Mr. Hendon _____
- Mr. Tracy _____
- Miss Gandy _____

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OTHERWISE

CONFIDENTIAL

Classified by SP6BJA/gcl
Declassify on: GADRI/29/90
#315,090

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ORIGINAL FILED IN 65-30919-446

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" 'advertising is done on a large enough scale, you may hear something which will elucidate the scheme. Meanwhile you may care to put the U. S. Authorities on their guard.' (S-1)(c)

" C
O
P
Y

(Initialed) HJS "
March 10, 1941
TIN. 2051

It is understood from a delicate source that El Fenix Sudamericano, Rua, Mitre 226, Buenos Aires, Argentina, S. A. wrote on Feb. 10th, 1941, to Pilot Reinsurance Co. of New York, 70 Pine Street, New York, N. Y. enclosing a letter written by Herak, Flnck & Co. Munich, Pfandhaus Str. 4, to addressees who are asked to pay \$50,000 from the special Damages Reserve to the Guaranty Trust Co. New York, for account Schweizerische Bankgesellschaft, Zurich, without mentioning Herak, Flnck's name, requesting Guaranty Trust Co. to cable the Schweizerische Bank on receipt of money. (S-1)(c)

C O N F I D E N T I A L "

" C
O
P
Y

March 6, 1941
IN. 6/17/2/41 (S-1)(c)

On 7th February 1941 Guaranty Trust advised B.N.U. Lisbon, that they had credited them \$10,110 received from General Drestoff Corporation, New York, for account of Assicurazioni Generali, Trieste. (S-1)(c)

C O N F I D E N T I A L "

" C O P Y

March 7th, 1941
IN. 6114 (S-1)(c)

It is understood from a delicate source that Dr. George Wettstein, Villa Gentiana, St. Moritz, wrote on January 16th, 1941 to Northold Corporation, 44 Wall Street, New York. (S-1)(c)

It appears that Bata Vanotschap (called 'BAVE' in the correspondence), the Dutch Company, owes money to the North African subsidiaries, viz:- Frs. 4,506,226 to the Moroccan, Frs. 1,491,648 to the Algerian, and Frs. 1,313,543 to the Tunisian firms of Bata. (S-1)(c)

C O N F I D E N T I A L

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By agreement dated 19th April, 1940, addressees undertook to pay the debts of 'BAVE', which cannot be wound up without the books of account, which are in Cambridge and cannot be sent to Head Office. Writer does not know if addressees could, after purchasing the paying for Bave's shares, transfer either shares, or the equivalent in money, without authority from the American Government, and asks for information in the matter. He suggests that they may be able, under American law, to act as though owed money by Leader A.G., of St. Moritz, and utilize the funds thus obtained to cover Bave's debts. In such case, addressees would have to realize the Leader-owned shares given in payment of Bave's debts. Although these shares are worth more than their nominal value, it might be that the operation would not settle account fully; creditor companies should remember that credits on a Dutch firm are very problematical, and they would do well to accept anything offered, writing off the balance, if any, thereafter outstanding. The Leader-owned shares are in London. The shares to be taken into consideration are 650-900 shares each of S.A. Alger and S. A. Tunis. Writer makes the statement 'Being no longer on the Black List, Leader can freely dispose of them'; but there are difficulties and risks in sending the shares to the African companies. Writer suggests that the Certificates might be sent by one mail, and the coupons by another. (S-1)(c)

Writer has written fully on the matter to Mr. Krauser (Manager of Negocia, S.A., Casablanca) and enquires of addressees whether the above arrangement is agreeable to them or whether according to American law they could transfer the equivalent for the shares with which they pay Bave's debts, and whether in such a permit the shares which they might purchase would be included, or whether two permits would be necessary - one for assigning the credit in payment of the shares, and the second for transferring the shares themselves. (S-1)(c)

Writer states that the 'Swiss Group' hold 4,200 shares of S.A. Marocain, and suggests that addressees might buy some, and owe for them as they already owe for 'NEGOCIA' shares. (S-1)(c)

CONFIDENTIAL*

COPY

[March 7, 1941
IN. 36/17/2/41] (S-1)(c)

On 6th February 1941, Gebhardt, Los Angeles, advised Karl von Lewinski, Berlin, regarding Altenbach (Peter Altenbach & Sohne, Solinger, cutlery manufacturers) that there was a possibility of a sale for \$15,000 cash, and asked him if interested to send full powers. (S-1)(c)

CONFIDENTIAL*

CONFIDENTIAL

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COPY

[March 6th, 1941] (S-1)(c)
FIN. 2982

CONFIDENTIAL

It is understood from a delicate source that Advokatur Bureau, Dr. Georg Wettstein, Zurich, Switzerland, wrote on February 3rd, 1941 to Dr. Jan. A. Bata, c/o Ataman Inc., Balcoap, Maryland. (S-1)(c)

'Re: VERNON'. Minutes of last general meeting. In principle the Company has had to conform to new French laws and rules, elect new directors etc. which has now been done. A transfer of seat has shown no advantages, but has only made transport of Hello machines more difficult. Addressed has minority holding in this company and writer requests signature on enclosed 'Power of Attorney', so that company's files are in order. (S-1)(c)

'Re: HELLO'. Minutes of last general meeting. Request for signatures on enclosed Power of Attorney, as writer has minority holding. (S-1)(c)

CONFIDENTIAL

COPY

[March 6th, 1941.] (S-1)(c)
FIN. 5307

It is understood from a delicate source that Atramo Trading Corporation, 61 Broadway, New York City, wrote on January 25th, 1941 to Ernst Winterstein & Co., 2 & Talacker, Zurich, Switzerland, confirming their cable of same date reading: (S-1)(c)

'Offer on 78,400 Farben shares, 87,000 Mannesmann, 45,700 Siemens shares, all three without declaration delivery Lieben within 10 days'

and say they would be glad of an answer. (S-1)(c)

CONFIDENTIAL

COPY

[March 5, 1941] (S-1)(c)
IN. 1/17/2/41

We learn from a reliable source that Swedish banks have informed the German Government that they do not wish to continue holding German \$ balances and have asked them to make other arrangements. The German government then asked the Swiss Banks to take them over, but the latter refused. It is now expected that Finland will be asked to oblige. CONFIDENTIAL

(S-1)(c)

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APR 19 1941

65-7267

APR 19 1941

65-7267

RE: FOREIGN FUNDS - GERMANY
DATA SHEET COMPANY

RECORDED

65-7267-827

Assistant Director E. J. Connelley
New York, New York

Information was received by the Bureau from the Second Office of the Treasury Department, which was received by the Treasury Department from a confidential source.

