

DATE: 11-14-2017

JFK Assassination System
Identification Form

Date: 5/1/2015

Agency Information

AGENCY : FBI
RECORD NUMBER : 124-10301-10204
RECORD SERIES : HQ
AGENCY FILE NUMBER : 63-7985-7

Document Information

ORIGINATOR : FBI
FROM : DIRECTOR, FBI
TO : SAC, CG
TITLE :
DATE : 10/31/1962
PAGES : 18
SUBJECTS :
[Restricted]
DOCUMENT TYPE : PAPER, TEXTUAL DOCUMENT
CLASSIFICATION : Unclassified
RESTRICTIONS : Consulted
CURRENT STATUS : Redact
DATE OF LAST REVIEW : 03/12/1997
OPENING CRITERIA : APPROVAL OF DOJ
COMMENTS : REFERRED TO DOJ, INC 3 MEMO, RPT

DATE: 11-14-2017

10/31/62

AIRTEL

TO: SAC, CHICAGO
FROM: DIRECTOR, FBI (63-7985)

JAMES RIDDLE HOFFA
IRVIN WEINER
ALLEN M. DORFMAN
MISCELLANEOUS - INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION)
(OO:CG)

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Rerep SA Kenneth P. Pettijohn dated 10/25/62, at Indianapolis.

Enclosed herewith for the information and assistance of the Chicago Office in planning this investigation are copies of the following documents obtained from the Criminal Division:

- (1) Memorandum dated 1/14/60 from Walter J. Sheridan to Jerome S. Adlerman, captioned "James R. Hoffa - Summit Fidelity & Surety Co.; Allen Dorfman; Teamster Bonding."
- (2) Memorandum dated 7/17/61 from Howard Jenkins, Jr. to Daniel L. O'Connor, captioned "Teamsters Bonding."
- (3) U. S. Department of Labor, Bureau of Labor-Management Reports report of investigation dated 9/1/61, captioned "United Benefit Fire Insurance Company of Omaha, Nebraska; International Brotherhood of Teamsters; James R. Hoffa, President."

MAILED 19
OCT 31 1962
COMM-FBI

- (4) Memorandum dated 5/10/62 from Walter J. Sheridan to the files captioned "Teamster Bonding."

REC-25 63-770-7

The Chicago Office in outlining and planning the investigation to be conducted in this matter should thoroughly review these items and conduct appropriate investigations as a result of this review.

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Tolson _____
 Belmont _____
 Mohr _____
 Casper _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

WAF:eem

ENCLOSURE

NOTE: On 10/31/62 Department Attorney Richard Coleman of the Criminal Division made available to SA Wayne A. Frankenfield documents referred to herein from which copies were made. These documents were returned to Coleman after these copies were made.

MAIL ROOM TELETYPE UNIT

DATE: 11-14-2017

AIRTEL TO SAC, CG
RE: JAMES RIDDLE HOFFA, IRVIN WEINER
63-7985

The Department of Labor report dated 9/1/61
is the best copy that the Bureau can obtain from the
Criminal Division.

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WJS

COPY

MEMORANDUM

14 January 1960

TO: Jerome S. Adlerman

FROM: Walter J. Sheridan

RE: James R. Hoffa - Summit Fidelity & Surety Co.;
Allen Dorfman; Teamster Bonding

On January 13, 1960, I contacted Frank Wright, President of the United Bonding Company of Indianapolis, Indiana, telephone: WA 6-1588.

Wright said that he was originally approached in approximately October 1959 by a man named Menerovski who was with the Lake-State Auto Association in Chicago, Illinois. Menerovski claimed that he had the Teamster bonding business sewed up and asked Wright if he would write the business for him. Wright said that he told Menerovski that he was not going to do anything until the rates and forms were more clearly established by the American Surety Association.

Wright said that he next received a call from his own agent in Newark, a man named Matty Silverman, who had been approached by an unknown party who also stated that he had the Teamster bonding business. Wright said that he gave Silverman the same reply.

Wright said that some time in December 1959 he was contacted by a man named Don Pletts, who represented an agency in Miami, Florida, who also told him 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 said that a man named John Quinlan with the Peerless Insurance Company even quit his job to go with Pletts because Pletts seemed so certain of getting the Teamster business.

