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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

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Report of: SAA HENRY HIRSCHENBERGER

Office: CHICAGO

Date: 11-29-62

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Title: JAMES RIDDLE HOFFA;
IRWIN S. WEINER;
ALLEN M. DORFMANCharacter: MISCELLANEOUS - INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION)
(ACCOUNTING INVESTIGATION)

Synopsis: Department requests investigation of reports that ALLEN DORFMAN and IRWIN WEINER with no apparent effort have obtained the insurance and bonding business connected with hotels, motels and other businesses which have been recipients of loans from the Teamsters Central States Southeast and Southwest Areas Pension Fund. Allegedly the insurance is going through local agencies but the DORFMAN group is receiving the commissions. Results of examination of certain records (mainly Pension Fund files) produced before the August, 1962 FGJ at Chicago, Illinois, set forth.

JFK Law 10(a)2

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DETAILS: AT CHICAGO, ILLINOIS

This investigation is predicated upon a request for investigation contained in a memorandum of Assistant Attorney General HERBERT J. MILLER, JR., Criminal Division, Department of Justice, dated October 15, 1962.

The memorandum requesting this investigation is set forth as follows:

"Reports have been received that Allen Dorfman and Irvin Weiner with no apparent effort have obtained the insurance and bonding business connected with hotels, motels and other businesses which have been recipients of loans from the Central States Southeast and Southwest Areas Pension Fund. Allegedly, the insurance is going through local agencies but the Dorfman group is receiving the commissions.

"Stanley Mallin of the Atlanta Cabana Motor Hotel, Atlanta, Georgia, said Dorfman got the insurance business through Haas and Dodd Co. of Atlanta; that Haas invested \$20,000 in the Atlanta Cabana and in return wrote a \$500,000 policy on Mallin and Jay Sarno.

"Elliot L. Haas and Dodd Insurance Brokers, Atlanta, Georgia, was interviewed by the Bureau in relation to his activities with the Atlanta and Dallas Cabana. Haas stated that he got a small policy from the Atlanta Cabana but the premiums are very nominal. He also said that because of construction investments he made in the Dallas Cabana, he was given the opportunity to write \$500,000 in life policies on Sarno and Mallin. Records at Republic National Life of Dallas, Texas, show Haas placed business with Cambridge Insurance Agency, General Agents for Republic, and earned a commission in excess of \$2,000. (There is a Republic National Life check dated May 26, 1960, to Elliot L. Haas for \$2,115.31). Cambridge earned the overwrite on the Sarno-Mallin life policies according to a report of Carl Schultz C/O Bureau of Labor Management Reports, Chicago.

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"Republic's files indicate that on April 20, 1960, Republic National Life advised Cambridge that they were splitting the commissions between Elliot Haas of Atlanta and Cambridge on policies #187239 and #187240 written on Stanley Mallin and Jay Sarno.

"Sol Schwartz is in frequent telephone communication with Charles Griffin, Raymond Nelson and "Gene" Willage at TR 3-6581, Atlanta, Georgia. It is not known whether this has any relationship to the Atlanta Cabana insurance.

"According to Frank Wright, President of United Bonding Co., Indianapolis, Indiana, Irving Weiner picked up the insurance business (with possible premiums of \$1,000,000) for the Castaways Motel, Miami Beach, Florida. Wright also said that Weiner had obtained the insurance for the Everglades Hotel in Miami. The Atlanta Cabana Motor Hotel, the Castaways Motel and the Everglades Hotel in Miami all received loans from the Pension Fund.

"It is requested that the Bureau interview Frank Wright, President of United Bonding Co., Indianapolis, Indiana, concerning his knowledge of the arrangement whereby insurance and bonding furnished relative to these Pension Fund loans were acquired by the Dorfman and to conduct an investigation to determine the following relative to the above mentioned loans by the Teamsters Pension Fund:

"(1) what agencies and underwriting companies are involved;

"(2) what policies have been taken;

"(3) what commissions have been paid;

"(4) to whom.

"(5) Interviews are requested with local insurance and bonding agents to determine whether they have been approached with "kickback" proposals.

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"(6) The Bureau is also requested to determine why Cambridge got a portion of Haas' commission on the Mallin-Sarno policies."