RE: FOREIGN FUNDS - GERMANY
DATA SHEET COMPANY

Dear Sir:

Copy of letter received from Ministry of Economic Warfare, London, is of possible assistance to you in the investigation of foreign funds matters. There is being transmitted to you herewith a memorandum dated April 19, 1941, containing information furnished to the Bureau by Mr. Samuel Klein of the Treasury Department, which was received by the Treasury Department from a confidential source.

Your particular attention is directed to the reference to the New York man, Koller, mentioned in the quoted letter from the Ministry of Economic Warfare, London, dated February 15th, 1941.

Very truly yours,

John Edgar Hoover
Director

FOI/PA #	315,090
APPEAL #	
ACQUIRED	
E.O. #	12356
DATE	1/29/90

cc - Sullivan

Enclosure

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Foxworth
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Carson
- Mr. Quinn Tamm
- Mr. Hendon
- Mr. Tracy
- Miss Gandy

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Declassify on: OADR 1/29/90
#315,090

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CONFIDENTIAL

ORIGINAL FILED IN 65-30919-446

COPY

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FIN. 2982

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IN. 1/17/2/41

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(S-1)(c)

3491 51

OAP

Suit to recover balance paid to Gestapo

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **NEW YORK**

REPORT MADE AT NEW YORK	DATE WHEN MADE 5/27/54	PERIOD FOR WHICH MADE 5/11-14, 17, 18, 20/54	REPORT MADE BY HAROLD A. HOEG	rer
TITLE EDUARD VON DER HEYDT, LIBERATAS S.A., AND RATIO S.A. v. HERBERT BROWNELL, JR. AND IVY BAKER PRIEST CIVIL ACTION 941-54 - DISTRICT COURT FOR THE DISTRICT OF COLUMBIA			CHARACTER OF CASE ALIEN PROPERTY CUSTODIAN MATTER	

SYNOPSIS OF FACTS:

OAP requested photostatic copies of certain cablegrams received by Chase National Bank, NYC, during 1940 and 1941 regarding payments made by VON DER HEYDT to individuals located in the US and Mexico; requested interviews of CORNELIUS LIEVENSE, ALFRED SALMONY, and RUDOLPH HEINEMANN, NYC, re knowledge of VON DER HEYDT'S activities, and interviews of Mr. and Mrs. MOSES U. PERLMANN, NYC, re their escaping from Rumania during 1942. In addition, OAP requested photostats of certain exhibits introduced in evidence in an espionage trial involving ERICH WEDEMEYER in Newark, NJ. EDWARD MCGOVERN, Chase National Bank advised all bank records for years 1940 through 1946 have been destroyed. Investigation established that CORNELIUS LIEVENSE of Union Banking Co. died during 1949 in NYC. ALFRED SALMONY and RUDOLPH HEINEMANN interviewed and results set forth. Mrs. CHARLOTTE PERLMANN and Mr. MOSES U. PERLMANN located and interviewed. Mrs. PERLMANN related during 1942 she paid \$15,000.00 through a friend named LEGRAIN to a German Gestapo Agent named WEBER in Rumania in order to effect an escape to Italy and ultimately to the US. LEGRAIN during 1943 reported to have effected the same type of escape through WEBER for himself and 5 other individuals at a cost reported by Mrs. PERLMANN at over \$60,000.00. MOSES PERLMANN and LEGRAIN presently have a civil suit pending in Ascona, Switzerland, and are attempting to effect recovery of these monies allegedly paid to VON DER HEYDT through WEBER. Photostats of requested exhibits enclosed.

TO OAP

CC OAP - POC BCS with encls 6/28/54

See N.Y. let 6/24/54

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 3-Bureau (Encls 12) 2-New York (11-139)		ENCLOSURE 114-476-8	RECORDED - 43 INDEXED - 43
DECLASSIFIED BY SP1010/SAT ON 10/29/99		MAY 28 1954	EX-123

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ORIGINAL → 349152

NY 114-139

DETAILS:

INVESTIGATION REQUESTED BY
OFFICE OF ALIEN PROPERTY (OAP)

Investigation in this matter is predicated upon receipt of a letter from Assistant Attorney General DALLAS S. TOWNSEND, Director, OAP, dated 4/15/54, which advised that a suit had been filed in the subject action under Section 9A of the Trading With the Enemy Act for the return of cash, securities and objects of art which were vested in the Attorney General by vesting order 18344.

This property was estimated to be worth a considerable sum of money, and the Plaintiff EDUARD VON DER HEYDT was described as a hereditary baron of Germany who had obtained Swiss naturalization during 1937.

VON DER HEYDT was described as a member of an extremely powerful and wealthy German family, and has extensive property interests in Switzerland, Holland, England, and Germany.

The other plaintiffs in this matter were reported as being Swiss and Luxembourg organizations which are solely owned by VON DER HEYDT, with the exception of certain qualifying shares held by Swiss citizens.

Mr. TOWNSEND related that one of the defenses which the OAP intended to make in this action was that VON DER HEYDT acted on behalf of the German Government during World War II, and, therefore, should be considered an enemy under the definition contained in section 2 of the Trading With the Enemy Act.

