FD-340a (Rev. 10-3-77)

(Title) CARLOS J. MARCELLO

(File No.) 89E-NO-50302

Item	Date Filed	To be returned Yes	To be returned No		Disposition
1A 1	2/8/90		✓	Original Notes re Interview of	
1A 2	2/8/90		✓	" " " " "	

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89E-NO-50302-1A

SEARCHED ____ INDEXED
SERIALIZED ____ FILED
FEB 08 19
FBI — NEW ORLE

FD-340b (Rev. 4-2-85)

Field File No. 89-NO-50302 1a1

Serial # of Originating Document _____

OO and File No. 89-NO-50302

Date Received 10/20/89

From _____
(NAME OF CONTRIBUTOR)

_____
(ADDRESS OF CONTRIBUTOR)

Rochester, MN

By _____

To Be Returned ☐ Yes ☑ No Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure
☐ Yes ☑ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of _____

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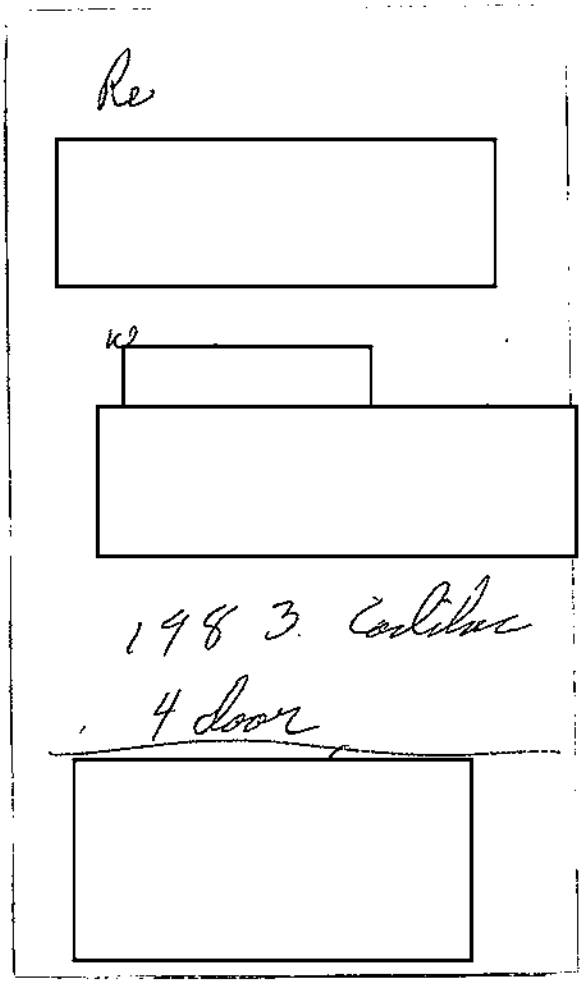
10/20/89 [redacted] w/ M [redacted] b6 b7C

called by Transport Kahler
P.U. 8:00 am
1 man, Marcello
met in Lobby
son,
older heave at
dyounger,
4 went got Carlos
went

gave 20 min
no time able, went to
commercial term to evade
photo following 3 or 4 car
lengths,



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b6
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FD-340b (Rev. 4-2-85)

Field File No. 89E-NO-50302 1a2

Serial # of Originating Document _____

OO and File No. 89E-NO-50302

Date Received 10/16, 18, 19/89

From _____
(AGENCY)

_____

By _____
(NAME OF SPECIAL AGENT)

To Be Returned ☐ Yes ☑ No Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure
☐ Yes ☑ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of _____

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b7D

b6
b7C
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10/16 [redacted] if time [illegible] (OFF [illegible]

Sw Kayo setting on bed w
August RU 3
do when get I'm going
ge mother fucker who
put here with the motion
ear to ear
casual - heard name no
will leave Friday [illegible]

3 to PU on TH, leave on
clothes. Friday by
8:30am

discuss [illegible]
Gus guy in N.O. right now
nothing happen while in joint
[illegible] capable anything

Gus -
when Reading NO newspaper -
- sd wealthy -

ask Gus how can run - sd
still boss - I'm boss + oldest,

anger - No MF tells Carlos Marcello
what to do -

golden

below using private jet,
on day 64

(2)

note prisoner stand
— acts old man stroke —
told father death, visit to Italy
sd from Sicu
— he + Russo
Russo like lap dog
Russo sd FBI Mer ? ask
get anything no
very good, lotion etc legs
Codyservant,
Jim Hoffa special —
— focused — no word author from guy in Marion
Russo told over 23 men
after Kennedy killed
Russo sd Kennedy elected
by Mob, but he + brother not
playing ball so had to be killed —
(no idea where Russo got)

Marcello wants Russo to N.O
Russo doesn't want violate parole
Marcello U can travel w me no #
Russo adamant No can do
talk
Russo mention Jo Aiuppa . Building 10
[redacted]
[redacted] told Russo he knew FBI coming
to see Russo

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3

Marcello meets [redacted] LNU
of [redacted] set up by [redacted] (St. Paul) male in [redacted] insh
– take carlos to yard guy
[redacted] in PT Gen Populace

b6
b7C

Vito Giacalone

07926-039

10/18/89 Enter between Carlos + Congressman
per Gus,
real fed sorry guy ove
cut throat,
tried to bribe congressman $500,000
middleman was "beefer" (source)

— switcher
not in New Orleans,
don't talk names - in Italian
R&D took off floor to have meeting
[redacted] sd Buddy, 9:45-9:50pm
when weather decent,
needed 6, [redacted] met in compound
toward, now weather bad,
— Clothes sent in not what
pale Brown Jacket, dark Br pa
Beige sweater vest pale yellow shr
Br shoes
not right
Dot sd overcoat + hat in car
—

att
Gus sd wants him to get in
contact w Marcello att.
Experiment w strike + att
Believe act, note
visitors, also lot calls,
[redacted]

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b7C

b6
b7C

seen benches empty
TV Room empty, not critical are

[redacted] CG flown out on writ
wife roled,

Carlos never mentn anyone names,
very polite every
→ so tired this bullshit,

refer joging people - stalk
and 8 mo when come

b6
b7C

[redacted]

b6
b7C
b7D

10/19 [redacted]

read Transcript appeal
saw 2 SA + Ex Con
- asked Gus sd was one
who beefed
10/19 [illegible] 2 talking low, vehemence by
Carlos "I'm gonna kill that SOB"
tried ask, Gus For
Taking by [redacted]
short time
refused take Gus,

b6
b7C
b7D

Gus talks of Mafia, but not upper
- how find family relents, 10-20
- 30 years never give,

Carlos slaps Gus, [illegible]
but slaps in face, hit shoes sorts
joke, - in private (early morn
- Gus verbal taunts, sometimes laughs
on occasion, Gus complained hurt him
left marks

ex Riuppa has [redacted]
Morello has hearing loss,
very excited about release, when excited gets confused
- been real adjudated, [redacted]
[redacted] believe been told no more
photos
w testify

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0010 MRI 02555

PP RUEHFB FBILA FBIND

DE FBIMP #0007 2930031

ZNR UUUUU

P 192355Z OCT 89

FM FBI MINNEAPOLIS (89E-NEW) (P)

TO DIRECTOR FBI/PRIORITY/

FBI LOS ANGELES/PRIORITY/

FBI NEW ORLEANS/PRIORITY/

BT

ORIGINAL

UNCLAS

ARMED AND DANGEROUS

CITE: //2740/

b6
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PASS: [redacted] VIOLENT CRIME UNIT,

SUBJECT: CARLOS J. MARCELLO; CONSPIRACY TO IMPEDE OR INJURE A FEDERAL OFFICER, SA [redacted] - POTENTIAL VICTIM, SA [redacted] - POTENTIAL VICTIM; OO: NEW ORLEANS,

RE TELCAL OF BU SUPERVISOR [redacted] VIOLENT CRIMES UNIT, TO FIELD SUPERVISOR [redacted], 10/18/89; AND TELCAL OF SA [redacted] MINNEAPOLIS DIVISION, TO SUPERVISOR [redacted]

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[redacted] HAS ADVISE [redacted] & [redacted]

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O+A 89E-NEW [redacted] 10/20/89

AUTOMATED INDICES SEARCHED WNH

NEGATIVE FOR ABOVE CONSPIRACY 89E-NO-50302-1

SERIALIZED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]

[redacted]

[redacted] NEW ORLEANS DIVISION. 10/18.89.

(X)CARLOS J. MARCELLO, WHITE MALE, DOB 2/6/10. FBI NUMBER 393-542(X), IS CURRENTLY AN INMATE AT THE FEDERAL MEDICAL CENTER. BUREAU OF PRISONS. ROCHESTER. MINNESOTA. AND WILL BE RELEASED FROM CUSTODY ON FRIDAY. 10/20/89.

MARCELLO CURRENTLY HAS INMATE (X)AUGUST JEROME RUSSO, WHITE MALE. DOB 8/4/28, POB CHICAGO. ILLINOIS. SSAN 336-22-7603(X). WHO ACTS AS HIS CONFIDANT AND SERVANT. RUSSO IS ONE OF THE ROOMMATES OF MARCELLO. RUSSO WAS CONVICTED DUE TO OPERATION BAFIBET. PERFORMED BY THE CHICAGO FBI OFFICE. AND WAS INVOLVED IN RICO PROSTITUTION ACTIVITIES.

ON 10/16/89, [redacted]

[redacted]

[redacted]

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MARCELLO'S RELEASE FROM PRISON.

[redacted]

b6
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SOURCE ADVISED THAT MARCELLO IS ABLE TO PLAY THE PART OF A PERSON WHO HAS LITTLE MENTAL ABILITY. HE ADVISED THAT ON ONE OCCASION MARCELLO WAS ENGAGING IN NORMAL CONVERSATION, WALKED INTO A ROOM WITH PRISON STAFF AT WHICH POINT HE WAS EXAMINED AND ONE OF THE STAFF IN MARCELLO'S PRESENCE, INDICATED THAT HE WAS AN AIRHEAD TO WHICH THERE WAS NO RESPONSE FROM MARCELLO AND AS SOON AS MARCELLO WALKED OUT OF THE ROOM AND AWAY FROM THE STAFF, HE REJOINED HIS NORMAL CONVERSATION. [redacted]

[redacted]

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[redacted]

b6
b7C
b7D

THERE WAS NO ACTUAL OBSERVATION OF THE MEETING AND IT IS KNOWN THAT THE MEETING WAS CONDUCTED IN ITALIAN.

AUGUST RUSSO HAS MADE STATEMENTS TO THE GENERAL AFFECT THAT HE FEELS SORRY FOR THE MAN THAT MARCELLO WANTS KILLED AND WHEN QUESTIONED AS TO WHY, HE HAS MADE A THROAT CUTTING MOTION. RUSSO WAS INTERVIEWED BY THE FBI AT ROCHESTER, MINNESOTA, ON 9/20/89, AND DURING THE INTERVIEW, BASICALLY INDICATED HE WAS TAKING CARE OF MARCELLO BECAUSE HE FELT SORRY FOR HIM AND DESCRIBED MARCELLO AS A PERSON WITH A VERY DIMINISHED MENTAL CAPABILITY. RUSSO INDICATED THAT HE (RUSSO) IS NOT A MEMBER OF ORGANIZED CRIME. RUSSO DENIED ANY FINANCIAL REWARD BEING EXPECTED.

SOURCE ADVISED THAT RUSSO HAS FURNISHED HIS INMATE NUMBER TO MARCELLO'S ATTORNEYS AND HAS BEEN ENCOURAGED BY MARCELLO TO CORRESPONDE WITH MARCELLO'S ATTORNEYS.

MARCELLO HAS, ON VARIOUS OCCASIONS IN CASUAL CONVERSATIONS, INDICATED THAT THE SOLUTION TO VARIOUS PROBLEMS IS TO KILL THE PERSON WHO IS THE PROBLEM.

LEADS: NEW ORLEANS AT NEW ORLEANS: 1. APPROPRIATELY NOTIFY ANY POTENTIAL TARGET OF MARCELLO TO INCLUDE SPECIAL AGENTS

[redacted] AND FORMER UNDERCOVER OPERATIVE [redacted]

[redacted] THIS SHOULD INCLUDE ANY TARGETS KNOWN TO NEW ORLEANS.

THE INFORMATION IS SENSITIVE. BUT THE DISSEMINATION IN A DESCRETE

MANNER FROM THE NEW ORLEANS OFFICE SHOULD NOT REVEAL THE SOURCE.

2. MAINTAIN COVERAGE BY APPROPRIATE SOURCES TO ATTEMPT TO BLOCK

ANY POTENTIAL MURDER BY MARCELLO OF A FEDERAL OFFICER.

MINNEAPOLIS AT ROCHESTER, MINNESOTA: FOLLOW AND REPORT

DEPARTURE OF CARLOS MARCELLO, WHICH IS EXPECTED TO HAPPEN ON

10/20/89.

ET

#0007

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0001 MRI 02897

PP RUEHFS FBINI

DE FBIMP #0001 2961615

ORIGINAL

INP UUUUU

P 281601Z OCT 89

FM FBI MINNEAPOLIS (89E-NEW)

TO DIRECTOR FBI/PRIORITY/

FBI NEW ORLEANS PRIORITY/

BT

UNCLAS

CITE: 01740

PASS: MIKE DILLON, VIOLENT CRIME UNIT.

SUBJECT: CARLOS J. MARCELLO; CONSPIRACY TO IMPEDE OR INJURE A FEDERAL OFFICER, BA [redacted] - POTENTIAL VICTIM, BA [redacted] - POTENTIAL VICTIM; OO: NEW ORLEANS.

RE TELCAL BA [redacted] ROCHESTER, MINNESOTA, RA, MINNEAPOLIS DIVISION TO SUPERVISOR [redacted] NEW ORLEANS DIVISION 10/20/89.

ON 10/20/89, CARLOS MARCELLO WAS RELEASED FROM FEDERAL JUSTICE BUREAU OF PRISONS, ROCHESTER, MINNESOTA, AND ENTERED A

b6
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89-B-NO-50302-2

[redacted]

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CADILLAC FROM A PRIVATE LIMO SERVICE WITH MINNESOTA LICENSE

BRIASH. IT WAS IMMEDIATE DRIVE TO THE ROCHESTER AIRPORT WHERE HE

DEPARTED IN A LEAR JET WITH [redacted]. THE FLIGHT PLAN b6 b7C

INDICATED THAT WOULD ARRIVE AT THE MAIN NEW ORLEANS AIRPORT AT

11:00 A.M.

[redacted] ON 10/19/89, [redacted] WAS IN THE ROOM

WITH [redacted] b6 b7C b7D

[redacted] HE SHOWED THE NAME OF

[redacted]

MARCELLO WANTED AND WAS THE "BEEFER". LATER IN THE DAY [redacted] AND

MARCELLO WERE IN LOW VOICED CONVERSATION WHEN MARCELLO BURST OUT

IN CLEAR TERMS TO THE EFFECT OF "I'M GONNA KILL THAT SON OF

BITCH."

LEADS: NEW ORLEANS AT NEW ORLEANS; APPROPRIATELY WARN

PERSONS RESPONSIBLE FOR [redacted] SAFETY OF SITUATION. b6 b7C

MINNEAPOLIS AT ROCHESTER, MINNESOTA; PREPARE FD-302 OF

INTERVIEW OF [redacted] b6 b7C b7D

PAGE THREE DE FEDMF 0001 UNCLAS

ET

#0001

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FD-36

ORIGINAL BLUE COPY

OCT 24 1989

FM FBI NEW ORLEANS (89E-MP-50302) (P)

TO DIRECTOR FBI/ROUTINE/

FBI LOS ANGELES/ROUTINE/

FBI MINNEAPOLIS/ROUTINE/

BT

UNCLAS

ARMED AND DANGEROUS

CITE: //3530:SQUAD 5//

PASS: HQ FOR [redacted] VIOLENT CRIME UNIT.

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b7C

SUBJECT: CARLOS J. MARCELLO; CONSPIRACY TO IMPEDE OR INJURE A FEDERAL OFFICER, SA [redacted] POTENTIAL VICTIM, SA [redacted] [redacted] POTENTIAL VICTIM; OO: MINNEAPOLIS.

REFERENCE NEW ORLEANS TELEPHONE CALL TO SSA [redacted] VIOLENT CRIMES UNIT, AND SA [redacted] MINNEAPOLIS DIVISION, OCTOBER 23, 1989.

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b7C

1 - New Orleans
GJD:kew
(1)

KEW005W.297

Approved JJO'T KEW005W.297
Print filename KEW005P.297 Time 2:10
Filter filename KEW005S0.297
MRI 1637 ISN 003 Julian date 297
Accepted at 10/24/89 19422 DMH
Date Zulu Initial

[redacted]

b6
b7C

89E-NO-50302-31

Searched
Serialized
Indexed
Filed

PER REFERENCED CALLS TO FBIHQ AND MINNEAPOLIS, OFFICE OF ORIGIN SHOULD BE MINNEAPOLIS, IN VIEW OF THREAT MADE IN THAT DIVISION. MINNEAPOLIS ASSUME ORIGIN AND CONDUCT LOGICAL INVESTIGATION.

FOR INFORMATION, [redacted] RETIRED SPECIAL AGENT AND FORMER CASE AGENT, ADVISED ON OCTOBER 23, 1989, BY SA [redacted] [redacted] OF THREAT MADE BY SUBJECT, AND HE CONCURRED THAT THE THREAT WOULD BE INTENDED FOR [redacted]

b6
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ON OCTOBER 23, 1989, [redacted] U.S. MARSHAL, NEW ORLEANS, LOUISIANA, ADVISED OF THE POSSIBLE THREAT TO [redacted] INVESTIGATION CONTINUING.

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b7C

BT

0031 WRI 02112

RR RUEHFB FBIDL FBIMP FBINO FBISE

DE FBILA #0032 3042347

ZNY EEEEE

R 312259Z OCT 89

FM FBI LOS ANGELES (89E-50302) (P)

TO DIRECTOR FBI/ROUTINE/

FBI DALLAS (175-DL-109) (89E-MP-50302)/ROUTINE/

FBI MINNEAPOLIS (175A-112)/ROUTINE/

FBI NEW ORLEANS (89E-MP-50302)/ROUTINE/

FBI SEATTLE (89E-50302)/ROUTINE/

BT

UNCLAS E F T O

CITE: //3410:OC-1//

175A-DL-109

SUBJECT: ASSASSINATION OF PRESIDENT JOHN F.KENNEDY, PPSAKA; 00:

DALLAS; CARLOS J. MARCELLO; CONSPIRACY TO IMPEDE OR INJURE A

FEDERAL OFFICER, SA [redacted] - POTENTIAL VICTIM; SA [redacted]

[redacted] - POTENTIAL VICTIM; 00: MINNEAPOLIS.

RE MINNEAPOLIS TELETYPE TO THE BUREAU AND RECEIVING OFFICE

DATED OCTOBER 17 1989 AND OCTOBER 19, 1989 AND NEW ORLEANS

89E-NO-50302-4

SEARCHED MP INDEXED
SERIALIZED MP FILED MP
89E-NO-50302-4
OCT 31 1989
FBI - NEW ORLEANS

PAGE TWO DE PHILA 0061 UNCLAS E F T O

TELETYPE TO THE BUREAU AND RECEIVING OFFICES DATED OCTOBER 24, 1989.

FOR THE INFORMATION OF THE BUREAU, THE FOLLOWING INDIVIDUALS WERE ADVISED OF INFORMATION CONTAINED IN REFERENCED MINNEAPOLIS TELETYPE TO THE BUREAU DATED OCTOBER 17, 1989 AND OCTOBER 19, 1989.

SA [redacted] LOS ANGELES DIVISION, ADVISED OCTOBER 18, 1989.

SA [redacted] LOS ANGELES DIVISION, ADVISED OCTOBER 19, 1989,

SA [redacted] LOS ANGELES DIVISION, ADVISED OCTOBER 19, 1989,

SA [redacted] SEATTLE DIVISION, ADVISED OCTOBER 10, 1989,

[redacted] LOS ANGELES, CALIFORNIA, ADVISED OCTOBER 20, 1989.

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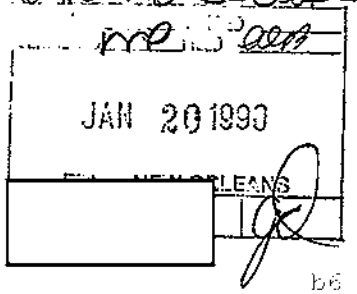
89E-NO-50302-4

MP MP

4E-NO-50302-4

89E-NO-50322-5



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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10-26-89

A surveillance was conducted beginning at the Federal Medical Center, Bureau of Prisons, Rochester, Minnesota, just before 8:30 a.m. Several local television station personnel and cameras were noted before the entrance gate to the Federal Medical Center, apparently based upon the knowledge that CARLOS MARCELLO would be released at approximately 8:30 a.m. [redacted] with Minnesota license [redacted] was noted in the parking lot. This vehicle had two women in fur coats and two men. The two women in fur coats went to the entrance office to the prison while the men remained in the car. The man in the passenger side was dressed in a suit and had black hair that was receding and was wearing glasses. CARLOS MARCELLO, slightly after 8:30, entered that vehicle with the two women and two men and it proceeded to the Rochester airport. The persons, with the exception of the driver of the car, got into a Lear jet with identification number N50MJ and the Lear jet promptly left the Rochester airport. The person in the silver colored Cadillac left the airport prior to the jet taking off. This vehicle was determined to be registered to [redacted] date of birth [redacted] of [redacted] Minnesota. It was shown as a four-door, [redacted].

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At approximately noon on October 28, 1989, the vehicle which was used to transport CARLOS MARCELLO to the airport was located at [redacted] Minnesota. This address was determined to be that of a townhouse.

Investigation on 10-20-89 at Rochester, Minnesota File # 89E-NO-50302

by SA [redacted] and SA DFP:kaf Date dictated 10-23-89

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89E-NO-50302-6

JAN 20 1993

FBI — NEW ORLEANS

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FD-302 (REV. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/21/89

AUGUST JEROME RUSSO was brought to the investigative office of the Bureau Of Prisons (BOP) Medical Facility at Rochester, Minnesota. RUSSO was advised of the official identity of the interviewing Agent.

RUSSO advised that he is in prison for violation of the Racketeer Influenced and Corrupt Organization (RICO) statutes involving credit cards and Federal Bureau of Investigation (FBI) operations safe bet. RUSSO was sentenced to six years and expects to do one third of it. He will go before a board on November 4, 1989.

RUSSO was originally in the facility in Chicago, Illinois, and then transferred to Duluth. RUSSO was in Rochester because of arteriosclerosis. He had an operation in both legs on April 12, 1989, and is still recovering. He advised that he does not know how much longer he will be in Rochester, but expects that when he is fully recovered, he will be sent to the prison facility in Duluth, Minnesota.

RUSSO advised that he is not affiliated with JOSEPH AIUPPA or with JOSEPH AIUPPA's organization. He advised that AIUPPA is also a prisoner at the Federal Medical Center and he was introduced to AIUPPA because they are both from Chicago. RUSSO advised he could not recall who made the introduction.

RUSSO was asked if he knew CARLOS MARCELLO. RUSSO advised he is with "Mr. CARLOS MARCELLO". RUSSO advised that he was on floor three of building nine and saw a little old man who was wandering around not knowing what was going on. Various prisoners were misusing MARCELLO's commissary card and MARCELLO was signing for their purchases. When RUSSO was being assigned to building nine floor two with an inmate named [redacted] he went to Doctor [redacted] and said that if she would bring Mr. MARCELLO down to RUSSO's room that he would take care of him. RUSSO advised that up to this point he did not know who Mr. MARCELLO was.

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Investigation on 9/20/89 at Rochester, Minnesota File # 17A-DL-109
MP 175A-112

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by SA [redacted] lbm Date dictated 9/20/89

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RUSSO advised that he was initially roommates on that floor with [redacted] and MARCELLO, but is now roommates with [redacted] and MARCELLO. b6 b7C

RUSSO advised that MARCELLO will be released from prison on October 20, 1989. RUSSO advised that MARCELLO still does not remember RUSSO's first name (GUS). MARCELLO does not know one moment to the next what he is doing and only talks about New Orleans and going home. MARCELLO has no memory of coming to Rochester. MARCELLO does not talk about the KENNEDY family. MARCELLO does talk about his deportation to Guatemala.

RUSSO advised that he is of the opinion that MARCELLO does not know who he is. He advised that on occasions he has written his signature down next to MARCELLO's and asked him which was which and he guessed wrong.

RUSSO advised that he is aware of the fact that MARCELLO is a very, very wealthy person and was a very important crime figure.

RUSSO advised that MARCELLO has never talked of ROBERT KENNEDY or of President JOHN KENNEDY. RUSSO is aware that there is a book out entitled, Mafia Kingfish, The Life and Times of CARLOS MARCELLO and the Assassination of President Kennedy. RUSSO saw the book and in fact is having it sent to him in the prison.

RUSSO advised that MARCELLO gets the New Orleans newspapers, but apparently reads them in about two seconds leading RUSSO to believe he can no longer read.

RUSSO advised he is not being paid for taking care of MARCELLO and expects nothing for his help.

RUSSO advised that MARCELLO knows him only as GUS and he has to tell him his name every day. He advised that he has told MARCELLO that he will come visit him at his home in New Orleans, but he does not intend to do that as that would be a violation of his parole.

RUSSO advised that many of the inmates have been told by MARCELLO to come and visit him in New Orleans and many intend to do so. However, he does not believe MARCELLO will remember any of them.

RUSSO advised that he has no ties with anyone in the Mafia and no standing with anyone in the Mafia or organized crime.

RUSSO advised that he is nothing in the crime organization and that he is completely independent.

RUSSO advised that when MARCELLO leaves the prison, it is a closed book as far as he is concerned and he will have no further contact with MARCELLO.

RUSSO advised that he has never heard MARCELLO mention a person named [redacted] or anything like that. MARCELLO does mention his secretary who has been his secretary for 40 or 50 years and [redacted] b6 b7C

RUSSO speaks Italian, but not as well as MARCELLO. He advised that when MARCELLO talks Italian with other inmates, he believes MARCELLO is somewhat faking it as MARCELLO does not know what is going on.

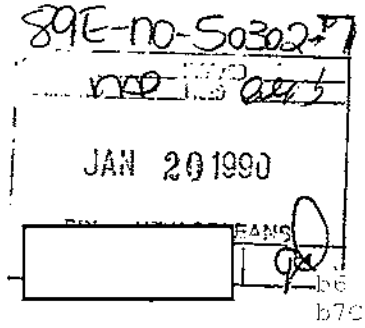
RUSSO advised that he would have nothing further to do with MARCELLO if it would cause him problems. RUSSO was advised that taking care of this person should not cause him problems unless he was part of organized crime or was being paid in some manner by MARCELLO's people.

RUSSO insisted that he was only taking care of MARCELLO who is an Alzheimer's disease patient because he felt sorry for him.

RUSSO insisted that he would not do anything that would get him involved in criminal activity as he is disturbed by the fact that he, his brother, and his sons are all in prison.

The following was obtained through observation and interview:

Name	AUGUST JEROME RUSSO
Race	White
Sex	Male
Date of birth	August 4, 1928
Place of birth	Chicago, Illinois
Citizenship	United States
Social Security Account Number	336-22-7608
Height	5'10"
Weight	182 pounds
Hair	Balding, grey


89E-NO-50302
JAN 20 1990
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/24/89

[redacted] was contacted at his request. [redacted] b6 b7C b7D

[redacted] CARLOS MARCELLO and AUGUST RUSSO and had been reading the transcript from the appeal of MARCELLO. [redacted] The name of the ex-con was [redacted] asked [redacted] if [redacted] was the one that MARCELLO wanted. [redacted] said that [redacted] was the one and that he was the one who "beefed". At the time of this conversation MARCELLO was laying on his bed and may have been asleep. b6 b7C b7D

The morning of October 19, 1989, RUSSO and MARCELLO were [redacted] MARCELLO's voice became elevated and he said, "I'm gonna kill that son-of-a-bitch". [redacted] asked what MARCELLO was talking about and RUSSO brushed it off with a joke that MARCELLO was talking about killing himself (RUSSO). b6 b7C b7D

During the morning of October 19, 1989, the inmate [redacted] came to take MARCELLO to his meeting. RUSSO asked to be included in the meeting and that was refused. The meeting took only a short time. b6 b7C

RUSSO talks a lot about the Mafia but has not said he is part of the Mafia. RUSSO indicates that the family never gives up and they will find the man that MARCELLO wants killed even if it takes 10, 20 or 30 years.

Investigation on 10/19/89 at Rochester, Minnesota File # 89E-NO-50302

by SA [redacted]/do Date dictated 10/20/89 b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

 b6 b7C

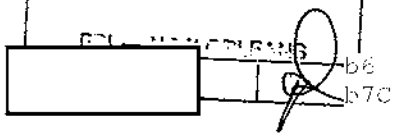
RUSSO and MARCELLO are in constant proximity to each other. They trade various jokes and smart remarks. MARCELLO often slaps RUSSO. Sometimes he slaps him in the face and sometimes he hits him with shoes. This is passed off as joking behavior but on occasions, especially in the morning, RUSSO has afterwards complained that he has been bruised by MARCELLO especially when he is hit on a leg where he recently had surgery. RUSSO fears MARCELLO and would never slap him back.

MARCELLO is very excited about his release and when he gets excited he does get confused. Recently, arrangments had been made for MARCELLO, RUSSO [redacted] by a photographer living or working in a different building. MARCELLO refused to go to have his photographs taken because he indicated it was drizzling out. It was not drizzling at the time and [redacted] does not feel that MARCELLO who was standing at the window looking out was hallucinating. He feels that MARCELLO had decided that no photographs would be taken with him or had been told by his people in New Orleans that he was not to have more photographs taken. b6 b7C

[redacted] indicated that MARCELLO apparently has a hearing loss which accounts for some of his lack of response to some of the things happening around him. b6 b7C

89E-HQ-503029

JAN 29 1990



FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/24/89

[redacted] (Protect by Request), [redacted] advised that CARLOS MARCELLO is rooming with AUGUST RUSSO. Approximately three weeks ago RUSSO and MARCELLO were sitting on a bed talking and RUSSO asked MARCELLO what he was going to do when he got out of prison. MARCELLO replied that when he got out he was going to get the mother fucker who put him there. MARCELLO then made a motion of cutting a throat from ear to ear. On a number of occasions MARCELLO and RUSSO have talked about the killing and have mentioned the name of the person who was to be killed. The name of the person to be killed is not recalled. b6 b7C b7D

RUSSO has stated that the person to be killed was in New Orleans and has explained that nothing is to happen to that person while MARCELLO is in "the joint" (prison). RUSSO has stated repeatedly that he believes MARCELLO is capable of anything.

On one occasion during a discussion it was questioned as to how CARLOS MARCELLO could run an organized crime family in New Orleans now that he is forgetting things. RUSSO indicated that it was because he was the boss and in an Italian family he is still boss. MARCELLO indicated it was because he was the boss and the oldest.

MARCELLO varies in his mental acuity and RUSSO acts as his personal body servant. On one occasion when RUSSO was reminding MARCELLO that he had to do something "such as brush his teeth" MARCELLO became very angry and said "no mother fucker tells CARLOS MARCELLO what to do". Most of the time MARCELLO is very friendly with RUSSO and jokes with him.

RUSSO acts as a personal nurse body servant and confidant to MARCELLO. He has also been described as a lapdog. RUSSO has said that the FBI had come from Chicago to interview him and that he had not told them anything. RUSSO was told by [redacted] that he knew the FBI was coming to see RUSSO. b6 b7C

Dallas
175A-109
Minneapolis
175A-112

Investigation on 10/16/89 at Rochester, Minnesota File # 175A-112

by SA [redacted] /do Date dictated 10/19/89 b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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MARCELLO has indicated numerous times to RUSSO that he wants him to come with him to New Orleans when he is released from prison. RUSSO insists that he will not go as this would violate his parole. MARCELLO has indicated that he can work it out so that RUSSO can come and travel with him and there will be no problems with the parole system. RUSSO remains insistent that he cannot do it.

RUSSO has mentioned without explaining where he gets his information from that JOHN KENNEDY was elected by the mob but he and his brother were not playing ball with the mob so he had to be killed.

MARCELLO has been meeting with another inmate on a covert basis. He is referred to as [redacted] The manner of the meetings during good weather was for an inmate from [redacted] to meet RUSSO and MARCELLO in the yard and take MARCELLO to a location where he would make a meet. RUSSO would not go on the meeting. The person who he was to meet with or set up the meeting was the inmate roommate of [redacted] from receiving and development and he is a person with one leg missing who is in general populous (inmate matching that description is VITO GIACALONE).

b6
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[redacted] (Protect) has had previous experience in [redacted] and advised that MARCELLO acts like an old man who has had a stroke and not like a person who has Alzheimer's. MARCELLO talks of his father's death and of his visit to Italy. His demeanor varies but he appears to be more aware of things happening around him then he lets the staff and other inmates know. During a television show regarding JIMMY HOFFA, in which an author was setting forth information supposedly gotten from an inmate in prison, possibly Marion, Illinois, MARCELLO became visibly intense and possibly angered about the situation but made no comment. MARCELLO is treated with extreme care and respect by other prisoners. He is believed to be leaving the prison on Friday, October 20, 1989, via private jet.

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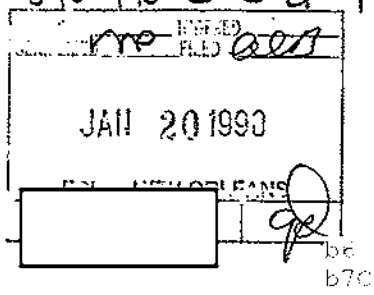
SGE-NO-50302-9



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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/24/89

[redacted] (Protect by Request) advised that AUGUST RUSSO has indicated that he feels very sorry for the man who MARCELLO wants killed because he will die. RUSSO made a throat cutting motion. RUSSO advised that the person who was to die was involved in an [redacted] b6 b7C b7D

RUSSO and MARCELLO continued to talk about killings and juging (phonetic) people, a term meaning stab them in the throat. MARCELLO has indicated on various occasions that the way to handle a problem was to kill someone. On one occasion, MARCELLO was in a room where inmates were discussing what to do if your daughter was dating a black man and brought him home. MARCELLO's answer was to "put him in the ground". Recently, MARCELLO was angry because two Jewish rabbis who are inmates at the prison had been released for a Jewish holiday. He felt that he also had money and influence and should have been able to get out by various means. Discussion was held by MARCELLO as to why his money and influence could not do what their political contacts could do and he indicated that they should put the rabbis under the hill, pointing to a small rise of land in the center of the prison.

MARCELLO almost never mentions names and never mentions specifics as to what he has been involved in. MARCELLO expects to be picked up by [redacted] and his secretary DOT on Friday morning. RUSSO ordered clothing from DOT for MARCELLO but they changed the clothing order as they wanted him to leave in low-key clothing. The clothing sent was a pale brown jacket, dark brown pants, beige sweater vest, a pale yellow shirt and brown/reddish shoes. They will have an overcoat and a hat in the car for MARCELLO when he gets out of the prison. They will apparently fly by private jet when they leave Rochester. MARCELLO has been asking RUSSO to get in contact with his attorneys and has given him his attorneys' names. MARCELLO's inmate number has been given to someone, apparently MARCELLO's secretary, to give to the attorneys. b6 b7C

Investigation on 10/18/89 at Rochester, Minnesota File # 175A-112

by SA [redacted] do Date dictated 10/19/89 b6 b7C

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MARCELLO is well known within the prison and when he walks near a bench in the compound the people in the bench get off and empty the bench in case he wishes to sit there. MARCELLO gets the same treatment in the TV room. This treatment also comes from inmates who are normally abusive to other inmates and to staff. MARCELLO has on occasion been talking normally and then walked into a room where he was to interact with staff and he then looked vacant and stupid. While he was there one of the staff members referred to him as an airhead and MARCELLO apparently took no notice and was not aware of the comment. When MARCELLO left the room and the door closed he was normal again and made no mention of the comment made about him. MARCELLO apparently does not remember names and talks to most of the prisoners on the compound by calling them buddy or partner. MARCELLO is very polite and gives the impression that he does not know what is going on. MARCELLO, on one occasion when he had been greeted by numerous inmates and appeared not to be aware of what was happening, walked away and in walking away commented that he was so tired of this bullshit. It appears that MARCELLO is more aware of some of the surroundings in some ways then he admits. At approximately 9:45 a.m. on October 18, 1989, [redacted] (true name [redacted] came to get MARCELLO on the floor where he is assigned. MARCELLO asked who he was to meet and he said his buddy, and he said which buddy, and [redacted] replied the one who speaks Italian with you. MARCELLO then went to this meeting. This is the first time that he has been escorted to this kind of meeting from his hospital floor. Previous to this MARCELLO was always taken out into the compound and met on the open compound by [redacted] The transaction was handled differently on October 18, 1989, because of the cold weather which kept the inmates off the open compound.

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b7C

U.S. Department of Justice

Federal Bureau of Prisons

Federal Medical Center

P.O. Box 4600

Rochester, MN 55903-4600

MEDICAL SUMMARY

INMATE NAME: CARLOS MARCELLO
REG. NO.: #16225-034
DOB: 02-06-1910
DATE: DECEMBER 4, 1989

DATE OF ADMISSION: 03-01-89
DATE OF DISCHARGE: 10-20-89

Mr. Carlos Marcello was a patient at the Federal Medical Center from 03-01-89 to 10-20-89. His major diagnosis was senile dementia. His condition was stable throughout his course here and he consistently demonstrated evidence of severe dementia. His short term memory was extremely poor such that the patient was unable to find his way to his room or care for himself without assistance. Most of the time he was unaware that he was in prison and disoriented as to time and place (even to country). He was not able to independently place calls to his family (although he could speak with family members, he was unable to place the call himself). There was no evidence at any time that this behavior was factitial in nature.

In summary, Mr. Marcello has a severe dementia which makes it difficult for him to perform even simple activities of daily living without assistance. Although his physical condition is otherwise fairly good and he is able to give the appearance of carrying on an intelligent conversation, his severe impairment of short term memory causes him to remember little if anything of recent events. There is no treatment for his condition which can only be expected to progress.

