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TO: DIRECTOR, FBI (29-31889)

FROM: SAC, DETROIT (29-1432) (P)

JAMES RIDDLE HOFFA;
DOMINICK EDWARD BARTONE, aka
ET AL
FRA; ITSP; MF; FBW;
CONSPIRACY
(OO: DETROIT)

REC-16 *[Handwritten initials]*

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HEREIN IS UNCLASSIFIED
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(JFK)

Remyairtels 11/7 and 8/63.

Enclosed herewith is a letterhead memorandum containing information concerning JOSEPH F. VERHELLE and others. This information was obtained by Department Attorney WILLIAM FRENCH, Detroit, from [redacted]. One copy each of the letterhead memorandum is being furnished Chicago and Miami inasmuch as [redacted] resides in Chicago and information concerning DOMINICK BARTONE of the Miami Division is also contained in the memorandum.

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One copy of the letterhead memorandum also is being furnished to Department Attorney FRENCH at Detroit.

- 3 - Bureau (Enc. 4)
- 1 - Chicago (Info.) (29-1999) (Enc. 1)
- 1 - Miami (Info.) (29-1217) (Enc. 1)
- 1 - Detroit

VGW/pmp
(6)

ENCLOSURE

REC-16 29-31889-159

NOV 13 1963

Attention: Mr. Walter J. Sheridan
Room 2509

NOV 26 1963

[Handwritten notes: 59, retained spec, LHK/pmp, 3-3-65, destroyed]

Approved: _____ Sent _____ M Per _____
Special Agent in Charge



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Detroit, Michigan
November 12, 1963

In Reply, Please Refer to
File No.

**JAMES RIDDLE HOFFA; DOMINICK
EDWARD BARTONE; ET AL
FEDERAL RESERVE ACT; INTERSTATE
TRANSPORTATION OF STOLEN
PROPERTY; MAIL FRAUD; FRAUD BY
WIRE; CONSPIRACY**

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MAC/LSR

*Mich
Domi Rep.*

The following information, based upon statements reportedly made by Joseph F. Verhelle at various times in the past, was received by the Department of Justice from a confidential source who has furnished reliable information in the past:

At present Verhelle apparently is not so personally antagonistic toward Dominick Edward Bartone as he had indicated he was in the past. Verhelle evidently is aware of current plans by Bartone regarding a real estate development in Florida, the amounts of money required, etc. In regard to Bartone's appearance before a Federal Grand Jury at Detroit in about September, 1963, Verhelle commented that "they" had difficulty getting Bartone to agree to "take the Fifth". Verhelle stated that he, himself, also had "taken the Fifth" before a Federal Grand Jury at Detroit recently. Verhelle was relieved that the subpoena did not require him to bring personal or bank records; and he indicated that records pertinent to this matter are presently in Canada, but he could produce them in Detroit very quickly if he needed them.

Verhelle expressed pride in having been able to avoid service of the Grand Jury subpoena for several weeks and mentioned that he did so with the encouragement and assistance of his wife. Verhelle finally accepted service of the subpoena only after Lawrence Burns, a Detroit Teamsters attorney who is a neighbor of Verhelle, had talked with a

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process server who was keeping close watch outside Verhelle's house one night after Verhelle had surreptitiously darted in the back door. Verhelle said that the following morning he talked to James R. Hoffa who told him they should use separate attorneys.

Verhelle claims he is very busy as a financial consultant, has full knowledge of the investments of Hoffa and Walter Reuther, and handles investments for both of them. Verhelle sees Hoffa when he is in town and talks to him on the telephone very frequently. Rather than call Hoffa or Reuther from his home, Verhelle now leaves the house and uses one of several public telephone booths in the vicinity. Verhelle goes to Chicago approximately every ten days or two weeks and attends all meetings of the Teamsters Central States Investment Committee as well as unofficial but decisive meetings which precede the committee meetings. Verhelle claims to have an important part in deciding what loans will be made even before a preliminary check has been made concerning an application. Verhelle appeared to be familiar with the status of equity holders and mortgages in regard to the Shoreland Hotel in Chicago. Verhelle indicated that when in Chicago he also talks to officers of the Continental National Bank, particularly an Executive Vice President by the name of Miller who may have joined the bank staff recently through its merger with another bank.

Verhelle indicated that both Hoffa and Reuther think highly of the present Governor of Michigan, George Romney, but feel he is too naive. Mrs. Romney is a close friend of Mrs. Verhelle and visits her home about every three weeks. Verhelle has been very close to the former Governor of Michigan, John B. Swainson, and thinks he has a good chance of making a political comeback, but Verhelle is concerned about Swainson now being "spoiled", that is, not being so sychophantic as previously.