It was set out that VON DER HEYDT received certain funds during the years 1939 through 1943, from the German high command through the August Thyssen Bank A.G. of Berlin, and that he had transmitted these funds to designated agents of the German Abwehr in the United States and in allied and neutral countries. Many of these payments were

NY 114-139

made through an account in VON DER HEYDT'S name in the Union Bank of Locarno, Switzerland, and payments of this type were known to have been made to at least two German Espionage Agents in the United States, namely a KARL REUPER and ERICH H. WEDEMEYER.

Mr. TOWNSEND set out that the Chase National Bank of 18 Pine Street, New York City, had made payments on instructions from the Union Bank of Switzerland to individuals who are known espionage agents. This bank had cablegrams for the years 1940 and 1941 in their possession which revealed that the following payments were made to one JOSEPH HERMKES, a German Espionage Agent in Mexico. The payments were made from the Union Bank of Switzerland and through the Chase National Bank to the Banco Nacional de Mexico:

Date	Amount	Instruction Of
11/13/40	\$300.00	MAX SCHNEIDER
3/15/41	300.00	FRANZ BRAUN
4/1/41	300.00	FRANZ STEIN
5/6/41	300.00	FRANZ MICHEL

Furthermore, it was related the records of the Chase National Bank for the years 1940 and 1941 revealed that the following payments were made to GEORG NICOLAUS, a known German Espionage Agent in Mexico by the Union Bank of Switzerland, through the Chase National Bank, to the Banco Germanico de la America del Sud, Mexico City:

Date	Amount	Instruction of
11/18/40	\$ 7,000.00	FRANZ WEBER
9/14/40	5,000.00	MAX WEBER
1/27/41	8,000.00	ERNST PETZOLD
5/23/41	15,000.00	FRANZ SCHMID

It was set out that the names listed above as giving the payment instructions were fictitious, and EDUARD

NY 114-139

VON DER HEYDT was known to have given those instructions.

Mr. TOWNSEND requested that photostats of all the above-described cablegrams relating to these payments be obtained and furnished his department. It was further requested that the officials of the Chase National Bank, New York City, be requested to obtain the originals of these cablegrams in order that they could be produced upon subpoena in the trial of this action.

It was further set out by Mr. TOWNSEND that certain exhibits, namely G-85, G-86, G-92, G-93, G-96, G-97, G-101, and G-102, which had been introduced into evidence in a German Espionage trial of ERICH HEINRICH WILHELM WEDEMEYER in the District Court in Newark, New Jersey, which related to a payment made by the Union Bank of Switzerland through the Irving Trust Company of New York, be located, identified, and photostats of those exhibits should be furnished his office.

Mr. TOWNSEND further requested that Dr. ALFRED SALMONY of the Institute of Fine Arts, New York University, New York City, RUDOLPH J. HEINEMANN, of New York City, and CORNELIUS LIEVENSE of the Union Bank Corporation, 39 Broadway, New York City, be interviewed regarding their knowledge of the Plaintiff EDUARD VON DER HEYDT.

Mr. TOWNSEND pointed out that another phase of the aforementioned action and of the OAP's defense thereto was that VON DER HEYDT acted as an agent of the German Government and the German Gestapo in receiving ransom payments for the release of Jewish refugees who were held in occupied countries, including Rumania, during World War II.

Among the refugees who were believed to have made such payments for their release were a Mr. MOSKOWITZ LEGRAIN, now believed to be residing in Paris, France, and a Mrs. CHARLOTTE PERLMANN, now believed to be residing in New York City.

NY 114-139

It was set out that during 1947 Mrs. PERLMANN appeared at the office of the United States Consul General in Zurich, Switzerland, with her husband MOSES U. PERLMANN, and informed the Consul that she had been caught in Rumania in late 1942, but that after contacting a German Gestapo Agent there named HANS WEBER she was able to arrange her release by paying the foreign equivalent of \$15,000.00.

The Gestapo Agent WEBER then accompanied Mrs. PERLMANN to Rome where she was not allowed to proceed further until he had ascertained from "a baron in Switzerland", who was very important, that the payments had been made and everything was in order. Mrs. PERLMANN related a reply was received that all was satisfactory, and that she was then permitted to proceed to Lisbon.

It was also requested that Mr. and Mrs. MOSES U. PERLMANN be located and interviewed regarding their experiences as to the participation of VON DER HEYDT in the aforementioned affair.

CONTACT WITH THE CHASE NATIONAL BANK
18 PINE STREET
NEW YORK CITY

On May 11, 1954, SA JAMES P. WOOTEN contacted EDWARD McGOVERN, Chief Clerk, Foreign Department, Chase National Bank, who advised that all bank records pertaining to bank transactions for the years 1940 through 1946 have been destroyed. It was pointed out by McGOVERN that the normal policy with that bank was to destroy records once they had become 7 years old.

McGOVERN, at the request of SA WOOTEN, made a search for some possible record of the cablegrams received from the Union Bank of Switzerland regarding the payments made by VON DER HEYDT to the aforementioned German Espionage Agents in the United States and Mexico during 1940 and 1941, but no record whatever could be located.

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INTERVIEW OF DR. ALFRED SALMONY
INSTITUTE OF FINE ARTS
17 EAST 80 STREET
NEW YORK CITY

On May 14, 1954, Dr. ALFRED SALMONY was interviewed at the above address and related that he was a German by birth and became a naturalized citizen of the United States during 1939 in New York City.

SALMONY related that he arrived in this country during approximately February, 1934, and that from 1914 through 1934 he was the Assistant Director of the Museum of Far Eastern Art at Cologne. In this country he was affiliated as a lecturer on fine arts with Mills College, Oakland, California, the University of Washington in Seattle, and since 1937 has been a lecturer in fine arts at New York University.

Dr. SALMONY advised, concerning his knowledge of Baron EDUARD VON DER HEYDT, that he first met VON DER HEYDT during approximately 1923 or 1924, in Holland, at which time the baron extended an invitation to him to visit at his home in Amsterdam for discussions in connection with VON DER HEYDT's collection in Far Eastern art. Dr. SALMONY stated that thereafter he frequently visited VON DER HEYDT in both Holland and Ascona, Switzerland.

