

Agency Information

AGENCY : FBI
RECORD NUMBER : 124-90110-10102
RECORD SERIES : HQ
AGENCY FILE NUMBER : SEE TITLE

Released under the John
F. Kennedy
Assassination Records
Collection Act of 1992
(44 USC 2107 Note).
Case#:NW 45876 Date:
11-17-2017

Document Information

ORIGINATOR : FBI
FROM : ROSEN
TO : BELMONT

TITLE : [Restricted]

DATE : 07/27/1961
PAGES : 2

SUBJECTS :
JOSEPH RAYMOND MEROLA
[Restricted]

DOCUMENT TYPE : PAPER, TEXTUAL DOCUMENT
CLASSIFICATION : Unclassified
RESTRICTIONS : 4; 10(a)2
CURRENT STATUS : Redact
DATE OF LAST REVIEW : 08/06/1998

OPENING CRITERIA : INDEFINITE

COMMENTS : MEMO

UNITED STATES GOVERNMENT

Memorandum

JFK Act 6 (4)

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

TO : Mr. Belmont

DATE: July 27, 1961

FROM : A. Rosen

SUBJECT:

**INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY - TOP JEWEL THIEF**

[redacted], confidential informant of the Miami Office since 7/19/60, has advised of an alleged scheme to defraud through the inflation of across-the-counter stocks and the disposal of these stocks at an inflated price.

[redacted] has identified the principal individual involved in this scheme as Arthur Freedman, a Miami attorney, reportedly a friend and associate of Sam Kay, Miami Beach millionaire-financier who is an associate of criminals. This informant states that Freedman is alleged to have inflated the value of three stocks by selling and buying to his own interest at a cost to him of reported \$60,000. These stocks were described as the American International (Baltimore, Maryland), a utility company stock of Tampa, Florida, and the Transportation Research and Development Company stock whose home office is unknown. These stocks are all across-the-counter stocks with a paper value in excess of one million dollars; however, there are no buyers of these stocks at that value.

[redacted] Newark, New Jersey, who is a possible witness and subject in the [redacted] case involving [redacted] which case has been presented to the Federal Grand Jury in [redacted] Florida, reportedly is to dispose of \$1,003,000 worth of these stocks at an unknown bank in Boston, Massachusetts. These stocks will be put up as security on a loan and when the loan is defaulted the stocks will have little relative value.

[redacted] further advised that these stocks were allegedly purchased originally for approximately one dollar a share and through the buying and selling of these stocks by Freedman and through his interest they have been inflated to approximately \$10 a share. A group of individuals involving Al Seid, a well-known Pittsburgh racketeer and hoodlum, Joseph Merola, convicted for the theft and transportation of guns from an armory in Canton, Ohio

1 - Informant Desk
Special Investigative Division

JGF:raj
(8)

66 AUG 3 1961

1 copies made
2-26-78 JSB/9/69
Re: Joseph Merola
for review at FBIHQ by
HSCA re 2-20-78 request.
(See Bufile #62-117290)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/31/95 BY JAB/SLS/BC
(JR)

Memorandum to Mr. Belmont

RE: [REDACTED]

JFK Act 6 (4)

11.
who has been out on bail pending his appeal which was denied, Mike ~~Swiatek~~, reported Chicago burglar and friend of Merola have offered to dispose of these stocks for Freedman. Also included in this group is the informant, [REDACTED] They will dispose of these stocks through Sagal and have offered Freedman \$4 a share for the stocks; however, he is asking \$5 a share. This group contemplates disposal of these stocks through a bank or as collateral on a loan at between \$7 and \$8 a share.

The Miami Office has ascertained that the Securities and Exchange Commission (SEC), Miami, Florida, is investigating the ~~American International~~ (Baltimore, Maryland) and contemplates obtaining an injunction against the sale of the stock of this company within the near future.

ACTION:

Although the above scheme involves possible violations primarily within the jurisdiction of SEC, the New York, Boston, Miami and Newark Offices will thoroughly explore all facets of this scheme based on information supplied by [REDACTED] in order to completely identify all individuals involved as well as the companies being used to ascertain whether this scheme constitutes violation within this Bureau's jurisdiction. This matter is being closely followed.

jsmt

RAM

wzw

wg

jeff