FREEDOM OF INFORMATION AND PRIVACY ACTS

Subject: Julius Rosenberg

File Number: New York "See References"

Section: Batch Number 9

FEDERAL BUREAU OF INVESTIGATION

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Julius Rosenberg Et AL.

New York "See References"

Batch

Number

9

Inventory Worksheet
FD-503 (2-18-77)

NEW YORK FILES
"SEE REFERENCES"

REVIEWED BY [illegible]

Batch ~~File~~ No: 9 Re: Julius Rosenberg Date: (month/year)

File No. & Serial No.	Date	Description (Type of communication, to, from)	No. of Pages Actual	No. of Pages Released	Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
65-14603 2231	—	Enclosure To Serial 2231 (A.B)	4	4	
65-14603 2232	9-13-46	Letter To H.Q (A.B.)	1	1	
65-14603 2332	10-17-46	N.Y. Report (A.B)	92	14	78 Pgs O.S.
65-14603 2359	—	Missing from File	—	—	
65-14603 2411	11-8-46	S.A.C Letter To H.Q (A.B)	1	1	
65-14603 2466	11-21-46	N.Y. Report (A.B)	96	14	82 Pgs O.S.
65-14603 2492	11-29-46	N.Y. Letter To H.Q (A.B.)	1	1	
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			31	61	260

FBI/DOJ

FD-148

United States Department of Justice
Federal Bureau of Investigation

IN REPLY PLEASE REFER TO
FILE NO. _____

JUSTIFICATION FOR CONTINUATION OF TECHNICAL
OR MICROPHONE SURVEILLANCE

RE: Title NATHAN GREGORY SILVERMASTER,
with aliases, et al
Character of Case ESPIONAGE - R
Field Office New York
Symbol Number NYT-343
Type of Surveillance: (Technical or Microphone) TECHNICAL

1. Subject's name and address:

A. Brothman Associates
114 East 32nd Street
New York City Telephone Murray Hill 3-9670

2. Location of technical operation:

Sutec

3. Dates of initial authorization and installation:

Authorized 11/27/45
Installed 12/4/45

4. Previous and other installations on the same subject (with dates and places):

None

5. Specific valuable information obtained since previous report with indication of specific value of each item and what use was made of each item of information involved: Confidential Informant NYT-343 has furnished information daily pertaining to the activities of Abraham Brothman as well as his associates. On July 30, 1946, the informant furnished information to the effect that Brothman was working on a project for the Russian Government. Also on the same date Brothman was in contact with

(continued on page 4)

65-14603-2231

6. Could above information have been obtained from other sources and by other means?

No

7. Has security factor changed since installation?

No

8. Any request for the surveillance by outside agency (give name, title and agency):

None

9. Manpower and costs involved:

Operated in conjunction with Sutec operations

10. Remarks (By SAC):

Through this informant the activities of the subject have been closely followed and information furnished pertaining to the projects that he was planning. Therefore it is requested that the services of this informant be continued.

11. Remarks (added at Seat of Government):

12. Recommendation by Assistant Director:

13. Recommendation by the Assistants to the Director:

(continued)
officials of Antony. On September 12, 1946, information was received from this informant to the effect that Brothman planned to move part of his business facilities to Queens Plaza, New York City. It is believed that this informant will be in a most favorable position to determine the exact place to which Brothman plans to move, as well as possibly determining what phase of Brothman's business he plans to operate in the new premises.

New York, N. Y.

PERSONAL AND CONFIDENTIAL

September 13, 1946

Director, FBI

Re: GREGORY
ESPIONAGE - R

Dear Sir:

There are enclosed the original and one copy of a form for justification of the continuance of the services of Confidential Informant NYT-343 in the above-captioned case.

Very truly yours,

EDWARD SCHEIDT,
SAC

FDO'B:RAA
65-14603

Enc. 2

65-14603-WBV

FEDERAL BUREAU OF INVESTIGATION

NY FILE NO. 65-14603 AG

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON D.C.

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK	OCT 17 1946	8/20-10/14/46	JOHN T. HILSBOS

TITLE	CHARACTER OF CASE
GREGORY	ESPIONAGE - R

SYNOPSIS OF FACTS:

STRICTLY CONFIDENTIAL

[redacted] ABRAHAM BROTHMAN still in close contact with members of Amtorg in NYC. [redacted] RAY ELSON presently reactivating herself in the CP and has encouraged Informant GREGORY to join her. GREGORY advised that ELSON seemed greatly relieved, unusually friendly, and has indicated she has not seen any of her old contacts. GREGORY doubted if ELSON, under present conditions, would do anything about these contacts if made. [redacted] Information in New York files on LEON ERLICH set out. [redacted] Informant GREGORY advises that she and JOHN H. REYNOLDS had conferred with Department of Commerce officials re advisability of continuing in business. REYNOLDS indicated he is not satisfied with proposed new contracts submitted by Intourist, and on 10/14/46 advised them that he was suspending business immediately. LEM HARRIS contacted GREGORY and indicated that the $15,000 originally used to start U.S. Service and Shipping in business was furnished by a personal friend of HARRIS and not by the CP. HARRIS requested the return of this money, at which time GREGORY expressed surprise to HARRIS that the money had not come from CP. [redacted]

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
		65-14603-2332

COPIES OF THIS REPORT

5 - Bureau
2 - Washington Field
3 - New York

NY #65-14603

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O.S.

O.S.

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ABRAHAM BROTHMAN [redacted] O.S.

The following investigation of the activities of ABRAHAM BROTHMAN an[redacted] covering the period from September 7 to October 10, 1946, is reported by Special Agent FRANCIS D. O'BRIEN. O.S.

Confidential Informant [redacted] 343 has advised that BROTHMAN is presently in the process of moving his offices from 114 East 32nd Street, New York City, to the CHATHAM-PHOENIX BUILDING, 2928 41st Avenue, Long Island City, telephone Ironsides 6-5451.

In connection with BROTHMAN moving his offices, the aforementioned informant advised that JULES KORCHIEN, an associate of BROTHMAN, will continue to occupy the premises at 114 East 32nd Street. Informant also advised that KORCHIEN discussed his partnership relationship between BROTHMAN and himself with an unknown individual on October 2, 1946, and KORCHIEN made the statement that he drew no salary from the firm of ABRAHAM BROTHMAN ASSOCIATES; that he had to get his own work, and if the work was large enough BROTHMAN and the other members of the association would work with him, and for the present time KORCHIEN is to continue this relationship with BROTHMAN but retain a separate office at the original address of the firm.

Confidential Informant [redacted] 343 has advised that BROTHMAN continues to be in close touch with Russians who are members of AMTORG in New York City, and that on September 13, 1946, BROTHMAN was in contact with one Mr. KADIONOVICH who advised BROTHMAN that he was going back to Moscow and that his place was going to be taken by a Mr. MAIOROV. KADIONOVICH stated that when he went to Moscow in October he would take up the questions that ABRAHAM had requested him to,,and that he would send over the things that ABE had asked him to, but he had not received any answers from Moscow and planned to take it up in Moscow.

On September 19, 1946, the same informant advised that MIRIAM MOSKOWITZ, Secretary to BROTHMAN, was in touch with the DU PONT COMPANY in New York City, and wanted to know if the DU PONT COMPANY could supply one hundred and twelve thousand pounds a month of "Regular acrilic monoma (phonetic) and copalama (phonetic). The DU PONT people were very inquisitive as to what the material would be used for and MOSKOWITZ consulted an unknown person and stated that it would be used for mouldings. The DU PONT man then asked if it would be exported and she replied in the negative. The DU PONT people did not give any definite answer on the proposition. MOSCOWITZ then attempted to contact Mr. TATRONOVICH (phonetic) of AMTORG but she was unsuccessful.