SALMONY related that VON DER HEYDT owned a mountain near Ascona, known as Monte Verita, on which he had erected a large hotel with numerous small cottages, which were largely for the use of VON DER HEYDT's numerous house guests.

SALMONY described the baron as approximately 75 years of age, and that he was a member of a famous and wealthy banking family in Germany. He stated that following World War I, VON DER HEYDT spent most of his time in Holland, and since 1927 has almost exclusively resided in Switzerland.

SALMONY further related that VON DER HEYDT was a very unusual individual and extremely eccentric in his

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activities. He recalled that the baron had unorthodox personal habits, and takes great delight in entertaining large numbers of people of widely divergent backgrounds.

Prior to World War II, SALMONY recalled, during his many visits to Monte Verita, he had personally seen and met many prominent people of known Nazi leanings, as well as Jewish refugees and people of both conservative and socialistic backgrounds. *WHA*

VON DER HEYDT was reported as being well acquainted with members of the German royal family and officials who were formerly high placed in the Nazi Government in Germany. *WHA*

SALMONY related that, in addition to extensive purchases of art objects, VON DER HEYDT frequently made voluntary gifts of money to art scholars, and described him as "the greatest angel in the world to Far Eastern art", and went on to explain that the baron has financed practically all expeditions and research in this field of science during the last 20 years.

SALMONY advised that he and one CHAUNCEY J. HAMLIN, formerly the President of the Buffalo Museum of Sciences, Buffalo, New York, during 1941, were designated by VON DER HEYDT to purchase objects of Far Eastern art at a rate of not over \$6,000.00 per year. SALMONY related they did this, and that all of these objects are presently on exhibition at the Buffalo Museum.

SALMONY stated that during 1941, VON DER HEYDT wrote to him stating that he had frozen assets in the United States which he desired to use for a purchase of art collections, and requested SALMONY's advice as to a suitable museum for exhibiting such a collection. In response, SALMONY recommended the Buffalo Museum of Sciences inasmuch as he had been personally acquainted with CHAUNCEY J. HAMLIN, and as a result of this, the aforementioned agreement for the purchase of these objects was entered into with the baron.

SALMONY described that during and after World War II the OAP allowed this money to be released to HAMLIN

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and himself at the direction of VON DER HEYDT for these purchases.

SALMONY further stated that during 1946 VON DER HEYDT agreed to finance a publication called "Artibus Asia", which is prepared in the United States under SALMONY's direction, but is actually printed in Switzerland. SALMONY stated the magazine is designed to attempt to "cultivate the American mind to the European channel of thought" insofar as Eastern art is concerned, and that he received \$3,000.00 a year from VON DER HEYDT in order to defray the expenses incurred in preparing this publication.

At VON DER HEYDT's direction the OAP released funds for this purpose from VON DER HEYDT's money which had previously been frozen in this country. SALMONY stated these payments were stopped arbitrarily during 1951, and that he personally has a claim pending with the OAP for \$2,750.00, covering the debts which were incurred prior to his being notified regarding the stopping of these payments.

SALMONY revealed that he had visited VON DER HEYDT each year since the end of World War II, with the exception of 1950, for a period of anywhere from ten days to two weeks. He described VON DER HEYDT as a "tired old man" who looks very much older than his actual 75 years.

Concerning the allegation that during World War II VON DER HEYDT acted on behalf of the German Government, SALMONY stated he had heard this allegation many times both from VON DER HEYDT in Switzerland and from the OAP in Washington, but was of the personal opinion that these allegations were unfounded. SALMONY claimed he discussed these allegations with VON DER HEYDT, and that he, VON DER HEYDT, has always denied them vehemently, and claimed he merely acted as a Swiss banker, ordering payments of monies to unknown persons at the direction of others, not knowing or caring in any manner or way why such monies were being forwarded.

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Concerning VON DER HEYDT's political affiliations, SALMONY related it was his belief that during 1937, while VON DER HEYDT was residing in Germany, he was arrested and had been committed to jail for a period of several days. SALMONY pointed out it was only after the personal intercession of the former Emperor of Germany, WILHELM II, that he was released, at which time he proceeded to Switzerland where he applied for and gained Swiss citizenship.

Shortly after his return to Switzerland, following his arrest, Dr. SALMONY stated that some friends of his had received postcards from VON DER HEYDT containing merely the words "enfin Suisse", from which they gathered that he had finally become a Swiss citizen out of dislike for the Hitler regime.

SALMONY stated that at the outbreak of World War II the baron had art collections on exhibition in museums in many cities of Europe, but following this outbreak most of his assets were frozen in Denmark and Zurich, much the same as they were in this country.

SALMONY related that during recent years VON DER HEYDT has sued for return of his assets both in Denmark and in Switzerland, and has won his case in both of these instances. SALMONY described that VON DER HEYDT had been completely exonerated of all allegations during these trials in both countries, and the Swiss Government gave a banquet in his honor following the successful conclusion of the trial in that country.

Since that time the baron has consolidated all his European art holdings and sent them to Zurich where they are presently on display at a foundation that has been named in his honor.

SALMONY related he frequently corresponds with VON DER HEYDT, but was unable to completely vouch for his political views because of his many eccentricities, and was of the personal opinion VON DER HEYDT would not have knowingly helped the Nazi Government, in view of his

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treatment at their hands during 1937. SALMONY explained the baron's acquaintanceship with these individuals, who were formerly highly placed in the Nazi Government, as an acquaintanceship which went back long before the existence of that form of government in Germany.

Dr. SALMONY stated that at the present time CHAUNCEY J. HAMLIN is working for VON DER HEYDT in this country, and is attempting to make an arrangement with the Government of the United States whereby VON DER HEYDT's money and art treasures would be released for the purpose of using the majority of them for a foundation which is to be erected in VON DER HEYDT's name.