[redacted]

12/5/89
Date

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dd:12-4-89
dt:12-4-89/jo

59E-NO-50302-10

JAN 20 1990

[redacted]

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FD-302 (REV. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 11/1/89

[redacted] date of birth [redacted] white [redacted] GOLD CROWN LIMOUSINE SERVICE, advised that at approximately 7:40 a.m. he received a telephone call from the transport desk at the KAHLER HOTEL, Rochester, Minnesota, requesting limousine service at approximately 8:00 a.m. b6 b7C

[redacted] used a 1983 Cadillac with Minnesota license 881 ASK to go to the Kahler where he met a man named MARCELLO. This person then left the KAHLER lobby to go to the Bureau of Prisons (BOP) in Rochester, Minnesota, via a taxi cab. [redacted] remained with an older, heavier man named MARCELLO, an older, heavier set woman, and a younger woman. After some time, all four of them got in the car and drove to the BOP facility in Rochester. The younger man, who [redacted] of CARLOS MARCELLO, joined them at this point, and all four of those persons went into the lobby at the entrance to the BOP and returned with CARLOS MARCELLO. En route to the BOP facility, [redacted] had learned that they were there to pick up CARLOS MARCELLO. b6 b7C

[redacted] then drove these persons to a private jet at the Rochester Airport. There were television news people at the prison when he left, and one photographer drove in a car directly behind them en route to the airport. They drove through the commercial part of the airport at the request of the MARCELLOs in order to try to evade the photographer prior to going to the area where the jet was waiting. b6 b7C

Investigation on 10/20/89 at Rochester, Minnesota File # 89E-NO-50307

by SA [redacted] llm Date dictated 10/24/89 b6 b7C

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FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/12/90

TO : SAC, DALLAS

FROM : SAC, MINNEAPOLIS (RUC)

SUBJECT: ASSASSINATION OF PRESIDENT
JOHN F. KENNEDY
PPSAKA
OO: DALLAS
(MP 175A-112)
(DL 175-DL-109)

CARLOS J. MARCELLO
CONSPIRACY TO IMPEDE OR
INJURE A FEDERAL OFFICER,
SA [redacted] - POTENTIAL VICTIM,
SA [redacted] POTENTIAL VICTIM
OO: ~~NEW ORLEANS~~ Minn. J.
(MP 89E-NO-50302)
(NO 89E-NO-50302)

b6
b7C

Enclosed for Dallas are the original and one copy of FD-302 interviews of [redacted] dated 10/16/89 and 10/18/89. Also enclosed are two copies of an FD-302 interview of [redacted] dated 10/19/89 and one copy of a medical summary concerning CARLOS MARCELLO.

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Enclosed for New Orleans are original and one copy of an FD-302 regarding fisur of MARCELLO on 10/20/89, and one copy of FD-302 interview of AUGUST JEROME RUSSO on 9/20/89, which has

2 - Dallas (Enc. 7)
1 - Chicago (Enc. 3)(Attention [redacted]
(2) - New Orleans (Enc. ~~1~~ 4)
2 - Minneapolis
(1 - 175A-112)
(1 - 89E-NO-50302)
DFP:sao
(7)

b6
b7C

89E-NO-50302-12

Approved: _____ Transmitted _____ (Number) (Time) Per _____

[redacted]

b6
b7C

previously been furnished to Dallas and Chicago, and two 1A envelopes, one containing interview notes of [redacted] and one containing interview notes of [redacted] Also enclosed for New Orleans are the original and one copy of an FD-302 interview of [redacted] dated 10/19/89 and two copies of [redacted] interviews dated 10/16/89 and 10/18/89. Also enclosed for New Orleans is a copy of a medical summary concerning CARLOS MARCELLO. Also enclosed for New Orleans are the original and one copy of an FD-302 interview of [redacted] dated 10/20/89. b6 b7C b7D

Enclosed for Chicago is one copy each of FD-302 interviews of [redacted] dated 10/16/89, 10/18/89, and 10/19/89.

SA [redacted] Chicago Division, has advised that [redacted] in Chicago, Illinois; and if he begins to furnish valuable information (which is not expected), SA [redacted] will furnish appropriate information to the prosecuting U. S. Attorney. b3 b6 b7C

Investigation regarding these matters is complete in the Minneapolis Division and both cases are RUC.

Memorandum

To : SAC, NEW ORLEANS (89E-50302) Date 1/22/90

From : SSA [redacted]

Subject: CARLOS J. MARCELLO

This date writer spoke with SSA [redacted] Minneapolis Division concerning the fact that Minneapolis RUC'd this case when in fact according to New Orleans teletype dated 10/24/89, they should have been Office of Origin. b6 b7C

[redacted] advised that no violation was substantiated and since MARCELLO was now in New Orleans, the case should be closed administratively.

In view of the above, New Orleans considers this matter RUC'd.

RUC-6 1/22/90 54RS

1 - New Orleans
RET:mlk
(1)

89E-NO-50302-13

EXTRA COPIES HAVE BEEN PURGED AND DESTROYED PURSUANT TO BUREAU AIRTEL DATED 11/3/88.

Initials 4/23/90 Date

[redacted] b6 b7C

FD-36 (Rev. 5-22-78)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 10/3/79

TO: DIRECTOR, FBI

FROM: SAC, NEW ORLEANS (58-400) (Squad 2) (P)

[redacted]

DEFENSE SUPPLY AGENCY,
NEW ORLEANS, LA.;
CARLOS J. MARCELLO
BRIBERY - D.O.D. (DEFENSE SUPPLY AGENCY)

A confidential source of a local police agency has advised that CARLOS J. MARCELLO, LCN head, New Orleans, La., who owns Pelican Tomato Company, New Orleans, La., has been bribing [redacted] Defense Supply Agency, New Orleans, La.

Preliminary investigation confirms Pelican Tomato has virtual monopoly on providing tomatoes, through [redacted] to Department of Defense, New Orleans, and persons described by source as being present at times of bribes are [redacted] Pelican Tomato Company.

At present time this matter being held in abeyance due to its potential interference in Brilab, NO 183-369, Bufile 183-2736. Information re this matter cannot at this time be disseminated outside of the FBI.

V-48 REC 12 58-10551-1

EX-109

Disseminatable communication will be submitted when appropriate.

11 OCT 11 1979

(2) - Bureau
2 - New Orleans
RJI:dbr
(4)

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

64 NOV 26 1979

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (58-10351) DATE: MAY 9, 1980

FROM : SAC, NEW ORLEANS (58-400) (SQUAD 8) ELR/GA

SUBJECT: [redacted] b6 b7C

DEFENSE SUPPLY AGENCY
NEW ORLEANS, LA.
CARLOS J. MARCELO
BRIBERY - D.O.D. (DEFENSE SUPPLY AGENCY)
(00:NO)

Re New Orleans airtel to Bureau, October 3, 1979.

Captioned matter has been held in abeyance pending completion of Brilab (183-369, Bufile 183-2736). Covert aspects of Brilab complete, and review of pertinent electronic intercepts fail to reveal any references to this matter.

Active investigation being initiated and disseminatable communication will be forwarded.

Information concerning electronic intercepts cannot be disseminated outside Department of Justice.

MAY 14 1980

60-day

(2) - Bureau
2 - New Orleans
RJI/rrf
(4)

68 MAY 29 1980

5010-108-02

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

AIRTEL

UNCLAS 7/25/80

Director, FBI (58-10351)

1 - Mr. [redacted]
1 - FOR

SAC, New Orleans (58-400) (Sq. 2) (P)

[redacted]

DEFENSE SUPPLY AGENCY
NEW ORLEANS, LA.
CARLOS J. MARCELO
BRIBERY - D.O.D. (DEFENSE SUPPLY AGENCY)
OO: NEW ORLEANS

ReNOlet to the Director 5/9/80.

New Orleans advised by referenced communication that active investigation was being initiated and a communication suitable for dissemination would be forwarded. Current Bureau policy requires an initial LHM be submitted within 30 days. This requirement is set forth in SAC Memorandum 28-78 dated 6/27/78.

New Orleans submit LHM within 14 days of receipt of this communication setting forth the predication, investigation conducted to date, and the preliminary opinion of the USA.

JFD:rit
(5)

MAILED 5
JUL 28 1980
FBI

Exec AD Inv. ___
Exec AD Adm. ___
Exec AD LES ___
Asst. Dir.:
Adm. Servs. ___
Crim. Inv. ___
Ident. ___
Intell. ___
Laboratory ___
Legal Coun. ___
Plan. & Insp. ___
Rec. Mgnt. ___
Tech. Servs. ___
Training ___
Public Affs. Off. ___
Telephone Rm. ___
Director's Sec'y ___

MAIL ROOM

DE-27 58-10351-3

JUL 30 1980

FBI/DOJ

FD-36 (Rev. 5-22-78)

FBI

TRANSMIT VIA:
- [ ] Teletype
- [ ] Facsimile
- [x] Airtel

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [ ] UNCLAS

Date 8/12/80

TO: DIRECTOR, FBI (58-10351)

FROM: SAC, NEW ORLEANS (58-400) (SQUAD 8) - C -

CHANGED

[redacted] Encl 4

NEW ORLEANS, LOUISIANA;
CARLOS J. MARCELLO;
BRIBERY - DEPARTMENT
OF DEFENSE
(DEFENSE SUPPLY AGENCY)
OO: New Orleans

b6
b7C

Title marked changed to include middle name of [redacted]

b6
b7C

Re New Orleans letter to the Bureau, 5/9/80.

Enclosed for the Bureau are the original and three copies of an LHM concerning this matter.

Due to the fact that the allegations of the informant of the local police agency have not been substantiated and the fact that no conversations with [redacted] or concerning [redacted] or concerning any bribery aspects of Pelican Tomato or Dixie Tomato were intercepted during the several months electronic interceptions of conversations and telephone calls of Carlos Marcello in 1979 and 1980 (Brilab, NO 183-369).

b6
b7C

DE-13 DE-13 58-1 51

No additional investigation is being conducted in this matter.

1 AUG 16 1980

2 - Bureau (Enc. 4)
1 - New Orleans
RJI:dsg
(3)

ENCLOSURE

2 - CRIM 9/5/80 JFD/MWB

275

Approved: ELR/WG Transmitted _____ (Number) (Time) Per _____

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

New Orleans, Louisiana
August 12, 1980

[redacted] b6 b7C

DEFENSE SUPPLY AGENCY
NEW ORLEANS, LOUISIANA;
CARLOS J. MARCELLO;
BRIBERY - DEPARTMENT OF
DEFENSE
(DEFENSE SUPPLY AGENCY

Investigation in this matter was initiated upon receipt of information from a local police agency that an informant of theirs advised that [redacted] an employee of the U.S. Government, [redacted] New Orleans, Louisiana, had been taking kickbacks from Dixie Tomato and Packing Company, 5801 G Street, Jefferson, Louisiana, as well as Pelican Tomato Company, 748 St. George Street, Jefferson Parish, Louisiana. The informant also advised that [redacted] Carlos Marcello, [redacted] and [redacted] Pelican Tomato Company, which allegedly contained kickbacks and [redacted] had reportedly been observed in the company of Carlos Marcello at Marcello's fishing ranch at Grand Isle, Louisiana. b6 b7C b7D

[redacted] Defense Supply Agency, related that [redacted] and has been employed in excess of [redacted] related that [redacted] has always done his job in a highly complimentary fashion and he has had no complaints from [redacted] b6 b7C

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ENCLOSURE
58-10351

4

FBI/DOJ

[redacted] is responsible for [redacted] of fruits and vegetables based upon customer demands submitted by various government agencies. The produce has to meet quality and price standards and is normally awarded to the lowest bidder. If the contract is not awarded to the lowest bidder, [redacted] has to [redacted] The contracts that are awarded are very judgmental and are based upon [redacted] experience and knowledge of the produce business. [redacted] b6 b7C

[redacted] related that "buy sheets" are made up daily by various clerks within the Defense Supply Agency and these are based upon orders received mainly from Philadelphia, Pennsylvania. He related that it would be highly unlikely that [redacted] would be able to get by with purchasing substandard items as the items are inspected at various points by different inspectors. b6 b7C

He indicated as an example that the U.S. Department of Agriculture would normally view everything over $1,000.00 at the supply point prior to anything being shipped out. Anything that is normally shipped out in the warehouse would be inspected by the Army Vet inspector. After arriving at the destination, the produce is also rechecked again by another inspector.

He advised that in regards to Dixie Tomato and Packing Company, they have a virtual monopoly on the potato market and very seldom bid on anything else. Very few of the other companies bid on potatoes.in competition with Dixie. In addition, Pelican Tomato has a virtual monopoly on the tomato market and very few of the other companies actually bid on them.

[redacted] was interviewed at the Defense Supply Office in Jefferson Parish, Louisiana, related that he had been a [redacted] for the Defense Supply Agency for the past [redacted] Division, Fruits and Vegetable Branch. [redacted] number of vendors including Pelican Tomato Company and Dixie Tomato and Packing Company. He related that Dixie and Pelican are the only two tomato repackers in the vicinity and that Dixie is the only potato repacker in the vicinity. He advises that a number of vendors bid on bulk potatoes and tomatoes but that if the contract requires repacking into small bundles, Dixie and Pelican are the only ones who usually bid on tomatoes and Dixie is usually the only one that usually bids on potatoes. He relates that he averages approximately 300 to 400 twenty pound boxes of tomatoes a week at an August, 1980 price of approximately $13.00 a box, and approximately 200 fifty pound b6 b7C

sacks of potatoes a week. [redacted] related that on August 11, 1980, [redacted] ten bales of five pound russets at $10.00 and fifteen bales of ten pound russets at $9.00 from Dixie Tomato and Packing Company and 26 boxes of count potatoes at $13.00 a box from Maenza and Son, New Orleans, Louisiana. He related that [redacted] the russets from Dixie as they are the only repackers in the area and [redacted] the bulk potatoes from Maenza as they were the low bidder. [redacted] related that [redacted] is based upon sight procurement with price having to be commensurate with the quality and freshness of the items purchased. On numerous occasions [redacted] a "sole source" but still maintains a price that is commensurate with the freshness and quality of the produce. He related that because of the numerous inspection procedures that are required after his purchase, [redacted] substandard items for a price higher than that commensurate with the quality and freshness of the items purchased.

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[redacted] has met Carlos Marcello on occasion at Pelican Tomato Company, but it was merely chance encounters,they discussed no business and he has never received any remuneration, trips, gifts or envelopes from Marcello or anyone else at Pelican Tomato Company or Dixie Tomato. He related that [redacted] has nor worked for Pelican Tomato Company and has had no association from Pelican Tomato Company for approximately the last six years and is in fact employed in McAllen, Texas. He does not know a [redacted] at Pelican Tomato Company and relates that [redacted] Pelican. [redacted] deals with [redacted] and [redacted] Pelican Tomato [redacted], but again has received no remuneration gifts or other items of value including envelopes from either [redacted] or [redacted] [redacted] specifically denies ever visiting or meeting with or talking with Carlos Marcello in person or on the telephone, other than a few chance encounters he has had with him at Pelican Tomato Company. He specifically denied ever visiting with Carlos Marcello or anyone else at Marcello's fishing camp in Grand Isle, Louisiana and volunteered that he had visited Grand Isle on only one occasion approximately seven years ago with his father-in-law.

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[redacted] annual government salary is $26,794.00 and he relates that his only other source of income is an [redacted] which usually causes him to lose money rather than make money. He has no savings accounts, no stocks, and "lives from paycheck to paycheck". He drives a [redacted] automobile and his only other vehicle is a [redacted] which is driven by his son, a student at the [redacted] He lives in the residence which he purchased upon moving to New Orleans

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b7C

14 years ago for $24,000.00, and relates that he takes no major trips of vacations with his family other than hunting and fishing.

He advised that his checking account contains no other deposits other than his salary and his income and manner of living would not be such that would reflect income other than his government salary.

A review of the records of the Federal Bureau of Investigation in a separate matter, reveal electronic intercepts of the conversations and telephone calls of Carlos Marcello over a period of several months in 1979 and 1980. A review of these conversations failed to reflect any reference to [redacted] or any bribery schemes involving anyone at Pelican Tomato Company or any persons within the Government Defense Supply Agency. b6 b7C

Due to the fact that allegations made by the informant of a local police agency have not been substantiated, no additional investigation is being conducted.

[redacted] is described as follows:

Name	[redacted] b6 b7C
Race	White
Sex	Male
Date of Birth	[redacted] b6 b7C
Place of Birth	
Height	
Weight	
Hair	
Social Security Account Number	[redacted]
Address	[redacted] Louisiana b6 b7C
Home Telephone	[redacted]

93595

September 5, 1952

MEMORANDUM

Re: CARLOS MARCELLO, was
Calogero Minacore
Carlos Marcello
Caloreo Minacora
Carlos M. Minacori
"The Little Man"

SUMMARY

Information has been received that Carlos Marcello was born February 16, 1910, in Tunis, North Africa, and entered the United States on November 7, 1910, with his parents, who have been citizens of the United States since 1944.

He is reported to be a large scale slot machine operator with interests in gambling casinos in Jefferson Parish, Louisiana. Information has been received that Marcello unlawfully transmitted a preparation of marihuana in violation of a U. S. Internal Revenue Act, but that this offense did not involve moral turpitude. The opinion was also expressed that he was not subject to deportation on a prior conviction of assault and battery as it had been committed more than five years from the date of his last entry into the United States.

He is reported to operate boats in the shrimp industry in the Gulf of Mexico and to transport narcotics.

Attached hereto is the arrest record of Carlos Marcello.

Attachment

[redacted]:sal:mm

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b7C

RECORDED - 118
INDEXED-118

SE 18 162-97929-1

53 OCT 3-1952

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. BELMONT

FROM : D. M. Ladd

DATE: June 2, 1953

SUBJECT: CARLOS MARCELLO, Racketeer
Deportation Proceedings

Tolson
Ladd
Clegg
Glavin
Nichols
Rosen
Tracy
Harbo
Belmont
Mohr
Tele. Room
Nease
Gandy

G.I.R.-5

Mr. Horan of the Department called this morning to advise that the above-named subject will be picked up in New Orleans today, and will be kept in custody except for permission to wind up his personal affairs under escort, after which he will be taken to Ellis Island for deportation.

csh

RECORDED-42
EX.-121
162-91929-22
JUN 8 1953

53 JUN 22 1953

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 30, 1952

DEPARTMENT OF JUSTICE

Attorney General James P. McGranery announced today that Carlos Marcello of Miami, Florida, and Jefferson Parish, Louisiana, has been arrested on a deportation warrant by the Immigration and Naturalization Service.

The arrest in New Orleans was the first major deportation move undertaken since the new Immigration and Nationality Act became effective December 24, 1952. The action was another step in the Attorney General's program of denaturalization and/or deportation of undesirable persons of foreign birth who are engaged in racketeering or other criminal activities.

Marcello, born February 6, 1910, in Tunis, Africa, entered the United States for permanent residence October 7, 1910, at New Orleans.

He allegedly is engaged in large-scale slot machine operations and other gambling activities in Louisiana.

The deportation warrant was based on his conviction in 1938 for violation of the Marijuana Act. Such a conviction is a deportable offense under the new Immigration and Nationality Act.

The action follows lengthy investigations by both the Federal Bureau of Investigation and the Immigration and Naturalization Service. His conviction under the Marijuana Act was one of only two in his checkered career. The other case in which he was convicted was under Louisiana State law, the conviction being for assault and robbery, and on May 13, 1930, he was sentenced to serve a term of 9 to 14 years in the Louisiana State Penitentiary. The Governor of Louisiana gave him a full pardon for this crime July 16, 1935.

62-97989-
NOT RECORDED
34 JAN 6 1953

Marcello served a year and a day after his conviction under the Marijuana Act.

79 JAN 13 1953

From
THE ATTORNEY GENERAL
to
Official indicated below by check mark

Solicitor General	
Deputy Attorney General	
Executive Assistant to the Attorney General	
Assistant Attorney General, Anti-Trust	
Assistant Attorney General, Tax	
Assistant Attorney General, Claims	
Assistant Attorney General, Lands	
Assistant Attorney General, Criminal	
Assistant Attorney General, Exec. Adjudications	
Administrative Assistant Attorney General	
Accounts Branch	
Records Administration Branch	
Procurement Section	
Director, FBI	✓
Director of Prisons	
Director, Office of Alien Property	
Commissioner, Immigration and Naturalization	
Pardon Attorney	
Parole Board	
Board of Immigration Appeals	
Librarian	
Director of Public Information	
Miss Ethier	
Mr. Kelly	
Mr. Hyatt	
Mr. Coblenz	
Mrs. Burke	
Mrs. Willingham	
Mrs. Hessom	
Miss Cartwright	

MEMORANDUM

Mr. Tolson ✓
Mr. Ladd ✓
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen ✓
Mr. Tracy
Mr. Laughlin
Mr. Mohr
Mr. Winterrowd
Tele. Room
Mr. Holloman
Miss Gandy

62-97929-

ENCLOSURE

Clinton

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b7C

RECEIVED
CRIMINAL SECTION
INVESTIGATIVE DIVISION
JAN 5 11 55 AM '53
F B I
U.S. DEPT OF JUSTICE

RECEIVED-LAD.
F B I
U.S. DEPT. OF JUSTICE
JAN 2 5 22 PM '53

DIRECTOR
U.S. DEPT OF JUSTICE
JAN 2 4 04 PM '53

RECEIVED - NICHOLS
F. B. I.
U. S. DEPT. OF JUSTICE
JAN 2 5 57 PM '53

Form G—59
(7-15-46)

D STATES DEPARTMENT OF JUSTIC
GRATION AND NATURALIZATION SERVICE

APR 3 1951

File No. A-2669541 Inv

19th and E. Capitol Sts., N.E.
Washington 25, D.C.
(Address of requesting office)

Date April 2, 1951

DIRECTOR, FEDERAL BUREAU OF INVESTIGATION,
DEPARTMENT OF JUSTICE,
Washington 25, D. C.

Attention: Security Division

M

Please furnish a report as to the nature of any derogatory information contained in any file—other than finger print records—which your Bureau may have concerning the following person:

Name MINACORI (Surname) CARLOS (Given name) MARCELLO (Middle and other names)

Aliases Carlos Marcello, Carlos Marcellus, and Calogero Minacori

FBI No. 9 08

Alien Registration No. 2669541
or Visa Application No.

Date of birth February 6, 1910 (Month) (Day) (Year)

Birthplace Tunis, Africa (Town) (Country)

Marital status Married

Name of spouse Jacime Tedaro

Race Italian Color White Sex Male Occupation saloon manager

Complexion Eyes Brown Hair Black Height 5' 3" Weight 140 lbs.

Visible marks

Places of residence last 5 years (*include street and number*):

Address in 1940 as shown on AR Form: 320 Romain Street, Gretna, Jefferson, La.

Places of employment last 5 years:

Place of employment in 1940 as shown on AR Form: Jefferson Music Company
1401 Monroe Street, New Orleans, La

The subject is
- [ ] Under deportation proceedings.
- [ ] An applicant for naturalization.
- [ ] An applicant for a certificate of lawful entry.
- [x] Under investigation

If the subject has a common name, the names of all relatives given in the subject's application filed with the Immigration and Naturalization Service will be shown on the back of this form, with the relationship indicated.

62-97929
~~INDEXED 133~~ ~~39 0 43557~~

NOT RECORDED
8 APR 30 1951

Please mail the attached copy of this request with your reply to the address shown below.

EX-130

W.W. Wiggins, Chief,
(Name of officer requesting report)

Investigation Section
(Title)

(In duplicate) SMB:mkv

(For use by Federal Bureau of Investigation)

Mail to—
DISTRICT DIRECTOR,
IMMIGRATION AND NATURALIZATION SERVICE.

SBJK

26 1951

FPI INC ERO 8-26-50-250M-3934-4

You are referred to the information furnished the CENTRAL Office of I&NS, pursuant to a request dated 4-2-51
To Ins, Miami 11-3-52
Reg. of 10/17/54 Jew

April 28, 1951

A review of the files of this Bureau reveals that information was received by the New Orleans Office of this Bureau that your service at New Orleans, Louisiana, has had occasion to question Marcello and has made inquiry to determine whether he, as an alien, was subject to deportation. From interview and inquiry it is presumed you are aware of the background of Marcello.

In addition you may desire to check the records of the Identification Division of this Bureau for information concerning the individual on whom you make inquiry.

For your assistance you may also desire to refer to the October 12, 1950 issue of the Washington Post. Specifically you are referred to the column edited by Drew Pearson.

The above is furnished for your confidential use only and is not to be distributed outside your service.

62-32578-1067; 62-91933, Sub A

BJC:men

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI DATE: 9/28/53

FROM : SAC, NEW ORLEANS (33-165)

SUBJECT: TOP HOODLUM COVERAGE
GENERAL INVESTIGATIVE
INTELLIGENCE PROGRAM

fh 7-1
Encl
fh 7-1

Re SAC Letter No. 53-58, dated 8/25/53.

There is transmitted herewith a supplemental memorandum reflecting the current status of CARLOS MARCELLO, with aliases. This supplements the memorandum submitted under date of May 22, 1950, under the caption "SURVEY CONCERNING PROMINENT UNDERWORLD FIGURES BEING MADE BY U. S. ATTORNEYS, CRIME SURVEY".

~~EXPEDITE PROCESSING~~

Enclosure

RLK:gp

ENCLOSURE ATTACHED

42

1 encl detached
room 57 18
10-1-53 gh

RECORDED-42
SE-36 | 62-97929-3
INDEXED-42 25 ~~SEP 30, 1953~~
10-19

EX-125

20 OCT 30 1953
F72

62-97907-3

ENCLOSURE

ENCLOSURE

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO, with aliases: Calogero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

PERSONAL HISTORY AND BACKGROUND

No change.

CRIMINAL ACTIVITIES

MARCELLO is presently under deportation order by the U. S. Immigration and Naturalization Service, and his attorney, WILLIAM C. ORCHARD, has filed a brief before the U. S. Court of Appeals, requesting a hearing on his deportation. His attorney is apparently attacking the constitutionality of the McCarran Act in an effort to prevent MARCELLO's deportation.

[redacted], Investigator, USI&NS, has advised that the government expects to win this case and expects MARCELLO to appeal the matter to the United States Supreme Court. b6 b7C

Various rumors from police sources indicate that MARCELLO still controls the race wire service in the New Orleans area. This has not been substantiated by investigation.

LEGITIMATE ACTIVITIES

Former Confidential Informant [redacted] b6 b7C b7D MARCELLO [redacted] has advised that MARCELLO has placed all of his available capital in the tourist court business, and has recently opened a large tourist court known at The Tulane on Airline Highway in Jefferson Parish, immediately outside the city limits of New Orleans, Louisiana.

This informant has advised that MARCELLO believes that he will be deported, and the legal maneuvers are delaying tactics which will enable him to remain in the United States for a short period of time.

This informant has advised there is a great deal of speculation as to who will become the important man among the racketeers in New Orleans after MARCELLO is deported. Various gossip among the associates of MARCELLO has indicated that RALPH CAPONE, notorious Chicago hoodlum, brother of AL CAPONE, may come to New Orleans to occupy this position. She advised that other individuals mentioned have been JOE CONFORTO (the old man), who operates and owns many night clubs in the City of New Orleans, and [redacted] Informant has indicated that [redacted] would be an outside choice because of his notorious reputation for violence, and because of the fact that he is very much disliked by a large segment of the criminal element in the New Orleans area. b6 b7C

HANGOUTS AND PLACES OF AMUSEMENTS FREQUENTED

CARLOS MARCELLO has been personally observed by Agents of the New Orleans at The Tulane Motel on Airline Highway. He also frequents the better New Orleans restaurants and can frequently be located at the 1 2 3 Club near the Roosevelt Hotel, New Orleans. The Beverly Country Club, where he formerly spent a large part of his time, has been closed.

IDENTIFICATION RECORD

Photograph, personal description and FBI identification record were submitted with memorandum dated May 22, 1950. No additional information or arrest are known to the New Orleans Office.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

G.I.R.-I

TO : DIRECTOR, FBI

DATE: October 1, 1954

FROM : SAC, NEW ORLEANS (33-229)

SUBJECT: GIIF
TOP HOODLUM COVERAGE

Re SAC Letter #53-58 dated August 25, 1953.

Transmitted herewith is a supplemental memorandum regarding the current status of CARLOS MARCELLO.

RLK:js
Enclosure

1 cc: NO #33-229A

62-97929-4

RECORDED-37

EX-107

66 OCT 15 1954

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO, with aliases: Calogero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

PERSONAL HISTORY

The present status of the deportation proceedings against CARLOS MARCELLO is now pending appeal before the U. S. Supreme Court. The Fifth Circuit Court of Appeals at New Orleans, Louisiana, denied the appeal of MARCELLO. Information has recently been received from [redacted] Louisiana State Police, that MARCELLO has employed a new attorney from Washington, D. C., to represent him before the U. S. Supreme Court. He advised that his former attorney, WILLIAM ORCHARD, has been drinking extensively for the past several months and MARCELLO no longer has confidence in him. [redacted] advised that there is a general rumor in Jefferson Parish that this attorney will be able to prevent MARCELLO's deportation for several years.

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[redacted] of the Claiborne Towers, the largest apartment building in the City of New Orleans, advised there have been no new developments regarding MARCELLO's interest in purchasing the Claiborne Towers. He advised that the deal may still be in the "wind" but there has been no positive development.

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[redacted] advised that the Louisiana State Police recently conducted a raid of a wire service headquarters located in the 1000 block of Jefferson Highway, Jefferson Parish, New Orleans, Louisiana, and removed a number of telephones from this headquarters. He advised that CARLOS MARCELLO appeared at the Jefferson Parish Jail within a short time after the arrest was made and posted the necessary bonds. He advised that it is his personal opinion that this wire service headquarters, which has serviced approximately twenty handbooks in the New Orleans area, was a MARCELLO establishment.

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2-47739-4

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: March 24, 1955

FROM : SAC, NEW ORLEANS (33-229A)

SUBJECT: TOP HOODLUM COVERAGE
GIIF

Re SAC Let # 53-58, dated August 25, 1953.

There is transmitted herewith a supplemental memorandum reflecting the current status of CARLOS MARCELLO, was.

ENCS. (2)

RLK:eah

1cc: NO 33-229

RECORDED - 77
INDEXED - 77

62-91131-5

6 MAR 28 1955

53 APR 4 1955

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO, with aliases: Calogero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

The deportation proceedings pending against CARLOS MARCELLO are still pending before the United States Supreme Court. MARCELLO's attorney, WILLIAM ORCHARD, recently died in New Orleans and it is not known how this will effect the proceedings before the United States Supreme Court.

Information is continually being received although not confirmed that MARCELLO is still active in the gambling fields in the New Orleans area. Information was received from [redacted] Immigration & Naturalization Service, New Orleans, and former PCI [redacted] that MARCELLO was interested in a gambling casino located at Pearlington, Mississippi. This casino was closed upon instructions of the Governor of the State of Mississippi on February 15, 1955. Conflicting information was received from [redacted] a Mississippi gambler, who advised that this casino was actually owned by a gambler named [redacted] probably [redacted] and [redacted] (phonetic) of New Orleans, Louisiana. [redacted] advised that MARCELLO was definitely not a backer of this club.

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In view of the fact that the gambling casino was located in the general vicinity of the Mississippi-Louisiana State Line and the possibility that gambling equipment was transported in interstate commerce to this casino, an investigation has been instituted entitled, [redacted] INTERSTATE TRANSPORTATION OF GAMBLING DEVICES, New Orleans file 143-17.

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b7C

[redacted] Louisiana, advised SA CHARLES R. CARSON that he had received information from various sources that [redacted] Louisiana, and [redacted] an

62-37929-57

ENCLOSURE

officer of the Cut Off Branch of the Citizens Bank & Trust Company, were silent partners with CARLOS MARCELLO in a charter boat dock on Grand Isle at the same location as the Fisherman's Bar. The public records of this dock show this registered in the name of [redacted] and [redacted] who reportedly front for MARCELLO in this and other operations.

GEORGE GILLESPIE, Sheriff's Office, Jefferson Parish, has advised that MARCELLO continues to exercise a very strong influence in Jefferson Parish and he is completely ruthless in his business operation, particularly in the field of loaning money and then foreclosing at the first opportunity. He advised that MARCELLO is continuing to invest his money in legitimate businesses and stated that it is his understanding MARCELLO recently acquired an interest in Motel DeVille, a luxurious tourist court which has recently opened in New Orleans. This has not been confirmed.

[redacted] of the Claiborne Towers, the largest apartment building in the City of New Orleans, recently advised that apparently the deal to sell MARCELLO Claiborne Towers did not materialize.

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b7C

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. TOLSON

DATE: June 7, 1955

FROM : J. P. MOHR

Tolson ✓
Boardman
Nichols
Belmont
Harbo
Mohr
Parsons ✓
Rosen
Tamm
Sizoo
Winterrowd
Tele. Room
Holloman
Gandy

SUBJECT: CARLOS MARCELLO: DEPORTATION
SUPREME COURT DECISION NO. 145

Petitioner, Carlos Marcello, ordered deported. He had been convicted in 1938 of violation of Marihuana Tax Act and sentenced to imprisonment for one year. 1952 immigration law makes such conviction at any time ground for deportation and provides deportation provisions shall apply even though facts occurred prior to date of enactment of 1952 Act. At hearing before special inquiry officer he objected to proceedings on ground they violated due process and Administrative Procedure Act. Hearing officer overruled objections. Advised of right to apply to Attorney General for discretionary relief of suspension of deportation, declined to do so but subsequently moved to reopen hearing to apply for relief. Board of Immigration Appeals affirmed order of deportation; considered whether relief merited but exercised discretion against it.

Petitioner brought action challenging validity of deportation order on grounds, among others, that on date of his arrest Attorney General made public statement bound to have undesirable effect on special inquiry officer, saying Marcello an undesirable citizen for whose deportation proceedings "specially designed" and in 1952 Attorney General prepared list of 152 persons (including petitioner) whom he desired to deport. Government held deportation order valid and discharged writ. Court of Appeals affirmed.

Marcello follows basic objections in Supreme Court, certiorari having been granted to resolve issues. Only complaint he can urge concerning procedures is objection special inquiry officer subject to supervision and control of officials in Immigration Service and presence of this relationship strips hearing of fairness and impartiality; which contention without substance. Alleges case prejudged because of Attorney General's statement on day of his arrest and prepared list of persons desired deported. Record indicates petitioner's case could not have been prejudiced in hearing before inquiry officer. Every indication Board had not prejudged case but denied relief giving reasons. Sufficient to observe all had basis in record and none stemmed from Attorney General. Supreme Court holds Marcello failed to make out case for new hearing. Affirmed.

RECORDED-35 62-97929-

Reference made to Bureau File No. 62-97929.

55 JUN 21 1955

Enclosure

cc - Mr. Rosen

PGT:lwh/yhw (5)

106

1 JUN 15 1955

ENCLOSURE ATTACHED

1 ENCL (Bulletin)

62-97939-6

ENCLOSURE

ENCLOSURE

SUPREME COURT OF THE UNITED STATES

No. 145.—October Term, 1954.

Carlos Marcello, Petitioner, *v.* John M. Bonds, Officer in Charge, United States Immigration and Naturalization Service.	On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

[May 31, 1955.]

Mr. Justice Clark delivered the opinion of the Court.

Petitioner, a native of Tunis, Africa, was ordered deported after a hearing pursuant to § 242 (b) of the Immigration and Nationality Act of 1952, 66 Stat. 209, 8 U. S. C. § 1252 (b). It was found that he had been convicted in 1938 of violation of the Marihuana Tax Act, 26 U. S. C. § 2591, and sentenced to imprisonment for one year. Section 241 (a)(11) of the 1952 immigration law [1] makes such conviction *at any time* ground for deportation, and § 241 (d) [2] provides that the deportation provisions of § 241 (a) shall apply even though the facts giving rise to the alien's deportability occurred prior to the date of enactment of the 1952 Act.

At the hearing before a special inquiry officer of the Immigration and Naturalization Service, petitioner did not dispute the fact of his conviction. He did, however, object to the proceedings on the ground that they violated due process and the Administrative Procedure Act, 5 U. S. C. § 1001 *et seq.* The hearing officer overruled these objections. Petitioner also contended that the *ex post facto* clause of the Constitution precluded the retroactive application of the 1952 law to his case.

[1] 66 Stat. 204, 8 U. S. C. § 1251 (a)(11).
[2] 66 Stat. 208, 8 U. S. C. § 1251 (d).

62 - 97929 - 6

This contention too was rejected by the hearing officer. Petitioner and his counsel were advised of their right to apply to the Attorney General for the discretionary relief of suspension of deportation under § 244 (a)(5) of the Act.[3] At first they declined to do so, but subsequently they moved to reopen the hearing to apply for such relief. The special inquiry officer denied the motion. On appeal, the Board of Immigration Appeals affirmed the order of deportation. Though no formal application for suspension of deportation under § 244 (a)(5) had been filed, the Board considered whether such relief was merited but exercised its discretion against the remission.

Petitioner then brought this action for a writ of habeas corpus, challenging the validity of the deportation order on the grounds, *inter alia:* (1) that the hearing under § 242 (b) of the Act failed to comply with the requirements of the Administrative Procedure Act in that the special inquiry officer was under the supervision and control of officials in the Immigration Service who performed investigative and prosecuting functions; (2) that § 242 (b) violated the Due Process Clause of the Fifth Amendment because it failed to provide for a fair and impartial hearing; (3) that on the date of petitioner's arrest the Attorney General made a public statement, which "was bound to have great effect upon the special inquiry officer," to the effect that petitioner was an undesirable citizen for whose deportation the proceedings were "specially designed," and, further, that in 1952 the Attorney General "prepared a list of 152 persons [including petitioner] whom he desired to deport"; and (4) that the retroactive application of § 241 (a)(11) was unconstitutional as an *ex post facto* law.

The Government's return to the writ alleged that petitioner's deportation had been conducted in accordance

[3] 66 Stat. 214; 8 U. S. C. § 1254 (a)(5).

with the Constitution, laws and regulations of the United States. No evidence was introduced by either side save the official Immigration Service record of petitioner's deportation proceedings. The District Court held the deportation order valid and discharged the writ. 113 F. Supp. 22. The Court of Appeals affirmed. 212 F. 2d 830. Petitioner pursues his four basic objections in this Court, certiorari having been granted to resolve issues having a significant bearing on the administration of our immigration laws. 348 U. S. 805.

Applicability of the Administrative Procedure Act.

Petitioner concedes that § 242 (b) of the Immigration Act, authorizing the appointment of a "special inquiry officer" to preside at the deportation proceedings, does not conflict with the Administrative Procedure Act, since § 7 (a) of that Act excepts from its terms officers specially provided for or designated pursuant to other statutes.[4] He insists, however, that there are several significant discrepancies between the Acts, and claims that in cases of variance the provisions of the Administrative Procedure Act must govern unless those of the Immigration Act "shall . . . expressly" negate their application. Administrative Procedure Act, § 12. The discrepancies relied on stem from the "separation of functions" provision of § 5 (c) of the Administrative Procedure Act. To the extent here material, this section separates investigative and prosecuting functions from those of adjudication, expressly providing that hearing officers shall not be responsible to or under the supervision of those engaged in investigation and prosecution. The section also prohibits the hearing officer from participating or advising in the deci-

[4] Section 7 (a) of the APA directs that, in general, administrative hearings shall be held before hearing officers appointed pursuant to § 11 of the Act.

sion of a case, or one factually related thereto, in which he has performed investigative or prosecuting functions. Section 242 (b) of the Immigration Act, on the other hand, permits the "special inquiry officer" to take the dual role of prosecutor and hearing officer—presenting evidence and interrogating witnesses—and prohibits him only from hearing cases in which he has taken some part investigating or prosecuting (other than in the permitted dual capacity). An alternative method is permitted by § 242 (b), however, under which an additional immigration officer presents the evidence while the special inquiry officer presides. See 8 CFR § 242.53. Special inquiry officers are subject to such supervision as the Attorney General prescribes, 66 Stat. 171, 8 U. S. C. § 1101 (b)(4), and at present they are subject to the supervision of district directors of the immigration districts to which they are assigned, as well as higher Service officials, all with enforcement responsibilities of the type proscribed by § 5 (c) of the Administrative Procedure Act.