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ET AL

In regard to an impending trial of Hoffa before United States District Judge Richard Austin in Chicago, Verhelle indicated he had learned that [redacted] of Chicago, reportedly was well acquainted with political associates of Judge Austin. Verhelle expressed great interest in the fact that this acquaintanceship might be of assistance to Hoffa, and Verhelle indicated he would be in contact with Hoffa and [redacted] concerning this possibility. Verhelle said he had previously been in contact with [redacted] about 1961 in connection with Niagara Crushed Stone (Humberstone), Ltd. (NCS).

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U.S.A.
Verhelle apparently still has business contact with ~~Elliot Janeway~~, with whom he had dealings in 1961 concerning NCS. Janeway reportedly had something to do with buying accounts receivable of NCS. It was also believed that the Crown family of Chicago had a substantial ownership in some of Janeway's operations, such as his economic counseling service.

In regard to Vendorama of Ohio, Inc., Verhelle once stated that he knew of a Vendorama company but it had nothing to do with NCS.

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In regard to ~~Dearborn Machinery Movers, Inc.~~, now bankrupt, Verhelle said he had offered to buy this corporation's note, which was held by Public Bank, but Verhelle's offer was not accepted and he felt the bank would consequently suffer a loss. ~~Joseph Galli~~, former president of this corporation, is reportedly on the West Coast and has a business which Verhelle is helping to finance. *Mich*

Verhelle also advised he had spent some time in the Dominican Republic several years ago and while there he did business with ~~Manuel Demaya~~, ~~Imbert~~ (present head of a military junta) and with the then dictator Trujillo. It was believed this trip may have had some connection with Bartone or other matters.

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With regard to Verhelle's present relationship to Public Bank, Detroit, (PB) he indicated he unofficially has been helping PB's Board of Directors but PB recently had made some loans which Verhelle believes will be uncollectible, and he is looking forward to PB's collapse. Verhelle indicated that while he was at PB the big loans always were paid off and there were almost no defaults, with the exception of small loans for \$3,000.00 or less. Verhelle claimed he has bought a bank on the outskirts of Detroit where two of his sons are working and learning the banking business; and at a propitious time this bank may open a branch office in competition with PB and with the intention of picking up as many PB accounts as possible. According to Verhelle the following sequence of events led to his departure from PB:

On December 26, 1961, seventeen men arrived to begin an examination of PB. Verhelle did not believe they were from the regular State or Federal examining agencies and was of the opinion they sounded more like lawyers than bank examiners or auditors. He felt it was inconsiderate to start an examination between the year-end holidays and also he would have preferred to have PB's year-end figures "in order" before the examiners arrived. This examination precipitated a series of meetings of the PB Board of Directors, and Verhelle objected to the manner in which one examiner allegedly criticized a loan which had been made by PB to three Negroes. Verhelle wrote a letter to Attorney General Robert F. Kennedy to protest the "irregular" manner in which the examination was being conducted, but allegedly no reply was received. Verhelle encouraged the Chairman of the Board of Directors not to attend one of the meetings, causing a delay and necessitating written notices for such meetings. About that time Verhelle decided to go to a hospital for a thorough physical examination and rest. Upon his return to PB he was told by one of the officers that in Verhelle's absence one of the Directors allegedly wanted to borrow \$150,000.00 from PB but the officer refused that amount and only lent him \$50,000.00.

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ET AL

Verhelle found that three other Directors also were borrowing from PB at that time. Also about the same time a Director of FDIC allegedly wanted to borrow \$80,000.00 from PB, but Verhelle refused because he did not feel the loan would be easily collectible.

About two weeks after writing the Attorney General, Verhelle allegedly was told he could have a complimentary ticket to a \$100-a-plate dinner for Vice President Lyndon B. Johnson in Detroit, and Verhelle was to sit near the speaker's table and a photograph would be taken of Verhelle and Vice President Johnson together in a friendly pose. Verhelle declined, purportedly because he "wouldn't sell that cheap". He indicated that a former Assistant Prosecuting Attorney in Detroit, now on Vice President Johnson's staff, had something to do with the above arrangements and still has some liaison with Verhelle. Verhelle stated that at other Board meetings during the examination he was criticized for loans he had made and the Directors felt the loans they had made to themselves were all right, so he "resigned".

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