ATTEMPTED INTERVIEW OF CORNELIUS LIEVENSE
UNION BANKING CORPORATION
39 BROADWAY
NEW YORK CITY

It is pointed out that a review of the 1953 New York Telephone Directory (Manhattan) failed to disclose a listing for CORNELIUS LIEVENSE or the Union Banking Corporation at 39 Broadway, New York City. The directory did reflect, however, a C. Lievense, ltd., 11 Broadway, who was in the business of importing and exporting.

On May 12, 1954, Miss MYRA BENNETT, Treasurer, C. Lievense, ltd., was interviewed, and advised that the founder of that corporation was CORNELIUS LIEVENSE, who was formerly associated with the Union Banking Corporation of 39 Broadway, New York City. Miss BENNETT reported that CORNELIUS LIEVENSE died in New York City during October, 1949.

INTERVIEW OF RUDOLPH J. HEINEMANN
RITZ TOWER
465 PARK AVENUE
NEW YORK CITY

RUDOLPH J. HEINEMANN, address stated above, was interviewed at his residence on May 18, 1954, and advised

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that he had first become acquainted with Baron VON DER HEYDT through Baron THYSSEN-BORNEMISZA, who was a friend of the family, and has been an art client of his for over 30 years. He described Baron THYSSEN-BORNEMISZA as one of three sons of the late AUGUST THYSSEN, his brothers being FRITZ, a German industrialist who financed HITLER, and AUGUST, a ne'er-do-well.

Doctor HEINEMANN advised that following his being introduced to EDUARD VON DER HEYDT, he had, prior to World War II, visited at his home in Ascona frequently, and described VON DER HEYDT as an extremely wealthy and eccentric individual who was suspected of being a homosexual.

HEINEMANN related that he believed that VON DER HEYDT was completely unpredictable, and is the type of individual who would have no actual political convictions, but would merely be an opportunist, going the way that would suit his purpose best.

Mr. HEINEMANN related that during 1939 in Switzerland, at which time he was visiting the VON DER HEYDT home, he was advised by friends that VON DER HEYDT had made pro-German remarks in the neighborhood, and was greatly disliked for it. HEINEMANN revealed that he knew very little concerning the business activities of VON DER HEYDT, although he believed he was a former member of the Board of Directors of the AUGUST THYSSEN Bank in Berlin.

HEINEMANN further stated that he had heard during 1940 that VON DER HEYDT, when speaking of Germany and its government, referred to HITLER as "our Fuehrer", and at this time it was also rumored that he was pro-Nazi. HEINEMANN could recall no statements ever made by VON DER HEYDT to him which were pro-Nazi in character or which would indicate that VON DER HEYDT would, knowingly and willingly, act in behalf of the Nazi Government.

Dr. HEINEMANN concluded that all his contact with the Baron VON DER HEYDT was prior to World War II, and that

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he has had absolutely no contact whatsoever with him since approximately 1941.

INTERVIEW OF MRS. CHARLOTTE PERLMANN
240 CENTRAL PARK SOUTH
NEW YORK CITY

On May 20, 1954, Mrs. CHARLOTTE PERLMANN at the above address was interviewed and advised she was born on March 18, 1897, in Bucharest, Rumania, the daughter of MATILDA and OTTO KELLER. Mrs. PERLMANN related she went to school in Bucharest, and married MOSES U. PERLMANN on March 24, 1913, and that following their marriage they resided at the Mantuleasa 12 in Bucharest.

During approximately October, 1940, Mrs. PERLMANN recalled her husband, following the occupation of Rumania by the Nazis, was arrested and committed to the Bucharest Prison, where he remained for over 7 weeks. She stated that prior to her husband's arrest, her oldest son, ARNOLD, had immigrated to the United States, and a second son, HARRY, was living at home with her at this time.

Mrs. PERLMANN described that her husband, who was formerly in the textile manufacturing business in Rumania, convinced the Rumanian-Nazi-dominated officials that he could be of invaluable assistance to them in the purchasing of textiles for the Rumanian Army. Subsequent to this, Mr. PERLMANN was released from jail, given the necessary travel permits, and on July 15, 1941, left Rumania for the United States via Berlin, Zurich, and Lisbon. Mrs. PERLMANN explained that her youngest son, HARRY, immediately following her husband's release from jail, was allowed to immigrate to Palestine, and later from Palestine immigrated to the United States via Cuba.

Mrs. PERLMANN explained that the only reason for her husband being allowed to leave Rumania was for the purpose of making a purchase of textiles for the Rumanian Army, and that when she attempted to leave with her husband she was detained as a hostage.

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During the weeks that followed, Mrs. PERLMANN related, she attempted by various and devious methods to leave Rumania, but all attempts failed.

She recalled that during late 1941 she was approached by a personal friend, named SIMON MOSKOWITZ LEGRAIN, who said he knew of a way to get her out of the country, but a great deal of money would be needed to accomplish this end. She reported that she did not have enough money to accomplish this purpose, but that LEGRAIN told her he would finance her escape from Rumania.

Mrs. PERLMANN recalled that a few days later LEGRAIN again came to her home and stated he wanted her to meet an individual named HANS WEBER, a Gestapo Agent who had an office in a building on the Bradianu Boulevard in Bucharest. She reported she talked with WEBER about leaving the country, and that WEBER informed her that it could be arranged for the price equivalent to \$15,000.00 American dollars. WEBER told LEGRAIN that Mrs. PERLMANN should have \$200.00 for expenses incurred by them in traveling, and on April 24, 1942, Mrs. PERLMANN, at WEBER's direction, went to a travel office in Bucharest and bought two first-class train tickets to the border of Yugoslavia.

Mrs. PERLMANN recalled that WEBER took her passport from her when they entered the train, gave her a visa for entry into Italy, and stated that she and WEBER, at his direction, stayed in different cars on the train.

Mrs. PERLMANN gave details of her trip from Bucharest to Belgrade, Yugoslavia, and then, after encountering almost insurmountable obstacles, finally arrived in Venice, Italy, where they finally proceeded from Venice to Rome.