Under the allegations here made, the single attack of the petitioner pertains to the supervision of the special inquiry officer by the investigative and prosecuting officials of the Immigration Service. The alternative procedure of § 242 (b) was employed in this case, so the presiding officer did not undertake the functions of prosecutor; and there is no allegation that he engaged in investigative or prosecuting functions in this or any factually related case. For the sake of clarity, however, we shall consider all of the differences in the hearing provisions of the two Acts in determining whether the Administrative Procedure Act is to govern.

The applicability of the Administrative Procedure Act to deportation proceedings under the Immigration Act of 1917 was considered by this Court in *Wong Yang Sung* v. *McGrath*, 339 U. S. 33 (1950). We there held, contrary to the prevailing interpretation and practice of the

Department of Justice, that deportation hearings were subject to the Act. Six months later, Congress provided in the Supplemental Appropriation Act of 1951, 64 Stat. 1048, that proceedings directed toward the exclusion or expulsion of aliens should not be governed by §§ 5, 7 and 8 of the Administrative Procedure Act. The issue here presented is whether the Congress reversed itself in the 1952 Immigration Act and in effect reinstated the *Sung* case by making the hearing provisions of the Administrative Procedure Act directly applicable to deportation proceedings. A comparison of the pertinent provisions of the two statutes is perhaps the strongest indication that the Congress had no such intention.

1. Section 242 (b) of the Immigration Act begins by enumerating the functions of the special inquiry officer, that he shall administer oaths, receive evidence, etc. A similar though more extensive and detailed provision appears in § 7 (b) of the Administrative Procedure Act, but of course this section makes no mention of functions stemming from the special inquiry officer's dual role as prosecutor and judge.

2. Section 242 (b) then directs that a determination of deportability be made only upon the record of a proceeding at which the alien had a reasonable opportunity to be present. A similar direction as to the record appears in § 7 (d) of the Administrative Procedure Act, and as to the party's personal appearance in § 6 (a).

3. Section 242 (b) then deals with matters peculiar to deportation proceedings, which have no direct analogues in the Administrative Procedure Act: safeguards to be established to protect mentally incompetent aliens; the right of the inquiry officer to proceed if the alien deliberately absents himself; the option to pursue the alternative procedure, described above, in which one official prosecutes and another decides.

4. Next in § 242 (b) is the limitation already noted on the special inquiry officer's sitting in the same case in which he has also engaged in investigative or prosecuting functions. The more restrictive analogue in § 5 (c) of the Administrative Procedure Act has also been presented.

5. Section 242 (b) then sets forth various requirements which are to be included in regulations governing deportation proceedings before the special inquiry officer. The first of these gives the alien the right to reasonable notice of the charges against him and of the time and place at which the proceedings shall be held. A similar requirement appears in § 5 (a) of the Administrative Procedure Act.

6. The second provision which § 242 (b) requires to be included in the regulations is the privilege of the alien to be represented by counsel of his own choosing. Section 6 (a) of the Administrative Procedure Act bestows a similar privilege on any person compelled to appear in person before the agency.

7. The regulations under § 242 (b) must also provide that the alien be given a reasonable opportunity to present and examine evidence and to cross-examine witnesses. The same ground is covered in § 7 (c) of the Administrative Procedure Act.

8. The regulations promulgated under § 242 (b) must require that decisions of deportability be based upon reasonable, substantial and probative evidence. To the same effect is § 7 (c) of the Administrative Procedure Act.

9. Finally, in addition to the requirements of § 242 (b), there is the direction of § 101 (b)(4) of the Immigration Act that the special inquiry officer shall be subject to such supervision as the Attorney General shall prescribe. This covers the same question as the portion of § 5 (c) of the Administrative Procedure Act dealing with the supervision and control of hearing officers.

From the Immigration Act's detailed coverage of the same subject matter dealt with in the hearing provisions of the Administrative Procedure Act, it is clear that Congress was setting up a specialized administrative procedure applicable to deportation hearings, drawing liberally on the analogous provisions of the Administrative Procedure Act and adapting them to the particular needs of the deportation process. The same legislators, Senator McCarran and Congressman Walter, sponsored both the Administrative Procedure Act and the Immigration Act, and the framework of the latter indicates clearly that the Administrative Procedure Act was being used as a model. But it was intended only as a model, and when in this very particularized adaptation there was a departure from the Administrative Procedure Act—based on novel features in the deportation process—surely it was the intention of the Congress to have the deviation apply and not the general model. Were the courts to ignore these provisions and look only to the Administrative Procedure Act, the painstaking efforts detailed above would be completely meaningless. Congress could have accomplished as much simply by stating that there should be a hearing to determine the question of deportability.

Section 242 (b) expressly states: "The procedure [herein prescribed] shall be the sole and exclusive procedure for determining the deportability of an alien under this section." That this clear and categorical direction was meant to exclude the application of the Administrative Procedure Act is amply demonstrated by the legislative history of the Immigration Act. The original bills included statements to the effect that the § 242 (b) procedures were to be exclusive, "[n]otwithstanding any other law, including the [Administrative Procedure Act]." S. 3455, 81st Cong., 2d Sess.; S. 716, 82d Cong., 1st Sess.; H. R. 2379, 82d Cong., 1st Sess. The "notwithstanding"

clause was dropped in later versions of the Act and did not appear in the bills reported out of committee or in the statute as finally enacted. S. 2055, 82d Cong.; H. R. 5678, 82d Cong.; S. 2550, 82d Cong. The deletion is nowhere explained, but it is possible that the phrase was considered unnecessary—and perhaps inappropriate as a description—as § 242 (b) became more detailed, encompassing in its particularization the greater part of the Administrative Procedure Act's hearing provisions. In the Senate Report accompanying the revised bill, it is stated that § 242 (b) sets up special procedures for deportation proceedings, that these are made exclusive, and that the exemption from the Administrative Procedure Act in the Supplemental Appropriation Act of 1951 is repealed because it is "no longer necessary." S. Rep. No. 1137, 82d Cong., 2d Sess., p. 28. The House Report is to the same effect, stating that the prescribed deportation proceedings shall be the sole and exclusive procedure, "notwithstanding the provisions of any other law." H. R. Rep. No. 1365, 82d Cong., 2d Sess., p. 58. Throughout the debates it is made clear that the Administrative Procedure Act does not apply directly, but that its provisions have been specially adapted to meet the needs of the deportation process. See particularly the detailed statement of Senator McCarran, 98 Cong. Rec. 5625–5626, wherein he recognizes a departure from the "dual-examiner provisions" of the Administrative Procedure Act, the very section here in issue.

Exemptions from the terms of the Administrative Procedure Act are not lightly to be presumed in view of the statement in § 12 of the Act that modifications must be express, cf. *Shaughnessy* v. *Pedreiro,* No. 374 this Term. But we cannot ignore the background of the 1952 immigration legislation, its laborious adaptation of the Administrative Procedure Act to the deportation process, the

specific points at which deviations from the Administrative Procedure Act were made, the recognition in the legislative history of this adaptive technique and of the particular deviations, and the direction in the statute that the methods therein prescribed shall be the sole and exclusive procedure for deportation proceedings. Unless we are to require the Congress to employ magical passwords in order to effectuate an exemption from the Administrative Procedure Act, we must hold that the present statute expressly supersedes the hearing provisions of that Act.

The Hearing Procedures and Due Process.

As noted above, the only complaint which petitioner can urge concerning the hearing procedures in this case is the objection that the special inquiry officer was subject to the supervision and control of officials in the Immigration Service charged with investigative and prosecuting functions. Petitioner would have us hold that the presence of this relationship so strips the hearing of fairness and impartiality as to make the procedure violative of due process. The contention is without substance when considered against the long-standing practice in deportation proceedings, judicially approved in numerous decisions in the federal courts, and against the special considerations applicable to deportation which the Congress may take into account in exercising its particularly broad discretion in immigration matters.

The Claim of Prejudgment.

Our opinions in the *Accardi* cases stand for the proposition that the Attorney General cannot, under present regulations, dictate the actions of the Board of Immigration Appeals. *Accardi* v. *Shaughnessy,* 347 U. S. 260; *Shaughnessy* v. *Accardi,* No. 616 this Term. Petitioner alleges that his case was prejudged within the meaning

of these decisions because on the day of his arrest for deportation the Attorney General "announced in a public statement [5] both in Washington and New Orleans that [he] was an undesirable citizen and had been guilty of many crimes, and that the proceedings were specially designed to deport petitioner," and that "such publicity was bound to have great effect upon the special inquiry officer." He alleged, further, that "the Attorney General some time in 1952 prepared a list of 152 persons whom

[5] Petitioner introduced clippings appearing in New Orleans newspapers relating to the statement. While the press release of the Attorney General was not put in evidence, it read as follows:

"Attorney General James P. McGranery announced today that Carlos Marcello of Miami, Florida, and Jefferson Parish, Louisiana, has been arrested on a deportation warrant by the Immigration and Naturalization Service.

"The arrest in New Orleans was the first major deportation move undertaken since the new Immigration and Nationality Act became effective December 24, 1952. The action was another step in the Attorney General's program of denaturalization and/or deportation of undesirable persons of foreign birth who are engaged in racketeering or other criminal activities.

"Marcello, born February 6, 1910, in Tunis, Africa, entered at United States for permanent residence October 7, 1910, at New Orleans.

"He allegedly is engaged in large-scale slot machine operations and other gambling activities in Louisiana.

"The deportation warrant was based on his conviction in 1938 for violation of the Marijuana Act. Such a conviction is a deportable offense under the new Immigration and Nationality Act.

"The action follows lengthy investigations by both the Federal Bureau of Investigation and the Immigration and Naturalization Service. His conviction under the Marijuana Act was one of only two in his checkered career. The other case in which he was convicted was under Louisiana State law, the conviction being for assault and robbery, and on May 13, 1930, he was sentenced to serve a term of 9 to 14 years in the Louisiana State Penitentiary. The Governor of Louisiana gave him a full pardon for his crime July 16, 1935.

"Marcello served a year and a day after his conviction under the Marijuana Act."

he desired to deport, and that [his] name was included on this list."

Considering first the alleged list, it is clear that petitioner has not made out a case of prejudgment. He did not allege that either the inquiry officer or the Board of Immigration Appeals had seen the list, had known of its existence, or had been influenced in their decisions by the inclusion of petitioner's name thereon. In argument before the Board, petitioner stated through counsel that he had "the feeling—and it's a feeling that's based on evidence which we will supply—that the real basis for the denial of suspension here was the fact that Marcello was one of these hundred whom the Attorney General had named . . . ." No evidence of this was forthcoming. As to petitioner's charges concerning the Attorney General's "list," the record is completely barren.

Nor does petitioner fare better in seeking to base prejudgment on the unfavorable publicity accompanying his arrest. He introduced newspaper clippings into evidence to show the adverse local publicity and alleged that this publicity must have had a "great effect" upon the special inquiry officer. But the record indicates clearly that petitioner's case could not possibly have been prejudiced in the hearing before the inquiry officer. On the question of petitioner's deportability, the sole issue decided by him, the hearing officer merely applied the statute to the undisputed facts. Petitioner admitted that he was deportable under the Immigration Act of 1952 if the Act could constitutionally base deportation on his 1938 marihuana conviction. And the hearing officer could be expected in any event to take the law as Congress enacted it. In view of this Court's decisions on the *ex post facto* objection, the only ground of attack, he could do nothing else. Petitioner waived the only issue on which prejudgment was possible when he declined to apply for discretionary relief at the proper time. See 8 CFR § 242.54 (d).

The Board of Immigration Appeals considered the availability of discretionary relief, but as to these officials there was not even an allegation by petitioner that they had known of the unfavorable publicity or had been influenced by it. Indeed, there is every indication that the Board had not prejudged the case, since it considered the question of suspending deportation on the merits although not bound to do so in view of petitioner's waiver below. The Board denied the requested relief, giving reasons. It is not for us in this proceeding to pass on the factors relied on by the Board in reaching its conclusion. It is sufficient to observe that all had basis in the record and that none stemmed from any sort of dictation by the Attorney General.

Finally, we note that even as to his claim relating to adverse publicity petitioner introduced no evidence other than the newspaper clippings. Surely on this meager showing the district judge was warranted in finding—as he did—that the special inquiry officer, the only official mentioned in petitioner's pleadings, was not controlled in his decision by superiors in the Department of Justice. The decision of the district judge cannot be set aside as clearly erroneous. Accordingly, we hold that under our *Accardi* decisions petitioner has failed to make out a case for a new hearing.

Ex Post Facto.

Petitioner's last objection stems from the fact that his conviction under the Marihuana Tax Act was not ground for deportation at the time he committed the offense, and that he was not forewarned of all the consequences of his criminal conduct. It is urged that we depart from our recent decisions holding that the prohibition of the *ex post facto* clause does not apply to deportation, and strike down as unconstitutional the retroactive application of the new grounds for deportation in § 241 (a)(11) of the

Immigration and Nationality Act of 1952. We perceive no special reasons, however, for overturning our precedents on this matter, and adhere to our decisions in *Galvan* v. *Press*, 347 U. S. 522, and *Harisiades* v. *Shaughnessy*, 342 U. S. 580.

Affirmed.

MR. JUSTICE HARLAN took no part in the consideration or decision of this case.

SUPREME COURT OF THE UNITED STATES

No. 145.—October Term, 1954.

Carlos Marcello, Petitioner, *v.* John M. Bonds, Officer in Charge, United States Immigration and Naturalization Service.	On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

[May 31, 1955.]

Mr. Justice Black, with whom Mr. Justice Frankfurter joins, dissenting.

Petitioner was lawfully brought to this country forty-four years ago when he was eight months old and has resided here ever since. He is married and has four children. His wife and children are American citizens. It is settled that he cannot be deported without being accorded a fair hearing in accordance with the Due Process Clause of the Fifth Amendment.[1]

A fair hearing necessarily includes an impartial tribunal. Petitioner claims that the circumstances here deprived him of that kind of tribunal. The officer who conducted the hearings, decided the case and made recommendations for deportation was connected with the Immigration and Naturalization Service. This hearing officer was subject to the supervision, direction and control of the Attorney General and his subordinate supervisory officers of the Immigration Service who perform investigative and prosecutorial functions. Thus the hearing officer adjudicated the very case against peti-

[1] *Japanese Immigration Case*, 189 U. S. 86, 100–101; *Wong Yang Sung* v. *McGrath*, 339 U. S. 33, 49–51.

tioner which the hearing officer's superiors initiated and prosecuted. Petitioner's argument is that requiring him to have his cause adjudicated by such a subordinate of the prosecutors deprives him of due process. This due process challenge cannot be lightly dismissed, but I find it unnecessary to rest my dissent on a determination of that question. For Congress in the Administrative Procedure Act [2] has barred hearing officers from adjudicating cases under the circumstances here, and I think that Act is applicable to this case.

Section 5 (c) of the Administrative Procedure Act forbids hearing officers covered by the Act to conduct hearings if they are "responsible to or subject to the supervision or direction of any officer, employee or agent engaged in the performance of investigative or prosecuting functions for any agency." In 1949 we held in *Wong Yang Sung* v. *McGrath*, 339 U. S. 33, that deportation proceedings must be conducted as required by § 5. Congress, however, in 1950, put a rider on an appropriation bill providing that "proceedings under law relating to the exclusion or expulsion of aliens shall hereafter be without regard to the provisions of § 5, § 7, and § 8 of the Administrative Procedure Act." [3] Were this express modification of the Procedure Act still in effect, we would have to reach the constitutional question raised by petitioner. But this appropriation rider was repealed in the 1952 Immigration and Nationality Act.[4] The result of this repeal was to leave § 5 (c) of the Administrative Procedure Act applicable to immigration cases unless, as the Government contends, other provisions of the 1952 Immigration Act made the Procedure Act inapplicable. I think this contention of the Government should not be sustained.

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[2] 60 Stat. 237, 5 U. S. C. §§ 1001–1011.

[3] 64 Stat. 1048, 8 U. S. C. § 155 (c).

[4] 66 Stat. 166, 8 U. S. C. § 1101 *et seq.*

Section 12 of the Procedure Act provides that "no subsequent legislation shall be held to supersede or modify the provisions of this chapter except to the extent that such legislation shall do so expressly." The 1950 appropriation rider was an express modification of the prior Procedure Act, but unlike the Court I find no such express modification in the 1952 Immigration Act. Indeed that Act's legislative sponsors disclaimed any purpose to bring about even an implied modification.

Both the Procedure Act and the 1952 Immigration Act were sponsored by Senator McCarran and Representative Walter. Their original proposals which finally evolved into the 1952 Act did expressly provide that the Procedure Act should not control proceedings under the Immigration Act. The provision was that *"Notwithstanding any other law, including the Act of June 11, 1946* [the Administrative Procedure Act] the proceedings so prescribed shall be the sole and exclusive procedure for determining the deportability of an alien who is in the United States."[5] Hearings on these proposals brought strong protests from some organizations, including the American Bar Association, against the provision making the Administrative Procedure Act inapplicable to deportation proceedings.[6] Afterwards the sponsors of the immigration measures introduced new bills which significantly omitted from that provision the words "Notwithstanding any other law including the Act of June 11, 1946 [the Administrative Procedure Act]." Consequently when the bill finally passed there was no language which "expressly" superseded or modified the binding requirement of § 5 (c) of the Administrative Procedure Act.

[5] Emphasis supplied.

[6] Joint hearings before the Sub-Committees of the Committees on the Judiciary on S. 716, H. R. 2379, H. R. 2816, 82d Cong., 1st Sess. 526-537, 591, 691-692, 739.

Senators who voted for the new version which became the 1952 Immigration Act were assured by the senatorial sponsor:

> "The Administrative Procedure Act is made applicable to the bill. The Administrative Procedure Act prevails now. . . . The Bill provides for administrative procedures and makes the Administrative Procedure Act applicable insofar as the administration of the bill is concerned." [7]

And House members voting for the 1952 Immigration Act were assured by its House sponsor:

> "Instead of destroying the Administrative Procedure Act, we undo what Congress did in a deficiency appropriation bill several years ago when it legislated to overturn a decision of the Supreme Court which ruled that the Administrative Procedure Act is applicable to a deportation proceeding. We undo that. So here, instead of our destroying the Administrative Procedure Act, we actually see that it is reinstated in every instance." [8]

Reassuring the House again the next day, Representative Walter said:

> "We have been very zealous to see that the philosophy underlying that Act [Administrative Procedure] is embodied in this measure. I am sure that if the gentleman will look at page 163, paragraph 46, he will find that the law as it was before the House adopted this amendment to an appropriation bill, has been reinstated and that the decision of the Supreme Court in the Sung case will be the law of the land when this code is adopted." [9]

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[7] 98 Cong. Rec. 5626.
[8] 98 Cong. Rec. 4302.
[9] 98 Cong. Rec. 4416.

As previously pointed out the *Sung* case held that § 5 (c) of the Administrative Procedure Act did apply to deportation cases.

Other statements in the discussions of the 1952 Act may look in a different direction from the statements just quoted. But whatever was said, no language in the 1952 Immigration Act expressly authorizes deportation cases to be heard, contrary to the Administrative Procedure Act, by hearing officers who are the dependent subordinates of the immigration agency's prosecutorial staff. The idea of letting a prosecutor judge the very case he prosecutes or supervise and control the job of the judge before whom his case is presented is wholly inconsistent with our concepts of justice. It was this principle on which Congress presumably acted in passing the Procedure Act. Only the other day we had pointed out to us an instance in which the Immigration authorities had relieved an immigration hearing officer from his duties because they believed that the hearing officer had failed adequately to present available derogatory information against an alien.[10] It is hard to defend the fairness of a practice that subjects judges to the power and control of prosecutors. Human nature has not put an impassable barrier between subjection and subserviency, particularly when job security is at stake. That Congress was aware of this is shown by the Procedure Act, and we should not construe the Immigration Act on a contrary assumption.

I would reverse this case.

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[10] *Shaughnessy* v. *Accardi*, — U. S. —, — (dissenting opinion).

SUPREME COURT OF THE UNITED STATES

No. 145.—October Term, 1954.

Carlos Marcello, Petitioner, *v.* John M. Bonds, Officer in Charge, United States Immigration and Naturalization Service.	On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

[May 31, 1955.]

Mr. Justice Douglas, dissenting.

The Constitution places a ban on all *ex post facto* laws. There are no qualifications or exceptions. Article I, § 9, applicable to the Federal Government, speaks in absolute terms: "No . . . ex post facto Law shall be passed." [1] The prohibition is the same whether a citizen or an alien is the victim. So far as *ex post facto* laws are concerned, the prohibition is all-inclusive and complete.

There is a school of thought that the *Ex Post Facto* Clause includes all retroactive legislation, civil as well as criminal. See Crosskey, Politics and the Constitution, Vol. I, c. XI, Vol. II, p. 1053. Mr. Justice Johnson took that view, maintaining that a restriction of the Clause to criminal acts was unwarranted. See *Ogden* v. *Saunders*, 12 Wheat. 213, 271, 286; *Satterlee* v. *Matthewson*, 2 Pet. 380, 416, 681 (Appendix). The Court, however, has stated over and again since *Calder* v. *Bull*, 3 Dall. 386, that the *Ex Post Facto* Clause applies only in criminal cases. See *Carpenter* v. *Commonwealth*, 17 How. 456, 463; *Johannessen* v. *United States*, 225 U. S. 227, 242;

[1] The ban against *ex post facto* state legislation is also absolute: "No State shall . . . pass any . . . ex post facto Law . . . ." Art. I, § 10.

Bugajewitz v. *Adams*, 228 U. S. 585, 591; *Mahler* v. *Eby*, 264 U. S. 32, 39.

At the same time, there was a parallel development in the field of *ex post facto* legislation. Chief Justice Marshall in *Fletcher* v. *Peck*, 6 Cranch 87, 138–139, refused to construe the *Ex Post Facto* Clause narrowly and restrict it to criminal prosecutions. The *Fletcher* case held that property rights that had vested could not be displaced by legislative fiat. That liberal view persisted. It was given dramatic application in post-Civil War days. The leading cases are *Cummings* v. *Missouri*, 4 Wall. 277, and *Ex parte Garland*, 4 Wall. 333, where the right to practice a person's profession was sought to be taken away, in the first case by a State, in the second by the Federal Government, for acts which carried no such penalty when they were committed. The essence of those proceedings was the revocation of a license. Yet the Court held them to be violative of the *Ex Post Facto* Clauses because they were "punishment" for acts carrying no such sanctions when done.

Deportation may be as severe a punishment as loss of livelihood. See *Bridges* v. *Wixon*, 326 U. S. 135, 154; *Delgadillo* v. *Carmichael*, 332 U. S. 388, 391. As Mr. Justice Brandeis stated in *Ng Fung Ho* v. *White*, 259 U. S. 276, 284, deportation may result "in loss of both property and life; or of all that makes life worth living."

I find nothing in the Constitution exempting aliens from the operation of *ex post facto* laws. I would think, therefore, that if Congress today passed a law making any alien who had ever violated any traffic law in this country deportable, the law would be *ex post facto*. Congress, of course, has broad powers over the deportation of aliens. See *Harisiades* v. *Shaughnessy*, 342 U. S. 580. But the bare fact of a traffic violation would not reasonably be regarded as demonstrating that such a person was presently an undesirable resident. It would re-

late solely to an historic incident that carried no such punishment when committed. The present Act has the same vice. The alien is not deported after a hearing and on a finding by the authorities that he is undesirable for continued residence here. It is the bare past violation of the narcotic laws that is sufficient and conclusive, however isolated or insignificant such violation may have been. 8 U. S. C. § 1251. The case is, therefore, different from the earlier deportation cases where the past acts were mere counters in weighing present fitness.[2]

In the absence of a rational connection between the imposition of the penalty of deportation and the *present* desirability of the alien as a resident in this country, the conclusion is inescapable that the Act merely adds a new punishment for a past offense. That is the very injustice that the *Ex Post Facto* Clause was designed to prevent.

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[2] In *Mahler* v. *Eby*, 264 U. S. 32, the Act in question provided that aliens in certain classes (including those convicted under specified statutes) should be deported if the Secretary of Labor found those aliens to be undesirable residents of the United States. Thus the primary basis for deportation was a finding by the appropriate administrative official that an alien was presently an undesirable resident. In *Bugajewitz* v. *Adams*, 228 U. S. 585, the Court stated with regard to the alien to be deported, ". . . we must take it, at least, that she is a prostitute now," and concluded that with regard to her, it was "not necessary to construe the statute as having any retrospective effect." *Id.*, at 590, 591.

Johannessen v. *United States*, 225 U. S. 227, involved an attempt to cancel a certificate of citizenship on the ground it had been fraudulently and illegally procured. The Court pointed out that the Act did not impose a new penalty on the wrongdoer but merely provided a method for depriving him of a privilege "that was never rightfully his." *Id.*, at 242–243.

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 9/29/55

FROM : SAC, NEW ORLEANS (33-229A)

SUBJECT: TOP HOODLUM COVERAGE
GIIF

7-1
Encl
7-1

Re SAC Letter #53-58 dated August 25, 1953.

There is transmitted herewith a supplemental memorandum reflecting the current status of CARLOS MARCELLO, was.

Enclosures (2) ENCL.

1 cc: NO 33-229

RLK:dfs
(4)

Pls detach
1 cc of enc for
main file Carlos Marcello
62 or 63

RECORDED - 71

62-97929-7

13 OCT 3 1955

30 OCT 20 1955

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO, with aliases: Calogero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

The deportation proceedings against MARCELLO are still pending in the U. S. Courts. In June 1955 the U. S. Supreme Court upheld the Department of Justice motion to deport MARCELLO. On September 1, 1955 U. S. Court of Appeals at Washington, D. C. stayed his deportation until it could be determined whether the court of France would accept him from the U. S. MARCELLO was held for a period of time until his attorneys were able to petition the U. S. Supreme Court to obtain a bond for him.

[redacted] Immigration and Naturalization Service, New Orleans, advised on September 23, 1955 that action against MARCELLO is still blocked in the U. S. Courts on legal technicalities and it is indefinite as to when his deportation will be finally effected.

b6
b7C

GEORGE GILLESPIE, Criminal Deputy Sheriff, Jefferson Parish, Gretna, Louisiana, advised on June 26, 1955 that MARCELLO continues to invest his money in legitimate enterprises and stated that he recently learned MARCELLO acquired a large interest in a very expensive motel located between New Orleans and Houma, Louisiana a short distance west of the Huey Long bridge above New Orleans, Louisiana. He advised that this motel is worth several hundred thousand dollars but had no information as to the amount of interest MARCELLO had in this motel. He advised that this is one of several motels in which MARCELLO now has an interest.

ENCLOSURE

62-9772-7

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: March 13, 1956

FROM : SAC, New Orleans

SUBJECT: TOP HOODLUM COVERAGE
GIIF

Re SAC Letter 53-18 dated 8/25/53.

There is transmitted herewith a Supplemental Memorandum reflecting the current status of CARLOS MARCELLO, with aliases.

ENCLOSURE

2cc - Bureau (Encls. 2)
1cc - New Orleans file 33-229
1cc - New Orleans (33-229A)
RLK:jam
(4)

RECORDED - 19
INDEXED - 19
62-92729
EX-103

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO with aliases: Calogero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M Minacori, "The Little Man"

The deportation proceedings against MARCELLO are still pending.

Information was received from [redacted] U. S. Immigration and Naturalization Service, New Orleans, on March 12, 1956 that MARCELLO's attorney has raised the question as to his nationality and the possibility that MARCELLO is not of Italian nationality and, therefore, the Italian government is refusing to accept MARCELLO back to Italy. The same situation exists with regard to his possible return to France. b6 b7C

Information has been received from GEORGE GILLESPIE, Criminal Deputy Sheriff, Jefferson Parish, Gretna, Louisiana that periodically, since the last memorandum, MARCELLO is engaged in large real estate transactions and tourist court business, but no specific information as to his operation has been developed.

On October 18, 1955 SA JAMES E. SCHMIDT, JR. received information from [redacted] Metairie Savings Bank and Trust Company, whose identity should be maintained in confidence, that MARCELLO, doing business as the Nola News, maintains an average balance of $30,000.00 in the Metairie Savings Bank and Trust Company. His residence has a CAB appraisal of $110,000.00. It has a first mortgage of $26,000.00. MARCELLO at this time wanted to borrow $26,000.00 payable at 6% interest at the rate of $1,000.00 per month. This loan was to be made by MARCELLO's brother, secured by mortgage note of CARLOS MARCELLO. b6 b7C b7D

The ensuing discussion regarding this loan indicated that MARCELLO was buying 6,700 acres of land where the waterway (apparently a new canal) was going. This loan was refused by the bank primarily because of MARCELLO's reputation, but several officers of the bank were apparently very interested in making the loan to MARCELLO.

2cc - Bureau
1cc - NO file 33-229
1cc - NO file 33-229A
RLK:jam
(4)

62-77922-3

ENCLOSURE

It is further noted that the name of JOSEPH PORRETTO as well as JOSEPH and [redacted] were brought into the discussion and apparently they have an interest in the Nola News.

[redacted] who is an official of the bank, put forth the following reasons why a loan should be made to MARCELLO: 1) He has a $40,000.00 account with the bank, 2) He has $110,000.00 worth of real estate, 3) 6% interest and 4) for the opportunity to get further business.

b6
b7C

All the records and minutes of the meeting discussing MARCELLO's loan were removed from the minutes of the Board of Directors meeting in view of the fact that the bank did not consider the loan.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: September 27, 1956

FROM : SAC, NEW ORLEANS

SUBJECT: TOP HOODLUM COVERAGE
GIIF

Re SAC Letter 53-18 dated August 25, 1953.

There is transmitted herewith a Supplemental Memorandum reflecting the current status of CARLOS MARCELLO, with aliases.

2 - Bureau (Encs. 2) ENCLOSURE
1 - New Orleans 33-229A)
1 - New Orleans (33-229)
RLK:ejf
(4)

RECORDED-68
INDEXED-68

62-12929-9

14 OCT

EX-117

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78 DEC 3 1964

OCT 1956

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO, with aliases: Calogero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

The deportation proceedings against MARCELLO are still pending.

The case is now before the U.S. Court of Appeals according to [redacted] U.S. Immigration and Naturalization Service. He advised on September 14, 1956, that the date of MARCELLO's deportation is unknown. b6 b7C

MARCELLO is still engaged in the operation of a large tourist court in Jefferson Parish which operates under the name, Town and Country Motel. This is one of the most luxurious tourist courts in the New Orleans area and is located on Airline Highway in Jefferson Parish a short distance west of the New Orleans City line.

In addition, MARCELLO is rumored to be active in the handling of gambling machines of various types in Jefferson Parish, using [redacted] as a front. Rumors have been received from numerous sources indicating that MARCELLO has the cooperation of Sheriff WILLIAM COCI, recently elected sheriff of Jefferson Parish, and that [redacted] has been assisting MARCELLO in placing his machines. This rumor has not been confirmed by investigation but appears to be reasonably accurate. b6 b7C

These machines which MARCELLO is apparently operating are the electronic type gambling device and there has been no indication that MARCELLO has violated the Interstate Transportation of Gambling Devices Statute.

On August 7, 1956, the New Orleans "Times Picayune" newspaper published a photograph of an official record of the Jefferson Parish Registrar of Voters' Office which reflected that MARCELLO claimed to be an American citizen and registered to vote in January, 1938.

COPIES DESTROYED.

78 DEC 2 1964

62-97929-9

ENCLOSURE

It was determined that the Immigration and Naturalization Service had conducted the initial investigation in connection with this newspaper report and the facts have been presented to the United States Attorney's office at New Orleans and prosecution was declined.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 3/30/57

FROM SAC, NEW ORLEANS

SUBJECT: TOP HOODLUM COVERAGE
GIIF

7-1 enc 7-1

Re SAC Letter 53-18 dated August 25, 1953.

There is transmitted herewith a Supplemental Memorandum reflecting the current status of CARLOS MARCELLO, with aliases.

EX-PROC

2 - Bureau (Enc. 1)
1 - New Orleans (33-229A)
1 - New Orleans (33-229)

RLK:aeb
(4)

RECORDED 48
INDEXED 48

62-97929-10

15 APR 1957

2 ENCLOSURES

1-D

50 APR 15 1957

March 30, 1957

SUPPLEMENTAL MEMORANDUM

CARLOS MARCELLO, with aliases: Calegero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

[redacted] U. S. Immigration and Naturalization Service, Investigator, advised on March 27, 1957, that the deportation proceedings against MARCELLO are still being contested in court. b6 b7C

MARCELLO is still engaged in operation of several large tourist courts in Jefferson Parish. One is known as the Town and Country Motel and is located on Airline Highway just outside the city limits of New Orleans on the eastern side of the Mississippi River. The other is known as the Holiday Motel which is located on the west bank of the Mississippi River about five miles from the Mississippi River bridge.

MARCELLO is also reported to be active in the race horse handbook and wire service. [redacted] LA advised SA [redacted] December 27, 1956, that [redacted] MARCELLO [redacted] also advised that he had received information from a third party whom he would not identify that MARCELLO was attempting to set-up gambling operations in Guatemala. b6 b7C b7D

MARCELLO also, according to [redacted] a large tract of land in the vicinity of Houma and Morgan City, Louisiana, for $12,000.00. MARCELLO is, according to [redacted] associated with the Chief of Police of either Houma or Morgan City in the purchase of this land. b6 b7C b7D

[redacted] advised that HARRY J. SPIRO, a New Orleans real estate dealer, attempted to get the land away from MARCELLO and as a result, MARCELLO had SPIRO murdered. For the information of the Bureau, the HARRY J. SPIRO murder case is one of the major unsolved murders in the New Orleans area. According to [redacted] MARCELLO also had dealings with a Chinaman in narcotics and this

62-97929-10
ENCLOSURE

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78 DEC 3 1964

1

Chinaman is supposed to have double-crossed MARCELLO and as a result he was murdered.

For the information of the Bureau, there is also an unsolved murder involving a Chinaman and his stepdaughter.

The information furnished by [redacted] was made available to [redacted] and [redacted] New Orleans Police Department, on January 4, 1957. b6 b7C b7D

On March 15, 1957, [redacted] advised that this information had been completely checked and could not be verified. [redacted] advised that there is no indication that these murders were gangland type murders and there is no known connection between the victims of either murder and MARCELLO or any illegal activities. b6 b7C b7D

[redacted] furnished the above information in confidence and his name should not be disclosed to any person outside of the Bureau. His identity was not furnished to [redacted]

[redacted] advised on March 22, 1957, that MARCELLO [redacted] b2 b7D

Office Memorandum • UNITED STATES GOVERNMENT

Mr. Tolson	
Mr. Nichols	
Mr. Boardman	
Mr. Belmont	
Mr. Mohr	
Mr. Parsons	
Mr. Rosen	
Mr. Tamm	
Mr. Trotter	
Mr. Nease	
Tele. Room	
Mr. Holloman	
Miss Gandy	

TO : DIRECTOR, FBI

DATE: 7/26/57

FROM : SAC, NEW ORLEANS

SUBJECT: TOP HOODLUM COVERAGE

ReBulet dated 7/24/57.

CARLOS MARCELLO, was., is the only top hoodlum in the New Orleans area. The requested memorandum was forwarded to the Bureau by letter dated 7/22/57. The yellow copy of the memorandum was inadvertently detached at the time of mailing, and it is being forwarded herewith.

The SAC Letter requesting the above memorandum was received at New Orleans on 7/8/57. The memorandum was forwarded 7/22/57, in accordance with Bureau instructions. In view of the above, no administrative action is being recommended.

2-Bureau (Encl. 1)
1-New Orleans (33-229)
RLK:js
(3)

Enc. det Room 4260

62-97929-11

RECORDED - 30

EX-126

2 JUL 29 1957

1 ENCLOSURE

See page 1A

63 AUG 13 1957

THREE

b6
b7C

8/1/57

Details

By SAC Letter 57-39, dated 7/2/57, all offices were instructed to submit comprehensive up-to-date summaries on the top hoodlums listed in each office.

These summaries were to be submitted to the Bureau within two weeks of the receipt of the SAC Letter. The summary had not been received from the New Orleans Division on 7/24/57, on which date New Orleans was instructed to submit explanations for failure to meet the deadline and to furnish recommendations for any administrative action.

SAC, New Orleans

The SAC, New Orleans, advises that the SAC Letter requesting top hoodlum summaries was received at the New Orleans Office on 7/8/57. The summaries were forwarded 7/22/57 but the yellow copy, which was required with each of these summaries, was inadvertently not forwarded at the time of mailing. The SAC recommends no administrative action inasmuch as the New Orleans summary was submitted within two weeks after receipt of the SAC Letter.

Recommendations of Investigative Division

Inasmuch as the summaries were submitted within two weeks after receipt of the SAC Letter and since no investigation was involved and there was no embarrassment to the Bureau, the Investigative Division recommends no action in this matter.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: July 22, 1957

FROM : SAC, NEW ORLEANS

SUBJECT: TOP HOODLUM COVERAGE
GIIF

Reference SAC letter, Number 57-39, dated July 2, 1957.

Enclosed herewith is a memorandum regarding CARLOS MARCELLO, with aliases.

2-Bureau (Enclosures-3)
1-New Orleans (1) 33-229
(1) 33-229A

RLK:mjw
(3)

RECORDED - 1
62-97929-12
EX-160
11 JUL 29 1957

1 ENCLOSURE
EX-160
65 SEP 17 1957

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

July 22, 1957

In Reply, Please Refer to File No.

CARLOS MARCELLO, with aliases: Calegero Minacore, Carlos Junior Marcello, Carlos Marcella, Caloreo Minacore, Carlos M. Minacori, "The Little Man"

Referral/Direct

PERSONAL HISTORY AND BACKGROUND

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78 DEC 3 1964

62-97929-12

ENCLOSURE

CRIMINAL ACTIVITIES

Referral/Direct

[redacted]

GEORGE GILLESPIE, Deputy Sheriff, Jefferson Parish, advised that Sheriff WILLIAM S. COCI of Jefferson Parish, alongewith [redacted] of CARLOS MARCELLO, [redacted] Chief Deputy Sheriff, Jefferson Parish. [redacted] Sheriff WILLIAM S. COCI, [redacted] and [redacted] had opened a coin machine distributing company known as the Variety Amusement Company on the east bank of Jefferson Parish shortly after taking office in May-1956. A second company known as the Huey Distributing Company, owned by CARLOS MARCELLO, is operated on the west bank of the Mississippi River in Jefferson Parish. The purpose of these companies were to distribute coin-operated electronic type slot machines. [redacted] is registered as a dealer with the Attorney General in connection with the operation of the Huey Distributing Company. GILLESPIE advised that Deputy Sheriff [redacted] and Chief Deputy Sheriff [redacted] had attempted to high pressure individuals in the using of machines of the Variety Amusement Company to the exclusion of all other machines.

b6 Per FBI
b7C

b6 Per FBI
b7C

Referral/Direct

LEGITIMATE ACTIVITIES

[redacted]

[redacted] advised on July 19, 1957, that MARCELLO has recently acquirred an interest in a jewelry store located near the Roosevelt Hotel.

b6 Per FBI
b7C

[redacted] further advised that MARCELLO is extensively engaged in real estate developments in the Laplace area with his [redacted] described this as a million dollar housing development. [redacted] indicated that the information as to MARCELLO's legal holdings had been acquirred by him through contact with associates of MARCELLO, but he knew of no way

that the information could be confirmed.