The same informant advised that BROTHMAN and KORCHIEN spent a week in Peekskill, New York, at BROTHMAN'S summer place which is located at Oak Lane and Furnace Dock Row, and they were believed to have returned

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to New York City on September 27th or 28, 1946.

On September 23, 1946, BROTHMAN was in contact with an individual known only as ELKIN, at which time ELKIN attempted to induce BROTHMAN to allow him to use his offices for purposes of impressing his client and BROTHMAN agreed to do this. It appeared that ELKIN is interested in the manufacture of textiles and BROTHMAN stated he was presently working on a big job for China.

Confidential Informant NYT 343 has also advised BROTHMAN attempted Madison Square Garden on September 12, 1946, at which time HENRY WALLACE made his speech regarding the foreign policy of the United States. The same informant advised that BROTHMAN had a lengthy discussion with OSCAR VAGO, one of his associates, at which time they discussed WALLACE'S speech, and BROTHMAN made the statement that he never saw anybody make such a big fool of himself than WALLACE did at the meeting. VAGO stated that it was the demise of a liberal who had been thoroughly deflated. BROTHMAN then [redacted] had great praise for Senator CLAUDE PEPPER.

In connection with WALLACE'S speech the informant advised that on September 20, 1946, MIRIAM MOSCOWITZ, BROTHMAN'S secretary, sent a telegram to President TRUMAN criticizing the ouster of WALLACE, and another telegram to WALLACE urging him to head a third party ticket. Both of these telegrams were signed by BROTHMAN.

[redacted] O.S.

[redacted] O.S.

[redacted] O.S.

NY 65-14603

Re: GREGORY

MRS. RAY ELSON
161 East 16th Street
New York, New York

Instant investigation is reported by Special Agent LOUIS MORRIS BEST:

On September 19, 1946, GREGORY advised she had a luncheon date with ELSON during which time ELSON told her that she had returned to the NATIONAL FEDERATION OF CONSTITUTIONAL LIBERTIES as office manager working 35 hours a week at the sum of $50.00. GREGORY stated that ELSON said she had not seen any of her old contacts, implying that she had reference to her Russian contacts. ELSON did say, however, that she was reactivating herself in the COMMUNIST PARTY and encouraged GREGORY to rejoin with her. ELSON said that she had contacted one of her old cell mates in the Party and expressed her desire to return.

The thing that impressed GREGORY about ELSON was her general frame of mind. ELSON appeared to be greatly relieved, taking the initiative and appeared to be unusually friendly. It may be recalled that at the time that the National Federation of Constitutional Liberties was under investigation last spring, ELSON expressed fear of being investigated. She informed GREGORY at this luncheon that she felt the "pressure was off" and that she was not going to be questioned. ELSON had told GREGORY on May 24, 1946, that she was greatly concerned over the possibilities of an FBI investigation. This thought of an investigation arose when she contemplated applying for a position with the United Nations Organization.

In a personal interview Confidential Informant GREGORY advised Special Agents JOSEPH M. KELLY and FRANCIS D. O'BRIEN on September 23, 1946, as previously reported, that ELSON would return to the CP. GREGORY felt quite confident in stating that if ELSON were to be contacted by "JACK" or "BILL" that she would notify her of such a situation. GREGORY

pointed out, however, that if such a situation would arise she doubted very much if ELSON would do anything about it. GREGORY pointed out that since the return of her husband, JOE ELSON from the United States Army, RAY ELSON has left little doubt regarding the course she would pursue, GREGORY stating that she does not believe RAY ELSON has ever told her husband about her alleged espionage activity and for that reason would not start again now that he is home.

[redacted] O.S.

Confidential Informant [redacted] advised that on September 18, 1946, Confidential Informant GREGORY contacted RAY ELSON at the CIVIL RIGHTS CONGRESS, 205 East 42nd Street, and inquired of ELSON as to whether she would be present at the 25th wedding anniversary of Mrs. RAINES (phonetic) at the RAINES' home, 138-50 60th Avenue, Flushing, Long Island, on September 22, 1946. ELSON informed GREGORY that she did not believe she could be present on the occasion because she and her husband, JOE ELSON, would be celebrating their 16th wedding anniversary themselves. Mrs. RAINES evidently is employed at the UNITED STATES SHIPPING & SERVICE and was acquainted with RAY ELSON through that medium. [redacted]

[redacted] O.S.

[redacted] O.S.

WJC:RFK

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RE: LEON ERLICH

Confidential Informant GREGORY, whose identity is known to the Bureau, has advised that in the early part of 1942 she recalled an individual by the name of LEON, whose name she believed to be LEON ERLICH, came into the picture. She was advised by GOLOS that this individual was a writer for technical magazines, specializing in airplanes. She also understood that GOLOS had commissioned ERLICH to write a series of articles setting forth statistical information regarding airplanes and for this he was paid $25.00 for each article he turned over to GOLOS.

The Informant did not recall that this individual was a Communist or a dues paying COMMUNIST PARTY member. He contacted GOLOS over a period of only about two months. It was the Informant's recollection that at that time he was residing someplace on Central Park West, New York City, but had no information as to his present address or occupation.

The Informant has been contacted on several occasions in connection with more background information on the above subject, but has been unable to give any additional information.

[redacted] O.S.

[redacted] O.S.

[redacted] O.S.

[redacted] O.S.

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Re: Confidential Informant Gregory

The following information is being dictated by Special Agents FRANCIS D. O'BRIEN and JOSEPH M. KELLY and represents information made available to those agents by Informant GREGORY up to and including October 14, 1946:

On September 23, 1946 GREGORY advised that she had lunched on September 19, 1946 with RAY ELSON. The details of her conversation with and impressions of ELSON are being set out in instant report under the caption of RAY ELSON.

On the occasion of this same interview GREGORY advised that she and JOHN H. REYNOLDS, President of the U. S. Service and Shipping Corporation, were going to Washington the following day for a conference with ELMER C. ROPES, Chief of the Russian Division of the Office of International Trade, U. S. Department of Commerce. The purpose of this conference was to secure Mr. ROPES' opinion as to the advisability of their firm's continuing in business, it being recalled that the contract under which it is presently operating expires October 31, 1946. It is also to be noted that prior to his trip to Russia in June, 1946 Mr. ROPES had informed GREGORY and Mr. REYNOLDS that he would attempt to do what he could in Moscow towards securing a new and favorable contract for them. It was also learned on the occasion of this conversation with GREGORY that REYNOLDS had definitely made up his mind to have nothing further to do with EARL BROWDER; this attitude appears to be the result of the recent change in public sentiment towards Russia and the fact that REYNOLDS no longer feels friendly towards the USSR. GREGORY also declared that she was supposed to confer with WILLIAM E. BROWDER on September 27, 1946, such arrangement having been made on the occasion of their previous visit.

On September 25, 1946 GREGORY advised by telephone from Washington that she and REYNOLDS had just concluded their conference with Mr. ROPES and that inasmuch as the latter felt there might be need for the firm's registering as an agent of a foreign principal, he had made an appointment for GREGORY and REYNOLDS to confer with LOUIS MINZER (possibly MINZER), an attorney in the Foreign Agents Registration Section of the Department of Justice, with offices at 929 D Street, Washington.

On October 2, 1946 GREGORY advised that she and REYNOLDS had conferred with Mr. ROPES for approximately two and a half hours on September 25, 1946, and during the conference had learned that ROPES discussed the matter of a new contract with the head of Intourist in Moscow on the occasion of his recent visit there. She continued that according to ROPES this individual did not profess any great interest in extending a new contract and was not at all

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optimistic about the possibility of continued operation by the U. S. Service and Shipping Corporation. ROPES declared that this conversation was the only step he had been able to take in Moscow towards furthering the interests of the American company.