Mrs. PERLMANN recalled that at all times WEBER was dressed in civilian clothes, and it appeared that in all manner he wanted to conceal his true identity.

Following their arrival in Rome, Mrs. PERLMANN recalled that WEBER and she went to a cable office where

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she watched him write a cable to Switzerland, which she attempted to read while peering over his shoulder in the cable office. Mrs. PERLMANN claimed that the cable appeared to be in some type of code, but was absolutely sure the cable was addressed to an individual in Ascona, Switzerland. Mrs. PERLMANN recalled that WEBER had stated to her that she would not be allowed to proceed any further until proper permission was received from "a baron in Switzerland", who was very important.

Mrs. PERLMANN recalled that the following day WEBER received a cablegram from a country which was unknown to her, which she presumed was from Switzerland, and that she was then released from his custody.

Mrs. PERLMANN stated that she at no time paid any money directly to WEBER, with the exception of the necessary expenses incurred during the trip, and that she, in Rumania, managed to raise a sum equivalent to almost \$2,000.00 American dollars, which she gave to LEGRAIN, and that LEGRAIN added \$13,000.00 of his own money to make the necessary \$15,000.00 to effect the escape. She stated that LEGRAIN was the actual individual who had paid this money to WEBER.

Mrs. PERLMANN recalled she remained in Rome several days, during which time she was attempting to leave by air, which she finally succeeded in doing, and proceeded to Lisbon, Portugal, where she booked passage on the SS SERPA PINTO, and proceeded to the United States where she joined her husband and two sons during July, 1942.

INTERVIEW OF MOSES U. PERLMANN
240 CENTRAL PARK SOUTH
NEW YORK CITY

MOSES U. PERLMANN was interviewed on May 20, 1954, at the above address, and advised that he was born in Poland and remained a Polish citizen during his entire residence in Rumania.

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He furnished substantially the same information concerning his arrest in Rumania by the "Iron Guard", and his subsequent escape to the United States.

Mr. PERLMANN stated that he was naturalized during 1947, in New York City, and that his wife was also naturalized during 1948 in New York City. PERLMANN related that he had been a manufacturer of wool and cotton goods in Bucharest, had owned a department store in that city, and had other varied interests which he approximated the value of in excess of \$1,000,000.00.

Mr. PERLMANN stated that during approximately 1946, he went to Holland while he was engaged in a war surplus business. While in Holland he was visiting a friend by the name of HANS TIEGE, and claimed at this time, while discussing his payment of \$15,000.00 to the Gestapo in order to effect his wife's escape from Rumania, TIEGE told him that other persons, including his old friend LEGRAIN had also used this means of escape through the Gestapo Agent named WEBER. TIEGE was alleged by PERLMANN to have told him that these payments were not actually made to WEBER, but, in fact, were made to a Baron VON DER HEYDT in Switzerland.

PERLMANN stated he could furnish no source as to TIEGE'S knowledge of VON DER HEYDT, other than that VON DER HEYDT was a well known individual in Holland, and that rumors in that country following World War II were to that effect, which convinced TIEGE that VON DER HEYDT was the payoff man for the various escapes.

PERLMANN related that TIEGE furnished a current address for LEGRAIN in Paris, France, and that he immediately proceeded to Paris in order to locate LEGRAIN. PERLMANN stated that when he had located LEGRAIN he paid him \$13,000.00 which had previously been furnished by LEGRAIN for Mrs. PERLMANN'S escape, and that at that time LEGRAIN told him that in order to effect an escape for his own wife his two sons, and their wives, in addition to furnishing necessary expenses for the trip for WEBER and his family,

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he had furnished to WEBER the sum of \$60,000.00, and that LEGRAIN made this payment through the Union Bank of Switzerland in which bank LEGRAIN had a considerable deposit of money. LEGRAIN stated to PERLMANN that inquiry by him at the Union Bank of Switzerland revealed that the person to whom this \$60,000.00 was actually paid by that bank from his deposit was the Baron VON DER HEYDT.

PERLMANN stated that LEGRAIN was presently residing at 9 Rue Richepanse, Paris, France.

PERLMANN stated it was at this time that he and LEGRAIN decided that they would attempt to recover their monies that had been allegedly paid to VON DER HEYDT, and proceeded to Ascona, Switzerland, where they attempted to gain admittance to his home, but were unable to do so.

PERLMANN stated that both he and LEGRAIN have a current civil suit pending in the Civil Courts at Ascona in an attempt to recover their \$15,000.00 and \$60,000.00 respectively, and have engaged an attorney, JOSEPH RAPPAPORT, of 26 Livenstrasse, Zurich, in order to effect this recovery.

PERLMANN furnished further information to the effect that during approximately 1950 LEGRAIN was visiting in Montevideo, South America, and by complete accident had noticed the former German Gestapo Agent HANS WEBER walking on a street in Montevideo. Although LEGRAIN attempted to contact him personally during this visit, he was unable to do so, but PERLMANN alleged that LEGRAIN has corresponded with WEBER, and that he was certain that LEGRAIN could supply a current address for WEBER.

PERLMANN concluded that at no time had he had any contact with HANS WEBER or Baron EDUARD VON DER HEYDT, and could furnish no information concerning his activities other than set out above.

PERLMANN related he has had no contact whatever with HANS TIEGE, the individual who first told him of VON DER HEYDT, and therefore could supply no information as to where he may be presently located. PERLMANN was unable to furnish TIEGE's 1946 address.

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IDENTIFICATION OF REQUESTED
EXHIBITS USED IN TRIAL OF
ERICH WEDEMEYER, ESPIONAGE-G,
NEWARK, NEW JERSEY

Investigation revealed that Government Exhibit G-85 was an original of an RCA cablegram in code from the Union Bank of Switzerland to the Irving Trust Company in New York, dated September 9, 1940, and a carbon of the translated file copy of the original cable. A photostat of this exhibit is being enclosed.