63-2985-7 file
6-007

WRIGHT

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Mr. Adlerman

COPY

January 14, 1960

Wright said that subsequently in December 1959 he was telephonically contacted by E. E. Cefrey of the United Benefit Fire Insurance Company of Illinois, who told him that he had the Teamster bonding business. Cefrey said that he was arranging a group of companies to handle the business and asked Wright if he would participate for 25 percent. At that time, Cefrey quoted a rate of \$6.25 per thousand per annum to be charged for the bonds. Wright agreed to participate.

Wright said that by letter dated December 29, 1959, signed by B. K. Pyle of the United Benefit Company, their check #22886 in the amount of \$9,750 was forwarded to Wright as his portion of a premium deposit of \$100,000 which had been made by the Teamsters Union less 2-1/2 percent premium tax. Wright said that he was surprized when he got the check representing 10 percent interest, inasmuch as he had agreed to participate for 25 percent. He contacted Cefrey, who told him that they had subsequently decided that, inasmuch as his company was the smallest, they would only participate for 10 percent.

Wright said that he has been attempting to get together with Cefrey to determine more about the entire arrangement, particularly the type of reinsurance arrangements being made.

Wright said that his understanding is that he and the other companies will pay United Benefit a 35 percent commission as earned. The volume of premiums over a three-year period was represented to him as being approximately three million dollars, two million of which would be to insure losses over one million dollars with some one like Lloyds of London. He said that this would leave approximately one million to be split among participating companies.

Wright said that his files contained a letter dated December 15, 1959 from Tri-State Insurance Company to United Benefit, signed by D. B. Ehmes of Tri-State, setting forth conditions under which Tri-State agreed to participate to the extent of \$200,000. These conditions included a quarterly meeting of a committee made up of representatives of all the participating companies to review the underwriting and other procedures, at which a majority vote would prevail. It was also stipulated that all money received by United

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Mr. Adlerman

COPY
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January 14, 1960

Benefit from the Teamsters Union would be immediately divided among the participating companies according to the stipulated percentages. It also provided that the form used by United Benefit to write the bonds, unless previously approved by the Attorney General's office, should be submitted to Tri-State for their review and suggestions. Copies of this letter were sent to Charles Bray, Joseph Henning and David Ross. Wright did not know who any of these individuals were.

WJS/def

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Sheridan
RMC

THE FILES

May 10, 1962

Walter J. Sheridan

TEAMSTER BONDING

Frank Wright, President of the United Bonding Company in Indianapolis, advised that he had recently been approached by representatives of the Trucking Association in Indiana to write a bond which would cover drivers for such eventualities as speeding tickets and weight infraction violations. He said that he expressed some interest in the idea. He was subsequently contacted by a man named Leonardo who he believed was a former Teamster official in Indiana. Leonardo claimed to be representing the Teamsters Union and said that the Union wanted to promote the same idea but that they wanted to handle the financing. Wright said that he would keep us advised and was not certain what he was going to do about it.

Wright said that the Teamster bonding is now handled by the Resolute Insurance Company. He said that a man named Scribner is President of the Company and has expressed a great concern to Wright about the Teamster bonding situation. Scribner told Wright that Irwin Weiner and Sol Schwartz are getting an 85% cut. He also indicated that Resolute has not received any premiums as yet from the former underwriter, United Benefit Fire Insurance Company. Wright said that a man named Morganstern is the Chairman of the Board at Resolute and runs the Company like a dictator. He said that Scribner is treated like a "jackey" and does only what he is told to do by Morganstern.

63-7985-7 file
6-509

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OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Daniel L. O'Connor

DATE: JUL 17 1961

FROM : Howard Jenkins, Jr. *HJ*

SUBJECT: Teamsters Bonding *File*

On June 21, 1961, Frank E. Wright, President and James E. Burch, Secretary-Treasurer, of the United Bonding Insurance Company of 830 East 38th Street, Indianapolis, Indiana, were referred to this office by Sidney Cox of the Treasury Department, and conferred with Mr. Blum of this office with regard to bonding problems in connection with their prospective contracting as primary surety for the International Brotherhood of Teamsters.