REYNOLDS explained to ROPES that he had recently received from Intourist a proposed new contract already signed by Intourist, but that he felt certain clauses therein, particularly one which provided that Intourist should have control of any advertising done by the American firm, were wholly objectionable to him and that he had virtually decided to liquidate the business. ROPES volunteered the opinion that he felt REYNOLDS should continue in business and that the Russian attitude might well change so that they would continue to permit REYNOLDS to have an exclusive franchise for the shipment of parcels to the USSR. GREGORY is of the opinion that REYNOLDS' attitude was dictated more by a desire to see commercial relations between this country and Russia improved and enlarged rather than by any ulterior motive, as she recalled that ROPES has often told her that he is not a Communist and does not like Communism, but that if the Russians desire that form of government, that is their concern and we should do our best to get along with them. Considerable time during the conference was consumed by an assistant to ROPES, who was called in to translate from the Russian a letter which REYNOLDS had received at the same time he received the above mentioned contract.

GREGORY said there was nothing additional of interest which she could recall from the meeting except that REYNOLDS remarked he had long been a personal friend of the newly-appointed Secretary of Commerce, W. A. HARRIMAN, and that this fact seemed to impress ROPES. It was learned that in addition to ROPES, his assistant, HENRY WARE, was present at the conference; considerable information as to the background, activities and associates of WARE has previously been furnished in reports submitted in instant case by this office and the Washington Field Division. GREGORY said WARE did not have much to say and was not very familiar with the specific problem under discussion.

With further reference to the proposed contract dated August 5, 1946, prepared by Intourist, ROPES said he thought it would be advisable if REYNOLDS would confer with the Department of Justice as to the possible liability of the firm to registration as an agent of a foreign principal, and remarked that he knew an attorney in that section of the Department who could handle the matter. He thereupon proceeded to make an appointment for REYNOLDS and GREGORY with LOUIS MINZER (MINZER) mentioned above.

At approximately 3:00 PM REYNOLDS and GREGORY went to MINZER'S office and conferred with him and an associate whose name GREGORY believes to be LEVKIN (phonetic). During this discussion the history of REYNOLDS' operation

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of the U. S. Service and Shipping Corporation was reviewed, but no definite opinion was given by the Justice Department attorneys, who stated they would study the matter further. GREGORY also mentioned that during part of the conference there was present a third man whose identity she did not learn, and it was her opinion that he may well have been an agent of this Bureau, inasmuch as he seemed to be considerably more intelligent than the other two. It was also learned that during this conference REYNOLDS went into great detail as to his Army record in both World Wars, stressed his patriotism, and declared that he would gladly register if such action were deemed necessary by the Department. It was agreed that he would furnish a letter setting out the general picture of the corporation's operations and that he would be advised subsequently as to the need for registration.

It was also learned from Informant GREGORY on this occasion that following conferences with the firm's lawyers she drafted a radiogram to Intourist, Moscow, which was approved by REYNOLDS and dispatched on September 30, 1946. This message announced to Intourist the intentions of the U. S. Service and Shipping Corporation to discontinue business as of October 31, 1946 unless it received a new contract containing an exclusive concession in the United States.

It was also learned during this interview with GREGORY on October 2, 1946 that she had seen WILLIAM E. BROWDER the previous day, had told him of REYNOLDS' decision to discontinue business unless certain conditions were forthcoming from Intourist, and in response to BROWDER'S inquiries, told him that the business grossed between $8,000 and $10,000 per month. According to the informant, when BROWDER learned of the financial potentiality of the company, the fact that REYNOLDS was drawing $2,000 per month salary and that the present liquidating net worth of the company would be slightly over $50,000, he became very excited and declared that the firm must not be allowed to go out of business. He told informant that he and EARL had in mind an individual to buy the business, and when he learned that REYNOLDS had sent a rather strongly-worded radiogram to Intourist on September 30, 1946, he told informant that she should immediately attempt to get REYNOLDS to cable Intourist and countermand the cable. It was BROWDER'S plan, as he explained it, that REYNOLDS should agree to the terms proposed in the Intourist draft of the contract, that BROWDER would arrange the sale of the company from REYNOLDS to this unnamed individual for $5,000, and that the purchaser would succeed to the contractual rights held by REYNOLDS. GREGORY was able to draw him out during this discussion and she is of the definite opinion that his extreme interest is due to the possibility of great financial return from company operations rather than to any possible use of the company for espionage work. On the occasion of this meeting with WILLIAM BROWDER, GREGORY advanced him the sum of $500, which brings the total amount repaid to BROWDER to $3,000, it being recalled that out of the original $20,000

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REYNOLDS, President of the U. S. Service and Shipping Corporation, return the $15,000 to him which was originally set up as the working capital of the U. S. Service and Shipping Corporation. HARRIS told GREGORY that the $15,000 was put up by a personal friend of his who wanted to make an investment and that the money did not come from the Communist Party or EARL BROWDER. GREGORY stated that she told HARRIS that REYNOLDS was not able to produce the $15,000 immediately; that they were not certain that their contract was going to be renewed and also that they had not made any money until January of this year; therefore that REYNOLDS was not in a position to return the $15,000. GREGORY also told HARRIS that she was surprised to find that the $15,000 had come from another source than that which was originally stated, namely from Communist Party funds through EARL BROWDER. GREGORY stated that HARRIS is presently actively engaged in organizing a farmers group in Chicago, Illinois, and that he spends only two days out of every two weeks in New York City. HARRIS urged GREGORY to get his $15,000 and have it returned to him as his personal friend desired the return of the money. GREGORY stated that she made no commitments about the $15,000 to HARRIS and made no promises as to when it would be returned or to whom it would be returned. It will be recalled that GREGORY has paid out $3,000 to EARL BROWDER with REYNOLDS' knowledge during the past four months.

Just prior to HARRIS' departure he inferred to GREGORY that possibly something could be done downtown to have the contract renewed. GREGORY was under the impression that he meant the Communist Party, but did not question him further on this inasmuch as she had previously stated to him that she was going to let the matter take its own course.

GREGORY advised that she was going to make known HARRIS' demand to JACK REYNOLDS and that she was to meet REYNOLDS for lunch on this date.

GREGORY made the statement that REYNOLDS during the past two weeks has been quite disturbed about his negotiations with the Russian Government and the demands that have been placed upon him by EARL and BILL BROWDER, and that he made the statement that he was going to the F.B.I. and tell them everything. GREGORY stated that he has made these statements about going to the F.B.I. since his return from Washington, where he went to the Justice Department to register the U. S. Service and Shipping Corporation as an agent of a foreign principal. This information has been previously set forth in a letter to the Bureau dated October 7, 1946.

On October 14, 1946 GREGORY advised that on this date JOHN H. REYNOLDS, President of the U. S. Service and Shipping Corporation, had sent a cablegram to Intourist, Moscow, Russia, advising Intourist that he no

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invested in the U. S. Service and Shipping Corporation at the time of its formation, $15,000 was made available by BROWDER, probably out of Communist Party funds rather than his own assets.

On October 3, 1946 GREGORY advised that she had transmitted to REYNOLDS the proposition advanced by WILLIAM BROWDER as to the business, but that REYNOLDS was steadfast in his determination not to have any further dealings with either WILLIAM OR EARL BROWDER, and declared that he did not intend to communicate with them nor to pay them any further money. He also appears to have no intention of sending a second cable to Intourist as requested by WILLIAM BROWDER.