Investigation revealed that Government Exhibit G-86 was a letter from the Union Bank of Switzerland to the Irving Trust Company of New York, dated September 9, 1940, confirming payments to individuals in the United States and Mexico, one of which was ERICH WEDEMEYER. A photostat of this exhibit is being enclosed.

Investigation revealed that Government Exhibit G-92 was an original of a letter from the Chemical Bank and Trust Company, New York, to the Irving Trust Company, New York, dated September 27, 1940, relating that the Chemical Bank was attempting to establish through the Irving Trust Company the identity of the individual who had ordered payment for \$500.00 by the Union Bank of Switzerland to the First National Bank and Trust Company, New York. A photostat of this letter is being enclosed.

Investigation revealed that Government Exhibit G-93 was a carbon copy of a letter from the Irving Trust Company to the Chemical Bank and Trust Company, New York, dated September 28, 1940, setting forth information to the effect that the cable from the Union Bank of Switzerland did not indicate the name of the remitter. The Irving Trust Company stated, however, they would attempt to get this information by writing abroad. A photostat of this exhibit is being enclosed.

Investigation revealed that Government Exhibit G-96 was a carbon copy of an RCA cablegram from the Irving

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Trust Company of New York to the Union Bank of Switzerland, dated November 3, 1943, requesting the Union Bank furnish the name of the remitter of the aforementioned \$500.00 payment. A photostat of this exhibit is being enclosed.

Investigation revealed that Government Exhibit G-97 was the original of an RCA radiogram from the Union Bank of Switzerland to the Irving Trust Company of New York, dated November 21, 1943, revealing that the orders for the aforementioned payment were given to the Union Bank of Switzerland by EDUARD VON DER HEYDT. A photostat of this exhibit is being enclosed.

Investigation revealed that Government Exhibit G-101 was a letter from the First National Bank, Floral Park to the Chemical Bank and Trust Company of New York, dated September 26, 1940, which requested their correspondent bank in New York City attempt to identify the individual who had ordered the payment of \$500.00 through the Union Bank of Switzerland to ERIC WEDEMEYER in Floral Park, New York.

Investigation revealed that Government Exhibit G-102 was a letter dated October 2, 1940 from the Chemical Bank and Trust Company, New York to the First National Bank, Floral Park, confirming that bank's receipt of the request to attempt to identify the individual who had ordered the remittance, and the Chemical Bank advised that they would endeavor to secure the name of that remitter.

It is pointed out appropriate inquiry was made at the Franklin Square National Bank (formerly known as the First National Bank of Floral Park), the original source of Government Exhibits G-101, and G-102, but investigation revealed no record of those exhibits could be located inasmuch as all records of that bank for the pertinent years had been previously destroyed.

Inquiry at the Chemical Bank and Trust Company in New York, attempting to locate copies of Government Exhibits G-101 and G-102, revealed that bank had also destroyed all of its records for the pertinent years.

ENCLOSURES TO BUREAU (12)

Two photostats each of Government Exhibits G-85, G-86, G-92, G-93, G-96, and G-97, as described above.

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ADMINISTRATIVE PAGE

REFERENCE

Bulet to AAG DALLAS S. TOWNSEND, OAP, dated 4/22/54.

349170



Office of the Solicitor General
Washington, D. C.

October 15, 1940.

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113
Blocking Foreign Funds

MEMORANDUM FOR MR. HOOVER

The question of blockading German deposits in this country is now under consideration; and, as a result of a recent conference between the Secretary of State, the Secretary of the Treasury and myself, it was determined to obtain more information, if any is available, with respect to the evidence that these funds are being used for propaganda in this country and South America. Have you any such information available; and if you have I should appreciate your making it available to me in brief summary form at your earliest convenience.

Francis Biddle

FRANCIS BIDDLE,
SOLICITOR GENERAL.

get on this right away - just

Done
10/24/40
H. S. G. S.

65-7261-381
FEDERAL BUREAU OF INVESTIGATION
4 OCT 29 1940
U. S. DEPARTMENT OF JUSTICE
TAMM FIVE

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Art/Customs

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT

NEW YORK

NY FILE NO.

54-174 MXS

REPORT MADE AT NEW YORK CITY-	DATE WHEN MADE 9/12/45	PERIOD FOR WHICH MADE 9/4,5,6/45	REPORT MADE BY JAMES F. GARDNER
TITLE JOHN HERBERT BING, with aliases: H. J. Bing, Herbert J. Bings, JACOBO FRANK		CHARACTER OF CASE CUSTOM LAWS AND SMUGGLING SECURITY MATTER-G	

SYNOPSIS OF FACTS:

State Department requests that data be obtained with reference to paintings in subjects possession which may possibly be looted art brought from Europe to the Western Hemisphere. Paintings in question in possession of U. S. Customs Service, NYC. With reference to these paintings, subject FRANK, advises Confidential Informant that he purchased six or eight paintings by modern French artists between the years 1923 and 1928 while residing in Germany, and then shipped them to Spain and then to New Orleans where they were transported under bond to New York City. LUDWIG ROSENTHAL, brother inlaw of FRANK, confirms his story. MORRIS GUTMANN, art dealer who sold paintings to FRANK in Germany located in NYC. Agents, accompanied by GUTMANN, viewed paintings in question at U.S. Customs Warehouse, where GUTMANN identified an original Fascin nude as a painting he sold to subject, FRANK in Germany in 1928, and this painting valued at \$1000 by GUTMANN. He advised other paintings in group are reproductions of paintings by modern French artists such as Picasso, Renoir, Cezanne, and Matisse, and are valueless. No indication of Nazi ownership of the Fascin original or any of the reproductions.

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BE
10-25-45

REFERENCE:

Bureau File 64-30509

Bureau letter to New York, dated 8/28/45.