ASSOCIATES

CARLOS MARCELLO is occasionally seen eating at Domino's Restaurant, located in the 800 block of St. Charles Avenue; and also occasionally seen at the Town and Country Motel. MARCELLO is currently on bond to the Immigration and Naturalization Service in connection with his deportation proceedings and this bond prevents him from traveling extensively. His associates, when observed, have generally been individuals of Italian decent or members of his immediate family.

An individual who has exclusive knowledge of gambling activities in the New Orleans area indicated that [redacted] alias [redacted] operated a large handbook in Saint Bernard Parish. A gambling stamp for this book was purchased in the name [redacted] The book operates from Agela Street, Saint Bernard Parish, and MARCELLO apparently cut himself in for twenty per cent interest in this book through [redacted], who was described as a muscle man for MARCELLO. In addition, [redacted] has been allowed to solicit a large amount of business for this handbook by observing the playing and actions at other handbooks, and when an individual is seen making regular bets, it is suggested that future bets from this person be handled through [redacted] handbook.

b6 Per FBI
b7C

GEORGE GILLESPIE on July 19, 1957, indicated that CARLOS MARCELLO at the present time was leading a quiet life spending a great deal of his time at his residence.

The following FBI Record Number 292542 was obtained from the FBI Identification Division on April 6, 1951:

Contributor of Fingerprints	Name & Number	Arrested or Received	Charge	Disposition
PD, New Orleans La.	COLLIS MARCELLO #13471	11-29-29	accessory before after fact - aslt and robb Canal Bank Algiers, La.	12-3-29 Affidavit dismissed
SP, Baton Rouge La	CARLOS MARCELLO CARLOS MARCELLA #19754	5-28-30	1930 robb and aslt.	9-14 yrs 1-13-34 paroled; final disc. 7-25-35 by pardon
Fed. Jail New Orleans, La.	CARLOS MARCELLO #3032	2-17-35	vio. Int. Rev. Laws	bonded 2-18-35, case dism. 5-2-35
Narc. Bu, Wash, D.C. #19039	CARLOS MARCELLO #--, PD, New Orleans, La.	3-26-38	viol. Mar. Tax Act	10-29-38 1 yr and 1 day Atlanta Pen.
USM, New Orleans, La.	CARLOS MARCELLO #167	33-28-38	sell. marijuana	11-4-38 com. to USP, Atlanta, Ga. under sent. of 1yr and 1 day
Fed. Jail New Orleans La	CARLOS MARCELLO #5856	3-28-38	trans. mari. w/o tax paid	bonded 3-30-38 10-29-38 1yr. and 1 day; trans to Atlanta 11-4-38 c/o USM
Narc. Bu. Wash, D.C.	CARLOS MARCELLO #19039	6-8-38	Marihusna Tax Act of 1938	held on bond of $3000; no action taken

Contributor of Fingerprints	Name & Number	Arrested or Received	Charge	Disposition
USM, New Orleans, La	CARLOS MARCELLO #277	not given (prt. rec. 10-31-38)	sale Marijuana	
USP, Atlanta Ga	CARLOS MARCELLO #54650	11-4-38	poss & sell. untaxed paid marijuna - 2 cts.	1 yr 1day disch. by cond. rel 8-18-39
USM, New Orleans Louisiana	CARLOS MARCELLO #2071	3-17-44	B.P.A. Viol	
U.S. Imm. Border Patrol, New Orleans, La	CARLOS JUNIOR MARCELLO #44/1094	4-12-44	vio. of Imm. Laws	
USM, New Orleans, La	CARLOS MARCELLO #651	3-29-51	Refusal to testify before a senate committee	Pending

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D D

SAC, New Orleans (33-229-A) 10/9/57

Director, FBI

62-97429-13

ST RECORDED - 16

TOP HOODLUM COVERAGE
NEW ORLEANS DIVISION

Reurmemo 9/30/57.

Future summaries should be submitted to the Bureau with one original and one copy in accordance with the instructions originally issued in this program. It will not be necessary to submit a yellow, and the source of each item of information should be set forth in the original memorandum.

Tolson
Nichols
Boardman
Belmont
Mohr
Parsons
Rosen
Tamm
Trotter
Nease
Tele. Room
Holloman
Gandy

JGL:stw
(4)

52 OCT 17 1957 F-340

MAILED 4
OCT 10 1957
COMM-FBI

MAIL ROOM

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 9/30/57

FROM : SAC, New Orleans (33-229-A)

SUBJECT: TOP HOODLUM COVERAGE
GIIF

DB 7-1 7-1

Reference SAC letter, Number 57-39, dated July 2, 1957.

Enclosed herewith is a memorandum regarding CARLOS MARCELLO, with aliases.

2 - Bureau (Encls. 4)
2 - New Orleans (1cc - 33-229)
RLK:jam
(4)

EXP. PROC.

4 ENCLOSURE 16 X 105

EX 105

RECORDED - 16 62-97929-13

OCT 4 1957

memo - NO
10/9/57
JGL/stw

b6
b7C

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

September 30, 1957

CARLOS MARCELLO, with aliases: Calegero Minacore, Carlos Junior Marcello, Carlos Marcella, Calored Minacore, Carlos M. Minacori, "The Little Man"

CRIMINAL ACTIVITIES

Information has been received that gambling has reopened to a limited scale in Jefferson Parish. These gambling spots are described as O'DWYER's HOME, located in Southport, GALLO's, located on Chesterfield Street, and HORACE PEREZ's, located in the 900 block of Jefferson Highway.

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b7C

The information received is that HORACE PEREZ is an old time gambler around New Orleans and is associated with CARLOS MARCELLO. Information received indicates that MARCELLO is represented through JOE PECORARO, also known as JOE PECK, and that another associate of MARCELLO, [redacted] has placed money in game at PEREZ's.

Information received is that PEREZ first started running his own game on a big scale when he made arrangements in 1955 to run gambling casino in Pearlington, Mississippi. This game was bankrolled by MARCELLO through JOE PECK PECORARO, but local opposition forced the gambling game to close and MARCELLO is alleged to have lost $50,000.00 in this deal. Information indicates that MARCELLO, to get even, is backing PEREZ heavily in Jefferson Parish.

PEREZ at this time is alleged to be getting tired of having MARCELLO doing his bookkeeping and is currently attempting to obtain a new backer; however, information received is that MARCELLO may not let PEREZ operate, as he has considerable authority as to who gambles in Jefferson Parish.

JOE PECORARO, alias JOE PECK, resides at 3631 Elysian Fields Avenue and operates the Idle Hour Bar at 1800 St. Philip Street.

ENCLOSURE

COPIES DESTROYED
78 DEC 8 1964

62-97929-13

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT

DATE: March 26, 1958

FROM : MR. R. R. ROACH

SUBJECT: CARLOS MARCELLO
INFORMATION CONCERNING

Tolson
Nichols
Boardman
Belmont
Mohr
Parsons
Rosen
Tamm
Trotter
Nease

[redacted]

ACTION:

Referral/Direct

The above information is being directed to the attention of the Investigative Division.

SJP:jlk
(6)
1 - Mr. Rosen
1 - Mr. Belmont
1 - Mr. [redacted]
1 - Liaison Section
1 - Mr. Papich

REC-17

b6 Per FBI
b7C

MCT-5 62-97929-14

APR 1 1958

LIAISON

57 APR 8 1958

EX-136

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Boardman

DATE: March 22, 1958

FROM : A. Rosen

SUBJECT: U. S. ATTORNEYS CONFERENCE
MARCH 20-21, 1958

RE: CARLOS MARCELLO
TOP HOODLUM
NEW ORLEANS DIVISION

Tolson
Nichols
Boardman
Belmont
Mohr
Parsons
Rosen
Tamm
Trotter
Nease
Tele. Room
Holloman
Gandy

In my memorandum of 3/20/58, I reported the discussion of problems facing the Immigration and Naturalization Service (INS) during the session of captioned conference on March 20, 1958, by Commissioner Joseph M. Swing. During his remarks Swing mentioned the deportation case involving Carlos Marcello and intimated his Service had not received proper or efficient cooperation from the United States Attorneys and the Federal Courts.

CARLOS MARCELLO

Marcello is the leading underworld figure in the New Orleans area. He has been the subject of a Bureau investigation under the Top Hoodlum Program. According to information we secured from INS regarding his alien status we have learned that he entered the United States on 11/2/10 at the age of eight months having been born in Tunis, North Africa, of Sicilian - Italian parentage on 2/6/10.

Because of his flagrant criminal activity and alien status Marcello was arrested for deportation by INS on 6-2-53. This petition reflected that he had violated the Federal law relative to marijuana and was convicted on 8-2-37.

On June 5, 1953, a hearing was held before Judge J. Skelly Wright and on June 8, 1953, Judge Wright upheld the order of deportation. Marcello was released on $10,000 bond. Cash substituted on June 9, 1953 for a $10,000 security bond made by the Carolina Casualty Insurance Company.

REC 1 62-97127-15

This decision of Judge Wright was appealed on June 8, 1953, to the Fifth Circuit, and then to the U. S. Supreme Court on October 3, 1954,

16 APR 2 1958

RGE/jdn
-6-

EX-130

53 APR 7 1958

4-2-58

UNRECORDED COPY FILED IN 94-1-10423-1

Memorandum to Mr. Boardman

Case #145. Argument was held and on May 31, 1955, the U. S. Supreme Court affirmed the opinion of the Fifth Circuit.

On August 8, 1955, Marcello surrendered to the Immigration and Naturalization Service for deportation on orders that agency.

In Miscellaneous Case #917, U. S. District Court, Eastern District of Louisiana, a writ of habeas corpus proceeding was filed by Marcello against Horace Nabors, Officer in Charge of Immigration and Naturalization Service, on August 8. This record reflected that on August 9, 1955, the Italian Consul for the City of New Orleans requested the return of Marcello's Italian passport. Marcello was represented by [redacted] and [redacted] Warner Building, Washington, D. C. b6 b7C

Attorney [redacted] is also associated in this proceeding. The purpose of this writ was to request bond for Marcello, which bond was denied August 17, 1955 by the District Court, appealed to the Court of Appeals, Fifth District, and denied on September 9, 1955. However, on 9-16-55, Judge Hugo Black, U. S. Supreme Court, ordered Marcello released on $10,000 bond.

[redacted] advised that at the present time Marcello is on parole to INS and has agreed as part of his parole to restrict his travel to the three parishes of Orleans, Jefferson, and St. Bernard, which constitutes the metropolitan area of New Orleans. He has to notify INS in writing in advance before leaving these parishes. b6 b7C

On 12/17/57, "The New Orleans Item" and "New Orleans States" newspapers reported that the U. S. Supreme Court denied Carlos Marcello an appeal for a stay of his deportation because he did not receive this required three-day notice. This appeal was from the U. S. Court of Appeals, District of Columbia.

The most recent legal maneuver initiated by Marcello's lawyers to block his deportation resulted in publicity in Washington, D. C. papers last week. District Judge Richmond B. Keech took under advisement Marcello's Sixth Court case challenging the 1953 deportation order. Marcello's lawyers, [redacted] and [redacted] sought a new b6 b7C

Memorandum to Mr. Boardman

Immigration Service hearing to determine whether Marcello would be "persecuted" if deported. They claimed that those American underworld deportees who are currently in Italy are subject to the persecution of the Italian Government. They are not allowed to hold jobs or travel freely in that country and every time a crime is committed they are automatically picked up by police.

According to the "Washington Daily News" for 3/19/58, Marcello's lawyers said his last hearing on his "persecution" argument was held on too short notice, and he was not allowed time to get statements from Italy.

The Government says stays of deportation are matters of discretion, full hearings are not required and the decisions are not subject to judicial review.

Also, it argues, Congress only had in mind political or religious persecution when it wrote the leniency provision. Judge Richmond B. Keech took under study a Government motion to dismiss his suit.

ORIGINAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

Tolson
Mohr
Parsons
Belmont
Callahan
DeLoach
Malone
McGuire
Rosen
Tamm
Trotter
W.C. Sullivan
Tele. Room
Ingram
Gandy

TO : MR. A. H. BELMONT

DATE: 1-29-60

FROM : F. A. FROHBOSE

1-Mr. Parsons
1-Mr. Rosen
1-Mr. Emond
1-Mr. Belmont
1-Liaison
1-Mr. Papich

SUBJECT: CARLOS MARCELLO
IMMIGRATION MATTER

Referral/Direct

SYNOPSIS:

SJP/nmn
(7)

REC-88 62-97929-10

51 FEB 18 1960

12 FEB 11 1960

EX. - 131

Memorandum for Mr. Belmont
RE: CARLOS MARCELLO
IMMIGRATION MATTER

RECOMMENDATIONS:

1. For the Director's information in the event he is contacted by Swing.

2. We have consulted with the Investigative Division and it is recommended in the event Swing attempts to involve Bureau in obstruction of justice investigation, that he be reminded that Departmental policy calls for the agency conducting the primary investigation of a case to follow through with any resulting obstruction of justice charges.

Memorandum for Mr. Belmont
RE: CARLOS MARCELLO
IMMIGRATION MATTER

DETAILS:

Background on Carlos Marcello / Summary 1a.

Marcello was born Calegero Minacore on February 6, 1910, Tunis, North Africa, of Sicilian parentage, and entered the U. S. on November 7, 1910. He currently resides in the New Orleans area, is married and has four children. Marcello has an arrest record dating back to 1930 when he was convicted on charges of being an accessory before and after the fact in an assault and robbery. He was sentenced to a term of 9 to 14 years at hard labor in the state penitentiary. He was paroled, however, in 1934 and pardoned by the Governor of Louisiana in 1935. On October 29, 1938, Marcello entered a plea of guilty for a violation of the Marijuana Tax Act and was sentenced to one year and a day in the Federal penitentiary on charges of having sold over 400 ounces of bulk marijuana to an undercover Narcotics agent. Marcello was charged with contempt in the U. S. District Court in 1952 for failure to answer questions before the Kefauver Committee. He was convicted in this case; however, the conviction was reversed by the Fifth Circuit Court of Appeals.

Marcello has been nationally recognized as the leading hoodlum figure from the New Orleans area. He is ostensibly in charge of gambling and is alleged to have numerous public officials and law enforcement officers in his pay. Within the past three years he has invested vast sums of money in real estate, specializing in the construction and operation of modern luxury type motels.

Immigration Status

Marcello has never applied for citizenship in the U. S. Because of his flagrant criminal activity and alien status he was arrested by Immigration and Naturalization Service (INS) for deportation on June 2, 1953. He was granted a hearing in U. S. District Court in New Orleans and on June 8, 1953, the order of deportation was upheld. This was subsequently appealed to the U. S. Supreme Court which affirmed the order on May 3, 1955. Marcello surrendered to Immigration authorities for deportation on August 8, 1955, and at the same time applied for a writ of habeas corpus on the basis that the Italian Consul in the City of New Orleans had requested the return of Marcello's Italian passport. Since Marcello had no passport he could not be deported to Italy. He was represented in this proceedings by [redacted] and [redacted] attorneys with offices in the Warner Building, Washington, D. C. On September 16, 1955, Judge Hugo Black,

b6 Per FBI
b7C

U. S. Supreme Court, ordered Marcello released on $10,000 bond. Under terms of this order Marcello's travels have been restricted to the New Orleans area and he must notify INS in writing in advance before leaving that area.

Through the intervention of the State Department, a travel document was received from the Italian Government on October 30, 1956, in order to effectuate Marcello's deportation to Italy. On or about that same date, however, he commenced another action in the U. S. District Court for the District of Columbia which thwarted INS's attempts to deport him at that time. Carl Burrows, INS headquarters, Washington, D. C., advised on January 28, 1960, that the action filed by Marcello on or about October 30, 1956, was to enjoin the U. S. Government from deporting Marcello. He further added that Marcello filed action in Italian courts to enjoin the Italian Government from issuing an Italian travel document to subject. The Italian Embassy was instructed to suspend the travel document previously issued until the Italian judicial authorities ruled on the case.

b6 Per FBI
b7C

In 1958, Marcello, through Attorneys [redacted] and [redacted] again appealed Marcello's 1953 deportation order to the Sixth Circuit Court of Appeals. They sought a new INS hearing to determine whether Marcello would be "persecuted" if deported, claiming that American underworld deportees currently in Italy are denied normal civil rights by the Italian Government. The Court of Appeals remanded the case to the District Court with instructions to order another hearing before the INS, before which Marcello would be offered a reasonable period of time in which to gather further evidence in support of his application. Marcello was afforded another hearing regarding his immigration status which was completed on January 13, 1959. When INS ruled against his contention that he would be persecuted if deported to Italy, the ruling was appealed before the U. S. District Court of Appeals in Washington, D. C.

b6 Per FBI
b7C

Bureau Investigation of Marcello

Marcello has been a top hoodlum subject of the New Orleans Office since the inception of the current program. Numerous items coming to the Bureau's attention during the course of this investigation have been disseminated to the INS as well as to the Internal Revenue Service. As a result of hearings before the McClellan Committee in March, 1959, Marcello [redacted] was investigated on a Fraud Against the Government case for having filed false information with the Federal Communications Commission in applying for a permit to operate a radio station for commercial purposes in the New Orleans area.

Memorandum for Mr. Belmont
RE: CARLOS MARCELLO
IMMIGRATION MATTER

b6 Per FBI
b7C

In his application, [redacted] specifically denied that any of the persons concerned with the ownership of this station were aliens and the Government sought to prove that Carlos Marcello was in fact a partner in the operation of the radio station. This matter was tried in U. S. District Court in the District of Columbia in October and November, 1959, and ended in a mistrial on November 4 when the jury was unable to agree on a verdict. A new trial date was set for the case on January 11, 1960, but it has since been postponed again.

Referral/Direct

Current Interest of INS

[redacted]

Referral/Direct

Memorandum for Mr. Belmont
RE: CARLOS MARCELLO
IMMIGRATION MATTER

b6
b7C

ADDENDUM, 1-29-60, RGE:jlk

Hubert I. Teitlebaum entered on duty as Special Agent October 21, 1940, and resigned January 22, 1944, while assigned New York Office in CAF 11. He was appointed Assistant U. S. Attorney at Pittsburgh in November, 1955, and requested and received an autographed photo of the Director on November 29, 1955. In 1956 the Bureau protested to U. S. Attorney [redacted] regarding irresponsible statements made by Teitelbaum concerning the Bureau's responsibilities in the Gulf Oil Company map theft case. He has since been congratulated by the Director for his good work in a Bureau case and upon his appointment as U. S. Attorney on August 13, 1958.

b6
b7C

No derogatory information developed regarding Teitelbaum during Bureau investigation for Departmental applicant forwarded in October, 1955. Teitelbaum is married and has two children. Appropriate communication being forwarded to Department regarding [redacted] allegation (77-68679).

Tel to Deptg A.G. Walsh
2/4/60
RGE:swb

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Parsons

DATE: 4/4/61

FROM : C. A. Evans

SUBJECT: CARLOS MARCELLO

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

It appears that the Immigration and Naturalization Service did not keep the Attorney General advised of developments with regard to the deportation of Marcello.

While in the Attorney General's office on the afternoon of 4/4/61 it was learned that [redacted] Public Relations Officer, was closeted with the Attorney General. Thereafter [redacted] the Deputy Attorney General, was called in. An urgent call was placed to the Immigration and Naturalization Service seeking information relative to this deportation matter. b6 b7C

It would appear that the Immigration and Naturalization Service was anxious to get all of the publicity and had not cut the Department in. As further evidence of this, General Swing of the Immigration Service called back after he had been alerted earlier as to the inquiry made by a UPI reporter in New Orleans. The General said that it was felt the press should get an accurate story and accordingly, United Press International, Associated Press and a few selected Washington correspondents had been alerted by I&NS that they might have some news late on April 4. The General indicated that the Marcello case had not been mentioned and he thought the UPI representative in Washington must just have guessed that it was the Marcello case. This, of course, seems most implausible.

1 - Mr. DeLoach

CAE:mar
(7)

REC-9 62-97929-17

EX-110

13 APR 6 1961

51 APR 13 1961

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

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

TO : Mr. Parsons

DATE: 4/4/61

FROM : C. A. EVANS

SUBJECT: CARLOS MARCELLO

With reference to my memoranda dated 4/3/61 concerning the contemplated deportation of Marcello to Guatemala, ASAC Sylvester of the New Orleans Office advised today that he had received a call from the United Press International (UPI) representative in New Orleans shortly before noon today inquiring as to the name of the head of Immigration and Naturalization Service in New Orleans. The UPI representative advised [redacted]. Further, that the UPI had received information that [redacted] Mr. Sylvester advised that he had furnished the name of Mr. Johnson, head of Immigration and Naturalization Service in New Orleans, [redacted] He had also immediately alerted [redacted]

b6
b7C
b7D

In view of General Swing's personal interest in this matter, I telephonically passed on the information concerning the UPI call to General Swing. General Swing remarked that it would seem that Marcello may have suspected something.

ACTION:

The New Orleans Office has been instructed to keep the Bureau currently advised concerning this matter.

1 - Mr. DeLoach

CHS:dlb/mar
(7)

ENCLOSURE

REC- 87

APR 6 1961

ADDENDUM: ASAC Sylvester subsequently advised that Marcello is actually now en route by air to Guatemala.

EX-108

IDM 4/4/61

50 APR 12 1961

0-20 (Rev. 2-13-61)

Tolson
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Malone
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Trotter
W.C. Sullivan
Tele. Room
Ingram
Gandy

UPI-135

ADD 2 MARCELLO, WASHINGTON (UPI-126)

THE IMMIGRATION SERVICE SAID GUAUTEMALA AGREED TO ACCEPT HIM ON THE BASIS OF A SURPRISE DISCOVERY OF A BIRTH RECORD INDICATING HE WAS BORN THERE ON FEB. 6, 1910.

AN IMMIGRATION SERVICE PLANE CARRYING MARCELLO TOOK OFF FROM MOISANT INTERNATIONAL AIRPORT AT NEW ORLEANS ABOUT 2 30 P.M. EST.

HE WAS GIVEN NO ADVANCE WARNING OF THE ACTION AND LEFT HIS WIFE AND NUMEROUS RELATIVES AND AL
L HIS POSSESSIONS BEHIND.

THERE IS NO PENDING COURT ACTION INVOLVING MARCELLO AT THE PRESENT TIME. OFFICIALS SAID HE APPARENTLY HAD DECIDED THAT HE WAS SAFE FROM DEPORTATION BECAUSE NUMEROUS COUNTRIES HAD REFUSED TO ACCEPT HIM.

HE WAS PRESENTED WITH THE GUATEMALAN RECORD TODAY WHICH SHOWS THE BIRTH OF ONE CALOGERS MINACORE, BORN AT SAN JOSE PINULA. HE HAD PREVIOUSLY FOUGHT DEPORTATION WITH A BAPTISMAL RECORD TUNIS, SHOWING THE BAPTISM OF A CALOGERO MINACORI, THERE ON FEB. 6, 1910.

4/4--EG323PES

62-97929-18

ENCLOSURE

WASHINGTON CAPITAL NEWS SERVICE

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

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

TO : Mr. Parsons

DATE: April 6, 1961

FROM : A. Rosen

SUBJECT: DEPORTATION OF
CARLOS MARCELLO

I received a call from Assistant Attorney General Miller with reference to the above-entitled matter. Miller stated that he had just been advised of an article which appeared in the Evening Star, April 5, 1961, and he was interested in the reference to Marcello having admitted to Guatemala authorities that he was a bona fide citizen of Guatemala.

He said he did not know whether the information he has received is correct but the news inquiries are along the following lines; he stated that it is reported that Marcello today appeared before the Minister of the Interior in Guatemala and submitted a birth certificate which he claims is legitimate and which clearly indicates that he is a citizen of Guatemala. Miller states that if this is true it would be most significant. He wanted to know whether we had ever checked on Marcello's birth certificate and whether we had any information on this present comment coming out of Guatemala. He said the Attorney General was probably going to have a press conference tomorrow and would no doubt receive inquiries concerning this matter.

ACTION TAKEN:

Miller was advised that I was sure that if he checked with General Swing he would be able to obtain all of the details inasmuch as I understood the Marcello case was of great interest to the General.

No further action need be taken by the Bureau as this is for record purposes.

REC-1

62-97929-19

AR:jlt:ige
(7)

1 - Mr. Evans
1 - Mr. Staffeld

EX 104

8 APR 10 1961

56 APR 26 1961

b6
b7C

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

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

TO : MR. BELMONT

DATE: June 5, 1961

FROM : C. A. EVANS

SUBJECT: CARLOS MARCELLO

Carlos Marcello Minacori

At 12:35 p.m. today, ASAC J. T. Sylvester of the New Orleans Office, telephonically advised as follows.

Carlos Marcellus

At 10:25 a.m., New Orleans time, Carlos Marcello, well-known hoodlum who was recently deported to Guatemala, surrendered himself to Horace Nabers, Assistant Director, Immigration and Naturalization Service, New Orleans. This surrender occurred at Marcello's motel, the Town and Country, in New Orleans. Marcello is presently being taken to the United States Public Health Hospital in New Orleans as a result of his complaining of chest pains allegedly caused by the manner in which he was deported.

Mr. Sylvester stated no additional details are known at this time but the New Orleans Office is maintaining contact with Immigration officials.

1 - Mr. Sullivan

Director previously advised by note EX-114 6/5/61

REC- 22

62-97923-20

25 JUN 12 1961

CHS:LS
(7)

JUN 20 1961

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

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

TO : Mr. Evans

DATE: 8/29/61

FROM : T. J. McAndrews

SUBJECT: CARLOS MARCELLO

[redacted] of the Department called and asked if we could send an Agent to Guatemala to conduct interviews of certain individuals in Guatemala. Among these are representatives of Guatemala newspapers and the Diplomatic Corps who were previously stationed in New Orleans, Louisiana. b6 b7C

I told [redacted] that if we sent an Agent to Guatemala the interviews must of necessity be conducted by representatives of the [redacted] Inasmuch as the interviews to be conducted concern the fraudulent issuance of a birth record for Marcello in Guatemala by Guatemala officials, [redacted] was of the opinion that it would not be desirable to have [redacted] conduct such interviews. Consequently, [redacted] withdrew his request for an Agent to conduct this investigation in Guatemala. b6 b7C b7D

ACTION

For record purposes.

McA:rap
(5)

REC- 39

62-97929-211

EX-113

AUG 30 1961

NAT. INV. SECTION

66 SEP 1 1961

The Attorney General

REC-49 62-97929-

Acting Director, FBI

July 18, 1972

1 - Mr. Cleveland
1 - Mr. Emery
1 - Mr. Johnson

16 EX-104

CARLOS MARCELLO
DEPORTATION MATTER

For your information, the Immigration and Naturalization Service plans to have a hearing in the near future in New Orleans concerning the deportation of Carlos Marcello, "boss" of the New Orleans La Cosa Nostra "family." [redacted] Marcello, directed a letter to our New Orleans office requesting the voluntary appearance of a Special Agent of the Federal Bureau of Investigation as a witness before this hearing. Enclosed you will find a copy of [redacted] letter.

b6
b7C

By way of background, the Immigration and Naturalization Service has attempted to deport Marcello since the 1950s and did deport him to Guatemala on April 4, 1961. Marcello reentered the United States without official sanction in May of 1961 and since that time has avoided further efforts to deport him through the use of various judicial maneuvers.

SENT FROM D. O.
TIME 1:42 pm
DATE 7/18/72
BY

[redacted] will try to prove that various law enforcement officials have not connected Marcello with any illegal activities in the past ten years, with the exception of his conviction for the assault of a Special Agent of our New Orleans office on August 8, 1968. Our New Orleans office is of the opinion testimony by a Special Agent would endanger and jeopardize the identities of informants who have provided information concerning Marcello during the past ten years. For your additional information, our New Orleans office has determined that [redacted] is considering issuing a subpoena for a Special Agent if a voluntary appearance is declined.

b6
b7C

Felt
Bates
Bishop
Callahan
Campbell
Cleveland
Conrad
Dalbey
Jenkins
Marshall
Miller, E.S.
Ponder
Soyars
Walters
Tele. Room
Mr. Kinley
Mr. Armstrong
Ms. Herwig
Mrs. Neenan

See T. J. Emery to Mr. Cleveland cover memorandum dated 7-17-72, same caption.

TMJ:bag
(8)

7-22
2:35P

20 AUG 16 1972

MAIL ROOM [ ] TELETYPE UNIT [ ]

The Attorney General

The Department is requested to advise this Bureau whether or not a Special Agent of the Federal Bureau of Investigation should voluntarily appear at the deportation hearing. In the event it is decided a voluntary appearance is not to be made and a subpoena is subsequently issued calling for the appearance of a Special Agent at the hearing, your further advice is requested as to what action should be taken.

In view of [redacted] request for a reply in thirty days from the date of his letter, an early answer to the above inquiries will be appreciated.

b6
b7C

Enclosure

1 - The Deputy Attorney General

1 - Assistant Attorney General
Criminal Division

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Felt
Bates
Bishop
Callahan
Campbell
Cleveland
Conrad
Dalbey
Jenkins
Marshall
Miller, E.S.
Ponder
Soyars
Walters
Tele. Room
Mr. Kinley
Mr. Armstrong
Ms. Herwig
Mrs. Neenan

TO : Mr. Cleveland

DATE: July 17, 1972

FROM : T. J. Emery

SUBJECT: CARLOS MARCELLO
DEPORTATION MATTER

The Immigration and Naturalization Service is in the process of conducting a hearing concerning the deportation of Carlos Marcello, "boss" of the New Orleans "family" of La Cosa Nostra. In this connection, [redacted] b6 b7C for Marcello, has directed a letter to our New Orleans office requesting that the Federal Bureau of Investigation make an Agent available for testimony at the hearing. The letter was dated June 30, 1972, and requested an answer within thirty days whether or not a Federal Bureau of Investigation Agent would voluntarily appear as a witness pursuant to his request. Attached letter to the Attorney General sets forth background information concerning this matter and requests instructions concerning the appearance of an Agent at the hearing.

By way of background, Marcello arrived in this country with his family prior to his first birthday and has never applied for citizenship. The above-mentioned hearing is the last in a series of numerous efforts to deport Marcello. He was actually deported to Guatemala on April 4, 1961; however, he secretly reentered the United States in May of that year and has been successful through various judicial maneuvers to avoid deportation.

ACTION:

If approved the attached letter will be forwarded to the Attorney General requesting instructions concerning the appearance of a Federal Bureau of Investigation Agent on a voluntary basis before the Immigration and Naturalization Service hearing officer.

REC-49 62-97929-22

EX-104

6 AUG 10 1972

Enclosure

1 - Mr. Cleveland
1 - Mr. Emery
1 - Mr. Johnson

TMJ:bag
(4)

[redacted] b6 b7C

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1414585-000

Total Deleted Page(s) = 30
Page 40 ~ b3; b6; b7C;
Page 81 ~ b3; b6; b7C;
Page 120 ~ Duplicate - of file 183-HQ-1275, serial 4;
Page 121 ~ Duplicate - of file 183-HQ-1275, serial 4;
Page 134 ~ b3; b6; b7C;
Page 135 ~ b3; b6; b7C;
Page 136 ~ b3; b6; b7C;
Page 137 ~ b3; b6; b7C;
Page 138 ~ b3; b6; b7C;
Page 139 ~ b3; b6; b7C;
Page 153 ~ b3; b6; b7C;
Page 154 ~ b3; b6; b7C;
Page 164 ~ b3; b6; b7C;
Page 172 ~ b6; b7C; b7D;
Page 174 ~ Duplicate - of file 183-HQ-1275, serial 5;
Page 175 ~ Duplicate - of file 183-HQ-1275, serial 5;
Page 183 ~ Duplicate - of file 183-HQ-1275, serial 4;
Page 184 ~ Duplicate - of file 183-HQ-1275, serial 4;
Page 185 ~ Duplicate - of serial 5;
Page 186 ~ Duplicate - of serial 5;
Page 187 ~ Duplicate - of serial 5;
Page 188 ~ Duplicate - of serial 5;
Page 189 ~ Duplicate - of serial 5;
Page 190 ~ Duplicate - of serial 5;
Page 283 ~ b3; b6; b7C;
Page 293 ~ b3; b6; b7C;
Page 294 ~ b3; b6; b7C;
Page 295 ~ b3; b6; b7C;
Page 296 ~ b3; b6; b7C;
Page 297 ~ b3; b6; b7C;

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X Deleted Page(s) X
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FD-36 (Rev. 7-27-76)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ E F T O
- ☐ CLEAR

Date 5/18/77

TO: DIRECTOR, FBI (183-[redacted])

FROM: SAC, NEW ORLEANS (74-354)

UNIRAC;
RICO; LMPA
NEW ORLEANS FILE 183-89

CARLOS J. MARCELLO, aka
Carlos Marcello,
Calogero Minacori (TN),
"Little Man";
PERJURY
00: NEW ORLEANS
NEW ORLEANS FILE 74-354

b3
b6
b7C

Pursuant to a Grand Jury subpoena duces tecum

[redacted]

5-New Orleans
(1, 74-354)
(1, 183-89)
(1, 92-36)
(1, 92-1994)
(1, 92-2033)

RLS:prb
(7)

REC 61 N 74 2644

[redacted] b6 b7C

NOT RECORDED
10 Jun 1 1977

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

54 JUN 13 1977

ORIGINAL FILED IN 183-3844-33-12

NO 74-354
RLS:prb

[redacted]

b3
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Miami Strike Force Attorney [redacted]

[redacted]

[redacted] again appeared before the Grand Jury in Miami, after being brought before the duty judge, Southern District of Miami, wherein the judge ruled that [redacted] ordered [redacted]

After being compelled, [redacted] answered the [redacted]

Strike Force Attorney [redacted] advised after being briefed by investigating agents that it was his belief [redacted]

NO 74-354
RLS:prb

As a result of these events, a new investigative matter entitled "CARLOS MARCELLO, aka Carlos Marcello, Calogero Minacori (TN), "Little Man"; PERJURY 00: New Orleans" was opened.

b6
b7C

Investigation to prove the perjury involved the review of bank and corporate records of Gulf Coast Fabricators, Inc., Container Service Corporation, and the personal and business checking accounts and all loans on behalf of the above-mentioned corporations, [redacted] and CARLOS MARCELLO.

The review to date has shown approximately $156,000 being transferred from [redacted] account into MARCELLO's account and subsequently into other corporate structures in which MARCELLO is believed to have an interest.

Approximately 18 bank accounts in approximately 13 to 15 banks located in various states, have been identified to [redacted] and his various corporate structures. CARLOS MARCELLO has a minimum of thirty corporate accounts in New Orleans banks as well as approximately four checking accounts in three separate banks.

Subpoena duces tecums have been delivered to nine New Orleans banks for the corporate and personal records of CARLOS MARCELLO returnable on 5/18/77. Other subpoena duces tecums have been delivered to banks throughout Louisiana and other states for the corporate and personal records of [redacted] returnable on 5/18/77.

Due to the interaction of financial transactions between [redacted] and MARCELLO, it will become necessary to schedule out each and every account of [redacted] and MARCELLO to determine when [redacted] through the means of perpetrated bank frauds, funneled money through his various accounts and into the personal checking account of CARLOS MARCELLO. These steps are necessary in order to prove a beneficial interest in Gulf Coast Fabricators, Inc. for MARCELLO and will be the main basis to prove a possible pending perjury indictment against MARCELLO.

NO 74-354
RLS:prb

Due to the above, New Orleans will institute the major case information system to enable New Orleans to completely analyze the above described checking accounts, loans, and corporate records.

In addition, two accounting technicians, who will arrive in New Orleans on 5/31/77 will also be utilized to schedule and thereafter analyze each of the accounts involved so that all financial transactions between [redacted] and MARCELLO can be identified and properly prepared for presentation in court.

On 5/2-4/77, a conference was held with [redacted] Strike Force Attorney, Miami and [redacted] Head, Miami Strike Force, in which both were in complete agreement that a prima-facie case of perjury against CARLOS MARCELLO was evident as a result of the review and investigation accomplished to date. b6 b7C

After completion of the scheduling and analyzing of the corporate structures of CARLOS MARCELLO, it appears possible to uncover violations of the RICO Statute due to the funneling of proceeds of illegal financial transactions being funneled into MARCELLO's corporate accounts. To date some of the corporate officers identified who may or may not be culpable include [redacted] Jefferson Parish), as well as many others. b6 b7C

FD-36 (Rev. 7-27-76)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ E F T O
- ☐ CLEAR

Date 10/26/77

TO: DIRECTOR, FBI

FROM: SAC, NEW ORLEANS (74-354) (P)

[redacted]

b6
b7C

CARLOS J. MARCELLO, aka;
PERJURY
OO - New Orleans

Re New Orleans airtel to Bureau, 5/18/77.

For the information of the Bureau, captioned matter involves obvious false statements [redacted] when he testified before the Federal Grand Jury at Miami, Florida, in connection with the UNIRAC case.

Subsequent investigation at New Orleans has established a partnership between MARCELLO and [redacted] mentioned in referenced airtel, as to the original acquisition of Gulf Coast Fabricators' purchase of property valued in excess of $400,000. This property was subsequently sold by Gulf Coast Fabricators, Inc., to CARLOS J. MARCELLO and [redacted] individually on 6/1/75 and on 6/2/75 was transferred to CARLOS J. MARCELLO as an individual. Additional investigation has confirmed MARCELLO's interest in this business endeavor and other extensive investigation has been conducted which shows that [redacted] was working for or at the direction of MARCELLO in connection with Gulf Coast Fabricators and other businesses ostensibly owned by [redacted]

REC-37 74-2644-2

Investigation has also shown that [redacted] actually resided a substantial amount of time during the pertinent period at the Town and Country Motel which is adjacent to the office of CARLOS J. MARCELLO.

2 - Bureau
2 - New Orleans
HVH/kil
(4)

6 OCT 29 1977

[redacted]

Approved: NOV 1 1977 Transmitted _____ (Number) _____ (Time) Per _____

GPO : 1977 O - 225-539

NO 74-354
HVH/kil

The Department is currently being petitioned for use immunity for [redacted] to specifically testify in this matter.

Departmental Attorney [redacted] Strike Force, has advised that it is planned that this matter will be presented to the Federal Grand Jury at Miami, Florida, [redacted]

b3
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A report is being prepared at New Orleans and the Bureau will be kept advised of additional pertinent developments.