The above information concerning GREGORY'S recent conversations with WILLIAM E. BROWDER, as well as an account of her trip to Washington, were furnished to the Bureau and the Washington Field Division by New York letter dated October 7, 1946. Transmitted to the Bureau with such letter were photostatic copies of the proposed contract prepared by Intourist, Moscow and the translation of a Russian language letter sent with the Russian contract. In addition there were furnished a copy of a letter prepared by CLARK, CARR and ELLIS, 120 Broadway, New York City, Counsel for the U. S. Service and Shipping Corporation, addressed to NATHAN T. ELLIFF, Chief, Foreign Agents Registration Section, Department of Justice, Washington, D. C., and a copy of the radiogram dispatched by U. S. Service and Shipping Corporation to Intourist, Moscow on September 30, 1946.

On October 9, 1946 Informant GREGORY advised that she had talked with WILLIAM E. BROWDER, brother of EARL BROWDER, on the day previous and that they discussed the contract which the U. S. Service and Shipping Corporation had sent to Moscow and which contract was discussed previously with EARL BROWDER by GREGORY. It will be recalled that BILL BROWDER had previously asked GREGORY to have JOHN H. REYNOLDS, President of the U. S. Service and Shipping Corporation, contact EARL BROWDER under the name of JAMES, and at that time BILL BROWDER indicated that possibly EARL could do something about having the contract of the U.S. Service and Shipping Corporation renewed. GREGORY stated that BILL BROWDER did not continue in his efforts to have REYNOLDS contact his brother, EARL, but said that he, BILL, and EARL were satisfied to let the matter take its course in Moscow. GREGORY also stated that she had told BILL BROWDER that she was going to see LEW HARRIS, an outstanding functionary of the Communist Party in New York City, and BILL BROWDER advised her to get rid of HARRIS as quickly as possible and not to tell him too much about the contract.

On October 10, 1946 Informant GREGORY advised that she had talked with LEW HARRIS on this date, at which time he requested that she have JACK

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longer desired consideration of the contract which he had previously submitted to Intourist, and that he was suspending operations immediately, and that he desired Intourist to advise him of the company which would take over the business in the United States in order that he might settle his books and accounts with that company. The Bureau was advised by teletype of REYNOLDS' action on this date.

UNDEVELOPED LEADS

NEW YORK FIELD DIVISION

At New York, New York

This matter is receiving continuous and exhaustive investigative attention and leads are being set out by teletype and letter for immediate coverage by auxiliary field offices.

New York, N. Y.

STRICTLY CONFIDENTIAL

November 8, 1946

Director, FBI

Re: GREGORY
ESPIONAGE - R
(Refer 5 IS)

Attention: Translation Unit

Dear Sir:

There is being transmitted under separate cover a recording received from NY-395, which is a confidential technical surveillance at the offices of Abe Brothman Associates, 114 East 32nd Street, New York City. The recording is believed to be a discussion between two Chinese, one of whom is believed to be Y. C. CHEN (phonetic) and the other C. S. WAN (phonetic). It has been previously reported that BROTHMAN is working on a project for the Chinese Government, the nature of which has not been absolutely determined to date.

It is therefore requested that a translation of this recording be made and the contents thereof forwarded to New York City. It is also requested that the record be returned to New York City upon completion of the translation.

Very truly yours,

EDWARD SCHEIDT,
SAC

FDO:B:RAA
65-14603

65-14603-341

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT WASHINGTON

MY FILE NO. 65-14603 C

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK	11/21/46	8/22,23, 10/2-11/15/46	JOHN T. HILSBOS

TITLE	CHARACTER OF CASE
GREGORY	ESPIONAGE - R

SYNOPSIS OF FACTS: STRICTLY CONFIDENTIAL

[redacted] ABRAHAM BROTHMAN and JULES KORCHIEN now maintai separate offices. Laboratory report of BROTHMAN plans set out. 0.S.

[redacted] RAY ELSON in recent electio participated in campaign to aid Communist causes. She approached Informant GREGORY for a $300 loan which was refused by GREGORY and JOHN H. REYNOLDS, although there is indication that REYNOLDS might relent and lend ELSON the money. GREGORY believes that ELSON presently has no Russian contacts available to her. 0.S.

[redacted] GREGORY advised that the AMALGAMATED BAN OF NEW YORK was to be the successor to the U. S. SERVICE & SHIPPING COMPANY, the latter company terminating their activities as of 10/31/46, but as yet no contract has been signed. GREGORY advised that the BROWDERS no longer seem interested in a plan to take over the business. 0.S.

[redacted]

- P -

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

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65-14603-2466

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NY 65-14603

REFERENCE: Bureau file 65-56402.
Report of Special Agent John T. Hilsbos, New York, 10/17/46.

NY 65[redacted]14603

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CONFIDENTIAL INFORMANT GREGORY 41

[redacted] ..... [redacted]

[redacted] ..... [redacted]

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NY 65-14603

The following investigation of the activities of ABRAHAM BROTHMAN and [redacted] is reported by Special Agent Francis D. O'Brien, and covers the period from October 11, 1946 to November 12, 1946.

ABRAHAM BROTHMAN:

Confidential Informant [redacted] has advised that BROTHMAN is now settled in his new location at 2928 41st Ave., Long Island City, N.Y. BROTHMAN is carrying on his engineering activities at this location and his associate JULES KORCHIEN continues in his profession as an architect at 114 E. 32nd St., New York, N.Y., the premises formerly occupied jointly by KORCHIEN and BROTHMAN.

Reference is made to the confidential source developed at BROTHMAN'S place of business which at that time was 114 E. 32nd St., New York, N.Y., and from said confidential source photographs of certain plans that BROTHMAN was working upon at that time were obtained. These photographs were sent to the FBI Laboratory, the results of which are set out as follows:

GROUP 1.

In this group there is a report headed 'Progress Report on Palestine'. This report goes into detail describing the proposed set-up for a plant or plants to manufacture TNT which will also be suitable for the manufacture of PETN, DDT, nitrocellulose, nitroglycerine, a blending unit for nigroglycerine and nitrocellulose into ballistite, nitric acid production, lacquer and alkyd resins.

On Page 3 of this report is a phrase which indicates that erection of a TNT plant was originally planned, but in order to shield this plant's operation, other plants were to be operated jointly with the TNT plant. A DDT and alkyd resin plant were then added.

Further in this report, on the page headed 'Insert A-5', mention was made of obtaining a new process for the purification of PETN crystals which replaces the old method of purification of the product with acetone. It was indicated in the report that acetone was difficult to obtain in Palestine. The new method, they indicate, not only gave a purer product but added the advantage that it eliminated the necessity of a distillation column 'for which there is no need in a DDT plant and would require explanation.'

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These remarks on page 3 and insert A-5, as outlined above, indicate to the examiner that plans called for the erection of a TNT plant, the equipment for which plant could also be used in the manufacture of DDT, alkyd resin, PETN, nitroglycerine or nitrocellulose. The indication is that the DDT plant was to act as a blind for the manufacture of TNT.

Included also in group 3 are photographs of 5x8 cards containing notes and rough sketches dealing with the manufacture of hydrogen cyanide (HCN). These were notes which were later incorporated into a ten-page report by one 'RG' on the manufacture of hydrogen cyanide which will be referred to later in Group 2.

In this Group also (Group 1) were two flow sheets, one for a DDT and one for a TNT process. The equipment mentioned in these flow sheets are in code probably taken from a drawing in which each piece of equipment has been designated a code number. It is noted that the same code number reference appears in both processes possibly indicating the use of the same equipment for the DDT process and the TNT process. This further bears out the contention that the same plant may be used for the manufacture of both DDT and TNT.

In addition to the reports mentioned above there were included in this group, heat formulae which apparently have no bearing on any of the processes above mentioned.

GROUP 2.

This group consisted of itemized cost lists on A. Brothman and Associates stationery for a DDT plant. The listing was for instruments, pumps and equipment. Also included was a cost list for valves for an alkyd resin plant. No reference was made as to where the articles were to be used.