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APPROVED AND FORWARDED: *E. E. Conroy* SPECIAL AGENT IN CHARGE

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THIRD
AGENCY

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LUDWIG ROSENTHAL, 30 Seaman Avenue, Bronx, New York, shipper, with the Consolidated Retail Stores, 498 Seventh Avenue, New York City, was interviewed and furnished the following information:

"In Germany, I lived in a town called Yillmar on the Lahne. I married MEDA FRANK, sister of JACOBO FRANK on August 10, 1921. The FRANKS lived in Flacht, Germany, and they also had a home in Berlin. The FRANK family were wealthy Jewish bankers and JACOBO FRANK himself was quite wealthy. He was always interested in art, and he had about three rooms in his house full of original paintings. My wife and I came to the United States in 1938 and we settled here in New York City. Previous to our departure, FRANK left Germany in 1938. He went to Paris and brought all of his household furnishings with him to Paris. He lived in Paris until 1941. While in Paris, he was in the banking business prior to his entry into the French Army. He was with the French Army when it was defeated by the Germans in France in 1940. When the army was demobilized, he fled to Spain and lived in Bilbao. He left there with a brother-in-law, RUDOLPH SELIGMANN for about six weeks while awaiting a ship to Cuba. When he came to Spain, he brought his property with him, but it did not arrive in time for him to take it with him to Cuba. This property was then stored in Spain. SELIGMANN put the property in storage there and paid for it for about two or three years. FRANK kept writing to him from Cuba to have his property brought over here to the United States. I had it shipped from Bilbao, Spain to New Orleans, and then to New York, where I put it in storage with the Reitman & Pilger Company, 32 Broadway, New York City. It arrived in New York City in April of 1945. It has not been brought into the country as yet because of the fact that I do not want to pay duty on the property. I want my brother-in-law, JACOBO FRANK to pay it, because it is his property. He has not yet paid for the storage I paid out for the property. I also paid for the transportation of it here and I have not as yet been paid for that."

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ROSENTHAL further advised that FRANK's brother, one ARTHUR FRANK, is presently in New York City, residing on Riverside Drive. He further advised that JOSEPH FRIEDENBERG of 210 Central Park West, New York City, knew FRANK very well, having served in the French Army with him.

Mr. JOSEPH REITMAN, customs broker, Room 800, 322 Broadway, New York City, advised that on February 25, 1945 this property was transferred to the baggage room of the United States Appraisers Stores, 201 Varick Street, New York City, where they are being held in bond awaiting the arrival of FRANK in the United States. They arrived under immediate transportation entry bond #4134 from New Orleans. He received documents with which to make the entry of the goods, but it was never done because of the fact that the consignee was outside of the United States.

THOMAS J. HOGUE, acting assistant collector, Bureau of Customs New York, checked his records and advised that this property was in the possession of the appraiser of merchandise, 201 Varick Street, under the name of LUDWIG ROSENTEAL, under general order #7219.

Through his cooperation, the personal effects of JACOBO FRANK were opened by customs inspector PHILIP PERNICE, with the writer, and Special Agent R. L. Smith, acting as observers. The results of the examination of the paintings in question will be set forth subsequently in this report.

Mr. MORRIS GUTMANN, Langdon Hotel, Fifth Avenue and 56th Street, New York City, formerly a partner with M. Goldschmidt Company in Berlin, was located, and interviewed. He advised that in 1928, while with the M. Goldschmidt & Company, in Berlin, a gallery of modern art, he did sell two paintings to JACOBO FRANK, one was a Pascin nude and the other was a Chagnall flower piece.

Mr. GUTMANN stated that they were worth approximately \$1000 each. He stated that FRANK's collection was a very minor one, and had never been catalogued. Mr. GUTMANN himself is an art dealer and has run a gallery of modern French art in New York City.

Mr. MORRIS GUTMANN, accompanied by the writer and Special Agent R. L. Smith, viewed the paintings in the personal effects of FRANK at the United States Appraisers Stores, 201 Varick Street. He described these paintings as follows:

- 1- An original oil painting by Pascin nude, identified by GUTMANN as the painting sold by him to FRANK in Berlin in 1928. He was able to positively identify it by the number "11069", which was the

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M. Goldschmidt Company number for this painting which was still pasted to the back of the frame. He valued this painting at approximately \$1000. This painting was of two nude women reclining on a couch, with one admiring herself in the mirror.

2- Landscape print by Bonnard, which Mr. GUTMANN stated was of no value.

3- Early Picasso water color reproduction, made in 1905, which GUTMANN stated was worthless. This painting was of an adult man and a young boy in medieval costume.

4- A reproduction in water color of a Renoir nude which Mr GUTMANN stated was worthless. This painting was a full length rear view picture of a nude woman.

5- Reproduction of Cezanne's "Mount St. Victoire", a French mountainscene. He stated that this was a reproduction of a well known painting by Cezanne, and GUTMANN stated that it was valueless.

6- Reproduction of Derain's "Girl", which Mr. GUTMANN stated was valueless. This painting is a nude woman sitting on a couch, overlooking a terrace.

7- Reproduction of Matisse's "Nude Girl", which Mr. GUTMANN stated was worthless. This picture is merely a painting of a full length figure of a nude girl.

8- Reproduction of Cezanne's self-portrait.

9- Reproduction of Morris De Vlaminick's landscape which Mr. GUTMANN stated was valueless.

10- Pastel painting by Derain, of a nude woman which Mr. GUTMANN valued at \$150. He stated that this was an original, and not a reproduction.

A careful examination was made of all of these pictures, particularly the Pascin original, for any indication of Nazi ownership, but with negative results. It is to be noted that these paintings were contained in large wooden packing cases which had never been opened before. All of the boxes and cases were carefully examined but there was no indication that they had been handled in Germany in recent years.

In view of the fact that nine of the individuals interviewed had seen either of the subjects within the last ten years, no descriptions were available.

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In view of the fact that this investigation reflects that the only valuable painting in the collection was obtained by the subject, JACOBO FRANK in the course of a legitimate transaction, no further investigation is being conducted.

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