HD1504 1791934 NO0843 1791934

RR HQ

DE NO

R281926Z JUNE 77

FM NEW ORLEANS (92-1994) (P)

TO DIRECTOR ROUTINE

BT

E F T O

ATTENTION: ACCOUNTING AND FRAUD SECTION, [redacted]

UNIRAC; RICO - LMRA; NEW ORLEANS FILE 183-89; BUFILE 183-384.

[redacted] AKA.; AR; NEW ORLEANS FILE 92-1994; BUFILE 92-17895.

CARLOS MARCELLO, AKA.; ET AL; PERJURY; NEW ORLEANS FILE 74-354.

RE NEW ORLEANS TEL TO BUREAU, APRIL 27, 1977.

BUREAU ACCOUNTING TECHNICIANS CURRENTLY ASSIGNED TO NEW ORLEANS HAVE TO DATE SCHEDULED 18 BANK ACCOUNTS OF [redacted] CARLOS MARCELLO, AND GULF COAST FABRICATORS (GCF). THIS SCHEDULING HAS REVEALED A CASH FLOW FROM GCF TO [redacted] AND THEN TO MARCELLO.

JUN 28 3 45 PM '77
RECEIVED
FEDERAL BUREAU
OF INVESTIGATION
COMMUNICATIONS SECTION

Assoc. Dir.
Dep. AD Adm.
Dep. AD Inv.
Asst. Dir.
Adm. Serv.
Crim. Inv.
Fin. & Pers.
Ident.
Intell.
Laboratory
Legal Coun.
Plan. & Insp.
Rec. Mgmt.
Spec. Inv.
Tech. Servs.
Training
Public Affs. Off.
Telephone Rm.
Director's Secy.

b3
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b7C

b3.7

183-384-1

ORIGINAL FILED IN

JUL 8 1977

74-2644-

RELEASED
NOT RECORDED
22 JUL 20 1977

OK-see attached 6/30/77

XEROX

57 JUL 27 1977

THE BULK OF FUNDS COMING INTO THE [redacted] CONTROLLED ACCOUNTS ARE FROM LOANS, WITH SUBSEQUENT LOANS BEING USED TO PAY PAST LOANS.

FUNDS IN THE ACCOUNTS OF MARCELLO ARE ALSO GENERATED BY SERIES OF LOANS WHICH ARE TRANSFERRED FROM ACCOUNT TO ACCOUNT, BUT KEPT IN ACCOUNTS CONTROLLED BY MARCELLO. THE ONLY OTHER APPARENT SOURCE OF INCOME TO MARCELLO ACCOUNTS ARE FUNDS FROM THE [redacted] ACCOUNTS.

b6
b7C

FROM A PRELIMINARY ANALYSIS OF WORK COMPLETED, IT APPEARS THE POSSIBLE PERJURY CHARGE AGAINST MARCELLO WILL BE SUSTAINED AND CARRIED THROUGH TO INDICTMENT. HOWEVER, AS THE BUREAU IS AWARE, MARCELLO'S FINANCIAL EMPIRE IN LA. IS EXTENSIVE AND ENCOMPASSES A MYRIAD OF CORPORATE AND PERSONAL ACCOUNTS.

AN ADDITIONAL 23 ACCOUNTS HAVE YET TO BE REVIEWED AND SCHEDULED. THESE ACCOUNTS SHOULD CLARIFY THE FINANCIAL MACHINATIONS OF THE MARCELLO GROUP IN THE METROPOLITAN NEW ORLEANS A A ONCE THE SCHEDULING AND ANALYSIS IS COMPLETED. IT IS ESTIMATED A MINIMUM OF TWO TO TWO AND ONE-HALF WEEKS WILL BE REQUIRED FOR THE SCHEDULING ALONE.

SUBSEQUENT TO THE SCHEDULING OF ACCOUNTS, THE ANALYZATION OF ACTIVITY AND CASH FLOW WILL TAKE IN EXCESS OF ONE WEEK.

b3
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b7C

ADDITIONALLY, A COMPLETE AUDIT AND ANALYSIS OF GCF ACCOUNTS WILL BE REQUIRED TO PROVE THE PERJURY CHARGE AGAINST MARCELLO. THE ANALYSIS OF THIS ACCOUNT WILL BE EXTREMELY DIFFICULT SINCE THE ACTIVITY OF THE CORPORATION MUST BE REBUILT THROUGH THE USE OF BANKING RECORDS AND CROSS RECORDS FROM CONTAINER SERVICES CORP.

IT IS ESTIMATED THE COMPLETION OF ANALYSIS OF CASH FLOW IN THE ACCOUNTS AND AUDIT OF GCF ACCOUNTS AND RECORDS WILL REQUIRE A MINIMUM OF THREE TO FOUR WEEKS.

REQUEST OF THE BUREAU: AS THE BUREAU IS AWARE, SUBJECTS INVOLVED IN THIS INVESTIGATION ARE ALL EITHER LCN MEMBERS OR AFFILIATES WITH MARCELLO, THE HEAD OF THE LCN IN NEW ORLEANS.

AS AN ACCOMPLISHED RESULT OF THE INTENSIVE INVESTIGATION AGAINST MARCELLO AND [redacted] WAS RECENTLY CONVICTED IN NEW ORLEANS OF FRAUD. THE MIAMI STRIKE FORCE IS ANXIOUSLY AWAITING THE RESULTS OF CURRENT WORK BEING DONE BY BUREAU ACCOUNTING TECHNICIANS TO PROCEED BY INDICTMENT [redacted]

BUREAU IS REQUESTED TO EXTEND THE ASSIGNMENT OF ACCOUNTING TECHNICIANS [redacted] AND [redacted] TO AUGUST 10, 1977, IN ORDER FOR THEM TO CARRY THROUGH THE WORK THEY ARE

ACCOMPLISHING TO A POINT WHERE IT MAY BE CARRIED ON BY NEW ORLEANS PERSONNEL. IT IS ANTICIPATED THIS EXTENSION WILL PLACE THE CHARGE OF PERJURY AGAINST MARCELLO AT PROSECUTABLE LEVEL. FURTHER, THE INVESTIGATION OF THE RICO CHARGE AGAINST MARCELLO AND [redacted] WILL BE SUFFICIENTLY DEFINED AND DELINIATED SO AS TO ASSURE SWIFT AND ORDERLY PROGRESS TO PROSECUTE THESE CHARGES.

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FD-36 (Rev. 7-27-76)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- XXX ☐ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ E F T O
- ☐ CLEAR

Date 12/14/77

TO: DIRECTOR, FBI (74-2644)

FROM: SAC, NEW ORLEANS (74-354) (P)

CHANGED
CARLOS J. MARCELLO; [redacted] FIL
[redacted]
PERJURY; OOJ

[redacted] b3 b6 b7C

Title marked changed to include [redacted] as subject in captioned case and to add Obstruction of Justice to the character in captioned case.

Re New Orleans airtel to the Bureau, dated 10/26/77.

For the information of the Bureau, as a result of additional investigation conducted and additional testimony elicited from witnesses through the Federal Grand Jury at Miami, it is anticipated by Special Attorney [redacted] Miami Strike Force that an [redacted] Special Attorney [redacted] is currently in daily contact with the New Orleans Office in the final preparation of a prosecutive summary in this matter.

On [redacted] Federal Grand Jury, took the Fifth Amendment, and was promptly afforded a hearing before U. S. District Judge ARONOVITZ at Miami. At the request of the Government Attorney, Judge ARONOVITZ directed [redacted] under an order of compulsion to testify before the Federal Grand Jury.

REC-33 74-2644-3

2-Bureau
2-New Orleans EX-130 V-34 DE-13

HVH:prb
(4)

9 DEC 17 1977

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Approved: _____ Transmitted _____ (Number) (Time) Per [redacted]

GPO : 1977 O - 225-539

NO 74-354
HVH:prb

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[redacted] Special Attorney [redacted] subsequently advised that [redacted] in direct contradiction to information developed from a review of records at New Orleans by the FBI. It now appears that a two or three count indictment will probably be sought against [redacted] charging Perjury [redacted]

This matter had been tentatively scheduled for presentation for a possible indictment of MARCELLO on 12/20/77 but the Miami Strike Force now desires that the additional information be included so that a much stronger cohesive case can be presented in connection with MARCELLO and [redacted]

The Bureau will be kept apprised of pertinent developments. Report being prepared by New Orleans.

FD-36 (Rev. 7-27-76)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☑ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ E F T O
- ☐ CLEAR

Date 12/16/77

TO: DIRECTOR, FBI (74-2644)
ATTENTION: FBI LABORATORY, DOCUMENT SECTION

FROM: SAC, NEW ORLEANS (74-354) (P)

71221038D

CARLOS J. MARCELLO, aka;
[redacted]
PERJURY; OOJ

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Re New Orleans airtel to Bureau dated 12/15/77.

Enclosed for the Bureau are 9 pages containing handwriting exemplars of CARLOS J. MARCELLO which were taken on 12/9/77. Also enclosed are the following items:

1) "Promissory Note--Secured" signed CARLOS J. MARCELLO and [redacted] on the front and back.

2) Letter dated 8/23/76 addressed to Merchants Trust and Savings Bank, Kenner, Louisiana and signed CARLOS J. MARCELLO.

3) "Continuing Guaranty" of the First Progressive Bank, 1501 Veterans Memorial Boulevard, Metairie, La., dated 5/21/75, signed CARLOS J. MARCELLO.

REQUEST OF THE BUREAU

The Bureau is requested to compare the known handwriting exemplars of CARLOS J. MARCELLO with the signatures appearing on the three documents submitted for comparison. The Lab is requested to retain the hand-

3 - Bureau (Encls.)
2 - New Orleans
HVH/kap
(5)

Sealed ENCLOSURE

REC-33 74-2644-4

DEC 19 1977

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

55 FEB 16 1978

GPO : 1977 O - 225-539

writing exemplars for possible additional submissions. The three additional submitted documents should be returned upon completion of examination to New Orleans.

(5)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
NEW ORLEANS	NEW ORLEANS	1/6/78	3/23/77 - 1/6/78

TITLE OF CASE

CARLOS J. MARCELLO, [redacted]

REPORT MADE BY [redacted] TYPED BY jss

CHARACTER OF CASE

PERJURY; OOJ

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0-17 (7A - INDEXING) 1/18/78 PLA/DVD

REFERENCE: New Orleans airtel to Director dated 12/14/77.

6, 9, 20, 22, 31, 42, 78, 134, 150, ~~151~~, ~~158~~, 168, 170, 200, 2-12

- P -

LEADS

NEW ORLEANS

AT NEW ORLEANS, LOUISIANA. Will continue to report investigation and prosecution of subjects.

ACCOMPLISHMENTS CLAIMED ☒ NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	PRETRIAL DIVERSION	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☐ YES ☒ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☒ NO

APPROVED [signature] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

74-2644-5

COPIES MADE:

2 - Bureau (74-2644) 1 cc'd
2 - Miami Strike Force
2 - New Orleans Strike Force
2 - USA, New Orleans
2 - New Orleans (74-354)

20 JAN 16 1978

DE-70
U.S.
REC-5
EX-113

Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

5 JAN 20 1978

A*

COVER PAGE

FBI/DOJ

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - USA, New Orleans
2 - Miami Strike Force
2 - New Orleans Strike Force

Report of: SA [redacted] Office: NEW ORLEANS
Date: 1/6/78

Field Office File #: 74-354 Bureau File #: 74-2644

Title: CARLOS J. MARCELLO; [redacted]

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Character: PERJURY; OBSTRUCTION OF JUSTICE

Synopsis: As a result of the widespread waterfront investigations conducted through the Miami Strike Force numerous subpoenas were served to businesses along the Gulf and Atlantic Coasts. Included among these were subpoenas to companies controlled by [redacted] These subpoenas were issued based on allegations of double billing or overcharging on container repair work. One company, Gulf Coast Fabricators, Inc. was suspected to be owned in part or controlled by MARCELLO. Subsequently [redacted] investigation conducted confirmed perjury by MARCELLO. Investigation continuing to further substantiate perjury by [redacted] and obstruction of justice by MARCELLO and/or [redacted].

- P -

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U.S.GPO:1975-0-575-841

NO 74-354

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NO 74-354

DETAILS

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Commencing on or about January 26, 1977, the Miami Strike Force commenced the overt phase of a large waterfront investigation and caused numerous subpoenas to be served on both businesses and ILA local unions along the Gulf and Atlantic Coasts.

Among the subpoenas issued at that time were subpoenas to two companies controlled by New Orleans businessman [redacted]. These subpoenas were issued to [redacted]

In lieu of producing the records before the Grand Jury in Miami, [redacted] attorney agreed to make the records available to the FBI in New Orleans. After several days the government's attorney was finally told by [redacted] attorney that [redacted] would refuse to produce the records because [redacted] felt the government was harassing him.

It was known that CARLOS MARCELLO had guaranteed a $408,000 bank loan for GCF and it was believed that MARCELLO actually held a hidden or equitable interest in this company known as the B&M Plant at Schriever, Louisiana.

[redacted]

letter. After several weeks Attorney [redacted] advised that unless ordered to do so by a U. S. District Judge that CARLOS MARCELLO would persist in his refusal to testify. b3 b6 b7C

On April 6, 1977, at a hearing held before U. S. District Judge SIDNEY M. ARONOVITZ, [redacted] before the Federal Grand Jury.

Before the Grand Jury, [redacted]

[redacted] b3

NO 74-354

I. INFORMATION RE B&M PLANT, SCHRIEVER, LOUISIANA

NO 74-354

In or about the Summer of 1974 [redacted] created Gulf Coast Fabricators, Inc., a Louisiana corporation, for the purpose of engaging in a metal galvanizing business. Shortly after the formation of the corporation [redacted] purchased an existing metal galvanizing plant at Gonzales, Louisiana. Thereafter, as far as is known, Gulf Coast Fabricators, Inc. did in fact operate as a metal galvanizing concern with [redacted] acting as the corporation's president.

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/17/77

[redacted] voluntarily appeared at the New Orleans Office of the FBI and agreed to be interviewed concerning his knowledge and participation in approving numerous bank loans for [redacted] and CARLOS MARCELLO while he was [redacted]

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Mr. [redacted] advised that his first contact with [redacted] was at the [redacted] when [redacted] came into the bank with [redacted] of Ponchatoula, Louisiana, to request a loan concerning a hunting lodge in the State of Mississippi. Mr. [redacted] advised he listened to their presentation concerning the hunting lodge and thereafter denied a request for a loan. Within a couple of weeks [redacted] again came to Mr. [redacted] by himself, stated that his net worth in the recent past had been in the seven figures category and that he had lost all of his money in a solid waste disposal business in New York City. Mr. [redacted] gave him two bankers in New York City as references, both of whom Mr. [redacted] contacted and learned that [redacted] had been a fairly wealthy man at one time and had lost his money due to contracts concerning the solid waste disposal business.

Mr. [redacted] advised at this time [redacted] was seeking a loan for Gulf Coast Fabricators Inc. (GCF), a galvanizing plant he had purchased in Gonzales, Louisiana. [redacted] desired to place the equipment in this plant on a chattel mortgage and after checking out the information [redacted] provided, a loan was authorized in the amount of $143,488.80 which included three years interest at 12%. Mr. [redacted] advised that [redacted] presented a computer printout list of the equipment and its estimated value located at the Gonzales Plant which had been inventoried by THE [redacted] Insurance Company located in Massachusetts. Mr. [redacted] was displayed a document entitled Collateral Chattel Mortgage from the FNBJP for GCF dated February 13, 1976 in the amount of $150,000.00 with an Exhibit A attached. Mr. [redacted] advised that the Exhibit A part of the Collateral Chattel Mortgage appears to be the identical computer list and appraisal of the equipment located at the galvanizing

Interviewed on 5/12/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] RLS:dbr Date dictated 5/17/77

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plant at Gonzales, Louisiana. On the bottom of this computer printout is the name of the firm THE Appraisal Corporation which provided the computer printout.

Mr. [redacted] advised that when providing a loan of this amount of money it is customary that the person applying for the loan open anaccount at his bank and thereafter Mr. [redacted] opened a checking account.

Mr. [redacted] advised that [redacted] presented a loan application concerning the purchase by [redacted] of the Gonzales plant which reflected that the Fidelity Bank in Baton Rouge, Louisiana had a first mortgage on the land and building at the Gonzales plant. Mr. [redacted] advised that he contacted a [redacted] at [redacted] in Baton Rouge and verified the fact that the Fidelity Bank had a first mortgage only on the land and building. Mr. [redacted] advised that he thereafter authorized the loan for [redacted] and drew up a chattel mortgage on the equipment which was a first mortgage. Mr. [redacted] also advised that he contacted an attorney by the name of [redacted] who drew up the chattel mortgage and had done other legal work for [redacted] who advised that [redacted] had not mortgaged the equipment previously.

Mr. [redacted] advised that he again was contacted by [redacted] on or about February 17, 1975 at which time [redacted] advised that his business was going good but that he was having trouble meeting his payroll since his accounts receivables were not coming in fast enough for him to meet his payroll. Therefore [redacted] requested a $100,000.00 loan and would pledge as security certain accounts receivables. Mr. [redacted] advised [redacted] that the bank would take his accounts receivables at 80% of the invoice value, would handle the paperwork of collecting this money and in turn would grant a line of credit up to $100,000.00.

1 Mr. [redacted] was provided a copy of a mortgage dated February 17, 1975, by GCF in favor of the National Bank of Jefferson Parish in the amount of $100,000.00.

Mr. [redacted] advised that this mortgage was drawn up by Attorney [redacted], Mr. [redacted] and GCF and covered a second mortgage on the land and building of the Gonzales plant, as well as a second mortgage on the equipment located within the Gonzales plant. Mr. [redacted] advised that none of the proceeds was placed in Mr. [redacted] account but was a line of credit wherein [redacted] could write checks on his checking account and would be covered for a line of credit by the bank of up to $100,000.00. Mr. [redacted] advised that subsequent to this particular transaction the note signed by [redacted] for this $100,000.00 has been lost and has not been located to date. b6 b7C

Mr. [redacted] advised he was again contacted by Mr. [redacted] on or about February 27, 1975, when Mr. [redacted] advised he had located some equipment in Ponchatoula, Louisiana belonging to [redacted]. [redacted] stated that [redacted] wanted to purchase this equipment, sell it, turning over a quick profit. Mr. [redacted] provided a list of the equipment and requested a loan in the amount of $15,500.00. Mr. [redacted] then identified a chattel mortgage by GCF to the FNBJP which contained a list of securities for this loan which was in fact the property purchased by [redacted] from [redacted]

Mr. [redacted] advised that on or about May 19, 1975, Mr. [redacted] again came to the bank requesting another loan. [redacted] stated that [redacted] related that he had the opportunity of a lifetime to purchase a large plant and land containing a large amount of equipment which [redacted] stated he could sell, to pay off the loan he was requesting, leaving him with the land and building as a profit. [redacted] stated that he could sell this machinery in 120 days and make a fast profit.

Mr. [redacted] advised that by this time he was of the opinion that [redacted] was a good businessman and that by charging the proper interest and origination fees and granting the loan to [redacted] he could make good money for the bank. [redacted] further advised that both he and the Chairman of the Board of Directors, [redacted], and their wives had been to dinner together at Mr. [redacted] home. After listening to Mr. [redacted] proposition concerning

the purchase of this plant located in Schriever, Louisiana, Mr. [redacted] advised he told [redacted] that he needed a partner in this ban since the appraisal of the property was approximately $900,000.00. Mr. [redacted] advised that Mr. [redacted] drove to Schriever, Louisiana himself, viewed the property and related to [redacted] that [redacted] "has a good deal". Mr. [redacted] not having the authority to loan $400,000.00 by himself, presented the proposition to the Board of Directors, not listing a partner for Mr. [redacted] The Board of Directors granted the loan and a few days later Mr. [redacted] came into the bank with a blank note, with the exception of the signature of CARLOS MARCELLO on this note. Mr. [redacted] advised that "CARLOS MARCELLO is my partner in this enterprise" and presented the blank note with Mr. MARCELLO's signature on it to Mr. [redacted] Mr. [redacted] told [redacted] "You do not need CARLOS MARCELLO as a partner. I've gotten the loan approved for you and it's not necessary for you to have a partner." [redacted] replied that "I'm sorry, I've already told CARLOS MARCELLO that he has half of this and you must therefore accept him as my partner." Mr. [redacted] advised that he thereafter took the blank note with Mr. MARCELLO's signature on it and placed it in the loan folder. Mr. [redacted] advised that the loan was approved for $400,000.00 plus an origination fee of $8,000.00 plus 14% interest. The funds were disbursed with $200,000.00 being delivered to the seller of the plant and $200,000.00 remained as a certificate of deposit in the FNBJP in the name of the seller. Shortly thereafter the bank was audited and "we were advised that we could not have a blank note signed by an individual in the bank." Mr. [redacted] advised that "Therefore I called Mr. [redacted] and advised him of this. A few days later Mr. [redacted] came to the bank with Mr. CARLOS MARCELLO. We went to the note window wherein the lady working the window provided me with the loan folder. I removed the blank note with Mr. MARCELLO's signature on it, explained to him that we could not have this blank note in the bank and requested that Mr. MARCELLO tear up this blank note and co-sign the original note in the name of Gulf Coast Fabricators, Inc., and [redacted] as an individual. Mr. MARCELLO took the blank note, turned to Mr. [redacted] and stated "I thought I was signing a continuing guarantee', after which he tore up the blank note and signed his signature to the back of the original note for $408,000.00." Mr. [redacted] stated that he explained to Mr. MARCELLO that this made him liable for the complete note of $408,000.00. While standing in the

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lobby discussing this matter with Mr. [redacted] and Mr. MARCELLO, "I told [redacted] to be sure that the bank received all the money for the sale of the machinery and equipment from the Schriever property since you cannot sell that mortgaged property without the knowledge of the bank and if and when you do sell this property I want all the money applied to pay off this loan." Both MARCELLO and [redacted] were made aware of this. Mr. [redacted] advised that from time to time they would need extra expenses for taxes and so on at which time Mr. [redacted] advised that the bank would advance the money for additional expenses and that [redacted] should not keep any of the proceeds from the sale of machinery but instead should apply all of it to the loan. Shortly thereafter the bank began receiving payments on the $408.000.00 loan.

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Mr. [redacted] viewed a copy of the $408,000.00 loan and the payments made to same on the reverse side. Mr. [redacted] advised that on viewing the reverse side he recalled that the $408,000.00 loan was secured by a mortgage note of GCF, [redacted] as [redacted] as an individual, and CARLOS MARCELLO as a co-signer. The loan was also secured by a chattel mortgage note of maker for $400,000.00 and a mortgage note of maker in the amount of $100,000.00. Mr. [redacted] advised that this gave him a first mortgage on the land and building and equipment, a second mortgage on the land and building and a second mortgage on the original $100,000.00 note which was the first mortgage on the equipment in the Gonzales plant.

Mr. [redacted] thereafter observed and recalled the first payment to this loan which was made on June 30, 1975 in the amount of $17,649.99 and another payment of $16,513.03. Mr. [redacted] recalled receiving phone calls from companies located in the northeastern part of the United States concerning these two payments. He stated that the companies called him to make sure that [redacted] was not selling mortgaged equipment without permission of the bank holding the mortgage. Mr. [redacted] advised that the bank received these two checks and applied them to the loan.

Mr. [redacted] viewed each of the payments recorded on the note and advised that to the best of his knowledge every payment recorded was proceeds from the sale of the equipment and machinery from the Schriever plant.

Mr. [redacted] advised that sometime between August and December of 1975 it was apparent that [redacted] did not perform as he thought he would perform on this loan paying it back in 120 days. Each time [redacted] would come in to pledge his accounts receivable he would ask him about the Schriever loan. Mr. [redacted] advised "Finally I became very perturbed and I called Mr. MARCELLO on the telephone and told Mr. MARCELLO I thought it was time that we had a meeting to discuss this loan concerning the Schriever property." b6 b7C

Mr. [redacted] advised "A few days later Mr. MARCELLO, and [redacted] came to my office. I explained to MARCELLO and [redacted] that I was concerned about this loan because members of the Board of Directors had embarrassed me asking why Mr. [redacted] had not performed as well as had been expected and I therefore requested of Mr. [redacted] and Mr. MARCELLO that they remove this loan from the bank. I further told Mr. [redacted] that if I go to the Schriever plant and find any of the equipment missing which is mortgaged by the bank that I'm personally going to come after [redacted] and then I turned to Mr. MARCELLO and said, you are a co-signer on this note." [redacted] stated that Mr. MARCELLO then said, or words to this effect, "I'm personally going to take over and I'm going to have my man over there." Mr. [redacted] stated "It was apparent to me after the meeting that both [redacted] and MARCELLO knew that I was upset and in my opinion I had gotten CARLOS MARCELLO's attention and that he was going to handle this matter and that I would get swift action."

Mr. [redacted] advised that he does recall [redacted] telling him that after discussing this loan with CARLOS MARCELLO, MARCELLO did not want to be involved with GCF and therefore they wanted to sell the Schriever plant to [redacted] and CARLOS MARCELLO as individuals which was consumated in June of 1975. Mr. [redacted] advised he was not aware that [redacted] had later sold the Schriever plant in its entirety to Mr. MARCELLO; but stated it made no difference to him since under the $408,000.00 loan he still held GCF, [redacted], and CARLOS MARCELLO liable for the full $408,000.00 note.

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Mr. [redacted] advised that he did not consider Mr. MARCELLO a partner with [redacted] in GCF but did consider MARCELLO a partner in the "fast buck" deal involving the Schriever plant and the sale of machinery and equipment. Mr. [redacted] advised that they used the GCF checking account at the FNBJP to handle all of the financial transactions and it was quite apparent to Mr. [redacted] that MARCELLO had a very definite interest in GCF since if GCF did not perform and went bankrupt that MARCELLO was liable for the full $408,000.00 note. Mr. [redacted] advised that [redacted] thereafter went to Schriever and would bring in payments of machinery and equipment to Mr. [redacted] personally on each and every occasion. Mr. [redacted] advised that CARLOS MARCELLO called him personally numerous times to make sure that Mr. [redacted] and [redacted] were handling things and that everything was all right. Mr. [redacted] advised that he left the bank in July of 1976 at which time MARCELLO and [redacted] were still attempting to gain other financing to pay off the remainder of this loan.

Mr. [redacted] further advised that he recalls drawing up a $150,000.00 Collateral Chattel Mortgage which was never consumated and no money was ever disbursed.

Mr. [redacted] advised that although CARLOS MARCELLO was not known to be a partner of GCF it would be apparent to any reasonable individual that MARCELLO definitely had a beneficial interest in GDF since if GCF had financial difficulties MARCELLO would have financial difficulties and if the equipment in the Schriever plant was not sold MARCELLO and/or [redacted] would be responsible for the $408,000.00 loan.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 7/21/77

On July 19, 1977, SA [redacted] accompanied by Detective [redacted] of the New Orleans Police Department (NOPD) Intelligence Division, contacted [redacted] of the [redacted], Louisiana.

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[redacted] was asked if she recalled an incident which occurred on or about May 19, 1975 wherein a blank promissory note bearing the signature of CARLOS MARCELLO was placed in a loan folder concerning a loan to Gulf Coast Fabricators, Inc. (GCF), [redacted] as an individual, and CARLOS MARCELLO as a co-signer, in the total amount of $408,000.

Mrs. [redacted] advised that after the loan was completed by Mr. [redacted] who was then [redacted] of the bank, it was her duty as an [redacted] of the Loan Department to review and record all of the papers in the loan folio. She advised that she observed this blank promissory note bearing CARLOS MARCELLO's signature and immediately recognized that it was not a normal banking procedure but since Mr. [redacted] left it in there, she did not remove it but remembers calling it to the attention of her then immediate boss, [redacted]. She stated that since Mr. [redacted] the president of the bank, had handled this loan and since he knew the banking rules and regulations better than she, that she did not question the fact that this blank promissory note should be in the loan folio since she was not aware if it was a violation of banking laws or not.

Mrs. [redacted] advised that sometime later, exact date unrecalled, the bank was under examination by State Bank Examiners who had found the blank promissory note in the loan folio and had advised that it was a violation of the banking rules and procedures. She advised that she was told to send the folio to Mr. [redacted] whom she understood but has no firsthand knowledge, requested that Mr. MARCELLO come into the bank, execute his signature to the original loan after which the blank promissory note was torn up. Mrs. [redacted] did advise that she was brought the loan folio from Mr. [redacted] office and did observe CARLOS MARCELLO's

Interviewed on 7/19/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] :dbr Date dictated 7/20/77

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signature had been placed on the original loan note.

Mrs. [redacted] advised that she is now the [redacted] of the Loan Department, that she resides at [redacted] Louisiana, residence phone [redacted] with date of birth of [redacted] at New Orleans, Louisiana. b6 b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1 Date of transcription 7/21/77

On July 19, 1977, SA [redacted] accompanied by Detective [redacted] of the New Orleans Police Department (NOPD) Intelligence Division, contacted W. RICHARD WHITE, Chairman and Acting President of the First National Bank of Jefferson Parish, at Gretna, Louisiana, concerning his knowledge in the issuance of a [redacted] b6 b7C

Mr. WHITE advised that the above-described loan was presented to the Board of Directors of the bank since it was over $100,000 and that he recalls the information presented before the Board of Directors indicated that the then majority stockholder of the bank, [redacted] had personally inspected the property in Schriever, Louisiana which would be the partial colatteral for this loan, and it was his opinion that it was a good loan. Mr. WHITE advised that as he recalls the loan was approved by the Board of Directors as long as CARLOS MARCELLO co-signed the loan.

Mr. WHITE advised that the loan was for a period of 120 days and that there came a time after the loan was approved and issued that Mr. [redacted] was not making the payments on the loan and while in the bank one day Mr. MARCELLO came into Mr. WHITE's office.

Mr. WHITE advised that CARLOS MARCELLO was in the bank to endorse the original loan instead of a blank note which had been found by the State Bank Examiners in the loan file.

Mr. WHITE stated that he told CARLOS MARCELLO to make arrangements to pay the remainder of the loan and to take his banking business somewhere else.

SA [redacted] then asked Mr. WHITE if he was aware that [redacted] had sold in its entirety the land, building, and property at Schriever, Louisiana which had been used as colatteral on this loan to CARLOS MARCELLO as an individual. Mr. WHITE advised he was not aware that MARCELLO was the

Interviewed on 7/19/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] :dbr Date dictated 7/20/77 b6 b7C

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sole and only owner of the property but did state, however, in the recent past Mr. MARCELLO had paid the loan off, in full, and placed as colatteral a small parcel of land on Lapalco Boulevard. Mr. WHITE would not provide any other details concerning the payoff on this $408,000 loan.

SA [redacted] thereafter asked Mr. WHITE if [redacted] had been fired by the Board of Directors of the bank or if he had left on his own accord, to which Mr. WHITE stated that due to the Comptroller General's orders concerning banks that he was unable to answer that question. b6 b7C

Mr. WHITE advised that he is the Chairman and Acting President of the bank and that he resides at 920 Huey P. Long Boulevard, and he has a date of birth of February 10, 1901 at Gretna, Louisiana.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/15/77

[redacted] was contacted at his place of employment, [redacted] New Orleans, Louisiana, after being advised of the official identities of [redacted] and [redacted] as Special Agents of the FBI, Mr. [redacted] furnished the following information: b6 b7C

Mr. [redacted] was questioned concerning various aspects of a loan granted by the First National Bank of Jefferson Parish (FNBJP), Gretna, Louisiana, in 1975, in the amount of $408,000.00 to Gulf Coast Fabricators, Inc. Mr. [redacted] said that this loan, which was made for the purchase of a property at Schriever, Louisiana, known as the "B & M Plant" came about as follows:

He said that he was contacted initially by [redacted] who proposed that FNBJP lend him the money to purchase this plant as it was "the deal of a life time." Mr. [redacted] said that this loan was to be paid off in a total of 120 days as it was originally structured. He said that after receiving the presentation from Mr. [redacted] he advised Mr. [redacted] that he, standing alone, was not strong enough to obtain such a loan. He said that he further advised Mr. [redacted] that it would be necessary for him to have someone else to assist him as an endorser or partner to provide sufficient strength to obtain this loan. He said that a few days later, Mr. [redacted] returned to the bank and furnished him with an appraisal of the plant and equipment at Schriever, Louisiana, which had a total appraised value of more than twice the amount of the loan being sought. Shortly thereafter, Mr. [redacted] discussed the possibility of making such a loan with Mr. [redacted] who was then the [redacted] of FNBJP. He said that Mr. [redacted] contacted Mr. [redacted] made an appointment, and accompanied Mr. [redacted] to Schriever, Louisiana, where he inspected the property which was to be used as the collateral for the loan. After their inspection, Mr. [redacted] advised Mr. [redacted] that he felt the loan was okay and to go ahead with the deal on the strength of the property as collateral for the loan. b6 b7C

Shortly thereafter, Mr. [redacted] contacted Mr. [redacted]

Interviewed on 12/13/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] /prb Date dictated 12/14/77 b6 b7C

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NO 74-354
HVH:prb

and advised him that he could get CARLOS MARCELLO to go with him on the deal. Mr. [redacted] said that although he does not specifically recall telling [redacted] that MARCELLO was willing to go on the note on this loan, he is sure that he would have told him since they were in daily contact at that time.

Mr. [redacted] said that a few days later, he presented the loan application to the Board of Directors of FNBJP and the loan was approved for Gulf Coast Fabricators, Inc. and [redacted] Mr. [redacted] said that at this board meeting, Mr. [redacted] told the board members that if the board believed [redacted] was too weak to stand by himself that he had been advised that CARLOS MARCELLO was willing to go on the note.

All of the above took place within approximately 30 days from the original contact by [redacted] to the presentation and approval of the loan by the board. A few days after the loan was approved, Mr. [redacted] went into the FNBJP and furnished Mr. [redacted] with a blank note signed by CARLOS MARCELLO. At this time, Mr. [redacted] told Mr. [redacted] that CARLOS MARCELLO was his partner in this enterprise and that he wanted Mr. [redacted] to take the blank note which had been signed by CARLOS MARCELLO.

Mr. [redacted] stated that as of the time of this loan mentioned above, which was May, 1975, he does not believe that the FNBJP would have loaned the $408,000 to CARLOS J. MARCELLO as an individual since he did not have banking experience with FNBJP.

Mr. [redacted] said that he does recall; however, that approximately six months to one year after the loan was approved Mr. RICHARD WHITE made the comment "we never would have made that loan to [redacted] without CARLOS MARCELLO's endorsement."

Mr. [redacted] pointed out that the idea as originally presented to him by [redacted] was that the machinery and equipment was to be sold from the B & M Plant and that the land and buildings were also to be sold to pay off the loan and make a profit. He said that [redacted] never mentioned to him any ideas concerning this property which were of an income producing nature. In this regard, he said that the sole collateral for the $408,000 loan was the first mortgage on the property mentioned above and a second

mortgage on equipment at a galvanizing plant in Gonzales, Louisiana, which was another plant owned by [redacted] under the name Gulf Coast Fabricators, Inc.

Mr. [redacted] was questioned as to whether or not he ever instructed [redacted] CARLOS MARCELLO or anyone else that the loan should be taken in a specific name whether individual or corporate. He said that he had no recollection whatsoever of any instructions by him or anyone else at FNBJP regarding the taking of the loan in a specific name. He said this would have been left to the discretion of the borrower as to the name in which the property was taken at the act of sale.

He further stated that from the standpoint of income to the bank from interest on the loan that it would have been possible to obtain the same number of dollars and cents in interest had the property been taken in the individual names of [redacted] or MARCELLO or both as opposed to taking the property and the loan in the name of Gulf Coast Fabricators, Inc. He explained by saying that the only difference would be that an individual loan would be a "discounted loan."

Mr. [redacted] said that about October or November, 1975, after the "loan went bad" he had a conference with [redacted] and CARLOS MARCELLO. He explained by saying that payments on the mortgage ceased and he desired to see that the bank's interests were protected. At this conference with [redacted] and CARLOS MARCELLO, he said that Mr. MARCELLO assured him that he would take care of the situation, that he would send a man down to Schriever, Louisiana, to supervise the sale and disposition of the property and that an accurate accounting would be given to the bank. Mr. [redacted] said that as a result of this meeting, he regained his confidence that the bank would be protected.

Mr. [redacted] said that a man named [redacted] was LA subsequently sent by MARCELLO to handle the Schriever property and in fact handled it in a very satisfactory fashion. He said that [redacted] brought the checks to the FNBJP and deposited them to the account to reduce the mortgage amount.

Mr. [redacted] said that Mr. [redacted] subsequently told him that the Sheriff of Terrebonne Parish was about to

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sell the Schriever property for taxes and that he needed money to pay the taxes. Mr. [redacted] said that he caused to be issued two cashiers checks of the FNBJP for payment of these taxes. The first cashiers check number C38449, dated March 12, 1976, in the amount of $5,231.08 was made payable to the order of [redacted] Sheriff, and Ex-Officio Tax Collector. In the upper left-hand corner is the notation "Purchased by FNBJ (B & M Corp)". The second check number C38452, dated March 12, 1976, in the amount of $274.01 was also made payable to [redacted] This check also has the notation "Purchased by FNBJ (B & M Corp)."

Mr. [redacted] said that he furnished these two checks to Mr. [redacted] to pay the taxes on the B & M Plant at Schriever. He said that these were denoted for the B & M Corporation inasmuch as this was the simple way to allow the Sheriff's Office to corrolate the tax bill's with the payments.

Mr. [redacted] viewed a debit general ledger memo which carries the heading C/C sent for Gulf Coast Fabricat[illegible]. Mr. [redacted] explained that this debit general ledger memo indicated the account (Gulf Coast Fabricators, Inc.) which was debited for the two cashiers checks which were used to pay the taxes. This debit memo is signed by [redacted] Mr. [redacted] explained by saying that the amount listed $5,505.09 was deducted from monies furnished to him by [redacted] of Gulf Coast Fabricators, Inc., which money was derived from the sale of equipment of B & M Plant.

Mr. [redacted] closed by saying that to the best of his knowledge, Mr. [redacted] formerly of FNBJP is now doing business in Beaumont, Texas.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/10/77

Mr. [redacted] was telephonically contacted by SA [redacted] who advised that he was the attorney representing the B & M Corporation when it was sold to Gulf Coast Fabricators, Inc. Mr. [redacted] advised he is an attorney-at-law and represented Crawford Industries, Inc., and Guardian Leasing during this transaction. Mr. [redacted] advised that he had been dealing with an attorney representing SAUL SIEGEL by the name of [redacted] during the negotiations concerning the sale of the B & M plant in Schriever, Louisiana. Mr. [redacted] advised that on two separate occasions [redacted] had told him in confidence that CARLOS MARCELLO was providing financial backing for the purchase of the B & M plant in Schriever, Louisiana.