In this group was a ten-page report and bibliography on the manufacture of hydrogen cyanide (HCN). This report was written by one 'RG' and indicated that it was a job for 'CAARC'. This report deals with the review of literature and patents on the manufacture of hydrogen cyanide. It appears to be authentic from a chemical standpoint. In the manufacture of DDT, TNT, and PETN hydrogen cyanide is not required. You will recall that Group 1 contained notes on the manufacture of hydrogen cyanide. It was these notes which were incorporated in this ten-page report by 'RG' on the manufacture of hydrogen cyanide. No connection was found between the report on hydrogen cyanide and the Palestine job.

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Another report apparently written by the same 'RG' dealt with the manufacture of acetone. This report was written under the job description 'CH'. The report is authentic from a chemical standpoint. Acetone is used as a purifying agent in the manufacture of PETN.

Two additional papers in this group consisted of one two-page report on 'VF molding powder' and a one-page paper on 'methyl methacrylate'. From a chemical standpoint these appear to be authentic. No reference is made as to where any of these processes are to be put in use or for what purpose. Neither of them is a requirement in the manufacture of DDT, TNT or PETN.

GROUP 3.

This group consists principally of data on a plant set up for the manufacture of DDT using chloral to be manufactured by the same plant. The plant in question is apparently to be erected in France, the data being furnished to one Dr. Edgar Schwarz, Ste. d'Electro Chimi, Paris, France. These data were made by A. Brothman and Associates. For your information, chloral usually in the form of a hydrate (chloral hydrate), is used in the manufacture of DDT. Nothing was found in this group which appeared to be unauthentic. No reference was found anywhere in this group to indicate that a TNT plant was being erected in Palestine.

In the letter to the Government Purchasing Commission of Russia in the United States which appeared to be a guarantee of plant performance, no reference was made to any particular plant.

The letters from A. Brothman and Associates to Dr. Edgar Schwarz on the proposed plant set-up for chloral and DDT are authentic for the manufacture of DDT and chloral from a chemical standpoint.

In connection with the engineering work that BROTHMAN was doing reference is made to the report of Special Agent Harold V. Kennedy, in instant case, dated December 3, 1945, at New York City, wherein a review of BROTHMAN'S Selective Service File indicated that he was working on several projects as a consulting engineer. Among these projects was listed a project for the Palestine Potase, Ltd. He stated that they were building a DDT plant in the Near East. Also that he was working on a project for the Commission

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on Aeronautical Affairs of the Republic of China, and that he was setting up plants for the production of plywood, glues and bomber noses, turrets and domes. This information is reported on page 47 of the referenced report.

Confidential Informant NYT 395 advised that on October 24, 1946, BROTHMAN was in touch with his associate JULES KORCHIEN and advised him that he was going to the Chinese laboratory on that day inasmuch as some difficulty concerning their work had occurred there. This same informant has advised that BROTHMAN had several contacts with a MR. WAHN (ph), believed to be connected with this Chinese project upon which he was working.

NYT 395 advised that on October 29, 1946, BROTHMAN was in contact with a MR. NEEDLEMAN of AMTORG. He stated that he wanted to talk with a MR. TREDANOVICH but he was not successful. The same informant advised that on October 30th, BROTHMAN talked with NEEDLEMAN at which time Needleman stated that TREDANOVICH "knows all about the situation; knew about it all the time, but is under advice not to let on." NEEDLEMAN said that he did not know whether it was necessary to talk about the matter or not; that "the thing was sent over with his (Tredanovich's) strongest recommendations", and that Tredanovich's final word was that he was quite sure he would see BROTHMAN "over there." It appeared that TREDANOVICH was leaving at this time but he did not state where he was going. He merely stated that he wanted to say goodbye to BROTHMAN. It is not known whether Tredanovich is going to Russia and whether BROTHMAN is going to meet him or not, from the statements that were made. However, the informant has not indicated whether BROTHMAN has made any plans to leave New York City.

On November 8, 1946, the aforementioned informant advised that BROTHMAN was in contact with an unknown individual named JACK. During this conference a discussion took place of one CAPITZA, who BROTHMAN stated, was a Russian physicist, and JACK was interested in knowing CAPITZA'S field in science. BROTHMAN stated that he understood CAPITZA had done revolutionary turbine work. JACK then stated that he was going to Washington during the following week and asked him to go along with him. BROTHMAN refused. JACK then stated that he was going down "to see the assistant to the assistant Attorney General who was about the last of the appendage left." It appears that this latter remark was made in a light manner. Efforts are being made to ascertain the identity of JACK. To date he has not recontacted BROTHMAN.

NY 65-14603

[redacted] O.S.

[redacted] O.S.

[redacted] O.S.

RE: JULES KORCHIEN

On September 13, 1946, Confidential Informant GREGORY advised that she had seen JULES KORCHIEN at the WORLD TOURIST OFFICE in New York City, and that she believes he might possibly have been the JULIUS who she mentioned as a possible contact of JACOB GOLOS in her original statement. However, she stated she believed the JULIUS referred to was an engineer who resided in KNICKERBOCKER VILLAGE in New York City, and had gone to Norfolk, Virginia to work.

[redacted] O.S.

GREGORY stated that she had never seen KORCHIEN or JULIUS in the presence of GOLOS but had merely caught a fleeting glimpse of him and that JULIUS had called her on the telephone on two occasions looking for GOLOS but had never furnished her any information directly.

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RAY ELSON

The following investigation was conducted by Special Agent JAMES R. SHINNERS:

RAY ELSON has continued her employment with the National Federation of Constitutional Liberties, 205 East 42nd Street, New York City, and has been maintaining her usual contacts, set out in previous reports. She is in frequent touch with Confidential Informant GREGORY.

As previously reported, ELSON has returned to active participation in the Communist Party 6th Assembly District, and in the recent elections held on November 5, 1946 she participated in campaigns to aid Communist causes, [redacted] O.S.

[redacted] O.S.

On Friday, November 8, 1946, Confidential Informant GREGORY advised that ELSON had approached her several days previously and attempted to borrow $300 from GREGORY, who, in turn, refused to forward this amount. When ELSON'S bid to GREGORY was refused she inquired of GREGORY whether or not Colonel JOHN REYNOLDS, head of the now defunct U.S. Shipping and Service, where ELSON was formerly employed, would loan her the money. GREGORY told ELSON that contact would be made with Colonel REYNOLDS in this regard. Colonel REYNOLDS refused this offer when advised of ELSON'S request by GREGORY, but told GREGORY that the money should be put up by the informant and REYNOLDS said that in case GREGORY ran into difficulty regarding ELSON'S returning the sum he would make good the amount to GREGORY.

GREGORY stated that there is no doubt that the ELSONS at the present time are in dire need of the money. GREGORY said that JOE ELSON'S allotment checks have been delayed by the Veterans Administration, and even though RAY ELSON is getting $200 a month salary from the N.F.C.L. as office manager, they are not making ends meet. GREGORY stated that an invitation was extended to dine at the ELSON apartment Saturday, November 9th, and GREGORY said that during the

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evening no conversation of significance took place with the ELSONS and no further discussion was held regarding the borrowing of the $300. On November 12th GREGORY reported that a strong possibility existed that Colonel REYNOLDS would forward the previously mentioned $300 request to ELSON, although final action had not been confirmed.

From the above information it was apparent, in GREGORY'S opinion, that RAY ELSON at the present time does not have an unknown contact available to her. ELSON, according to GREGORY, has been in frequent contact with GREGORY and has discussed in detail her plans with the Communist Party and other plans of a more personal nature, and GREGORY feels that if at any time ELSON should be contacted regarding her alleged espionage activities that GREGORY would be one of the first persons whom ELSON would contact. It is GREGORY'S belief that ELSON will have no further association with the alleged espionage set-up, primarily because of the return of her husband, and in view of the lack of enthusiasm which she displayed when previously approached by the unknown subjects in the instant case.