Certain data were also furnished by the Department in connection with this request for investigation. Included in this was a memorandum from WALTER J. SHERIDAN, to JEROME S. ADLERMAN of the Department of Justice dated January 14, 1960, with respect to JAMES R. HOFFA - Summit Fidelity and Surety Company; ALLEN DORFMAN; Teamster Bonding. This memorandum records the results of an interview of FRANK WRIGHT, President of the United Bonding Company of Indianapolis, Indiana, on January 13, 1960. The information furnished by WRIGHT relates principally to the Teamster Bonding Program which was set up following the passage of the Landrum-Griffin Bill on September 14, 1959. Among other things WRIGHT advised WALTER J. SHERIDAN that sometime in December, 1959, he was contacted by a man named DON PLETTS, who represented an agency in Miami, Florida. PLETTS told WRIGHT that he had the Teamster Bonding business and offered to post a cash collateral of \$300,000. PLETTS had previously contacted JIM HALPERN of the United Public Insurance Company of Indianapolis for the same purpose. WRIGHT advised that a man named JOHN QUINLAN, who was with the Peerless Insurance Company, even quit his job to go with PLETTS because PLETTS seemed so certain of getting the Teamster business.

Also made available by the Department was a copy of a report made by Compliance Officer CARL N. SCHULTZ on September 1, 1961, at Chicago, Illinois. SCHULTZ is compliance officer with the Bureau of Labor-Management Reports of the United States Department of Labor. This report is entitled United Benefit Fire Insurance Company of Omaha, Nebraska; International Brotherhood of Teamsters; JAMES R. HOFFA, President. This report concerns the Teamster Bonding Program and reflects the results of interviews by SCHULTZ with FRANK WRIGHT, President, and NORMAN L. STOTTS, Chief of the Bond Department, United Bonding Insurance Company, Indianapolis, Indiana.

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Among other things WRIGHT advised SCHULTZ that he heard a rumor that IRWIN WEINER got the insurance business of the Castaways Motel and the Everglades Hotel, both of whom are recipients of International Brotherhood of Teamster Pension Fund loans. WRIGHT said that the premiums on the Everglades could total \$1,000,000 and that WEINER got the business "by just walking in".

SCHULTZ's report notes that a previous chronology shows that WEINER was at the Atlanta Cabana and that CHARLES W. BRAY, who was connected with the Federal Casualty Company, Chicago, Illinois, telephoned the General Oglethorpe for a reservation.

The following memorandum with respect to ALLEN and MARILYNNE DORFMAN and PAUL and ROSE DORFMAN and their associates was also furnished by the Department in connection with the requested investigation. This memorandum is set forth as follows:

"Paul Dorfman and Rose Dorfman and their son, Allen, have long been alleged to be the liaison between James R. Hoffa and Chicago racketeers. They have reportedly been the source of large sums of money for Hoffa. The McClellan Committee disclosed that the Dorfmans had obtained millions of dollars in commissions from Teamster insurance programs. Since the McClellan investigations, much of the Dorfmans' activity has been conducted through 'front' organizations operated by Dorfman associates. Their principal associates are Irwin R. Weiner, Sol C. Schwartz, Irving R. Nemerov, Bernard N. Nemerov, Ross Miller and Theodore Shulman.

"Ross Miller and Ted Shulman allegedly 'front' for the Dorfmans in the control of the Dunes and Riviera Hotels in Las Vegas.

"The Nemerovs allegedly represented Dorfman interests in Trans-Continental Life Insurance Co. incorporated in Illinois in June 1958 and subsequently sold to Spencer Austrian. Presently the Nemerovs run the California Life Insurance Co. of Oakland, California.

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(Chicago office at 134 N. LaSalle) which was purchased from the Teamster-allied Laundry Workers Union. Involved in this company's operations are Jack Goldberger and Jim Harding.

"Irwin Weiner is believed to be connected with:

- "American Bail Bond Co., Chicago, Illinois
- "American Bonding Agency, Inc., Chicago, Illinois (may be same as above)
- "Auto-Mat Manufacturing Co.
- "Continental Processing Co.
- "I S P Sales Inc., 1019 South State Building, Chicago, Illinois
- "Leo Rugendorf
- "P & S By-Products, Inc.
- "Twin Distributing Co., Inc.
- "Twin Food Products, Inc. (employed Alderisio, Caifano, Battaglia and Frabotta)
- "Weiner-Volin Insurance Agency, Inc.

"Sol Schwartz is connected with Union Health & Welfare Insurance Agency, 330 S. Wells Street, Chicago. Other officers are Philip H. Gold 7316 N. Sheridan Road, Chicago, and Norman B. Owens, 941 Ridge Avenue, Evanston, Illinois.

