

SECRET

18 March 1948

MEMORANDUM FOR THE ASSISTANT DIRECTOR  
OFFICE OF SPECIAL OPERATIONS

*o/jh - FCS*

*jlc*

Subjects: Leo Yehuda CHEROK, with aliases Leo Y. Chertok and Leo V. Chertok

1. Pursuant to your oral request of March 17, 1948 there is attached, for the Director, a memorandum summarizing the reports prepared by the Federal Bureau of Investigation in the investigation of the above individual, together with the results of a review of all CGO traces.

2. Where possible, the pertinent individuals in contact with CHEROK have been briefly identified for your information and assistance and for the information and assistance of the Director.

*William K. Harvey*  
WILLIAM K. HARVEY  
FCS

1- ENCLOSURE

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ADVISORY  
SERIES

16 March 1952

MEMORANDUM FOR THE DIRECTOR  
CENTRAL INTELLIGENCE AGENCY

Subject: Leo Yehuda CHESTOK with alias - Leo L. Chestok and  
Leo V. Chestok

1. Pursuant to your request there is set out below a summary of the results of the FBI investigation of CHESTOK, together with the results of a review of all GAO traces concerning him. These, plus 1945, the individual mentioned below as being in contact with CHESTOK have been identified briefly for your information.

BACKGROUND

Leo Yehuda CHESTOK was born at Chernov, Russia, on September 9, 1902. He entered the United States in 1927 and has resided in New York City almost continuously since that time. His wife, Peggy CHESTOK, whom he married on January 1, 1927 at New York City, was born in Austria on May 3, 1902. CHESTOK's father, Joseph, became a naturalized U. S. citizen in Boston, Massachusetts, about 1912 and, consequently, CHESTOK is an American citizen by derivation.

In 1945 CHESTOK filed application with the State Department for a U. S. passport for the purpose of a business trip to England, France, and Russia. His application for this passport was refused by the State Department on November 23, 1945, at which time the State Department commented that he "is definitely of the promoter type and first came to the attention of the Department of State around 1936 when his negotiations with the British Minister in London for extensive concessions in Malaya were 'unsuccessful' to the Government". The State Department also commented at this time that in 1935 CHESTOK made a trip to the Soviet Union and proposed the establishment of a bank in the U. S. with a capital of \$50,000,000 for the purpose of distributing Soviet negotiable paper received in payment for American products shipped to the USSR.

RESULTS OF FBI INVESTIGATION

In October 1942 the FBI instituted an investigation of Leo Yehuda CHESTOK based on information received to the effect that a practice bomb casing had been shipped to him at the Hotel Reform, 221 Ave. C, N. Y. The investigation of this incident failed to reflect any intelligence significance, but did reflect that CHESTOK had acquired a wide reputation as an opportunist and promoter and that the bomb casing had been shipped to him in connection with efforts on his part to procure U. S. and Mexican Government contracts.

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On November 15, 1942, it was ascertained that CHARTER was a close associate of Edward G. ... (Charles ...). ... at that time was reported as ... and as a ... intelligence agent. It was also reported in 1942 that ... served as a ... agent during the Spanish Civil War and was, during the period of that war, in close contact with Communist leaders in France and ...

While it does not appear in the FBI reports on ... it should be noted that ... has been the subject of an intensive investigation by the FBI, and also in Mexico and South America by the CIA. It is noted further that French intelligence, shortly after the outbreak of World War II, advised British SIS that ... was known to French intelligence as being a Soviet espionage agent. According to British sources he reportedly has served as an agent of both the OGB (now KGB) and Red Army intelligence.

Inasmuch as this initial investigation of CHARTER failed to reflect his implication in intelligence activities, the case was closed by the FBI on April 12, 1944.