[redacted] O.S.

NY 65-14603

Re: Confidential Informant Gregory

The following information is being dictated by Special Agent Joseph M. Kelly and represents information supplied by the above named informant up to and including November 15, 1946:

On October 22, 1946, Gregory advised Special Agents F. D. O'Brien and J. M. Kelly that, as previously indicated, JOHN H. REYNOLDS had definitely decided to discontinue the operation of the U. S. SERVICE AND SHIPPING CORP. for the reasons that he had been unable to secure a satisfactory contract with INTOURIST and the consideration that demands of the union representing the firm's employees had become too onerous.

Gregory declared that REYNOLDS had informed her he was going to give her severance pay in the amount of $5,000 and was going to pay EDWARD BRADFIELD, firm bookkeeper, $2,000 as severance compensation. In view of REYNOLD's decision to wind up the business, Gregory stated that the firm would not receive parcels for shipment to Russia after October 31, 1946, although the settling of the company's affairs probably would necessitate keeping the office open for a few weeks. It was estimated by the informant that after paying outstanding obligations, the U.S. SERVICE AND SHIPPING CORPORATION would have a liquidating net worth value of approximately $50,000.

On the occasion of this interview, it was learned that neither EARL nor WILLIAM E. BROWDER has made contact recently with the informant. Gregory stated a telephone call had been received by her office in her absence from an individual who left his name as Mr. HARRIS. Upon her return to the office, Gregory telephoned the residence of LEM HARRIS, inasmuch as he is the only HARRIS with whom she is acquainted, but was unable to reach him.

On October 30, 1946, Gregory furnished information concerning the luncheon meeting she had on October 25, 1946 with subject, RAY ELSON. The details of this interview as they pertain to RAY ELSON are being set out in instant report under the caption of that subject.

On November 1, 1946, Gregory telephonically advised that her firm had that day received a cable from INTOURIST, Moscow, which advised that the Amalgamated Bank of New York was to be the successor to the U. S. SERVICE AND SHIPPING CORPORATION for the purpose of receiving and forwarding parcels to Russia. This bank is of course well known to the Bureau inasmuch as it is the depository used by the New York Communist Party, as well as for personal banking by many local party functionaries. It was suggested on this occasion to Gregory that she attempt to ascertain the details of the new arrangement between the bank and INTOURIST and it was pointed out that it would be interesting to secure the reaction of EARL BROWDER and also that it might be profitable to have LOUIS BERDANSKY of WORLD TOURISTS INC. make inquiries on the matter.

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On November 4, 1946, Gregory declared that she had learned that the Amalgamated Bank has not as yet entered into a form of contract with INTOURIST, but rather was still negotiating for a contract; further that BERDANSKY had been able to secure no pertinent information.

It was learned later from Gregory that she had had a conference with a Mr. EISERSON who is in charge of the Foreign Division of the Amalgamated Bank and that she had learned from him that the proposed contract was far from completed, but she stated that EISERSON was evasive and not committal during the conference and she was unable to get any indication of the identities of the person or persons who actually were carrying on the contract negotiations. Gregory pointed out, however, that the officials of the Amalgamated Bank are closely associated with leading Communists in this area and that he was probably using some of these contacts in his efforts to secure this business.

On November 8, 1946, Gregory advised that on the day previous, she had had a pre-arranged conference with WILLIAM E. BROWDER, at which time the latter informed her that EARL BROWDER was still principally occupied as a lecturer and writer. He mentioned, for instance, that a few nights previously, EARL had debated with CLAIR BOOTH LUCE at a meeting in Connecticut for which he received $150 and expenses and that he had also made radio appearances. On the occasion of this meeting, WILLIAM BROWDER again renewed his request that the balance of $12,000 be paid to him, but Gregory explained that the business was in a chaotic condition; that the decision had been reached to liquidate it, and that affairs were such that a cash disbursement of this amount could not be made at this time, even if REYNOLDS were agreeable.

According to the informant, BROWDER did not seem particularly surprised or upset over the fact that the Amalgamated Bank apparently was being favorably considered for a new contract and seemed to have lost interest in the proposition he had advanced at an earlier meeting which would have resulted in the taking over of the company by himself and his brother EARL. After some discussion of the financial demand of the BROWDERs, WILLIAM finally agreed to hold in abeyance until December his request for this payment inasmuch as the informant had indicated to him that the company affairs would probably be fully wound up shortly before Christmas. It is to be noted that the BROWDERs are aware of the fact that LEW HARRIS has requested re-payment by REYNOLDS of $15,000 originally made available by HARRIS in the Spring of 1941, but BROWDER has repeatedly, of course, advised against paying any money to HARRIS.

On November 15, 1946, the informant telephonically advised that she had just learned from LOUIS BERDANSKY that he had on the day previous, visited the office of the AMTORG TRADING CORPORATION, where he had talked to an

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individual named NITCHIKOV (phonetic) and had learned from him that AMTORG was entering into contracts with a number of firms in this country for the receiving of parcels for shipment to the USSR and that so far the only contract concluded was with HENRY D. MAHLER, proprietor of the MAHLER EXTERMINATING COMPANY, 500 East 186th Street, Bronx. OBERDANSKY told informant that he had made application himself for a contract with INTOURIST through AMTORG, it being noted that the new contract run directly with INTOURIST rather than with AMTORG and that he had been assured by NITCHIKOV that his request would be considered.

With further reference to HENRY D. MAHLER, Gregory has learned that this person was formerly in the package business, shipping parcels to Poland a few years ago but had acquired a very unsavery reputation. She said that in addition, MAHLER for a while operated on 14th Street, later on 31st Street; that she had no more recent information about him. It was pointed out by her that MAHLER had done considerable fumigating work for persons who desired to send shipments of clothes to Russia and that he probably became aware of the fact that U. S. SERVICE AND SHIPPING CORPORATION was discontinuing business and moved in. Inquiry into the background of MAHLER with emphasis on his acquisition of this recent contract will be made by this division.

In addition to the matters described above, Gregory has been able to supply information concerning other matters of interest to this office and such data is being reported in the respective case files. Her personal future plans are undecided at this time, although she will continue to be engaged in her present business until approximately December 20th.

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UNDEVELOPED LEAD

NEW YORK DIVISION

AT NEW YORK, NEW YORK

This matter is receiving continuous and exhaustive investigative attention and leads are being set out by teletype and letter for immediate coverage by auxiliary field offices.

Office Memorandum • UNITED STATES GOVERNMENT

TO : SAC, New York

DATE: November 29, 1946

FROM : Director, FBI.

~~CONFIDENTIAL~~

SUBJECT: GREGORY
ESPIONAGE - R
Refer 5 IS
(A. Brothman)

For your information and possible assistance in connection with the investigation of this case, the following letter was received from Mr. G. E. Athana, Assistant General Sales Manager of York Industries, Incorporated, York, Pennsylvania, dated October 28, 1946:

"Re: A. Brothman and Associates
2928 - 41 Avenue
Long Island City 1, N. Y.

"Gentlemen:

"The writer recently had occasion to call on the subject company which is a small concern acting as Designing and Consulting Engineers for the Chemical Industry. While in the office of the concern, it was noticed that one of the stenographers was writing a letter on an American Labor Party Letterhead.

"Last Friday afternoon Mr. Brothman and Mr. Franchell visited our plant and during the course of the conversation were interested in knowing whether or not our shop was unionized. The writer replied to the effect that the union was C.I.O., where upon Mr. Brothman commented 'That's Good.'