"Exchange National Bank records list as related accounts to many of Dorfman's or Weiner's companies the following:

- "John Carson)
) Also appeared as: John Carson Smith Lodge
- "Lodge Smith)
- "Equity Land Co.
- "S & G Wheaton Building

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"United States Realty & Construction Co.

"Schwartz and Weiner were involved in the Teamster Bonding Program which also concerned the following individuals and companies:

"Angelo Branchi, Chicago, Illinois

"Charles W. Bray, 820 N. Glenayre Drive, Glenview, Illinois

"James W. Egan, 10565 W. Glennon Drive, Denver, Colorado

"Stewart W. Hopps, 2 Cliff Road, Belvedere, California

"Don Ross, Rm. 706, 330 S. Wells Street, Chicago

"Lawrence Rothfield, aka Larry Roth, Rm. 706, 330 S. Wells Street,
Chicago

"Affiliated Brokers, Inc., Delaware corporation (Bray-Hopps)

"Anglo Canadian Underwriters, Ltd., (Hopps) 44 Wall Street, New York

"Associated Insurers, Ltd. (Bray and Hopps)

"Central Casualty Insurance Co., Evanston, Illinois

"Central Guaranty Ins. Co. (formed by Bray and Weiner 7/61)

"Cosmopolitan Insurance Co., 4120 Sheridan Road, Chicago

"Homer Bray Service (Can.) Ltd. Canadian corp. 12/24/59, P.O. Box 1535
Nassau, Bahamas

"Homer Bray Service Inc., Evanston, Illinois

"Illinois Agency of Summit Fidelity & Surety Co., (short lived in 1959)

"Intercontinental Ins. & Surety Co. of Panama, formed 1959

"Intercontinental Ins. Co., P.O. Box 1386, Nassau, Bahamas (may be
same as above)

"Mediterranean Insurance Co. (Bray)

"National Oxford Agency Inc.

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"National Oxford Agency, Inc., 1223 N. LaSalle Street, Chicago
(may be same as above)

"Oxford Agency, Inc., Illinois corporation 12-24-59, 141 West Jackson
Blvd.

"Pacific Service Co.

"R & R Insurance Co., 330 S. Wells Street, Chicago

"Titan Co. Inc., Illinois corporation 7-6-61, 1019 S. State, Chicago

"Titan Management Corp., 11 S. LaSalle, Chicago, (may be same as above)

"Tropical Holdings, Inc., (Bray Co.)

" Dorfman companies have included:

"Aldor Insurance Agency, Inc., Indiana corporation, 9-16-54

"Alro Agency, Inc., Michigan corporation, 10-2-52

"Alro Insurance Agency, Inc., Illinois corporation, 4-26-54

"Amalgamated Insurance Agency Services, Inc., 5-18-56

"Business Life Agencies, Inc., Illinois corporation, 10-26-56

"Cadillac Insurance Inc.

"Cambridge Insurance Agency, Inc., Illinois corporation, 4-26-56

"Central Insurance Consultants, Chicago, Illinois

"Conference Insurance Consultants, Inc., Chicago, Illinois, 4-60

"Country Club Miniatures, Inc., Chicago, Illinois, Ohio corporation

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"Dorfman Investments, Partnership, 1954

"Dover Insurance Agency, Ltd., Illinois corporation, 3-23-54

"Imperial Insurance Agency, Inc., Mo. corporation, 6-19-56

"Jack O'Lantern Lodge, Inc., corporation, 6-1-52

"Joll Properties, partnership, 12-5-50

"Magna Carta Investment Co., Inc.

"Mercury Investment Corp., Illinois corporation, 7-28-56

"Morningstar Hotel, Inc., about 1956

"New Flamboyant Hotel, Virgin Islands, about 1956-1960

"Northwestern Oil Co., Partnership, 7-1-52

"Pan American Investment Corp., Illinois corporation, 11-8-55

"Sheridan Investments, Inc., Illinois corporation, 9-17-56

"Sheridan Lien Co., joint venture, 2-15-57

"Southwest Insurance Agency, partnership, Chicago, 1958, Rose and Allen
1961--Schwartz partner

"Tecumseh Lodge, Inc., Delaware corporation, 4-25-46

"Union Insurance Agency of Illinois, partnership, 8-1-50

"Windsor Investment Co., Illinois corporation, 9-11-54

Other companies believed to be controlled by or connected
with Dorfman include:

"Fidelity Bankers Life Insurance Co., Chicago, Illinois

"Girardian Insurance Co., Dallas, Texas, and Chicago, Illinois

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"Intercontinental Insurance Co., (received mail at Dorfman offices)

"Pan American Distributors, Inc., Puerto Rican corporation; 9-60

"Southwest Insurance Agency, Dallas Texas, Texas corp. 10-15-56 -
9-5-60

"Union Casualty & Life Insurance Co. (receiving mail at Dorfman's office)

"Wacker Insurance Agency, Inc.