During the course of the conference, the informants revealed that United Bonding Insurance had been contacted by one E. E. Cefrey with reference to taking over as primary surety for the Teamsters' master bonding program. The previous primary surety was the United Benefit Insurance Company of Chicago, Illinois of which Mr. Cefrey was formerly vice-president. According to informants, Mr. Cefrey indicated that he was now acting for Charles Bray of the Homer Bray Service Company of Chicago, Illinois. Under the arrangement proposed to the United Bonding Insurance Company, 10 per cent of the premiums received by the United Bonding Insurance Company would be paid the Homer Bray Service Company as a brokerage fee and 25 per cent would be paid to the Homer Bray Service Company as agent for the United Benefit Insurance Company.

Additionally, it was revealed that Lloyds of London had been acting as a reinsurer under the previous bonding arrangement and it was contemplated that Lloyds of London would act as a reinsurer for losses between \$100,000 and \$400,000 in the proposed arrangement. It was also alleged that Central Casualty Company which was apparently a co-insurer under the previous arrangement was wholly owned by Homer Bray.

From the information revealed there was no reason to believe that United Bonding Insurance Company would not be an acceptable surety under section 502 of the Act. Messrs. Wright and Burch seemed particularly anxious to make sure that they would not be violating any laws in undertaking this arrangement. They indicated a desire to deal directly with the Teamsters Union rather than act through Homer Bray as intermediary. Aspects of the law of the bonding provisions as they relate to surety companies were explained and literature was provided to Messrs. Wright and Burch. Three of the questions they asked are being given consideration and two of them are already under study in connection with other organizations.

*63-7985-7 file
6-way
Thom*

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BLMR-C&E	
JUL 17 1961	
DIV: I ✓	TITLE: I - VI
II ✓	II
III ✓	III

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Mr. Daniel L. O'Connor

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One is whether the provision of the consolidated bond form giving a first named insured power to act for all the organizations covered by the bond is acceptable under our interpretation of the bonding provisions. The second is whether a master bonding program in which certain of the local organizations are covered only on schedule A of the consolidated bond form is not in effect a blanket bond as regards those locals. The third is whether the placement of collateral with surety by the insured would not in effect amount to a deduction of a percentage of any loss so as to violate the requirement that there is no minimum limitation on the amount for which a person must be covered by bonding.

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U.S. DEPARTMENT OF LABOR BUREAU OF LABOR-MANAGEMENT REPORTS Office of Compliance and Enforcement REPORT OF INVESTIGATION	FILE NO. CHI 15-4	DATE SEP 1 1961
	REPORT MADE BY E/O CARL W. SCHLITZ	
TITLE UNITED BENEFIT FIRE INSURANCE COMPANY OF OMAHA, NEBRASKA INTERNATIONAL BROTHERHOOD OF TEAMSTERS JAMES E. MERRA, President	REPORT MADE AT Chicago, Illinois	
	PERIOD August 23, 1961	
	OFFICE OF PRIMARY RESPONSIBILITY Division of National Investigation	
	STATUS Pending	

CHARACTER
Reading (15)

REFERENCE **Bureau Memo (BMR 15-16) dated August 8, 1961;**
ROI, C/O EARLE RIDER, Kansas City Area Office dated August 16, 1961

SYNOPSIS

Benefit Insurance Company, Hartford, Connecticut, assumed bonding formerly handled by United Benefit July 13, 1961. Remston Fire and Casualty Insurance Company, United Bonding Insurance Company and Central Casualty Company are the concerns selected to carry the primary reinsurance up to \$100,000.

United Benefit and CHARLES BRAY never supplied details of IDT bonding to FRANK WRIGHT of United Bonding even though WRIGHT asked for details on several occasions.

Records at United Bonding show a 10% override was being paid United Benefit on earned premiums. This 10% override would normally be paid BRAY. United Benefit has stated that BRAY is paid only 2% commission.

WRIGHT said BRAY has constantly denied association with MERRAS or SUMNER MERRA. WRIGHT has no knowledge of any union person having direct or indirect interest in the placement of the bonds.

WRIGHT said refunding of premiums to local unions was delayed by BRAY and United Benefit. Both BRAY and United Benefit anticipated that premiums on new business

APPROVED (Director)

John V. Moran

John V. Moran

DISTRIBUTION

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