"In view of recent articles appearing in some of the national magazines regarding the underground Communistic activities, the writer felt it might be advisable to pass this information on to you for what worth it might be."

cc - Washington

65-14603-2492

O'Brien

TD-72

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON

FILE No. 65-3153

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
BOSTON	12/3/46	10/3,24,25, 29/46	RICHARD W. DOW ech

TITLE	CHARACTER OF CASE
GREGORY	ESPIONAGE - R

SYNOPSIS OF FACTS: CONFIDENTIAL

[redacted] Room 400, [illegible] Square Building, Boston, Mass., is occupied by a partnership known as FLAGG BRACKETT & DURGIN. This partnership, formed on 1/1/44, acts as sales engineers and manufacturers' agents on a commission basis, principally selling to construction companies engaged in light manufacturing, specializing in power plant and oil refinery equipment. Company also has office at 250 West 59th Street, New York

OS.

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[illegible]

O'Brien
R. Brothers

U.S. GOVERNMENT PRINTING OFFICE

City. One POWELL of the above address has been reported to be in contact with ABRAHAM BROTEMAN.

- P -

REFERENCE: [redacted] O.S.

DETAILS: [redacted]

[redacted] OS

[redacted] OS

[redacted] OS

[redacted] OS

[redacted] OS

Re: ABRAHAM BROTHMAN

The following investigation was conducted by Special Agent LAWRENCE G. HEALEY:

Referenced letter reported that ABRAHAM BROTHMAN, 114 East 32nd Street, New York City, had been corresponding with a Mr. POWELL, Room 405 The Park Square Building, Boston, Mass. The Park Square Building is a prominent office building. It was ascertained that Room 405 is occupied by the firm of FLAGG BRACKETT and DURGIN, manufacturers' agents.

[redacted] OS

[redacted] OS

[redacted] OS

[redacted] OS

[redacted] OS

JUSTIFICATION FOR CONTINUATION OF TECHNICAL
OR MICROPHONE SURVEILLANCE

Re: Title GREGORY

Character of Case ESPIONAGE - R
Field Office NEW YORK CITY
Symbol Number NYT-395
Type of Surveillance: (Technical
or Microphone)

1. Subject's name and address:

A. Brothman Associates
2928 - 41st Avenue Telephone Ironsides 6-5451

2. Location of technical operation:

Suites

3. Dates of initial authorization and installation:

5:15 p.m., October 23, 1946

4. Previous and other installations on the same subject (with dates and places):

Previously covered at Murray Hill 3-9670, 114 East Third Street, New York City, under symbol number NYT-343 from December, 1945 to October 23, 1946. Presently in continued operation in investigation of Jules Korchien subject in instant case and subject of a separate investigation.

5. Specific valuable information obtained since previous report with indication of specific value of each item and what use was made of each item of information involved:

Informant has advised of subject's whereabouts at all times, also of appointments he has made with individuals of the Soviet Purchasing Commission as well as members of the Chinese Purchasing Commission. Specific information was received on December 16, 1946, one Harry Levine of Commonwealth Plastics, Mass., requested that Brothman arrange for a meeting with the Chinese Purchasing Commission. This informant also advised that Brothman has on numerous occasions expressed his feelings as being definitely pro-Russian - this information was furnished to the Bureau at the time Henry Wallace made a speech in Madison Square Garden which resulted in his subsequent resignation as Secretary of Commerce.

65-14603-2574

6. Could above information have been obtained from other sources and by other means?

No

7. Has security factor changed since installation?

No

8. Any request for the surveillance by outside agency (give name, title and agency):

None

9. Manpower and costs involved:

Operated by Sutec

10. Remarks (by SAC):

It is requested that services of this technical surveillance be continued on the basis that subject is closely allied with members of Antorg and the Soviet Purchasing Commission. Subject is presently working on an engineering project for the Soviet Union as well as the Government of China and the information furnished through this technical surveillance is deemed pertinent to the investigation of instant case.

11. Remarks (added at Seat of Government):

12. Recommendation by Assistant Director:

13. Recommendation by the Assistants to the Director:

New York, N. Y.

PERSONAL AND CONFIDENTIAL

December 23, 1946

Director, FBI

Re: GREGORY
ESPIONAGE - R

Dear Sir:

There are enclosed the original and one copy of a form for justification of the continuance of the services of Confidential Informant NYT-395 in this case.

Very truly yours,

EDWARD SCHEIDT,
SAC

FDO'B:RAA
65-14603

Enc. 2

Miss Tamm
Mr. Kirkland
65-14603-2575 Enc

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON, D. C. N.Y. FILE NO. 65-14603 RAA

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK CITY	12/26/46	10/18,20,23,30 11/1,11-12/18/46	JOHN T. HILSBOS

TITLE	CHARACTER OF CASE
GREGORY	ESPIONAGE - R

SYNOPSIS OF FACTS:

ABRAHAM BROTEMAN presently working on plans for engineering project for Chinese Government. [redacted] O.S. RAY ELSON'S activities directed towards participation in Greenwich Village CP. ELSON was loaned $300 by Informant GREGORY. LEW HARRIS renewed demand from Informant GREGORY for repayment of $15,000 made available to U. S. Service and Shipping in 1941. GREGORY informed HARRIS of BROWDER'S interest in the same money, which fact seemed to disturb HARRIS, who indicated he would see BROWDER about the matter. Liquidation of U. S. Service and Shipping expected to be completed about 2/1/47. [redacted] O.S.

- P -

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NY 65-14603

REFERENCE:

Report of Special Agent John T. Hilsbos, New York City, dated November 21, 1946

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[redacted] O.S. ..... [redacted]

[redacted] 25

CONFIDENTIAL INFORMANT GREGORY ..... [redacted]

[redacted] ..... [redacted]

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NY 65-14603

ABRAHAM BROTHMAN

The following investigation of the activities of ABRAHAM BROTHMAN and [redacted] was reported by Special Agent FRANCIS D. O'BRIEN and covers the period from November 13 to December 15, 1946: O.S.

Confidential Informant NYT-395, whose identity is known to the Bureau, has advised that BROTHMAN continues in his business at 2928 41st Avenue, Long Island City, New York, and that he is presently working on plans for an engineering project for the Chinese Government. In connection with these plans, the same informant has advised that on December 7, 1946, MIRIAM MOSCOWITZ advised an unknown man that BROTHMAN was working on a plan that would involve the expenditure of $350,000.00 and that CHLOROPRENE was to be a by-product of the plant. The unknown individual advised MOSCOWITZ, for BROTHMAN's information, that a group of Chinese had an agreement with the PLASTICON CORPORATION to build a plant.

The aforementioned informant also advised that on December 16, 1946, BROTHMAN made a long-distance telephone call to the COMMONWEALTH PLASTICS CORPORATION, which is located in Massachusetts, the exact address and telephone number not having been ascertained. BROTHMAN talked with an individual whom he addressed as HARRY LEVINE. During this conference, LEVINE asked BROTHMAN to arrange a meeting with the Chinese Purchasing Commission, which he stated was presently in the United States, and that it was his understanding that the Purchasing Commission had several million dollars worth of equipment to purchase in the United States. LEVINE then stated that he was in favor of working out an arrangement whereby he and BROTHMAN could make a deal with the Chinese Purchasing Commission to manufacture certain raw materials for them in the East plant, which was believed to be located in the United States, or that possibly the Chinese would be interested in buying a half-interest in the main plant. BROTHMAN then agreed to arrange a meeting for LEVINE with the Chinese Purchasing Commission.

The same informant also advised that MIRIAM MOSCOWITZ held a conference with an unknown individual, believed to be a girlfriend, to whom she related that BROTHMAN and she had talked with a group of Chinese who were

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members of the Chiang Kai-shek Government but who apparently, according to MOSCOWITZ, were in sympathy with the Soviet Republic inasmuch as MOSCOWITZ stated that they had a very fine attitude towards the Soviet Republic.

[redacted] O.S.