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Mr. [redacted] advised that Crawford Industries, Inc. was an Illinois company located at 415 East Plaza Drive, Westmont, Illinois, 60559, a suburb of Chicago, Illinois. He further advised that the act of sale involving the B & M Corporation plant in Schriever, Louisiana covered two sales; one, the plant itself and certain moveable equipment which was sold for $287,257.76, and the second act of sale covered certain moveable equipment mortgaged to Guardian Leasing Corporation, a subsidiary of Crawford Industries, Inc., for a total of $112,742.24. The total price was $400,000 for both separate acts of sale.

Mr. [redacted] advised that at the act of closing Mr. HARRIS PITRE acted as the notary for Mr. [redacted] instead of [redacted] and that [redacted] acted as a witness and was purported to be an associate of [redacted] and [redacted] Mr. [redacted] advised that to the best of his recollection the property had been appraised by a realtor [redacted] and Associates at [redacted] Dallas, Texas, and was appraised at $750,000. This realtor was represented by Mr. [redacted] a realtor from the Thibodaux - Houma, Louisiana area.

[redacted] advised that he was [redacted] and after August 13, 1977 could be contacted at [redacted]

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Interviewed on 8/2/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] dbr Date dictated 8/10/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/1/77

This is to record that SA [redacted] b6 b7C turned over to Miss [redacted] miscellaneous records comprising the original file of Attorney [redacted] formerly of [redacted] New Orleans, Louisiana, which [redacted]

Miss [redacted] is the former secretary of Mr. [redacted] and these documents were the identical documents which Mr. [redacted] presented to the Federal Grand Jury at Miami, Florida.

Miss [redacted] furnished SA [redacted] with a receipt acknowledging her receipt of these records. b6 b7C

Interviewed on 8/29/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] nvh; Date dictated 9/1/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/77

[redacted] 1500 First National Bank of Commerce Building, New Orleans, Louisiana, furnished the following information to [redacted] after he identified himself to [redacted] as a Special Agent of the FBI.

[redacted] said that during 1975 one of his associates [redacted] Mr. [redacted] said that as a result of reviewing part of the file on this case he located a memo from Mr. [redacted] to him dated May 30, 1975, wherein Mr. [redacted] requested Mr. [redacted] to perform certain work in connection with this case. Mr. [redacted] explained that this work primarily involved some escrow accounts in connection with establishing proper accounts for the disposition of funds. b6 b7C

A further review of this file by [redacted] reflected that he wrote a letter to [redacted] on June 11, 1975, concerning the transmittal of a copy of a proposed bond in connection with these proceedings.

Additionally Mr. [redacted] said that the last item he could locate in the file wherein he worked on this case was a letter dated June 19, 1975.

In addition to the above, Mr. [redacted] said he recalled meeting with attorney [redacted] and others at the office of Chaffe, McCall, Phillips, Toler and Sarpy. Mr. [redacted] said he cannot recall the specific reason for this meeting and said that he had never had any prior dealings with [redacted] on either this or other matters.

Mr. [redacted] said that he recalls the name of [redacted] and is not sure but believes that possibly Mr. [redacted] may have been with [redacted] at the aforementioned meeting.

Interviewed on 9/8/77 at New Orleans, Louisiana File # NO 74-354

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by SA [redacted] /jss Date dictated 9/8/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/15/77

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Mr. [redacted] attorney, Chaffe, McCall, Phillips, Toler and Sarpy, 1500 First National Bank of Commerce Building, New Orleans, Louisiana, furnished the following information:

He stated that the two attorneys who handled the sale of the property for the B & M Corporation at Shriever, Louisiana, to Gulf Coast Fabricators, Inc., in 1975 were [redacted] and [redacted] of the firm [redacted] Chicago, Illinois, 60602, telephone number [redacted]

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Interviewed on 9/12/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] /jss Date dictated 9/13/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/77

Mr. [redacted]
[redacted]
floor, Chicago, Illinois, furnished the following information to [redacted] after he identified himself to Mr [redacted] as a Special Agent (SA) of the Federal Bureau of Investigation (FBI)

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Mr. [redacted] said that B&M Corporation (B&M) is a wholly owned subsidiary of Crawford Enterprises, Inc., a Delaware Corporation. Crawford Enterprises, Inc. also owned the stock in Swifty Systems and Guardian Leasing Corporation. B&M Corporation is presently in voluntary bankruptcy proceedings. Attorney [redacted] of the law frim of Panter, Nelson and Beaufield is on the board of directors for Crawford Enterprises.

B&M originally listed its business for sale with a broker by the name of [redacted] and Associates doing business in Dallas, Texas, and operating under the license of [redacted] of Thibodaux-Houma, Louisiana. B&M sold its business in an auction sale originally to [redacted] and First Name Unknown (FNU) [redacted] They were represented by an attorney at 415 Goode Street, telephone, (504) 868-2333 in Thibodaux-Houma, Louisiana, [redacted] and [redacted] actually took possession of the B&M plant operating under the name of Better Manufacturing (Better Mfg.). Better Manufacturing failed to close on the sale partially because B&M had been under a union contract and Better Mfg. feared being unionized. Better Mfg. eventually defaulted on the sale-purchase contract by not closing on the deal. Better Mfg. turned the plant back over to B&M on April 8, 1975. B&M was interested at this point in selling the business quickly to keep the value of the business as high as possible. [redacted] said he was not certain how Gulf Coast Fabricators, Inc., who eventually purchased B&M, entered the negotiations as a willing

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Interviewed on 9/23/77 at Chicago, Illinois File # ~~74-269~~

SA [redacted] III/lap CEW 9/26/77

by Date dictated

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buyer. He said [redacted] attorney, represented B&M in this sale agreement. [redacted] said [redacted] was more acutely aware of the details than he was. [redacted] just approved the sale. [redacted] added that B&M is presently suing Better Mfg. for damages in the difference between the contract price agreed upon between B&M and Better Mfg. and the final purchase price paid by Gulf Coast Fabricators, Inc..(Gulf Coast). b6 b7C

[redacted] said that [redacted] would not be aware of any of the details of the sale to Gulf Coast as his only concern was whether to approve the sale as a member of the board of directors for Crawford Enterprises. [redacted] said he had no knowledge of CARLOS MARCELLO's involvement, if any, in the purchase. b6 b7C

NO 74-354

At New Orleans

As a result of a review on August 29, 1977, of the copies of the records of the original file of Attorney [redacted] New Orleans, Louisiana, it was noted that one of the documents in this file was a certification by [redacted] which reflected that a special meeting of the Board of Directors of the B&M Corporation was held as of April 15, 1975, passing a resolution that [redacted] and [redacted] be authorized to execute on behalf of the B&M Corporation all contracts and other documents to effectuate the sale of the premises of the B&M Corporation near Schriever, Louisiana, to the Gulf Coast Fabricators, Inc.

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-CERTIFICATION-

I, [redacted], do hereby certify that I am the duly elected and acting Secretary of B & M Corporation, a Louisiana corporation. I further certify that the following reoslutions were unanimously adopted by Agreement of All Directors in Lieu of a Special Meeting of the Board of Directors of the Corporation as of APRIL 15, 1975.

RESOLVED, that [redacted] and [redacted] for this Corporation, be and hereby are authorized to execute on behalf of this Corporation all contracts and other documents to effectuate the sale of the premises of B & M Corporation, near Schriever, Louisiana, including land, buildings, and all equipment and inventory owned by the Corporation located on the premises, to the GULF COAST FABRICATORS, INC., a Louisiana corporation.

FURTHER RESOLVED, That the President of the Corporation, [redacted] be and hereby is authorized to notify said [redacted] of the authority hereby conferred upon them.

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Given under my hand and the seal of the Corporation this 5th day of MAY, 1975.

(CORPORATE SEAL)

[redacted]
Secretary

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/3/77

Mr. [redacted] Westmont, Illinois, was interviewed and he furnished the following information: b6 b7C

The B&M Corporation Plant in Schriever, Louisiana, 100 percent owned by Crawford Enterprises, Incorporated and involved in the manufacture of steel buildings and canopies for gas stations, was phased out of business in April, 1974, during the national oil shortage. He said that arrangements were made to sell the B&M Corporation Plant at an auction in Schriever, Louisiana, on October 2, 1974, and this deal was handled by auctioneer [redacted] of Dallas, Texas. He said that approximately 250 people showed up for this auction, but that prior to any bidding, two individuals by the names of [redacted] and [redacted] met with [redacted] prior to the auction and advised that they desired to purchase the B&M Plant, but that they did not desire to go through the auction process. He said that [redacted] and [redacted] agreed to purchase the B&M Plant for $775,000, and that they put up two separate checks of $50,000 each as earnest money. b6 b7C

On October 4, 1977, [redacted] and [redacted] took possession of the B&M Plant. [redacted] said that approximately two to three weeks later he learned that one of the $50,000 checks "bounced" for non-sufficient funds. He said that [redacted] was contacted concerning this matter and [redacted] advised that [redacted] did not wish to follow through with the purchase. [redacted] also told him that he did not want to give the plant up, and that he had a new partner with the financing to pay him off and complete the closing. He added that when [redacted] subsequently failed to come up with the purchase money, pressure was put on him to pay up or vacate the plant, and that on April 15, 1975, [redacted] finally vacated the plant and signed a receipt for the inventory he had utilized. b6 b7C

In 1975, exact date unrecalled, [redacted] advised that he met with [redacted] at the Holiday Inn in Thibodaux, Louisiana. At this time, [redacted] told him that he had an

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Interviewed on 9/22/77 at Westmont, Illinois File # ~~CG-74-269~~

by SA [redacted] SA WTD/pjs Date dictated 9/28/77 b6 b7C

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individual who was interested in going into business with him and that this person would be joining them at this meeting. While conversing with [redacted] an unknown individual, who he could only describe as an agent for [redacted] drove up and advised him that they had enough money for the purchase of the B&M Plant. Mr. [redacted] also recalled that this agent of [redacted] remarked that the plant would be utilized for the manufacture of a new type of cooler for trucks, and that he would be back in contact with [redacted] described this agent of [redacted] as being a white male, in his 50's, 5'2"-5'3", 130 pounds, dark hair, medium complexion and having a broken accent. Shortly thereafter, [redacted] advised that he was contacted by someone, believed to be the agent of [redacted] mentioned above, and this individual told him that he had a buyer for the B&M Plant. He said that this individual told him that the buyer was Gulf Coast Fabricators, Incorporated, and that they had agreed to purchase the plant for $400,000. b6 b7C

On May 2, 1975, sale of the B&M Corporation Plant to Gulf Coast Fabricators, Incorporated was closed at the office of his attorney, [redacted] in New Orleans, Louisiana. [redacted] advised that he; [redacted] President of Gulf Coast Fabricators, Incorporated and his representative; [redacted] President, First National Bank of Jefferson Parrish, Gretna, Louisiana; the above described agent of [redacted] and also another unknown individual, were present at the closing. Mr. [redacted] advised that inasmuch as [redacted] was completely out of the deal at this point in time, he was surprised to see his agent at the closing. [redacted] believed that he asked [redacted] what this individual was doing at the closing, and [redacted] said he was probably there to collect his commission. b6 b7C

[redacted] advised that he was not acquainted with any individual by the name of CARLOS MARCELLO and that he had no knowledge of a CARLOS MARCELLO being involved in any way in the purchase of the B&M Plant. [redacted] said that the name CARLOS MARCELLO, as well as the name [redacted] does not appear in any of his available records covering the sale of the B&M Corporation Plant to the Gulf Coast Fabricators, Incorporated. b6 b7C

Mr. [redacted] further related that he would check his travel books and other material in an effort to identify the name of the unknown agent of [redacted] with whom he met at the Holiday Inn in Thibodaux, Louisiana, in 1975.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/3/77

Mr. [redacted] Incorporated, 415 East Plaza Drive, Westmont, Illinois, was recontacted at his place of employment and he furnished the following information: b6 b7C

A review of his travel book failed to disclose the name of the individual that he had met along with [redacted] at the Holiday Inn in Thibodaux, Louisiana, in 1975. [redacted] said that he did determine that this individual received a $20,000 commission out of the $400,000 selling price of the B&M Corporation Plant to Gulf Coast Fabricators, Incorporated, and that this person's name would be known to [redacted] b6 b7C

[redacted] also believed that [redacted] Realtor from the Houma, Thibodaux, Louisiana area, was the individual who initially handled the deal for the proposed sale of the B&M Plant through auctioneer [redacted] in October, 1974.

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Interviewed on 9/26/77 at Westmont, Illinois File # CG 74-269

by SA [redacted] WTD/pjs Date dictated 9/28/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/16/77

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On September 15, 1977, [redacted] appeared at the New Orleans Office of the FBI at the request of SA [redacted] to be interviewed. Present at this interview were SAs [redacted] and [redacted] and Special Attorney [redacted] Federal Strike Force, Miami, Florida. [redacted] was advised by Attorney [redacted] that the interview would concern [redacted] knowledge concerning the several purchases and sales of a piece of land at Schriever, Louisiana, commonly referred to as the B & M plant.

[redacted] stated he had prepared the documents and participated in negotiations surrounding the sales and purchases of the B & M plant. His primary duties were to see to it the papers involved in the three transactions were all properly drawn. During the discussion of his functions in these transactions he stated he was representing the parties in the original purchase. When questioned by Attorney [redacted] as to the identity of the parties he first refused to reveal their identity claiming this was covered by attorney-client privileged communication. [redacted] was advised by [redacted] that the identity of the clients was not privileged although communications with the client would be. [redacted] thereafter stated he represented CARLOS MARCELLO and [redacted] as purchasers of the property in Schriever. [redacted] stated this purchase by MARCELLO and [redacted] was done on a partnership basis wherein they intended to purchase, hold and resell the property hoping for a substantial profit. In further discussion concerning details involved in this sale, [redacted] refused to answer, again claiming attorney-client privilege. On each occasion he offered to approach his client for a release and if this release was obtained he would be willing to turn over his entire file concerning the sales and purchases of the Schriever property and explain all of the documentation contained within this file. In each instance, [redacted] referred to his client, CARLOS MARCELLO; he never mentioned obtaining a release from [redacted] On two occasions he further advised he could not answer questions since his recollection was too vague and he would have to refer to his files to refresh his memory.

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Interviewed on 9/15/77 at New Orleans, Louisiana File # NO 74-354

by SAs [redacted] and [redacted] BAD/jss Date dictated 9/16/77

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[redacted] stated the original application for the loan had been made by [redacted] to [redacted] advised on at least two occasions he had proceeded to the bank in the company of [redacted] and perhaps CARLOS MARCELLO to further the processing of the anticipated loan to accomplish the purchase of the Schriever plant. [redacted] stated when this loan was issued it was issued incorrectly in the name of Gulf Coast Fabricators, Inc. and [redacted] as President along with [redacted] as individual and listing CARLOS MARCELLO as a guarantor. [redacted] contended the loan should have been issued to [redacted] individually and CARLOS MARCELLO individually and the subsequent sale of the land from Gulf Coast Fabricators to CARLOS MARCELLO and [redacted] as individuals was to correct this original error. LEVY stated the loan was allowed to stand as it was since the change at that time would have required the reprocessing of the loan including the time required to pass it before the Board of Directors of the bank. Purchase of the land had progressed to the point where time did not allow for corrections to be made and therefore the loan and sale were concluded as in the original application by [redacted]

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[redacted] again stated the land was subsequently sold to [redacted] and CARLOS MARCELLO as individuals from Gulf Coast Fabricators to correct the title of the land as had been the original intent. He stated additionally with MARCELLO not having any active participation or interest in Gulf Coast Fabricators it left MARCELLO with inadequate protection for his share of the investment in the land since the land would basically be carried as an asset of Gulf Coast Fabricators, Inc.

When [redacted] was questioned as to why the property was again sold the following day from [redacted] and CARLOS MARCELLO to CARLOS MARCELLO, he declined to answer claiming attorney-client privilege; however, he did intimate a possible reason for this could have been the financial distress being experienced by [redacted] at that time and the continuing desire of Mr. MARCELLO to protect his investment. At this point Mr. [redacted] again stated he would feel free to discuss further the details involved in these sales upon obtaining a release from his client CARLOS MARCELLO. He did not mention at any time gaining a release from [redacted]

When questioned as to why the third act of sale had not been registered until the following year, [redacted]

In answer to an inquiry from Attorney [redacted] as to consideration, [redacted] stated the use of the phraseology wherein $1.00 was passed on the sale of the land from [redacted] and CARLOS MARCELLO to CARLOS MARCELLO was a literal inclusion as had been the $400,000 figure used in the original transaction and transaction from Gulf Coast Fabricators to CARLOS MARCELLO and [redacted]

[redacted] stated subsequent to the sale, although [redacted] name was not carried, [redacted] still maintained an interest in the property. He further advised he had been responsible for the drawing of proper documentation which was used by [redacted] to obtain a loan from Pontchartrain State Bank (PSB) wherein [redacted] share of the proceeds from the intended sale of the Schriever property was pledged as collateral for the loan. [redacted] would not state the percentage of interest of each individual nor would he reveal any agreements reached between the individuals again claiming attorney-client privilege.

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In further discussion [redacted] advised to his direct knowledge CARLOS MARCELLO was not now nor had he ever been in partnership or a party in interest to Gulf Coast Fabricators or Container Service Corporation. He stated [redacted] to his knowledge apparently worked on and off for CARLOS MARCELLO. [redacted] stated [redacted] was "a good boy" who did jobs for MARCELLO as needed. He stated [redacted] main duties at Schriever, Louisiana, were to sell the machinery and equipment contained within the B & M plant and to arrange for the proceeds of these sales to be delivered to the FNBJP in order to reduce the loan.

[redacted] stated he could not recall having advised [redacted] on any other business and further advised he was not the sole attorney utilized by CARLOS MARCELLO. He stated he did not recall accompanying [redacted] to the PSB and meeting its President [redacted] recalls meeting [redacted] in his office during the course of the

sale of Piccadilly Square to [redacted] who was assuming the full loan upon completion of construction. [redacted] stated he believed he recalled this property was subsequently sold to [redacted] He stated at this time to his knowledge neither MARCELLO nor [redacted] had any interest in this property. He merely recalled it as a time he had met [redacted]

When questioned concerning any other ventures in which [redacted] and MARCELLO were either partners or had concurrent interests, he stated he did not know of any. He also stated to his knowledge [redacted] and [redacted] had no interest whatever in the Schriever property either prior to its purchase by [redacted] and CARLOS MARCELLO or subsequent to this purchase. b6 b7C

Returning again to the time frame wherein the second and third sales of the Schriever property occurred when the title was changed from Gulf Coast Fabricators and [redacted] to [redacted] and CARLOS MARCELLO and again from [redacted] and CARLOS MARCELLO to CARLOS MARCELLO, [redacted] continued to claim the attorney-client privilege.

[redacted] stated he had been an associate and friend of CARLOS MARCELLO for a period of time in excess of three years. During this time he has had close and daily contact with MARCELLO in both the capacity as an attorney and as a friend. He stated he has not known [redacted] as long and was not aware of how [redacted] had been introduced to CARLOS MARCELLO. To [redacted] direct knowledge he repeated the Schriever property was the only joint venture which he could discuss and that any other joint ventures, if such existed, he felt were protected by the attorney-client privilege.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/19/77

This is to record that Mr. [redacted] telephonically contacted Special Agent [redacted] at his residence at approximately 10:00 PM.

Mr. [redacted] advised SA [redacted] that he had spoken to CARLOS J. MARCELLO in connection with the turning over [redacted] concerning the sale of the B & M Corporation plant at Schriever, Louisiana.

Mr. [redacted] said that it was Mr. MARCELLO's preliminary desire to furnish these documents to the FBI for their perusal.

At this point SA [redacted] advised Mr. [redacted] that after Mr. [redacted] had departed the FBI office on the afternoon of September 15, 1977, that Departmental Attorney [redacted] and SA [redacted] had discussed the matter concerning the production of the above-mentioned records by Mr. [redacted] Mr. [redacted] was then advised that in order that there be no misunderstanding that it should be understood by him and by Mr. MARCELLO that Mr. MARCELLO could possibly be a subject of this investigation. Mr. [redacted] was told by SA [redacted] that there was no desire on the part of the Government to mislead either him or Mr. MARCELLO and it was for this reason that Mr. [redacted] was being advised of the above.

Mr. [redacted] said that in light of this possibility his initial reaction would be to decline to furnish these documents and that he desired to speak with both Mr. MARCELLO and Attorney [redacted] to discuss the matter prior to giving a final answer on releasing these documents to the FBI.

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Mr. [redacted] stated that he would contact SA [redacted] during the afternoon of September 16, 1977, and give him this answer.

Interviewed on 9/15/77 at New Orleans, Louisiana File # NO 74-354 -

by SA [redacted] /kil Date dictated 9/19/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

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b7C 11/21/77

Date of transcription

This is to record that Mr. [redacted] for CARLOS J. MARCELLO [redacted] appeared at the New Orleans Office of the FBI.

Mr. [redacted] was already aware of the official identities of SA [redacted] as a Special Agent of the FBI and [redacted] as an Attorney for the Department of Justice.

Mr. [redacted] was at this location at this time for the purpose of turning over certain documents which are enumerated below:

[redacted]

Interviewed on 11/17/77 at New Orleans, Louisiana File # NO 74-354 -

by SA [redacted] /prb Date dictated 11/18/77

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[redacted]

Mr. [redacted] also furnished a sheet captioned "Index" which contained the same information as the above mentioned with the exception that it also contained a notation [redacted]

Mr. [redacted] said that the above items represented the file previously maintained by [redacted] Attorney, with the exception of certain miscellaneous papers and Item G. This was the file Mr. [redacted] previously declined to furnish to the Federal Grand Jury at Miami, Florida claiming attorney-client privilege. Mr. [redacted] stated that he was not furnishing the time sheets or Mr. [redacted] since he did not feel this was called for in the subpoena and represented an item which should not been turned over to the Government.

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Mr. [redacted] advised that after consultation with his client, CARLOS J. MARCELLO, Mr. MARCELLO instructed him to advise that he would not voluntarily furnish handwriting exemplars. He stated that Mr. MARCELLO desired to await the results of the District Courts action on the Government's motion to compel handwriting exemplars. Mr. [redacted] had previously told Departmental Attorney [redacted] that inasmuch as he, [redacted] would be in New Orleans on November 16, 1977 and November 17, 1977, he would be willing to have his client furnish handwriting exemplars in the absence of a court order with the understanding that such exemplars would not be put to any use whatsoever until such time as the court order had in fact been signed. Mr. [redacted] stated that the delay in the anticipated entry of the above mentined court order was occasioned by the temporary illness of U. S. District Court Judge for the Southern District of Florida, JOE EDEN, before whom the motion to compel handwriting examplars is pending.

NO 74-354

At New Orleans, Louisiana

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As a result of a review by SA [redacted] on November 17, 1977, of the records which were furnished by Mr. [redacted] Attorney for CARLOS J. MARCELLO and [redacted] on November 17, 1977, one of the documents observed in this file was a purchase agreement negotiation which indicated that an act of sale was to be passed concerning the B&M Plant property at Schriever, Louisiana, prior to April 7, 1975.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/19/77

Mr. [redacted] was contacted at this address. b6 b7C He was advised of the official identities of [redacted] and [redacted] as Special Agents of the FBI and thereafter furnished the following information:

[redacted] stated that he was contacted a couple of years ago by a contractor from Thibodaux, Louisiana, named [redacted] (last name unknown). He stated that although he does not recall this man's last name he did recall that this man does work for the telephone company. He explained by saying that [redacted] and a partner had entered into an agreement with the B&M Corporation of Chicago, Illinois, in connection with the purchase by them of the plant located at Schriever, Louisiana. He stated that [redacted] partner apparently reneged on the partnership and [redacted] contacted him since he did not have sufficient capital to purchase the plant and operate it too. Subsequently, [redacted] was contacted by an official of the B&M Corporation from Chicago and this individual stated that he desired to enlist [redacted] assistance in selling the B&M plant at Schriever. This official ultimately traveled to Schriever, Louisiana, and had personal discussion with [redacted] regarding the corporation's desire to sell the plant.

[redacted] stated that the Citizens Bank of Thibodaux was the bank with which [redacted] had been doing business at the time of his agreement with B&M Corporation.

[redacted] stated that about six months prior to May, 1975, in the office of [redacted] he met [redacted] He explained by saying that he had met [redacted] about five years ago through [redacted]

In conversation with [redacted] and [redacted] at [redacted] office he mentioned that he was attempting to help sell the B&M plant at Schriever and [redacted] commented that he was looking to buy a plant.

About thirty days later, [redacted] was contacted by [redacted] and subsequently showed [redacted] the plant at Schriever, Louisiana. He said that he recalled [redacted] mentioning that he had a galvanizing plant in Jefferson or St. Charles Parish along the river and either

Interviewed on 9/16/77 at HOUMA, LOUISIANA File # NO 74-354 -

SAs [redacted] and [redacted] b6 b7C

by [redacted] HVH:nep Date dictated 9/19/77

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was or was about to commence the importation of glass which would be used in making windows.

After [redacted] saw the B&M plant, he liked it and told [redacted] that he would attempt to make financial arrangements to purchase the plant. b6 b7C

A couple of months went by and [redacted] came by and wanted to look at the plant again. He stated that he is not sure but he believes that [redacted] was accompanied by a man named [redacted] at this time. They looked at the plant again and [redacted] took an inventory of all the items located in the plant. After this, [redacted] and [redacted] entered into negotiations with the B&M Corporation in Chicago and subsequently [redacted] dealt directly with B&M officials through their attorneys.

[redacted] was subsequently advised that a price had been agreed upon for the B&M plant and [redacted] told [redacted] that he [redacted] was using a bank in Jefferson or Orleans Parish. [redacted] specified the bank at the time but [redacted] does not now recall the name.

Subsequently, the act of sale was consummated on this piece of property at the New Orleans office of the attorneys representing the B&M Corporation. An attorney named [redacted] represented the B&M Corporation. Shortly after the act of sale, [redacted] was paid a $20,000 commission by the B&M Corporation and in line with a previous agreement made between him and [redacted] he remitted $10,000 of the commission to [redacted]

[redacted] stated that he recalls the following individuals being present at the act of sale:

[redacted]

Mr. WHITE (an attorney, about 65-years-old, for the bank lending the money);

An official of the bank lending the money to finance the sale.

At this time, a document captioned "Cash Sale Of Property By B&M Corporation To Gulf Coast Fabricators Incorporated," dated May 16, 1975, was shown to [redacted] perused this four page document and identified his signature as that of one of the witnesses reflected on page four. b6 b7C

[redacted] stated that the name of the other witness, [redacted] was familiar to him since he has known [redacted] for about four or five years. He stated that he believes he met [redacted] at the office of [redacted] but does not recall [redacted] role in the sale of the B&M Corporation property.

After the act of sale, [redacted] took over the plant and on occasion [redacted] saw [redacted] on the premises at the B&M plant in Schriever, Louisiana.

Possibly a few months later, [redacted] again contacted him and requested [redacted] assistance in refinancing the B&M plant. He stated [redacted] claimed that he was paying 14 percent and needed a lower rate loan. [redacted] stated that he took [redacted] to the First National Bank of Houma and the Terrebonne Bank and Trust Company in attempts to secure a loan. [redacted] stated that both of these banks turned [redacted] down and refused to grant him a loan.

[redacted] stated that [redacted] told him at this time that CARLOS MARCELLO had either co-signed, endorsed, or helped in some way to get the financing when [redacted] bought the B&M plant in Schriever, Louisiana.

After being unsuccessful in obtaining refinancing at the above mentioned two banks, [redacted] then asked [redacted] to sell the plant for him. [redacted] put his real estate sign on the property.

A couple of months later, [redacted] contacted him and told him not to bother trying to hustle the property any more and someone

took [redacted] sign off the property. [redacted] then told [redacted] not to put the sign back up and he said that [redacted] told him that [redacted] was going to handle this property for him.

[redacted] stated since that time he has observed [redacted] at the B&M plant property several times while [redacted] was engaged in working and selling equipment at the plant. He stated that during his contacts with [redacted] was not very talkative and consequently [redacted] does not know very much about [redacted] where he came from, how long he had been employed by [redacted], or any such information. He stated that he last saw [redacted] at the B&M plant a couple of days ago and mentioned that he was the only person he observed there. b6 b7C

At this time, Special Agent [redacted] displayed to [redacted] a photograph which was taken by Special Agent [redacted] on October 15, 1976, of a sign located on the B&M plant property at Schriever, Louisiana. This sign was actually in the form of three signs with a large sign containing the inscription "For Sale, Phone 879-1691." A smaller sign has the notation "Rent, 835-8437." A third sign has the notation "For Sale, [redacted]" and other notations. [redacted] stated that the large "For Sale" sign as well as the small [redacted] sign were his signs. He stated that he did not recognize the small rent sign which displayed telephone number 835-8437. He stated that possibly this sign was added to the larger sign by [redacted] or [redacted] but he did not know for sure.

When [redacted] was asked about his knowledge and/or relationship to CARLOS MARCELLO, he replied that he has known CARLOS MARCELLO ever since "before the KEFAUVER investigation." He stated that he knew him prior to his [redacted] move from Golden Meadow, Louisiana, to Houma, Louisiana, in 1951. He stated that he has never been involved, to his recollection, in any real estate transactions with CARLOS MARCELLO.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/23/77

Mr. [redacted] Louisiana, telephone [redacted] furnished the following information:

In connection with having been contacted by [redacted] for the purpose of assisting [redacted] in possibly obtaining refinancing for the B & M Plant, Mr. [redacted] stated that in this regard his only purpose was to introduce [redacted] to officials at the First National Bank of Houma (FNBH) and the Terrebonne Bank and Trust Company (TBTC), Houma, Louisiana. Subsequent to the introductions Mr. [redacted] stated that the negotiations concerning attempts by [redacted] to secure a loan from the above banks were left strictly between [redacted] Mr. [redacted] and the banks' officials. b6 b7C

[redacted] advised that he could not recall to which officials he introduced [redacted] at the aforementioned banks. He stated that possibly at the FNBH it could have been Mr. (First Name Unknown) [redacted] the bank's president, and at the TBTC it could have been either the president of the bank, Mr. [redacted] or one of the executive vice presidents in charge of loans, Mr. [redacted]

According to Mr. [redacted] in no way did he qualify for a loan the magnitude intended for the B & M transaction.. As such there was never any indication or any intention that the title would be taken in his name [redacted] or under an individual's name which he may have nominated.

At this point during the interview SA [redacted] exhibited to Mr. [redacted] the following documents:

1) Letter dated April 10, 1975 directed to Mr. [redacted] from [redacted] in reference to the "B & M Corporation".

2) Letter dated April 10, 1975 directed to Mr. [redacted] from [redacted] regarding "B & M Corporation" referring to letter of same date.

Interviewed on 9/22/77 at Houma, Louisiana File # NO 74-354

by SA SA [redacted] BPB:dbr Date dictated 9/22/77

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Having had the opportunity to review the above two documents Mr. [redacted] reinforce his previous statement that in connection with the sale of the B & M Corporation to his knowledge there was never any indication or understanding, especially on his part, that the title would be issued in his name [redacted] or under an individual's name which he would nominate. b6 b7C

Subsequent to the act of sale of the B & M Corporation at New Orleans, Louisiana, [redacted] returned to his residence at [redacted] Louisiana, whereupon he accompanied [redacted] and possibly [redacted] to the Houma Courthouse whereupon the act of sale for the B & M Corporation was duly recorded in the parish records. [redacted] stated that he thereafter returned to his residence and advised that if a meeting or a party of some sort was held that same day or any other day at CARLOS MARCELLO's camp, Grand Isle, Louisiana, he has no knowledge of this activity.

[redacted] stated that the phrase "Shreve Corporation" means absolutely nothing to him. He added further that he has never heard the term nor does he know of any individual who may be connected with this corporation.

[redacted] stated that he has been to CARLOS MARCELLO's camp two or three times in his lifetime but cannot recall the dates and time. However, he is certain that the visits had nothing to do with the sale of the B & M Plant and on those occasions which he visited MARCELLO's camp there was always a lot of people there.

Prior to terminating the interview Mr. [redacted] advised that the full identity of [redacted] (Last Name Unknown) whose name he had previously furnished to Special Agents [redacted] and [redacted] during a previous interview is [redacted] Better Manufacturing Corporation, P. O. Box 1, Schriever, Louisiana, 70395, residence telephone [redacted] office telephone [redacted] b6 b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/19/77

Mr. [redacted] residence [redacted] Street, Metairie, Louisiana, appeared at the New Orleans Office of the FBI. The official identities of [redacted] and [redacted] as Special Agents of the FBI were made known to Mr. [redacted] who furnished the following information: b6 b7C

He stated that from approximately September, 1959, through June, 1964, he was the [redacted] Jefferson Parish, Louisiana.

Since 1964, he has been [redacted]

In approximately 1961 or 1962, he met CARLOS J. MARCELLO at the Tarpon Rodeo at Grand Isle, Louisiana, in the company of a number of other people.

Since that time he has become friendly with CARLOS MARCELLO and has seen him on occasion since that time. Also, Mr. [redacted] said that he has done a couple of appraisals on some land for Mr. MARCELLO.

Mr. [redacted] said that he developed a planning report on property owned by MARCELLO which is known as Churchill Farms. In connection with this, Mr. [redacted] has shown Churchill Farms to several prospective buyers with the last one being about 3 or 4 years ago. b6 b7C

Over the past number of years, Mr. [redacted] said that he had been given both money and loans by CARLOS MARCELLO, but all of this has occurred since he ceased his duties as planning director for Jefferson Parish in 1964.

Mr. [redacted] said that CARLOS MARCELLO contacted him and requested that he come to his office to discuss a matter. Mr. [redacted] said that he went to Mr. MARCELLO's office and was told by MARCELLO that he had an interest in some property or that he was buying some property at Schriever, Louisiana, and he wanted Mr. [redacted] to go to

Interviewed on 9/19/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] and SA [redacted] /kil Date dictated 9/19/77 b6 b7C

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the owners' attorney's office and look after his (MARCELLO's) interest as it pertained to the real estate. He reiterated that Mr. MARCELLO told him that he was personally buying into this property and wanted [redacted] to represent him at the meeting at the attorney's office. Mr. [redacted] said that when he got to this meeting at the office of the owners' attorney, whom he recalls was named [redacted] that he met [redacted] and attorney [redacted] also. Mr. [redacted] said that [redacted] was representing [redacted] who represented himself as the buyer of the property at Schriever, Louisiana. Mr. [redacted] said that he recognized [redacted] as a result of having met Mr. [redacted] at CARLOS MARCELLO's office shortly before the above-mentioned meeting.

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As a result of his instructions from CARLOS MARCELLO to attend this meeting to represent MARCELLO's interest in the proposed purchase of the property at Schriever, Louisiana, and since [redacted] was speaking of buying this property, Mr. [redacted] naturally assumed that [redacted] and CARLOS MARCELLO were partners.

Mr. [redacted] said that during these negotiations at this meeting the purchaser was stated to be Gulf Coast Fabricators. Mr. [redacted] said that he naturally assumed that CARLOS MARCELLO and possibly some other individuals were a part of Gulf Coast Fabricators in view of the instructions given to him by CARLOS MARCELLO to look after MARCELLO's interests at the meeting. He said that if he had been aware that MARCELLO was not an officer or owner of Gulf Coast Fabricators that he would have pointed out to MARCELLO that the property was being sold to a corporation wherein MARCELLO was not listed as an owner or part-owner.

At this meeting, [redacted] and the attorney, [redacted] decided on certain changes to be made in the draft of the purchase agreement. At this meeting an agreement was also made that an inventory list of the equipment located at the plant at Schriever, Louisiana, should be prepared to specify exactly what equipment was to be included in the sale price.

Mr. [redacted] said that [redacted] was the broker who handled the sale of this property but Mr. [redacted] was not present at this meeting.

After completion of this meeting he reported back to CARLOS MARCELLO as to what had transpired at the meeting. Subsequently, Mr. MARCELLO called him and asked him to represent him (MARCELLO) at the act of sale to make sure that everything went according to the previous agreements made at the previous meeting which Mr. [redacted] had attended. Mr. [redacted] said that at the act of sale he recalls that [redacted], and himself being present. He said there could have been other people and does not specifically recall meeting Mr. [redacted] Mr. [redacted] said that CARLOS MARCELLO did not attend the act of sale since he [redacted] was there specifically to look after the real estate interests of CARLOS MARCELLO. b6 b7C

In this regard Mr. [redacted] said that CARLOS MARCELLO never paid him any money to represent him at the meeting and the act of sale. Mr. [redacted] said he did it for Mr. MARCELLO as a friend representing the interests of MARCELLO and not as a real estate broker.

Mr. [redacted] was then shown a copy of a document captioned "Cash Sale of Property by B & M Corporation to Gulf Coast Fabricators, Inc.," dated May 16, 1975. He said that he recognizes his signature on the fourth page of this document as his signature as the first witness to this document.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/13/77

This is to record that on October 3, 1977, Assistant U. S. Attorney [redacted] Eastern District of Louisiana, furnished a file captioned [redacted] which was obtained from the federal Grand Jury at New Orleans which was supplied by [redacted] was obtained as a result of a subpoena duces tecum.

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Interviewed on 10/3/77 at NEW ORLEANS, LOUISIANA File # NO 74-354

by SA [redacted] : nep Date dictated 10/7/77

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FEDERAL BUREAU OF INVESTIGATION

10/13/77

Date of transcription

1

Mr. [redacted] Louisiana, was contacted at his place of employment. After being advised of the official identities of [redacted] and [redacted] as Special Agents of the FBI, he furnished the following information: b6 b7C

He stated that sometime about early October 1976 he was contacted by a man named [redacted] of Houma, Louisiana, who had been referred to him by the chairman of the board of the bank, Louisiana State Senator CLAUDE B. DUVAL. He explained that Mr. [redacted] had approached Mr. DUVAL for a loan from the bank and as a matter of normal business practice had been referred to Mr. [redacted]

Mr. [redacted] said that Mr. [redacted] told him that he had a client who desired to purchase the B & M Plant at Schriever, Louisiana, and that this client would need a loan in the amount of $300,000.00. Mr. [redacted] said that Mr. [redacted] further related to him that the purchaser would be able to obtain the endorsement or guaranty of CARLOS MARCELLO on this loan. b6 b7C

Mr. [redacted] said that he told Mr. [redacted] that it would be necessary for both the purchaser and Mr. MARCELLO to furnish complete financial statements regarding their financial standing. This would include full disclosure of their assets and liabilities, their income and in the event any of the assets held included closely held corporations that all financial information would also be required concerning these corporations.

Mr. [redacted] said that Mr. [redacted] told him that CARLOS MARCELLO would not furnish such financial information but would furnish a letter stating that he was worth "so much money". Mr. [redacted] said that Mr. [redacted] did not mention any specific amount of money when he referred to the letter which Mr. MARCELLO would be willing to furnish. Mr. [redacted] said that he told Mr. [redacted] that this would not be acceptable and that it would be

Interviewed on 10/12/77 at Houma, Louisiana File # NO 74-354

by SA [redacted] SA HVH/jss Date dictated 10/13/77 b6 b7C

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necessary for the potential purchaser and Mr. MARCELLO if he were to endorse or guaranty the loan to furnish full financial information as set forth above.