"West Coast Insurance Consultants, Inc., Chicago, Illinois

"Other individuals who are or have been closely associated
with the Dorfman's include:

"Myer Breen, 1221 N. LaSalle, Chicago and 2322 N. Commonwealth, Chicago

"Lucille Ferkin, 1221 N. LaSalle, Chicago

"Philip Goodman, 201 N. Wells Street (believed to have broken with
Dorfman)

"Robert Greenfield, 1483 or 1843 Edgewood Lane, Winnetka, Illinois now
at 175 W. Jackson, Chicago (believed to have broken with
Dorfman about 1957)

"James Kalil, Detroit, Michigan

"Other individuals and companies possibly lined to the
Dorfman's include:

"Jack or Joe Katz

"Harold Goldberg, 20 Jerusalem Avenue, Hicksville, New York
223 Fulton Avenue, Hempstead, New York

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"Bergman and Lerkow Insurance Agency

"Fidelity Bankers Life Insurance Co., 500 W. Broad Street, Richmond,
Virginia

"Guaranty Trust Mutual Life Insurance Co., San Antonio, Texas

"National Life Insurance Co.

"Old Republic Life Insurance Co., 307 N. Michigan, Chicago

"Dorfman had held, through Sheridan Investments, Inc., considerable stock in Northeastern Life Insurance Co. of New York (formerly Mt. Vernon Life Insurance, formerly Union Casualty & Life Insurance Co.). Exchange bank records show Sheridan Investments is being liquidated for the purpose of Dorfman entering into an unknown Canadian venture. Financial statements of Fidelity Bankers (a company headed by T. Coleman Andrews) show that Fidelity has acquired Northeastern common shares at a cost of \$3,959,345. There is a note that \$2,068,408.80 represents 'the excess of cost of Northeastern over admitted value at acquisition.'

"Mail has been received at the Dorfman offices from the following companies which may be linked with Dorfman or Stewart Hopps:

"American Overseas Underwriters, 2001 N.W. 7th Street, Miami, Florida

"Florida-Caribbean Underwriters, 2001 N.W. 7th Street, Miami, Florida

"Guarantee Trust Life Insurance Co., 2537 W. Montrose, Chicago, Illinois
Room 406, 134 N. LaSalle, Chicago, Illinois

"Union Labor Life Insurance Co., Room 710, 23 East Jackson, Chicago,
Illinois

"The Dorfmans have done business with the following banks:

"American National Bank & Trust Co.

"Commercial State Bank & Trust Co., New York (1953)

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"Cosmopolitan National Bank & Trust Co., Chicago

"Exchange National Bank of Chicago

"Guaranty National Bank (formerly Southmoor Bank) 6760 Stony Island Avenue, Chicago, Illinois

"Bank of Highland Park, 1st and Central Avenue, Highland Park, Illinois (safety deposit box)

"North Shore National Bank

"Paul Dorfman is Allen's stepfather; he gained control of the Chicago Waste Handlers Union Local 20467 after the mysterious murder in 1939 of its founder Leon Cooke. He has been associated with the late Claude Maddox, Tony Accardo, Abe Teitelbaum, Johnny Dio, the late Longie Zwillman, Joey Glimco and Murray Humphreys. Allen's mother is the former Rose Pitman previously married to Meyer Melnik. Paul is about 61, Rose about 56 and Allen about 39 years old. Allen changed his name from Allen Melnick to Allen Melnick Dorfman in September 1945.

"Paul and Rose live at 5801 N. Sheridan Road, Apt. 200.

"Paul's brother William married Rose's sister Faye. William died a few years ago. Faye, about 48, survives as does a 21 year old daughter, Ila, who is married to 23 year old Ira Lustig. Jay Dorfman, 6821 Ridge, is Allen's younger brother.

"All of these relatives appear in various dealings of Allen and Paul.

"Paul Dorfman has been reported to have insurance interests with "Milwaukee Phil" Alderisio, "Obbie" Frabbotta, and Santos Traficanti, all prominent racketeers."