On December 5, 1946, MIRIAM MOSCOWITZ placed an ad in the New York Times, in the Help Wanted columns, which she requested to have run for three successive Sundays. The ad was as follows: "Chemical Engineer with comprehensive knowledge unit operation, calculation and process equipment design. State qualifications and experience."

The same informant advised that on December 19, 1946, MROTHMAN contacted the American-Russian Institute and requested the library of that organization to ascertain whether they had available the publication "Journal of General Chemistry, USSR, Volume 2, pp. 1111 to 1120". The library of the Institute advised that they did not have the issue requested available.

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RE: GREGORY
ESPIONAGE - R.

Mrs. Ray Elson
161 W. 16th St.
New York, N.Y.

The following investigation was conducted by Special Agent James R. Shimmers.

RAY ELSON has continued her employment as set out in the report of Special Agent J. T. Hilsbos, New York, dated 11/21/46. She has maintained contact with Confidential Informant GREGORY. During the past month she has ~~and~~ maintained the mail contacts as set forth in previous reports.

Confidential Informant GREGORY advised that she has not been advised by ELSON of her recent activities but as far as she knows her activities are still directed toward participation in the GREENWICH VILLAGE CLUB of the CP.

Confidential Informant GREGORY stated that the $300 loan mentioned in the previous report has been carried out and at the request of COL. JOHN REYNOLDS, head of the U. S. Shipping & Service, the loan was made by GREGORY. As previously stated it was suggested by Col. Reynolds that the loan to Elson be made by Gregory and that if a default of repayment should exist Col. Reynolds told Gregory that he personally would make good the loan. GREGORY advised that shortly after the loan was carried out that COL. REYNOLDS requested that Gregory obtain, as soon as possible from Elson, a promissory note covering the loan.

Because the facilities of NYT 342 have been discontinued it is not possible to ascertain whether ELSON has maintained her usual contact. From a survey of previous activities, when NYT 342 was in service, it is presumable that ELSON has maintained her contacts with individuals previously set out. Since Elson's reactivation in the GREENWICH VILLAGE CLUB, mail cover has reflected that Elson has received mail from individuals previously not known to this investigation. This list includes the following names:

REVA SEGALL, 300 W. 12th St.	received	10/10/46
SYLVIA GELUTIS, 169 W. 81st St.	"	11/4/46
ROOM 1429, 24 Fifth Ave.	"	10/27/46

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Re: Confidential Informant GREGORY

The following is being dictated by Special Agent JOSEPH M. KELLY and represents information supplied by the above-named informant from November 18, 1946, to date:

During this period, contact has been maintained with informant GREGORY, but there has been no indication of any kind of an attempt on the part of Russian representatives to contact her. She has, however, furnished data concerning the business affairs of the United States Service and Shipping Corporation which, as previously reported, is in a process of liquidation after having discontinued active operations as of October 31, 1946. It is not believed that details of the internal affairs of this concern are of particular interest to this investigation, but it is significant that on December 3, 1946, LEM HARRIS visited informant GREGORY at her office and renewed his demand for repayment of $18,000.00 originally made available by him in the Spring of 1941, when the United States Service and Shipping Corporation was organized.

On the occasion of this conference, GREGORY told HARRIS for the first time that EARL BROWDER was pushing his demand for this same sum of money, although she did not tell him that $8,000.00 had already been paid to BROWDER on this account. According to the informant, the news of BROWDER's position in this situation seemed very disturbing to HARRIS who reiterated his earlier statement that the money had in fact been advanced by an unnamed individual rather than coming from the funds of the Party. He indicated that it apparently would be necessary for him to have a business conference with BROWDER and straighten out once and for all the matter of who was entitled to this money. GREGORY volunteered to sit in on such a conference, but was unable to prevail with such a suggestion. HARRIS mentioned that he probably would take WILLIAM WEINER, who is well known as a financial operator for the Party, with him when he sees BROWDER, which he indicated would be in the immediate future. With regard to his present activities, HARRIS mentioned only that he was still engaged in agricultural organization work in the Mid-West, apparently operating out of the Chicago office.

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With further respect to the business operations formerly carried on by the United States Service and Shipping Corporation, it has been learned from the informant that the following firms have recently been awarded contracts with Intourist to receive parcels for shipment to the USSR: The Pennsylvania Company, Philadelphia, Pennsylvania; Macy's Department Store, New York City; Henry D. Mahler, Proprietor of the Mahler Exterminating Company, 500 East 164th Street, Bronx; The Amalgamated Bank of Chicago (believed connected with the Amalgamated Bank in New York City); and World Tourists, Inc., New York City. A separate communication is being forwarded to the Bureau concerning these contracts recently entered into by these firms with the suggestion that such data be made available to the Department of Justice.

Since the date of the last report in instant matter, informant has not been in contact with either EARL BROWDER or WILLIAM BROWDER; it is to be recalled, however, that on the occasion of their last meeting, WILLIAM BROWDER informed GREGORY that he would hold in abeyance until some time in December, his request for repayment of the remaining $12,000.00.

The informant has no additional information at this time concerning RAY ELSON, although she did make available to ELSON the loan of $300.00 requested by ELSON for personal expenses. GREGORY has advised that so far as she can estimate at the present time, she will continue to be engaged in liquidating the affairs of United States Service and Shipping Corporation until approximately February 1, 1947. She has made no plans beyond that date.

JTH:RAA 1

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UNDEVELOPED LEAD

THE NEW YORK FIELD DIVISION

At New York, N. Y.

This matter is receiving continuous and exhaustive investigative attention and leads are being set out by teletype and letter for immediate coverage by auxiliary field offices.

FEDERAL BUREAU OF INVESTIGATION

Origin: WASHINGTON FIELD

File No. 100-18029

Made at:	Date made:	Period:	Made by:
CHICAGO, ILLINOIS	1-7-47	10/22;11/4,18, 20,21,26,27,29; 12/2-5,11,12, 16,18/46	CHARLES E. PERRIN CEP:OC

Title:	Character:
NATHAN GREGORY SILVERMASTER	ESPIONAGE - R REFER 5 I S

Synopsis:

PERSONAL AND CONFIDENTIAL

[redacted]

O.S.

65-14603-2609

Appl'd. & For'd.	SAC	Do not write in these spaces

Copies

5 Bureau
3 Washington Field (1 enc.)
2 New York
3 Chicago

F. B. I.
JAN 10 1947
N. Y. C.

[redacted] O.S.

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ABRAHAM BROTHMAN - EDWARD N. GOSSELIN, President, Graver Tank & Mfg. Co. Inc. General offices, 332 So. Michigan Ave., telephone—Wabash 8893. Plant is located in East Chicago, Indiana, telephone—Saginaw 7050. Company is engaged in fabrication and erection of steel tanks, steel plate, etc. Company also has plant at Catasauqua, Pa. [redacted] O.S.

[redacted] O.S.

Chicago File No. 100-18029

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ABRAHAM BROTHMAN

Reference letter from New York dated September 9, 1946 advised that a confidential source indicated that BROTHMAN was in contact with E. N. GOSSELIN in Chicago. GOSSELIN's office telephone number was given as Wabash 8893 and the factory number, Saginaw 7050. It was requested that the subscribers to these two numbers be ascertained and that background information and the occupation of E. N. GOSSELIN be ascertained.

It was ascertained that Wabash 8893 and Saginaw 7050 are both listed to the Graver Tank and Manufacturing Company, Inc. The Wabash number is listed at 332 So. Michigan Avenue, the general offices of the above company. This number is also listed to E. N. GOSSELIN and PHILLIP F. GRAVER. The Saginaw number is listed to the Graver Tank and Manufacturing Company, Inc., 4809 Todd Avenue, East Chicago, Indiana.

[redacted] O.S.