Mr. [redacted] said that about 30 days later, on or about November 4, 1976, Mr. [redacted] telephonically contacted Mr. [redacted] and made an appointment to come into the bank and bring the potential purchaser to further discuss a possible loan on the B & M property at Schriever, Louisiana. b6 b7C

According to Mr. [redacted] calendar pad for 1976 a notation was located by him on November 4, 1976, which reflects an appointment at 9:30 AM with [redacted] and [redacted] He said that at this time Mr. [redacted] furnished a business card showing him to be [redacted] of International Metals Corporation, 3017 Harvard Avenue, Suite 205, Metairie, Louisiana.

He said that Mr. [redacted] proceeded to make his presentation in connection with the desired loan in the amount of $300,000.00 which Mr. [redacted] said he would use to purchase the B & M Plant at Schriever, Louisiana. He said that he recalls Mr. [redacted] mentioning that he had a company called Gulf Coast Fabricators and that he had a plant near the Mississippi River somewhere around Laplace, Louisiana, and said that he desired to purchase the B & M Plant at Schriever, Louisiana, to use in his galvanizing operation which would be transferred from the above mentioned plant. He said that Mr. [redacted] also mentioned being involved in the business or manufacture of glass products or window glass. He further said that Mr. [redacted] repeated what Mr. [redacted] had told him at the previous meeting about CARLOS MARCELLO's willingness to endorse or to guaranty the note on this loan for $300,000.00 on the B & M Plant at Schriever, Louisiana. Mr. [redacted] said that he got the impression from the way Mr. [redacted] made the presentation that CARLOS MARCELLO had an ownership interest in the B & M Plant and was attempting to sell the plant to [redacted] He said that at this time Mr. [redacted] furnished to him various documents including unaudited financial records and a resume of his [redacted] background. b6 b7C

Mr. [redacted] said that no formal application was taken from Mr. [redacted] since the loan process never went that far. Mr. [redacted] said that in the absence of detailed financial information which he had requested in connection with this loan as outlined above, he did not feel this was a loan in which the First National Bank of Houma would desire to participate and subsequently notified Mr. [redacted] of this fact. b6 b7C

Mr. [redacted] furnished a Xerox copy of the above mentioned calendar page from his 1976 calendar book which is dated November 4, 1976.

NO 74-354

II. INTERVIEWS OF BOARD OF DIRECTORS, FNBJP, RE $408,000 LOAN

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/77

1

[redacted] was contacted at his place of business where he is the [redacted] New Orleans, Louisiana, was made aware of the identity of the interviewing Agent as well as the purpose of the interview and thereafter provided the following information:

[redacted] advised that he was a member of the Board of Directors of the First National Bank of Jefferson Parish, and that while he was a member of this Board during 1975 he recalls an application for a loan that was made by the bank to [redacted] advised that as best he can recall, at present, [redacted] wanted the loan to purchase some property in another part of the state. At this time [redacted] was President of Gulf Coast Fabricators, Incorporated.

[redacted] stated that the loan was to be in the amount of $400,000 and that the property to be purchased was to be used as collateral for the loan and that at the time the loan was originally applied for, only [redacted] name, to his knowledge, appeared on the loan application. [redacted] stated that the loan was presented to the Board of Directors by [redacted] who was an officer of the bank and that [redacted] recommended that the loan be approved. b6 b7C

[redacted] stated that at a Board meeting a few months later one of the Board members, whose name he does not recall, made a statement that CARLOS MARCELLO had co-signed the loan for [redacted] but that he cannot recall what period of time had elapsed from the time the loan had been originally applied for. [redacted] stated that as best he can recall the loan, originally made by [redacted] was a demand note and that [redacted] had reneged on the loan and that is when he believes, but he cannot be sure, that MARCELLO co-signed or endorsed the note. [redacted] stated that he also knows that since [redacted] defaulted on the note that MARCELLO had been repaying the note to the bank regularly. He does not know if the note has been fully repaid to date or not, but that he is sure that MARCELLO

Interviewed on 9/6/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] JR.:stw Date dictated 9/7/77 b6 b7C

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was repaying [redacted] note.

b6
b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/9/77

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[redacted] was contacted at his place of business, [redacted] was made aware of the identity of the interviewing Agent, and thereafter provided the following information: b6 b7C

[redacted] advised that he is the [redacted] for [redacted] and also Recording [redacted] for the Board of Directors for that bank. [redacted] advised that he does recall that [redacted] applied for a loan with the bank in 1975, the exact dates he cannot recall at present, but believes that the loan was applied for in May. [redacted] stated that at the time that [redacted] applied for the loan he was President of Gulf Coast Fabricators, Incorporated, and that the loan was to be in the amount of $400,000 and that [redacted] was going to use the benefits from this loan to purchase a firm in another part of Louisiana, the exact city he cannot recall.

[redacted] stated that as best he can recall, when [redacted] applied for the loan the collateral was going to be the company that [redacted] was going to purchase and that the only person's name appearing on the loan application was [redacted] stated that the loan made to [redacted] was a demand note payable in 120 days and that the loan was defaulted on by [redacted] stated that sometime between the time the loan was approved by the Board of Directors and the time the loan was defaulted on by [redacted] CARLOS MARCELLO had co-endorsed the loan for [redacted] stated that also to his knowledge MARCELLO, after the default by [redacted] was making payments on the loan to First National Bank.

[redacted] stated that he cannot be sure but he believes that [redacted] who is an officer with the First National Bank, was the individual who put together the loan package for [redacted] and was also the individual who presented this loan package to the Board of Directors for their approval.

Interviewed on 9/6/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] :stw Date dictated 9/7/77 b6 b7C

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NO 74-354
MLO-jss

The following investigation was conducted at New Orleans, Louisiana, on the dates indicated by SA [redacted]:

On September 1, 1977 and September 2, 1977, Mr. [redacted] was contacted relative to the investigation of CARLOS MARCELLO and the $400,000 loan obtained from the First National Bank of Jefferson Parish (FNBJP) on May 19, 1975. The loan was made to Gulf Coast Fabricators, Inc. represented by [redacted] Mr. [redacted] furnished the following list of members of the Board of Directors who may have been present at the time that the loan application was presented to the Board of Directors of FNBJP on May 13, 1975. [redacted] explained that for any loan over $100,000 the entire Board of Directors meet; however, he could not definitely state whether all members of the Board of Directors were present at that particular meeting. In addition to the following named persons, [redacted] advised that [redacted] was the Recording Secretary for the loan board and was also present at the meeting. He stated [redacted] could be located at the FNBJP. b6 b7C

[redacted], Jefferson Parish

[redacted]
Attorney at Law

[redacted]
Attorney at Law

[redacted], Mothe Life Insurance Company

[redacted]
Attorney at Law

[redacted] Hero Lands Company, Inc.

[redacted] Marrero Land & Improvement Association

[redacted], The Mayronne Company

[redacted] Jefferson Parish Council

[redacted]
Surgeon, Coroner of Jefferson Parish

[redacted]
Retired

[redacted]
Retired

[redacted] of Todd Shipyards, b6 b7C
New Orleans Division

[redacted]

[redacted]

[redacted]
Attorney at Law

[redacted]

W. RICHARD WHITE
Chairman of the Board
First National Bank of Jefferson Parish

On September 2, 1977, [redacted] Louisiana, was contacted relative to the afore mentioned information regarding his presence as a member of the Board of Directors, FNBJP, on May 13, 1975. Mr. [redacted] acknowledged the fact that he was a member of the Board of Directors at the afore mentioned bank; however, he is over 90 years of age, has a bad memory and does not

recall the $400,000 loan which was approved by the Board of Directors and furnished to Gulf Coast Fabricators, Inc. represented by Mr. [redacted] Mr. [redacted] was not familiar with the loan or Mr. [redacted] He could further not recall the name of CARLOS MARCELLO being mentioned at the May 13, 1975, meeting of the Board of Directors. b6 b7C

On September 2, 1977, Mr. [redacted] Metairie, Louisiana, advised he was a member of the Board of Directors for FNBJP in May 1975. Mr. [redacted] advised he does not recall a $400,000 loan being approved for Gulf Coast Fabricators, Inc. represented by [redacted] and stated he does not recall the name of CARLOS MARCELLO being mentioned at a board meeting during May 1975 and does not recall if in fact he did attend this particular board meeting.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/77

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[redacted] was contacted September 8, 1977, was advised of the identity of the interviewing Agent, as well as the purpose of the interview, and thereafter furnished the following information:

[redacted]

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b7C

Interviewed on 9/8/77 at ~~Gretna, Louisiana~~ File # NO 7[illegible]-356

by ~~SA~~ [redacted] ~~JR.:stw~~ Date dictated 9/8/77

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NO 74-354
WCA:ebc

The following investigation was conducted by SA [redacted] on September 7, 1977:

Contact was established with Mr. [redacted] Louisiana, Telephone Number [redacted]

[redacted] advised that he was a member of the Board of Directors for the First National Bank of Jefferson Parish during 1975. He stated he could not recall if he had been present during a board meeting to review a loan application on behalf of Gulf Coast Fabricators, Inc., during May of 1975; however, he did remember the name of Gulf Coast Fabricators as having had a loan at the bank.

[redacted] stated that a loan application could go to the Loan Committee for approval and/or directly to the Board of Directors depending on the timing of the loan in conjunction with scheduled Board of Directors meetings. He advised that the name of [redacted] was not known to him until he read recent newspaper accounts about him.

b6
b7C

[redacted] stated that should he recall any additional details of having participated in the $400,000 loan approval, he would immediately contact the New Orleans Office of the Federal Bureau of Investigation.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/77

1

[redacted] was contacted at the [redacted] b6 b7C

Louisiana.

[redacted] stated that in May 1975 he was a member of the Board of Directors for the First National Bank of Jefferson Parish (FNBJP). He stated he recalls approving a $400,000 loan applied for by Gulf Coast Fabricators, Inc. represented by [redacted] He stated the loan application was presented to the Board of Directors during May 1975 by Mr. [redacted] who was then the President of FNBJP.

[redacted] advised that for collateral Mr. [redacted] had put up some machinery which according to [redacted] JR. was valued at around $1 million.

[redacted] advised he does not recall the name of CARLOS MARCELLO being mentioned at the Board of Directors' meeting when the $400,000 loan was approved. Neither could he provide any specifics regarding any conversations occurring at this particular board meeting.

Interviewed on 9/7/77 at Gretna, Louisiana File # NO 74-354- b6 b7C

by SA [redacted] /jss Date dictated 9/8/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/77

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[redacted] attorney, was contacted at [redacted] resides at [redacted] Metairie, Louisiana. b6 b7C

[redacted] stated that during May 1975 he was a member of the Board of Directors at the First National Bank of Jefferson Parish (FNBJP). He stated he recalls the Board of Directors approving the $400,000 loan applied for by Gulf Coast Fabricators, Inc. during May 1975. He does not recall that the name of CARLOS MARCELLO was ever mentioned at the board meeting when the loan was approved; however, he found out later that CARLOS MARCELLO had endorsed the loan. He could not recall the specific time he was notified that CARLOS MARCELLO had endorsed the loan. He stated to the best of his recollection [redacted] then the President of FNBJP presented a loan to the Board of Directors.

[redacted] advised that it is his understanding that CARLOS MARCELLO has taken over the $400,000 loan and is presently making the payments.

Interviewed on 9/7/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] /jss Date dictated 9/8/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/77

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[redacted] was contacted at [redacted] Gretna, Louisiana, telephone [redacted] b6 b7C b7D

[redacted] advised during 1975 he was a member of the Board of Directors at the First National Bank of Jefferson Parish (FNBJP). He stated that during May 1975 he recalls that the Board of Directors approved a $400,000 loan to Gulf Coast Fabricators, Inc. represented by [redacted] stated he was present at the meeting and to the best of his knowledge [redacted] another board member, presented the loan application to the Board of Directors.

[redacted] advised that at the time that the loan application was presented he, [redacted] understood that CARLOS MARCELLO had endorsed the loan for Gulf Coast Fabricators, Inc. He advised he cannot recall anything additional concerning the meeting nor could he advise regarding any specific comments made by [redacted] or the then president of the bank, [redacted] advised that he, [redacted] may have second the motion for the loan approval. [redacted] further stated that the fact that CARLOS MARCELLO's name appeared as an endorser for the loan actually strengthened the loan. [redacted] explained that he has done business with the MARCELLO family in the past and they have always been extremely dependable.

Interviewed on 9/6/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] /jss Date dictated 9/8/77 b6 b7C

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1
NO 74-354
BG:stw

The following investigation was conducted by Special Agent [redacted], at New Orleans, Louisiana on the dates indicated:

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b7C

On September 6, 1977, [redacted] was telephonically contacted and advised of the identity of the interviewing Agent as well as the purpose of the interview. [redacted] thereafter related the following information:

[redacted] stated that he is [redacted] but that he can not recall any details concerning a loan that was approved by the Board of Directors in May, 1975 for [redacted]

b6
b7C

On September 7, 1977, [redacted] Attorney at Law, [redacted] was telephonically contacted and provided the following information:

[redacted] stated that he has been a member of the Board of Directors for FNBJP approximately 10 years, and that he also serves as attorney for that bank. [redacted] stated that he deals with so many names daily that his memory for names is very poor. [redacted] stated that he cannot recall the name of [redacted] on a loan in 1975.

On September 7, 1977, [redacted] was contacted at his residence, [redacted] Louisiana, was advised of the identity of the interviewing Agent as well as the purpose of the interview, and thereafter provided the following information:

[redacted] advised that the Board of Directors for Merchants Trust and Savings Bank, in his opinion, is a rubber stamp board. For this reason the loan that [redacted] and CARLOS MARCELLO attempted to make from the bank in December, 1976, had already been disapproved by the bank.

b6
b7C

[redacted] stated that the Board of Directors were not giving any details of that transaction.

On September 6, 7, and 8, 1977, attempts to contact [redacted] who is a [redacted] Kenner, were all negative. [redacted] messages were left with [redacted] secretary to have [redacted] contact the Federal Bureau of Investigation but to date all messages have been unanswered. b6 b7C

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NO 74-354
TH/lca

The following investigation was conducted by SA [redacted] at Belle Chasse, Louisiana, on September 6, 1977:

Mr. [redacted] Louisiana, telephone number [redacted] business telephone number [redacted] was questioned as to his knowledge of or recollection of a loan applied for by Mr. [redacted] in the amount of $400,000 to the First National Bank of Jefferson Parish (FNBJP), during May of 1975. Mr. [redacted] stated that he could recall no details concerning that loan, as he was involved in processing many loans as a member of the board of directors. b6 b7C

1
NO 74-354
TH/lca

The following investigation was conducted by SA [redacted] at Harvey, Louisiana, on September 6, 1977:

Mr. [redacted] Louisiana, telephone number [redacted] who was questioned as to his knowledge of or recollection of a loan application made by a Mr. [redacted] to the First National Bank of Jefferson Parish (FNBJP) for the amount of $400,000 during May of 1975. Mr. [redacted] stated that during that time he was in the board of directors of FNBJP, but could not recall any details concerning this specific loan. [redacted] stated that the board of directors approved numerous loans and again stated he could recall no details concerning this specific loan.

b6
b7C

1
NO 74-354
TH/lca

The following investigation was conducted by SA [redacted] at Gretna, Louisiana, on September 6, 1977: b6 b7C

[redacted] Louisiana, telephone number [redacted] business address 716 Second Street, Gretna, Louisiana, telephone number [redacted] was questioned as to his knowledge of or recollection of a loan applied for by a Mr. [redacted] to the First National Bank of Jefferson Parish (FNBJP) in the amount of $400,000 during May of 1975.

[redacted] stated that during the time of the loan he was on the board of directors; however, that he honestly did not recall anything specific concerning that loan as he sat on the board during so many loan applications and approvals. [redacted] stated that the individuals to speak to for specifics concerning this loan would be the lending officers who made recommendations to the board. b6 b7C

1
NO 74-354
TH/lca

The following investigation was conducted by SA [redacted] at New Orleans, Louisiana, on September 6, 1977:

b6
b7C

Mr. [redacted] New Orleans, Louisiana, telephone number [redacted] was questioned concerning his knowledge of or recollection of a loan applied for by Mr. [redacted] to the First National Bank of Jefferson Parish (FNBJP) in the amount of $400,000 during May of 1975. Mr. [redacted] advised that during that time and currently, he is a member of the board of directors of FNBJP. Mr. [redacted] stated he could not remember any details concerning the loan; however, he did recall the name [redacted] in connection with the loan, but could remember no other details.

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 9/7/77

[redacted] Louisiana, telephone number [redacted] was contacted at his place of employment, [redacted] New Orleans, Louisiana, telephone number [redacted]. Dr. [redacted] was advised as to the identity of the interviewing Agent, the nature of the interview, and thereafter voluntarily furnished the following information: b6 b7C b7D

[redacted] related that he has been in the board of directors of the First National Bank of Jefferson Parish (FNBJP), for over twenty years. [redacted] stated he recalls the loan applied for by Mr. [redacted] around May of 1975, specifically because it was unusual, in that the board had little knowledge concerning [redacted] background and that the common practice of the board was to approve loans based on the board's knowledge of the individual seeking the loan.

[redacted] stated that he had heard [redacted] had at one time owed money on loans he [redacted] had secured with the International City Bank (ICB). [redacted] stated that to the best of his knowledge, it was illegal for one bank to hold stock in another bank across parish lines under Louisiana law. [redacted] stated that [redacted] bought 52 percent of the stock in the FNBJP in his name and that later it was brought out that the ICB Bank had backed the purchase using [redacted] name. [redacted] stated that to the best of his recollection, there was a court hearing on this matter and that [redacted] was vindicated.

[redacted] stated that around the time of [redacted] loan, because of [redacted] shareholding in the FNBJP, he was chairman of the board and that he [redacted] brought in a [redacted]

[redacted] related that [redacted] and [redacted] presented the loan application of Mr. [redacted] for the $400,000 loan to the board of directors and recommended that they approve this loan. [redacted] stated that during this presentation, no mention was made of CARLOS MARCELLO in connection with this loan as a backer or endorser. [redacted] stated that the loan was a 90-day

Interviewed on 9/6/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] /lea Date dictated 9/7/77 b6 b7C

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demand loan and that [redacted] used the Gulf Coast Fabricators Plant and machinery as collateral, stating that he would pay off the loan as he sold machinery from that plant. [redacted] stated that approximately six to nine months after the loan had been approved, the loan went sour, and to the best of his [redacted] recollection, the bank sent an individual down to the Gulf Coast Fabricators Plant to inspect the plant and machinery. [redacted] stated that he had heard the individual sent down by the bank found nothing but an empty plant. [redacted] stated that at that time CARLOS MARCELLO was called upon by the bank to make good on the loan. [redacted] stated that to the best of his knowledge, MARCELLO did so, utilizing land that he owns on the Westbank and that the bank holds a mortgage on that land. [redacted] stated that although no mention of CARLOS MARCELLO was made at the time of application for the loan, and approval of same, it appears that MARCELLO was an endorser or a backer of the original loan.

b6
b7C

NO 74-354

III. ATTEMPTED LOAN AT MERCHANTS TRUST AND SAVINGS BANK, $335,000

FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/77

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b7C
b7D

[redacted] provided copies of the following described documents:

1) Copy of commercial loan note in the name of CARLOS J. MARCELLO for #20,000.

2) Copy of liability ledger in the name of CARLOS J. MARCELLO for $20,000.

3) Copy of letter from CARLOS J. MARCELLO in reference to his net worth.

4) Statements, checks, deposits (copies) on account of CARLOS J. MARCELLO #40-871-6 from January 1975, to, and including, December 1976.

5) Copy of letter from First National Bank of Jefferson dated December 17, 1976.

6) Copy of loan application in the name of CARLOS MARCELLO and [redacted] for $335,000 and copy of excerpts of Board Meeting dated December 9, 1976, in reference of loan application.

10) Copy of blank corporate resolution signed by [redacted]

11) Copy of pledge agreement signed by [redacted]

12) Copy of Notice of Right of Recission signed by [redacted]

13) Copy of blank note signed by and endorsed by [redacted] and CARLOS MARCELLO.

Interviewed on 4/15/77 at Kenner, Louisiana File # NO 74-354

b6
b7C

by SA [redacted] tac Date dictated 4/28/77

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GPO : 1975 O - 586-118

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 9/7/77

[redacted] member of the Board of Directors, [redacted] was contacted at the MTSB, Airline Highway and Williams Boulevard, Kenner and was advised of the identity of the interviewing agent. [redacted] was advised that the purpose of this interview was to ascertain any details regarding the attempt by [redacted] of Gulf Coast Fabricators (GCF) to obtain a loan from the MTSB in the amount of approximately $300,000. b6 b7C

Regarding this loan application from [redacted] of GCF, [redacted] advised that in early December 1976, CARLOS MARCELLO came into MTSB and talked to [redacted] President of MTSB, and told [redacted] that he had a problem in that a loan which he had endorsed for GCF at the First National Bank of Jefferson Parish (FNBJP), which loan had ample collateral, had been called by FNBJP and indicated that this loan had to be repaid as soon as possible. [redacted] stated that [redacted] called him LA into his office and introduced him to CARLOS MARCELLO and [redacted] brought [redacted] up to date on the circumstances and advised him regarding the time element with which MARCELLO was faced. [redacted] advised CARLOS MARCELLO said he would have to come up with the money himself. [redacted] said he then told CARLOS MARCELLO that he was an established customer at MTSB, but [redacted] of GCF was not an established customer. [redacted] said that CARLOS replied that [redacted] would be the individual signing for the loan and that he (CARLOS) would be endorsing the loan. [redacted] stated that he told MARCELLO that he knew even less about [redacted] than he did about GCF, and that he would have to check the collateral which was in possession of FNBJP, and that the Board of Directors would have to approve any loan application.

In checking with DICK WHITE at FNBJP, [redacted] stated he determined that [redacted] note at FNBJP was overdue and had been called. [redacted] advised however, that he later discovered that FNBJP just wanted this note

Interviewed on 9/6/77 at Kenner, Louisiana File # NO 7[illegible]-354

by SA [redacted] JR./mjb Date dictated 9/7/77 b6 b7C

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called on a technicality and that FNBJP could not verify the collateral for this note.

[redacted] advised that one or two days later CARLOS MARCELLO returned to the bank with [redacted] and MARCELLO introduced [redacted] to [redacted] advised CARLOS told him the $300,000 loan was for [redacted] company, GCF, but this loan was backed by the personal endorsement of CARLOS MARCELLO. [redacted] stated that he told CARLOS MARCELLO that MARCELLO had borrowed money from MTSB for years and was considered an established customer because MARCELLO had repaid his loans, but that [redacted] was not an established customer and the collateral for the loan would have to be verified. b6 b7C

[redacted] advised that the proposed collateral for this $300,000 loan was a mortgage note in the amount of $100,000 on property in Gonzales, Louisiana, and the main collateral was to be a warehouse and land in Houma, Louisiana valued at between $700,000 and $800,000, and that all documents regarding this collateral were in possession of FNBJP.

[redacted] advised that he did not hear from MARCELLO or [redacted] for approximately two weeks, and after approximately two weeks, CARLOS MARCELLO telephonically contacted [redacted] and requested that [redacted] explain in person to DICK WHITE at FNBJP that he (CARLOS) would be willing to pay the loan at FNBJP, but that FNBJP would have to return the collateral in full. [redacted] advised that no agreement could be reached with FNBJP.

[redacted] advised that at a subsequent meeting of the Board of Directors of the MTSB, this loan was discussed and it was agreed by the Board members that the collateral must be accounted for and be presented to the bank.

[redacted] advised that FNBJP was unable to produce the collateral and this loan request by [redacted] and CARLOS MARCELLO was not approved by the MTSB.

[redacted] advised that in a response from a subpoena issued by the United States Attorney's Office in Miami, Florida, [redacted] b3

3
NO 74-354
GWC/mjb

b3

[redacted] the Grand Jury in Miami, Florida. [redacted] stated that [redacted]

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b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 9/5/77

[redacted]

Kenner, Louisiana, was telephonically contacted at his place of business, [redacted] Metairie, Louisiana, was advised of the identity of the interviewing Agent and that the purpose of the interview was to ascertain any details concerning a meeting of the Board of Directors of Merchants Trust and Savings Bank on or about December 9, 1976, during which a loan presentation was made on the part of [redacted] of Gulf Coast Fabricators to borrow $300,000 from Merchants Bank. b6 b7C

[redacted] replied that he does not recall anything concerning this loan and that the name [redacted] and the company Gulf Coast Fabricators are completely unfamiliar to him.

Interviewed on 9/2/77 at Metairie, Louisiana File # NO 74-354

by SA [redacted] :ebc Date dictated 9/6/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/6/77

[redacted] Louisiana, was telephonically contacted at his place of business, [redacted] Avondale, Louisiana, for the purpose of making an appointment for interview. [redacted] was advised by the interviewing Agent that the purpose of the interview was to ascertain if he recalls any details of a meeting of the Board of Directors of Merchants Trust and Savings Bank on or about December 9, 1976, during which a loan presentation was made on behalf of [redacted] of Gulf Coast Fabricators to borrow $300,000 from the Merchants Bank. b6 b7C

[redacted] replied that he does not remember the name of [redacted] or the company Gulf Coast Fabricators or any loan presentation from [redacted] or Gulf Coast Fabricators. He stated that it is possible that he did not attend the meeting of the Board of Directors on or about December 9, 1976. After consulting his appointment calender, [redacted] advised that he was in the New Orleans area on December 9, 1976; however, his calender does not indicate that he attended a meeting of the Board of Directors on this date. [redacted] advised that he would further research this matter and would recontact the interviewing Agent at the earliest possible date if he recalls any information regarding this loan presentation. b6 b7C

Interviewed on 9/2/77 at Avondale, Louisiana File # NO 74-354

by SA [redacted] :ebc Date dictated 9/6/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/6/77

[redacted] Louisiana, was contacted at his place of business, [redacted] New Orleans, Louisiana. [redacted] was advised that the purpose of the interview was to obtain any details regarding [redacted] of Directors of the Merchants Trust and Savings Bank on or about December 9, 1976, during which a loan to [redacted] of Gulf Coast Fabricators in the amount of $300,000 was discussed.

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[redacted] stated that he recalls this loan being discussed at a meeting of the Board of Directors of Merchants Trust and Savings Bank during the latter part of 1976; however, he does not recall any details concerning the presentation of this loan to the Board of Directors. [redacted] recalls the name CARLOS MARCELLO being mentioned in connection with this loan; however, he does not recall if MARCELLO's name was mentioned during the Board meeting. He further stated that he does not recall in what connection MARCELLO's name was mentioned with the loan. [redacted] advised that this loan to [redacted] was not approved by the Board of Directors because of lack of collateral on the part of [redacted]

[redacted] advised that he could recall no other details concerning this loan.

Interviewed on 9/2/77 at New Orleans, Louisiana File # NO 74-354

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b7C

by SA [redacted] :ebc Date dictated 9/6/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/6/77

[redacted] b6 b7C

[redacted] was advised of the identity of the interviewing Agent. [redacted] was advised that the purpose of the interview was to ascertain any details of a meeting of the Board of Directors of Merchants Trust and Savings Bank on or about December 9, 1976, during which a loan presentation was made on behalf of [redacted] of Gulf Coast Fabricators to borrow approximately $300,000.

[redacted] advised that it is his recollection that the amount of money [redacted] had requested to borrow from Merchants Bank was approximately $200,000 rather than $300,000. He advised that this loan was not approved due to unsufficient collateral on the part of [redacted] and Gulf Coast Fabricators. [redacted] advised that during this presentation for approval of this loan only members of the Board of Directors were present.

[redacted] advised that he does not recall any other details in connection with this loan request.

Interviewed on 9/1/77 at Kenner, Louisiana File # NO 74-354

by SA [redacted] :ebc Date dictated 9/6/77 b6 b7C

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FD-302 (REV. 1-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/6/77

[redacted] Louisiana, was telephonically contacted at his place of business, [redacted] Louisiana, for the purpose of arranging an interview appointment. [redacted] was advised that the purpose of the interview was to ascertain if he recalls any details concerning a meeting of the Board of Directors of Merchants Trust and Savings Bank on or about December 9, 1976, during which a loan presentation was made on behalf of [redacted] of Gulf Coast Fabricators to borrow $300,000. [redacted] stated that he does not specifically recall any details concerning this loan except that the loan had something to do with the purchase of push boats or tug boats and that the loan was not approved.

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Regarding other people who might have been present at the presentation at the Board of Directors meeting, [redacted] advised that he has never met CARLOS MARCELLO and that CARLOS MARCELLO was definitely not present during the presentation of this loan.

[redacted] stated that he could not recall any other details concerning this matter.

Interviewed on 9/1/77 at Kenner, Louisiana File # NO 74-354

by SA [redacted] :ebc Date dictated 9/6/77

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b7C

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FD-302 (REV. 11-27-70).

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/6/77

[redacted] Louisiana, was contacted at his place of business, [redacted] Louisiana. [redacted] was advised of the identity of the interviewing Agent and that the purpose of the interview was to determine if he could recall any details regarding the attempt by [redacted] of Gulf Coast Fabricators to obtain a loan of $300,000 on or about December 9, 1976., at a meeting of the Board of Directors of Merchants Trust and Savings Bank. [redacted] stated that he does not recall this meeting or the attempt by [redacted] or anyone else to obtain a loan from Merchants Bank. He advised that he does not recall the name [redacted] or any other details regarding this attempt to obtain a loan.

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Interviewed on 9/1/77 at Harahan, Louisiana File # NO 74-354

by SA [redacted] :ebc Date dictated 9/6/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/14/77

[redacted], provided copies of the following documents: b6 b7C

1) Undated and unsigned loan application in the name of CARLOS MARCELLO and [redacted] in the amount of $335,000.

2) Copy of a liability ledger of CARLOS J. MARCELLO, 1225 Airline Highway, Metairie, Louisiana, 70001, showing the commencing date of note as October 9, 1972 and last date of note of December 1, 1976.

Also obtained at this time was the original of a letter dated August 23, 1976, with the letterhead of CARLOS J. MARCELLO which contains the following information: "Merchants Trust and Savings Bank, Kenner, Louisiana, 70062"

"Gentlemen:

"Pursuant to your request, this is to advise that my net worth is in excess of ONE MILLION DOLLARS ($1,000,000.00)."

"Yours very truly,
"/s/ Carlos J. Marcello"

Interviewed on 10/13/77 at Kenner, Louisiana File # NO 74-354

by SA [redacted] :dbr Date dictated 10/14/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 12/29/77

Mr. [redacted] was contacted at the MTSB, 2102 Airline Highway, Kenner, Louisiana. After being advised of the official identities of SAs [redacted] and [redacted] as Special Agents of the FBI, Mr. [redacted] furnished the following information concerning an [redacted]

He stated that on or about December 2, 1976, he was contacted by Mr. [redacted] who spoke to him concerning a loan in the amount of $335,000 for CARLOS J. MARCELLO. Mr. MARCELLO was present at this time. Mr. [redacted] said he thereafter talked over the details with Mr. MARCELLO concerning this loan and these details took the following course:

He stated that Mr. MARCELLO advised him that he desired this $335,000 loan to pay off a note at the First National Bank of Jefferson Parish (FNBJP), Gretna, Louisiana. He explained that this loan at FNBJP was secured by a first mortgage on real estate at Schreiver, Louisiana, and a second mortgage on real estate at Gonzales, Louisiana. Mr. [redacted] said that Mr. MARCELLO told him that the loan would be made in the name of Gulf Coast Fabricators, Inc. and would be for [redacted] and that Mr. MARCELLO would be willing to endorse the note. Mr. [redacted] explained by saying that he ascertained that FNBJP had a bad experience with this loan and that FNBJP wanted the loan out of the bank. He said that he explained to Mr. MARCELLO that the bank (MTSB) knew nothing whatosever about Gulf Coast Fabricators or [redacted] but that Mr. MARCELLO was a long-established customer. He said that if the loan application was to be made that the loan would have to be made not only to Gulf Coast Fabricators under a hypothecation but should include Mr. MARCELLO as an individual and if he so desired should include [redacted] as an individual. At this point, Mr. [redacted] was shown a bank copy of a sheet captioned, "Loan Application" made out in the name of "Carlos Marcello & [redacted]. Mr. [redacted] viewed this loan application and stated that the handwriting contained thereon is his own handwriting. Mr. [redacted] was questioned concerning

Interviewed on 12/15/77 at Kenner, Louisiana File # NO 74-354 b6 b7C

by SAs [redacted] and HVH/kap Date dictated 12/16/77

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the notation in the block captioned "collateral" which listed "first MTG on R/E-Houma" and "2nd MTG on R/E in Gonzales". Mr. [redacted] explained by saying that the collateral offered by Mr. MARCELLO was the same collateral which was being held by the FNBJP which represented the loan was to be paid out with the proceeds of the loan from MTSB. Mr. [redacted] said that he directed one of the bank's attorneys, [redacted] Suite 200, to proceed to the FNBJP to inspect the papers which represented the evidence of collateral concerning the above-mentioned property. b6 b7C

Mr. [redacted] said that on the next day after Mr. MARCELLO's initial appearance, it would have been on or about December 3, 1976, Mr. MARCELLO re-appeared at the MTSBY with [redacted] After some discussion concerning the loan, Mr. [redacted] was informed by Mr. [redacted] that it would be necessary for him to be out of town in the near future and for this reason both CARLOS MARCELLO and [redacted] signed various papers pertaining to the application for this loan. Mr. [redacted] then viewed the following documents as follows:

1) "Corporate Resolution MTSB-94" signed [redacted] and Signed [redacted] (title of certifying officer).

2) "Notice of Right of Recession and Notice of Effort of Recession" MTSB-58, signed [redacted]

3) "Pledge Agreement" signed [redacted]

4) "Promissory Note -- Secured" signed on the face CARLOS J. MARCELLO and [redacted] Signed on the reverse [redacted] CARLOS J. MARCELLO.

Mr. [redacted] reiterated that normal bank policy does not call for loan applications and supporting papers to be signed in blank; however, in this case, it was done since Mr. [redacted] had travel plans and planned to be out of town during the next few days. He said that in this regard he telephonically contacted various members of the Board of Directors to get a tentative approval of the loan and the collateral or the evidence of collateral

processed to be satisfactory at the conclusion of the examination by the bank's attorney at FNBJP.

Mr. [redacted] said that on or about December 3, 1976, which date he determined from a review of bank records, including a bill from the firm of DiMartini and LeBlanc, Mr. [redacted] went to the FNBJP to review all mortgages and collateral and subsequently returned to the MTSB for a discussion of his findings. Mr. [redacted] summarized these findings by stating that a mortgage note in the amount of $100,000 was missing from the bank records at FNBJP which caused some concern as to whether or not MTSB would be able to complete the loan. Numerous discussions were subsequently had between officers and employees of both banks over an extended period of time. Mr. [redacted] said that Mr. W. RICHARD WHITE, Chairman of the Board, FNBJP, directed a letter dated December 17, 1976 to him which included a $14,000 cashiers check representing an interest payment in the form of cashiers check number C-43077, dated December 7, 1976, payable to MTSB.

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Mr. [redacted] said that after negotiations with FNBJP eventually failed to properly locate and identify the collateral or evidence of collateral in the form of the $100,000 mortgage note mentioned above, a meeting was held on February 16, 1977. This meeting was held in the FNBJP and was attended by CARLOS J. MARCELLO, Attorney [redacted] W. RICHARD WHITE and an attorney named [redacted] who represented FNBJP. FNBJP attempted to give a bond to MTSB in lieu of the $100,000 mortgage note, but Mr. [redacted] refused and, at this time, returned the above-mentioned cashiers check C-43077, to Mr. WHITE and received a handwritten notation of the receipt of this check on the bottom portion of the letter dated December 17, 1976.

Mr. [redacted] said that Attorneys [redacted] and [redacted] would be able to specifically describe what records they examined in connection with this loan application and could more fully round out the matter pertaining to the bank records at FNBJP.

4
NO 74-354
HVH/kap

Mr. [redacted] at this time, furnished the original copies of the following documemnts:

Item one through four as mentioned above; letter of FNBJP, December 17, 1976, signed W. RICHARD WHITE and the loan application in the name of CARLOS MARCELLO and [redacted] and a piece of yellow paper with the notation "Saul Siegel, 6 Cromwell Place, New Orleans, Louisiana 866-3784 and 865-7381".

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In conclusion, Mr. [redacted] stated that the piece of paper with the number 121 in the upper right-hand corner which is noted "A regular meeting of the Board of Directors of the Merchants Trust and Savings Bank was held at Kenner, Louisiana, on December 9, 1976" represented an actual meeting that was held concerning the above-mentioned loan application. Mr. [redacted] said that this was a formal approval which was made subsequent to the telephone approvals previously solicited which he mentioned before. Mr. [redacted] stated that although the motion to approve the loan was made, seconded and carried, that this was done predicated on the satisfactory production of records showing evidence of collateral by FNBJP which was never done. For this reason, the loan was disapproved.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 12/29/77

[redacted] Louisiana, furnished the following information to Special Agents [redacted] and [redacted] who identified themselves to him as Special Agents of the FBI.

He stated that he and his partner, [redacted] are on retainer to the [redacted]

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Mr. [redacted] said that he recalls an attempted loan involving CARLOS MARCELLO approximately one year ago which had to do with his checking of records at the First National Bank of Jefferson Parish (FNBJP).

[redacted] searched his records and produced a file and after referring to notes in this file, furnished the following additional information.

He said that his records indicated that he travelled to FNBJP, Gretna, Louisiana, on December 3, 1976, for a conference with Mr. [redacted] and Mr. WHITE of the FNBJP. He said that he recalls reviewing various records including mortgages and collateral mortgages and other evidences of collateral and subsequently returning to the MTSB for a discussion with Mr. [redacted] concerning this loan. He said that he recalled that a large mortgage note in the amount of $100,000 was missing from the file at FNBJP and based on this, he did not feel that further research was warranted by him at that time, until FNBJP could produce this note. He said that he so advised Mr. [redacted] Mr. [redacted] said that his records further indicated as evidenced by a letter dated March 23, 1977, which was directed to Gulf Coast Fabricators, Inc. in care of MTSB, a bill in the amount of $300 which lists two additional dates concerning this transaction. An entry of February 1 (1977) lists a conference at the bank with Mr. [redacted] and Mr. MARCELLO concerning the status of FNBJP loan and security pledged to it. It further indicated several telephone conversations with [redacted] Attorney for FNBJP.