On May 1, 1946 the FBI investigation of CHARTER was re-opened on the basis of an anonymous letter postmarked March 13, 1946 at New York City, which alleged that CHARTER had made no less than 100 trips to the Soviet Union, had large sums of money but no visible means of support, and had met in 1941 with a number of Russians from Canada. The letter alleged further that on his frequent trips to Mexico CHARTER always visited the Soviet Embassy and that he had been a personal friend of Soviet Ambassador Constantin ... who, ... was killed in a plane accident in Mexico City. In addition, the letter stated that CHARTER intended to visit the Soviet Union in the near future and frequently visited the Soviet Consulate in New York, as well as the American Trading Corporation in New York, concerning great respect in both places. It was alleged in the letter that CHARTER had excellent contacts in the Department of State and was a personal friend of one "Carp" of Connecticut. It is interesting to note that considerable information was available prior to CHARTER's death clearly indicating his at least indirect implication in Soviet intelligence activity. The "Carp" referred to in the letter is identified as ... who frequently has been reported as a brother-in-law of ... Soviet Foreign Minister, and who is known to have maintained close Soviet connections for many years.

As a result of the re-opening of the investigation of CHARTER, it was ascertained that on June 25, 1946 he wrote to ... stating that he had just returned from Europe, having been there on business for eight times during the preceding two years. In this letter he offered to represent the ... Company in negotiations with the ... and trade transactions concerning the value of his Soviet contacts for this purpose.

It was also ascertained upon the re-opening of the investigation that CHARTER was identical with the individual who on June 12, 1941 reported to the New York office of the FBI that the ... Trading Corporation, which, it is noted, is the primary Soviet purchasing medium in the U. S. and an official

Soviet agency was the "biggest spy organization in the United States". CHITOK failed to furnish any substantiating details for this statement and his motivation in so reporting to the FBI was never made evident.

It was also ascertained at this time that on March 29, 1946 one ~~CHITOK~~ of the Soviet Embassy in Washington, D. C., advised A. H. [redacted] of the Chain Belt Company of Milwaukee, Wisconsin to contact the Liberty Trading Corporation in New York for information concerning CHITOK, in connection with THOMAS's desire to use CHITOK as a representative in the Soviet Union after World War II.

On March 5, 1946 CHITOK made an appointment to see Mr. Alexander ~~CHITOK~~, Special Secretary of the Soviet Embassy in Washington, D. C. This is of particular interest inasmuch as information exists indicating that ~~CHITOK~~ was implicated in Soviet intelligence activities and that late in 1945 he may have replaced First Secretary of the Soviet Embassy Anatoli Borovikov as ~~CHITOK~~ (now ~~CHITOK~~) in Washington. You will recall that ~~CHITOK~~ was the Soviet agent known as "Al" who was responsible for the operation of an extensive Soviet espionage organization centered in operation of the U. S. Government, the investigation of which by the FBI is commonly known as the Gregory Case.

On March 19, 1946 CHITOK advised CHITOK that General Leonid ~~CHITOK~~ of the Soviet Government Purchasing Commission, would like to talk to him. It is recalled that ~~CHITOK~~ was then Chairman of the Purchasing Commission at that time, was identified by the Soviet defector Viktor A. [redacted] as an important representative in the U. S. of the Communist Party of the Soviet Union.

It was subsequently ascertained early in 1946 that [redacted], attorney and member of the Board of Directors of [redacted] described CHITOK as a "white rascal" who had previously been employed by [redacted]. At the time that it was learned that CHITOK had been in contact with [redacted], Acting Soviet Consul General in New York. On March 27, 1946 CHITOK was in contact with Soviet officials concerning his application for a visa to travel to the Soviet Union.

On October 7, 1946 the FBI ascertained that CHITOK had approached the Central Intelligence Group to request the backing for his visa application to the Soviet Union. The refusal of his application for a passport for this trip is described above in the section entitled "Investigation". It is interesting to note that on August 7, 1946 CHITOK made a long distance call from New York City to Washington, D. C., phone number National 8444, which is listed to the White House.

2. Inasmuch as this investigation, according to the FBI, failed to reflect that CHITOK was engaged in Soviet espionage, the case was closed on May 12, 1947.

#### OSO TRACTS

A complete review has been made of the OSO files concerning CHITOK. The only pertinent additional information contained therein is that the investigation presently being conducted by OSO of [redacted] referred to above, has substantiated his association with CHITOK.