Interviewed on 12/15/77 at Kenner, Louisiana File # NO 74-354

by SAs [redacted] and HVH/kap Date dictated 12/16/77

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A third date is shown on this bill of February 16 which indicates a conference at FNBJP with Mr. [redacted] Mr. WHITE, Mr. [redacted] and Mr. MARCELLO on the status of the loan and the security and loan renegotiation. Mr. [redacted] said that it was his recollection that the February 1 and 16 meetings were made by his law partner, Mr. [redacted]

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Mr. [redacted] furnished copies of his file, including handwritten notes concerning his review of the FNBJP file.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 1/10/78

This is to record that Mr. [redacted] Louisiana, appeared at the New Orleans Office of the FBI. [redacted] was at this location at this time in connection with an interview pertaining to his activities on behalf of the Merchants Trust and Savings Bank (MTSB) as it pertained to an attempted $335,000 loan beginning in December, 1976, by CARLOS J. MARCELLO, [redacted] and Gulf Coast Fabricators, Incorporated. b6 b7C

[redacted] thereafter furnished the following information:

He stated that [redacted] and in this capacity he was contacted on the morning of December 3, 1976, by [redacted] He stated that [redacted] requested him to go to the First National Bank of Jefferson Parish (FNBJP) in Gretna, Louisiana, to review certain records in connection with a loan which was outstanding at that bank which the MTSB was considering "buying." He stated that inasmuch as he was leaving that day to go on vacation to Jamaica, he left written instructions to his partner, [redacted] to accomplish this matter. He pointed out a legal size sheet containing handwriting which commences "1. Go see Dick White..." which he stated represented his written instructions to his partner [redacted] He stated that the remainder of the handwriting on this sheet is the handwriting of [redacted]

Upon his return from vacation, he discussed this matter with [redacted] and found that the note at FNBJP of Gulf Coast Fabricators, Incorporated was past due, that the note had been called and that one of the mortgages in the amount of $100,000 could not be located.

He stated that he recalls having several telephone discussions with attorney [redacted] who represented FNBJP in this matter. He stated [redacted] has his office in the Carrollton Homestead Building in the 2600 block of Canal Street in New Orleans. He stated that on or about December 21, 1976, he had a telephone conversation with [redacted] concerning the mortgage

Interviewed on 1/5/78 at NEW ORLEANS, LOUISIANA File # NO 74-354

by SAs [redacted] and [redacted] HVH:nep Date dictated 1/6/78 b6 b7C

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b6
b7C

certificate and pointed to a legal size page of paper which commences "Mtg. Cert. - 12-21-76" and stated that all of the handwriting on this page is his handwriting and represents notations taken by him during this conversation. He stated that it was very apparent to him that FNBJP was extremely eager to have this loan out of the bank and in this regard a number of possible options were discussed concerning the possible granting of a loan by MTSB to accomplish this fact.

On or about February 1, 1977, [redacted] again contacted him requesting him to appear at the MTSB. When he arrived, he was introduced to a man named [redacted] and observed that CARLOS MARCELLO was also there with [redacted] A discussion ensued concerning the loan in the amount of $408,000 which was outstanding at the FNBJP and [redacted] laid out the facts as they had been discovered by him and [redacted] as they pertain to the records in the possession of the FNBJP concerning this loan. During this conversation concerning the records, [redacted] pointed out that the mortgage note in the amount of $100,000 was not present in the records of the FNBJP and MARCELLO appeared concerned regarding the various aspects as they had been discovered by [redacted] and [redacted] He stated that MARCELLO took the lead in these discussions and [redacted] was "just there" for the most part. He did say, however, at one point during the discussions [redacted] strongly requested him to contact [redacted] attorney for FNBJP. He stated that while at this meeting he did in fact call [redacted] and had further discussions with him concerning the records of the FNBJP.

[redacted] stated that nothing was resolved at this meeting and on or about February 16, 1977, [redacted] again contacted him and wanted him to accompany him [redacted] to the FNBJP to further discuss this matter. He stated that he, [redacted] and CARLOS MARCELLO went to the Gretna, Louisiana office of the FNBJP and met with DICK WHITE, president of FNBJP, concerning the loan. He stated that although FNBJP offered to indemnify MTSB, no satisfactory arrangement was reached so that the end result of all of these discussions and negotiations resulted in the loan for $335,000 not being granted to [redacted] CARLOS MARCELLO, and Gulf Coast Fabricators, Incorporated.

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b7C

[redacted] stated that he and his law partner [redacted] only represented MTSB in these transactions and that at no time represented CARLOS MARCELLO, [redacted] or Gulf Coast Fabricators, Incorporated. He displayed a copy of a bill dated December 6, 1976 which was addressed to the Merchants Trust and Savings Bank, 2102 Airline Highway, Kenner, Louisiana; to the attention of [redacted] in the amount of $150. He stated that this was the original bill which his firm submitted to MTSB in connection with the initial examination of the records at FNBJP on December 3, 1976 by [redacted]

He stated he was told by [redacted] that rather than bill MTSB for the services, that the bill should be directed to Gulf Coast Fabricators, Incorporated. He stated that the bill, which he displayed, dated March 23, 1977, was addressed to Gulf Coast Fabricators, Incorporated, in care of Merchants Trust and Savings Bank, to the attention of [redacted] in the amount of $300, was paid in full on July 11, 1977. He explained by saying that he directed a copy of this bill to the bank since he did not know the address of Gulf Coast Fabricators, Incorporated. Additionally, he stated that he directed a copy of the bill to the office of CARLOS MARCELLO, who ultimately paid the bill in full.

In reflecting on the above mentioned events, [redacted] stated that he could not recall anyone representing or introducing [redacted] as a specific officer of Gulf Coast Fabricators, Incorporated and that he got the impression throughout the events that CARLOS MARCELLO had endorsed the loan for [redacted] and Gulf Coast Fabricators, Incorporated at FNBJP and since the loan had gone bad, MARCELLO was being forced to move the loan. This was the reason for all of the efforts to reach an agreement concerning the working out of all the details so that MTSB would be properly protected. He stated, however, that it was his considered opinion that after speaking with [redacted] and after having the various discussions with all of the individuals concerned that it was not a good business proposition for MTSB to lend the money.

[redacted] closed by saying that the only other contact that he has had with CARLOS MARCELLO was in the summer of 1964

when he met him at the Grand Isle Tarpon Rodeo. He stated that at this time he spoke to him for approximately ten minutes and since that time until the above mentioned events never had any additional contact in any form with him.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/10/78

Mr. [redacted] furnished the following information to SA [redacted] and SA [redacted] who identified themselves to him as Special Agents of the FBI. b6 b7C

Mr. [redacted] was advised an interview was desired with him concerning his participation and negotiations concerning a $408,000 loan at First National Bank of Jefferson Parish (FNBJP) and his dealings with CARLOS J. MARCELLO, [redacted] and Gulf Coast Fabricators, Inc.

Mr. [redacted] stated that his firm is on retainer to the FNBJP and in this way he became involved in negotiations regarding the above. He stated that he met at FNBJP with CARLOS MARCELLO, [redacted] DICK WHITE and [redacted] on February 16, 1977. He recalls that this meeting had to do with attempts by [redacted] and MARCELLO to obtain a loan at Merchants Trust and Savings Bank (MTSB) to pay off the balance on the $408,000 note of Gulf Coast Fabricators.

Mr. [redacted] said that he was well acquainted with Mr. [redacted] inasmuch as the above note was only one of several notes which had been forwarded to him for collection by FNBJP. He said that after negotiations commenced sometime prior to February, 1977, that the bank recalled this note from Mr. [redacted] and told him that he should not press for collection at that time. He stated that he recalls having telephone conversations with [redacted] who was the Attorney representing MTSB, but does not recall how many telephone calls he received from [redacted] b6 b7C

Mr. [redacted] further stated that he recalls that there was a note missing in the bank records at FNBJP and this seemed to be one of the primary problems insofar as MTSB granting a loan to CARLOS MARCELLO and [redacted] to pay off the note at FNBJP. He recalls further that DICK WHITE made offers to indemnify MTSB in connection with the missing note for $100,000 but this was not satisfactory to representatives of MTSB. He said that DICK WHITE of FNBJP was interested in

Interviewed on 1/6/78 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] prb Date dictated 1/9/78

SA [redacted] b6 b7C

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having CARLOS MARCELLO substitute collateral in the form of property other than that which was mortgaged on the $408,000 note if the loan was to be retained by FNBJP. b6 b7C

Mr. [redacted] stated that in connection with attempting to collect on another note, which was owed by [redacted] that he contacted [redacted] during October, 1977, and has a telephone message in his records where [redacted] returned his call on October 10, 1977, at 3:10 P.M. The message was taken by an employee, [redacted] who is still employed at the firm. Within five working days, Mr. [redacted] returned [redacted] call and was instructed by [redacted] that Gulf Coast Fabricators, Inc. was now owned by [redacted] telephone number 1-617-933-8250, He said that he subsequently contacted Mr. [redacted] who furnished a payment from Suburban Brokers, Inc., which paid off this loan. Mr. [redacted] said that this account was note number 000100, in the amount of $10,000 for Tea 'n Tiques, Inc. at FNBJP and indicated borrower number 1808470.

Mr. [redacted] furnished a copy of a letter, dated February 7, 1977, directed to CARLOS MARCELLO by him in reference to the $100,000 collateral mortgage which was missing as mentioned above. Mr. [redacted] further furnished a copy of the above-mentioned Phone-O-Gram telephone message as mentioned above. Further, he furnished a letter, dated August 3, 1977, directed to [redacted] regarding [redacted] versus Gulf Coast Fabricators, Inc. and [redacted]

In addition, he furnished a copy of a note of FNBJP in the amount of $55,000, dated October 28, 1974, a judgment number 585-669 of the Civil District Court of Orleans Parish, dated May 23, 1975, and a copy of a letter, dated September 28, 1977, directed to [redacted] regarding a $10.00 over payment by Suburban Brokers, Inc. in connection with the $10,000 loan mentioned above.

NO 74-354

IV. ATTEMPTED LOAN AT PONTCHARTRAIN STATE BANK RE B&M PLANT

FD-302 (REV. 1)-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/17/77

[redacted] b3 b6 b7C

New Orleans, Louisiana; appeared at the New Orleans Office of the FBI and provided the following [redacted] to the issuance of a subpoena duces tecum [redacted] by the Federal Grand Jury, Southern District of Florida, Miami, Florida.

[redacted]

Interviewed on 5/12/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] dbr Date dictated 5/17/77 b6 b7C

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FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/3/77

On August 2, 1977, [redacted] was interviewed at her residence in [redacted] Louisiana, by SA [redacted] who identified himself as a Special Agent of the FBI. During this interview, SA [redacted] was accompanied by Detective [redacted] of the New Orleans Police Department. [redacted] was advised the interview was to be concerning the period of time during which she was employed at the [redacted] Louisiana.

[redacted] advised [redacted] in [redacted] from May 1, 1975, through January 11, 1977, [redacted] She stated that during her term of employment, she had been in order, a teller, a loan teller, a loan officer, and a [redacted] Her supervisors during this term of employment were [redacted]

She stated she was very familiar with the accounts involving [redacted] Container Services Corporation (CSC), and Gulf Coast Fabricators (GCF) since during the course of her employment these accounts were on a day-to-day panic basis as a result of constant overdrafts and she had been assigned to oversee these accounts daily by her superiors. She stated during the time she was at the bank, [redacted] was in charge of daily reviewing overdrafts which came to the bank. All overdrafts crossing his desk involving [redacted] accounts were called to the attention of [redacted]

She stated whenever overdrafts in the [redacted] accounts got to a high level they would be covered by [redacted] issuing loans to cover the overdrafts by [redacted] Loans were issued by [redacted] to cover these overdrafts at an average rate of two or three times per week. [redacted] would then be called by [redacted] and these loans which had been issued by [redacted] would be collateralized by invoices or accounts receivable for the galvanizing company of which [redacted] was the president. These loans were collateralized on an eighty percent value of the accounts receivable submitted

Interviewed on 8/2/77 at LACOMBE, LOUISIANA File # NO 74-354

by SA [redacted] : nep Date dictated 8/3/77

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GPO : 1975 O - 566-118

by [redacted] stated the bank would then do the necessary work including letter writing to see that these accounts were paid. To her recollection, at the time she ceased employment with the bank there were still 20 to 25 companies which had not paid the bills. She further explained these bills may have been paid directly to GCF instead of the bank. b6 b7C

She stated as part of her duties with installment loans, she always initialed loans which she reviewed. This was true with loans involving [redacted] and his corporations as well as all other loans which she processed. She was more involved with [redacted] loans because his accounts were always in a bad state and needed daily attention. She stated that at times the financial affairs of [redacted] and his corporations were so bad it required almost a full time employee to keep track of what was going on.

[redacted] At the beginning of his involvement with the PSB, tried writing bad checks for deposit to his accounts, however, the bank quickly discovered this kiting scheme and forced him to cease this activity by refusing to accept his personal checks as deposits.

In addition to his personal accounts and corporate accounts with GCF and CSC, [redacted] was also responsible for loans to the following persons:

[redacted] of Shreveport, Louisiana. [redacted] did not know too much about this loan except that it was made in the amount of approximately $10,000 in [redacted] name. The loan was to be repaid, however, by [redacted] advised she had only met [redacted] one time when he had come to the bank in an attempt to collect for a $3,000 check he had received from [redacted] She stated he left the bank with the check in his possession stating he was well aware the check would probably never be good.

[redacted] of Brownsville, Texas, had been introduced to the bank by [redacted] operating through his corporation, Condo Rio, had attempted to obtain a large loan which had been

refused. He had subsequently been issued a smaller loan for approximately $50,000 by [redacted] advised she recalled this loan was very confused at its issuance but was eventually straightened out by [redacted], and [redacted]

A loan to [redacted] was arranged by [redacted] to [redacted] to purchase a vehicle. [redacted] stated that [redacted] used his son, [redacted], mostly as an errand boy. b6 b7C

D&D Mining Corporation, Mr. and Mrs. [redacted] of Oklahoma had with [redacted] obtained a loan for $100,000 in a mining venture in Oklahoma.

In [redacted] working with Penn Lee Corporation of Virginia, the PSB wired money to Penn Lee for [redacted] apparently had arranged for shipments of products of Penn Lee Corporation to Croft Metals of Mc Comb, Mississippi. These payments were made subsequent to the receipt by PSB of letters of credit issued by Croft Metals through the First National Bank of Jackson, Mississippi. [redacted] stated to her knowledge [redacted] never received any money from Penn Lee since if any money difference existed between the letter of credit and the wire to Penn Lee, this difference was immediately applied to his deficits with the PSB.

[redacted] stated she and other employees at the bank felt that [redacted] was under pressure to issue these loans to [redacted] since even in the issuance of loans to close friends such as Virges Construction Company, there was always an adequate collateralization. She stated [redacted] was introduced to the bank by [redacted] On the day [redacted] had brought [redacted] to the bank, [redacted] had told [redacted] that "David is bringing someone over who works for Carlos Marcello." This was when [redacted] first met [redacted] She stated [redacted] had been introduced to the bank by [redacted] who on occasion acted as an attorney for the bank. Other persons introduced by [redacted] and [redacted] were [redacted] and [redacted] stated she understood all these people were connected with CARLOS MARCELLO according to comments made by [redacted] She stated further that all of them had bad loans with the bank and were very slow in repaying their

loans. She stated even loans based on mortgages prepared by [redacted] were always in a mess.

[redacted] stated this was not unknown to other persons employed at the bank and she had the feeling [redacted] was under pressure from this group to constantly approve loans. She was unable to state whether this was a physical threat or an implied threat or if any threat at all had been used. It was merely an impression that she had from working with [redacted] at the bank. [redacted] stated there was a constant good natured teasing about these loans.

[redacted] stated the only social contact she ever had with [redacted] was one evening at the Elmwood Plantation Restaurant when she and her family went to celebrate her mother's birthday. Upon their arrival at the restaurant they accidently ran into [redacted] who subsequently picked up the check for the evening meal.

She stated that prior to employment with the [redacted] she was formerly employed by the [redacted] and [redacted] in Jefferson Parish, Louisiana. She had been employed there in the [redacted] during the time when [redacted] was also employed there as [redacted] She stated [redacted] was [redacted] questioned loans issued to [redacted] and [redacted] while both were employed by the bank. She stated although [redacted] was released from employment, [redacted] remained an employee of the Jefferson Bank and Trust. She came to the [redacted] having been requested to do so by [redacted] approximately one year after he had left employment with the Jefferson Bank and Trust.

[redacted] stated although [redacted] had been introduced as an associate or working for CARLOS MARCELLO and subsequent statements by [redacted] to the effect that [redacted] worked for CARLOS MARCELLO, she had very little information concerning [redacted] affairs with MARCELLO. [redacted] stated [redacted] on many occasions purchased cashier's checks payable to CARLOS MARCELLO and Elmwood Plantation Restaurant. Funds for these checks were taken by [redacted] from any account which he controlled. She advised [redacted] once stated he had a running account at the Elmwood Plantation

Restaurant which he paid with cashier's checks. She stated no discussion was ever held concerning the cashier's checks going to CARLOS MARCELLO.

She felt [redacted] and the directors of the bank had been convinced [redacted] plant in Gonzales, Louisiana, was a good investment. On this basis the first loans had been issued. Subsequent to these loans going bad, additional loans had continued to be issued in the hopes the bank would be able to recover its money. She stated this was her opinion since at the termination of her employment with the PSB she had heard the bank had purchased other outstanding loans which [redacted] had at the First National Bank of Jefferson Parish so as to consolidate the collateralization of [redacted] loans with the PSB. She stated this was one of the very few reasons she could think of why OTT would have constantly issued loans to [redacted] knowing his bad credit record. b6 b7C

She stated to her knowledge [redacted] was normally cautious in loans and, based on conversations between them, was very cautious with his personal finances as well.

The only exception in the [redacted] controlled accounts were the CSC accounts and loans while these were controlled by [redacted] who was a manager of CSC. All of the loans to CSC were paid out as agreed during the time [redacted] was handling the accounts.

[redacted] stated subsequent to her termination of employment at the bank she had not heard from [redacted] until just recently. [redacted] had telephoned her and asked her to testify in his behalf at his trial in New Orleans concerning the D&D Mining Company. [redacted] stated she was unable to reach a decision at the time of the first call, however, [redacted] called her again the next day. At this time she advised him she would refuse to testify at his trial since she felt she did not have a sufficient amount of knowledge of the loan or the transaction to be of any help.

She stated further she really had no specific knowledge of how [redacted] cash was disbursed. She also stated had any of

the cashier's checks made out to GCF or CSC been deposited to other accounts in different banks, these transactions would have also been completely unknown to her. She reiterated in view of [redacted] credit history she felt one of the reasons OTT continued to make loans to [redacted] was due to some fear on the part of [redacted] for either [redacted] or someone associated with [redacted] She recalled at one time [redacted] had stated he was going to call MARCELLO concerning [redacted] accounts when they had gotten particularly badly out of hand. She was not aware, however, whether this call had ever been made.

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b7C

[redacted] stated she could recall no further information concerning [redacted] accounts or activities at the PSB.

The following background data was obtained through observation and interview:

Name [redacted]

Date of birth

Place of birth New Orleans, Louisiana

Husband [redacted]

for one year

Residence [redacted]

[redacted] Louisiana

Employment Currently unemployed

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

b3

1

Date of transcription 8/17/77

On August 16, 1977, [redacted] Federal Grand Jury, United States District Court for the Southern District of Florida on July 29, 1977.

[redacted] at the U.S. Court House.

Interviewed on 8/16/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] and SA [redacted] Date dictated 8/16/77

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1
NO 74-354
BAD:nep

The following persons, who it was determined constituted the [redacted] State Bank (PSB) in the latter part of 1975, were each requested to supply information from their recollection concerning the presentation of a loan to PSB to refinance a loan by [redacted] CARLOS MARCELLO, and Gulf Coast Fabricators. The original loan for $400,000 was presented to PSB for refinancing in an amount between $300,000 and $350,000:

[redacted]

Each of these individuals recalled the bank had done considerable amount of business with [redacted] Each recalled doing some small amount of business with CARLOS MARCELLO. They all advised [redacted] then president of PSB, was in the habit of granting loans and conducting business either within the guidelines set by the Board of Directors or as he saw fit on his own. These activities by [redacted] were most often not brought to the attention of the Board of Directors or Loan Committee members until after the fact.

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They could supply no information of a specific nature concerning the above loan.

[redacted] is currently in Guatemala and is not anticipated to return to the United States prior to Christmas, 1977.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/8/77

[redacted] advised he and several staff members had again reviewed the records maintained by the bank relative to the accounts and loans of [redacted] CARLOS MARCELLO, and Gulf Coast Fabricators at the request of SA [redacted]

[redacted] stated this review had failed to reveal any further documents. There is, to his knowledge, no record of an application for a loan by [redacted] involving Gulf Coast Fabricators or B & M Corporation in any amount between $300,000.00 and $350,000.00.

[redacted] advised during the involved time period, the bank was "overloaned" and [redacted] as chief executive officer could have refused the loan without making any record of the refusal. If presented to the board at all, it would most likely have been a casual remark which would not have been placed in the minutes of the board meeting. [redacted] remarked the records of the bank, during [redacted] tenure, were not very complete in all instances.

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b7C

Interviewed on 9/7/77 at Kenner, Louisiana File # NO 74-354

by: SA [redacted] mjb Date dictated 9/8/77

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b7C

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V. MISCELLANEOUS BANK RECORDS SUBPOENAED

FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/77

[redacted] pursuant to a subpoena duces tecum from the Federal Grand Jury, Southern District of Miami, Miami, Florida, provided copies [redacted]

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Interviewed on 4/22/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] SA Date dictated 4/28/77

b6
b7C

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GPO : 1975 O - 566-118

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/77

[redacted] pursuant to a subpoena duces tecum from the Federal Grand Jury in the Southern District of Miami provided the following items: [redacted]

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[redacted]

Interviewed on 4/22/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] RLS:dbr Date dictated 4/28/77

b6
b7C

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FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/77

[redacted] provided the following items pursuant to a subpoena duces tecum from the Federal Grand Jury, Southern District of Miami, Miami, Florida:

b3
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b7C

1) [redacted]

2)

3)

4)

5)

6)

Interviewed on 4/27/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] SA Date dictated 4/28/77

b6
b7C

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GPO : 1975 O - 586-118

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/77

1

A subpoena duces tecum was served to [redacted] New Orleans, Louisiana, by Special Agent [redacted] b6 b7C b7D

Interviewed on 5/11/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] :cal Date dictated 5/13/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/77

1

A subpoena duces tecum was served to [redacted] b6 b7C b7D

[redacted]

Interviewed on 5/11/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] :cal Date dictated 5/13/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/77

1

A subpoena duces tecum was served to [redacted]

b6
b7C
b7D

Interviewed on 5/11/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] : cal Date dictated 4/ 5/13/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/77

1

A subpoena duces tecum was served on [redacted] who accepted same [redacted] by the Federal Grand Jury, Southern District of Florida.

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b7C

Interviewed on 5/11/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] :mal Date dictated 5/13/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/77

1

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b7C

A subpoena duces tecum was served on [redacted]

The subpoena was issued for the [redacted] by the Federal Grand Jury, Southern District of Florida.

Interviewed on 5/11/77 at Kenner, Louisiana File # NO 74-354

by SA [redacted] :mal Date dictated 5/13/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/77

1

This is to record the fact that on the below indicated date, Mr. [redacted] was served with a subpoena for the Southern District of Florida at Miami, Florida on May 17, 1977. b3 b6 b7C

[redacted]

Interviewed on 5/11/77 at N Metairie, Louisiana File # NO 74-354

by SA [redacted] : cal Date dictated 5/13/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/77

1

This is to record the fact that on the below indicated date, [redacted], was served with a subpoena for the Southern District of Florida at Miami, Florida on May 17, 1977. b3 b6 b7C

The subpoena commanded that [redacted] as indicated on an attachment of the authorized subpoena.

Interviewed on 5/11/77 at Metairie, Louisiana File # NO 74-354 - 1

by SA [redacted] : cal Date dictated 5/13/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/17/77

[redacted] b3 b6 b7C

New Orleans, Louisiana, appeared at the New Orleans Office of the FBI and provided the following described documents and papers in response to the issuance of a subpoena duces tecum to the [redacted] by the Federal Grand Jury, Southern District of Florida, Miami, Florida.

[redacted]

Interviewed on 5/12/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] dbr Date dictated 5/17/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/18/77

b3
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provided copies of the following documents pursuant to a subpoena duces tecum from the Federal Grand Jury, Southern District of Miami:

Interviewed on 5/17/77 at New Orleans, Louisiana File # NO 74-354 - 1

NO 92-36

by SA prb Date dictated 5/18/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/19/77

[redacted] subject to a subpoena duces tecum issued by the Federal Grand Jury, Southern District of Miami, furnished copies of the following documents:

[redacted]

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Interviewed on 5/17/77 at New Orleans, Louisiana File # NO 74-354
NO 92-36

by: SA [redacted] prb Date dictated 5/18/77

b6
b7C

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2
NO 74-354
NO 92-36
RLS:prb

[redacted] b3

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/19/77

b3
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b7C

Pursuant to a subpoena duces tecum [redacted] provided the following identified documents:

COPIES OF STATEMENTS ON THE FOLLOWING ACCOUNTS:

[redacted]

Interviewed on 5/18/77 at Kenner, Louisiana File # NO 74-354 - NO 92-36

by SA [redacted] prb Date dictated 5/18/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 6/3/77

On June 2, 1977 [redacted] b3 b6 b7C in response to a subpoena duces tecum issued in the Southern District of Florida, furnished copies of the following documents:

[redacted]

Interviewed on 6/2/77 at NEW ORLEANS, LOUISIANA File # NO 74-354

by SA [redacted] nep Date dictated 6/2/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/13/77

This is to record that on October 3, 1977, [redacted] b3
U. S. Attorney [redacted] Eastern District of Louisiana, b6
furnished a [redacted] b7C
which was obtained from the Federal Grand Jury at New Orleans
which was supplied by [redacted] on September 29, 1977,
and is a file of the [redacted]
Louisiana. The file was obtained as a result of a subpoena
duces tecum.

Interviewed on 10/3/77 at NEW ORLEANS, LOUISIANA File # NO 74-354-

by SA [redacted] : nep Date dictated 10/7/77 b6 b7C

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NO 74-354

VI. INFORMATION RE [redacted] b6 b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/10/77

On June 2, 1977, [redacted] arrived at the New Orleans Office of the FBI in company with Special Agent [redacted] of the Internal Revenue Service, to review certain records of [redacted] which had previously been obtained by the FBI pursuant to the issuance of a subpoena by the Federal Grand Jury in the Southern District of Florida, Miami, Florida [redacted] and [redacted] were permitted access to these records by SA [redacted] who was present at all times during the review. [redacted] requested the reproduction [redacted] which were supplied to him.

During the course of the review by [redacted] was engaged in conversation, at which time he provided the following information:

He stated [redacted] had recently cheated him out of $4,000, however, he refused to go further in detail as to what the situation was wherein he felt he had been cheated. [redacted] further stated CARLOS MARCELLO was aware of this and had told [redacted] nothing could be done about it at this time. MARCELLO had, however, offered [redacted] a handsome commission, amount not stated by [redacted] if he would be able to sell the B & M Plant and property located in Schriever, La. [redacted] was then asked if he was now working for MARCELLO as opposed to [redacted] to which he replied he was working for neither, however, was actively seeking to sell the plant for MARCELLO in view of the commission promised.

[redacted] was then asked if he were still residing during the week at the Town & Country Motel, to which he replied in the affirmative. In further discussion he advised he had been staying at the Town & Country Motel on a permanent basis except for a two or three week period in mid-1975 when he had stayed in Houma, La., to conduct business affairs at

Interviewed on 6/2/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] /sam Date dictated 6/8/77

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the Schriever plant. [redacted] stated his normal routine was to stay at the Town & Country Motel on Monday and Tuesday, leaving Wednesday evening to go to his home at Mount Hermon, La. He would then return to New Orleans and the Town & Country Motel where he would remain until Friday, departing Friday for the weekend where he would stay with his family.

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b7C

[redacted] stated this was not an unvarying routine since if the occasion demanded, he would travel during the course of his business of selling machinery for [redacted] or, as now, attempting to sell a piece of property for CARLOS MARCELLO, and remain in another location in Louisiana or wherever needed in the United States. [redacted] stated, however, that the frequency of his stay at the Town & Country Motel was such that any time it was necessary to contact him, the Motel manager would know his location and would be able to relay the message.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/22/77

On June 17, 1977, Sergeant [redacted] Jefferson Parish Sheriff's Office (JPSO) provided to SA [redacted] copies of surveillances conducted by Jefferson Parish Deputy Sheriffs in continuing investigations being conducted by their Department of CARLOS MARCELLO, et al.

These surveillances contain following information pertinent to the association between [redacted] and CARLOS MARCELLO:

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On December 12, 1976, at approximately 5:40 PM, [redacted] was observed departing the Town and Country Motel office, 1225 Airline Highway, Metairie, Louisiana, used by CARLOS MARCELLO driving a vehicle determined to be registered to [redacted]

On December 27, 1976, at approximately 8:30 PM, [redacted] was observed departing the residence of CARLOS MARCELLO, 3908 Clifford Drive, Metairie, Louisiana, driving a vehicle which was determined to be registered to CARLOS MARCELLO.

On December 28, 1976, at approximately 12:30 PM, [redacted] was observed departing the Town and Country Motel, supra, driving a vehicle determined to be registered to [redacted]

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b7C

On December 29, 1976, at approximately 8:10 AM, [redacted] was observed arriving at the residence of CARLOS MARCELLO, supra, driving a vehicle registered to [redacted] At approximately 9:05 AM, [redacted] was observed departing, driving the same vehicle.

On January 4, 1977, at approximately 8:40 AM, [redacted] was observed arriving at the residence of CARLOS MARCELLO driving a vehicle registered to [redacted] At 9:55 AM [redacted] was observed departing this residence and he proceeded to [redacted] owned and operated by [redacted] or [redacted]

At 10:26 AM, [redacted] was observed to return to the

Interviewed on 6/17/77 at New Orleans, Louisiana File # NO 92-1994

by SA [redacted] /kap Date dictated 6/22/77

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b7C

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NO 92-1994

BAD/kap

residence of CARLOS MARCELLO where he remained until approximately 11:10 AM when he departed.

On January 7, 1977, at approximately 9:40 AM, [redacted] was observed departing the residence of CARLOS MARCELLO driving a white over gold Cadillac registered to CARLOS MARCELLO with CARLOS MARCELLO as a passenger. At 10:06 AM, they were observed arriving at the Town and Country Motel office.

At 10:13 AM, [redacted] was observed departing the Town and Country Motel office driving the vehicle registered to [redacted] b6 b7C

On January 18, 1977, a ride-by check of the area in the vicinity of 3908 Clifford Drive, the residence of CARLOS MARCELLO, at approximately 10:00 AM, revealed the presence of a 1974 Buick Sedan parked at the residence. This vehicle is registered to [redacted] and is the one usually observed with [redacted] as the driver.

On January 23, 1977, [redacted] and [redacted] were observed talking to CARLOS MARCELLO in front of MARCELLO's residence on Clifford Drive.

On January 28, 1977, at approximately 9:10 AM, CARLOS MARCELLO and [redacted] were observed entering the Morning Call Cafe, 3325 17th Street, Metairie, Louisiana. At 9:30 AM, MARCELLO and [redacted] departed after having been seated together with [redacted] an acquaintance. b6 b7C

In addition to the above surveillances, Sergeant [redacted] also provided a report of a conversation held by Lieutenant [redacted] JPSO, with CARLOS MARCELLO on December 20, 1976. In this conversation, MARCELLO advised Lieutenant [redacted] that he and [redacted] have been friends for years. MARCELLO further advised that [redacted] was a "nice boy" and he was at a loss to see why he had been arrested instead of being issued a summons for speeding. Lieutenant [redacted] advised MARCELLO that [redacted] had been stopped for speeding a few days earlier while driving MARCELLO's car and had only been given a warning. MARCELLO stated he was not questioning the action of the officers, however, he wanted to advise the b6 b7C

NO 92-1994

BAD/kap

Department that [redacted] was a good boy who had only come to his residence to buy a washing machine which MARCELLO had placed for sale. b6 b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/22/77

A review of [redacted] supplied by [redacted] pursuant to the receipt of a subpoena issued by the Federal Grand Jury for the Southern District of Florida at Miami, Florida, resulted in the following information concerning [redacted] b3 b6 b7C

[redacted]

Interviewed on 6/22/77 at New Orleans, Louisiana File # NO 74-357-~~92-1992~~

by SA [redacted] kap Date dictated 6/22/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/10/77

On August 1, 1977, SA [redacted] telephonically contacted the office of CARLOS MARCELLO and was advised that Mr. MARCELLO was not in, after which SA [redacted] left his name and number and requested that Mr. MARCELLO return the call. b6 b7C

On the same date, at approximately 4 p.m. Mr. MARCELLO telephonically contacted SA [redacted] stating he was on the highway enroute back to New Orleans from Grand Isle, Louisiana. SA [redacted] advised Mr. MARCELLO that he desired to make an appointment with Mr. MARCELLO to talk to him after which Mr. MARCELLO advised that he would be available on August 2, 1977, and that he would contact SA [redacted] on the morning of August 2, 1977 concerning the time. b6 b7C

SA [redacted] further advised Mr. MARCELLO that he had a subpoena for [redacted] and asked Mr. MARCELLO if it would be possible to have [redacted] present at the same time of the interview to make it more convenient to serve him with a subpoena. Mr. MARCELLO advised that he would contact [redacted] and have him present at his office at such time as SA [redacted] came to interview Mr. MARCELLO. Mr. MARCELLO then asked if SA [redacted] had more subpoenas for himself and his brother [redacted] SA [redacted] advised that he had no subpoenas for Mr. MARCELLO or for Mr. MARCELLO's brother [redacted] but did have a subpoena for [redacted] Mr. MARCELLO asked, "Do you want me to also notify him?" SA [redacted] said, "Are you able to get in touch with [redacted]? Mr. MARCELLO advised "Yes. He is out of town now but I will have my secretary call him and advise him of the subpoena." b6 b7C

Interviewed on 8/1/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] :dbr Date dictated 8/10/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/3/77

On August 2, 1977, [redacted] was served with a subpoena from the Grand Jury, U. S. District Court for the Southern District of Florida, commanding his appearance at the U. S. Courthouse in Miami, Florida, on [redacted] subpoena were obtainable by him from the U. S. Marshal's Service in New Orleans, Louisiana. He was further advised any additional questions or complications arising from the subpoena should be communicated to [redacted] Special Attorney, at the address and telephone number listed on the subpoena.

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Interviewed on 8/2/77 at METAIRIE, LOUISIANA File # NO 74-354 - NO 92-1994

by: SA [redacted] : nep Date dictated 8/3/77

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/3/77

During the course of the issuance of a subpoena to [redacted] he was interviewed by SA [redacted] [redacted] previously known to [redacted], and provided the following information:

[redacted] stated he has been unemployed for the past few months and spent a considerable amount of time attempting to get in touch with [redacted] whom he claims owes [redacted] approximately $3,900 for services performed while employed by [redacted] b3 b6 b7C

[redacted] CARLOS MARCELLO. He stated CARLOS MARCELLO had never given him anything with the exception of [redacted] When questioned concerning his relationship with MARCELLO, [redacted] denied being employed by him, however, admitted to fairly constant contact. [redacted] advised he had learned of the issuance of a subpoena for him from CARLOS MARCELLO the previous evening, August 1, 1977, [redacted]

In further interview, [redacted] advised his salary had been paid from the Container Services Corporation (CSC) accounts even though [redacted] had him constantly employed conducting the affairs of Gulf Coast Fabricators (GCF). [redacted] stated he and [redacted] had discussed this situation and neither could see anything wrong since [redacted] represented he controlled both corporations totally. [redacted] stated he could see no difference whether [redacted] paid him from "one pocket or the other."

Under direct questioning, [redacted] stated he could remember only one time when CSC had done any work for GCF. This work was in the form of repairs to a Lo-Boy trailer which [redacted] had borrowed from an unknown friend in the Baton Rouge, Louisiana, area to move a piece of heavy machinery from GCF. During the course of moving the machinery, the trailer was damaged and CSC accomplished repairs to the trailer. The only other business transactions [redacted] could remember between GCF and CSC was the sale of approximately four welding machines and one forklift to CSC from GCF.

Interviewed on 8/2/77 at METAIRIE, LOUISIANA File # NO 74-354 NO 92-1994

by SA [redacted] : nep Date dictated 8/3/77

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[redacted] advised he was concerned with CSC at its inception when his assistance was needed to set up the business. He was again concerned with the corporation upon its failure when his assistance was needed to close up the accounts and handle the sale to Port Industries Incorporated. Although he admitted receiving checks under CSC accounts, he insisted these were payments for services to [redacted] and GCF. He further stated this arrangement was known to [redacted] and [redacted] who were partners with [redacted] in CSC. [redacted] stated to his knowledge neither of [redacted] partners had ever stated any objection to this method of payment.

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 8/10/77

SA [redacted] reviewed the records of the [redacted] which were provided to the FBI as the result of a subpoena duces tecum from the Eastern District of Louisiana, New Orleans, Louisiana. b3 b6 b7C

[redacted]

Interviewed on 8/5/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] dbr Date dictated 8/10/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

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1

Date of transcription 8/5/77

A review of surveillance logs for surveillances conducted on June 27, 1977, by the Louisiana State Attorney General's Office, Louisiana State Police, New Orleans Police Department and FBI, reveal the following information:

On June 27, 1977, during the course of a surveillance being conducted at 3908 Clifford Drive, the residence of CARLOS MARCELLO, an unidentified white male arrived at the residence of MARCELLO, driving a black over blue 1974 Oldsmobile sedan, which was parked in the lot at the rear of the residence. This vehicle, according to the computerized records of the State of Louisiana Department of Motor Vehicles, is registered to [redacted] La. This vehicle arrived at this residence at 9:30 a.m.

At 10:06 a.m., a white male believed to be [redacted] was observed placing packages into the trunk of a red Cadillac which was parked in the driveway of MARCELLO's residence. The white male then entered the Cadillac and drove away from the residence.

Continuing surveillance was attempted on this vehicle, however, it was discontinued when vehicle was lost in traffic.

cc: 74-354

Interviewed on 8/5/77 at New Orleans, Louisiana File # NO-92-1994

by SA [redacted] /sam Date dictated 8/5/77

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NO 74-354

At New Orleans, Louisiana

On October 17, 1977, Sergeant [redacted] Jefferson Parish Sheriff's Office provided to SA [redacted] the following report of surveillance concerning [redacted] in connection with his relationship to his continuing association with CARLOS MARCELLO. b6 b7C

NO 74-354

VII. MISCELLANEOUS INFORMATION RE [redacted] AND CARLOS MARCELLO

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/8/77

[redacted] appeared at the New Orleans Office of the Federal Bureau of Investigation (FBI) at the request of Special Agent [redacted] on June 23, 1977, at which time he provided the following information:

[redacted] advised he met a CARLOS MARCELLO during the time he was [redacted] At this time [redacted] was also the owner of Warehouse Corporation of America, which controlled or owned approximately $2 million dollars worth of warehouses on or near the New Orleans Waterfront. As a result of the positions which he held and the wealth he controlled, he was a popular man to meet. Many people, while dealing with the First National Bank of Jefferson Parish, expressed a desire to met him. MARCELLO, as a result of extensive dealings with banks in the New Orleans area, had become well known, in addition to his notariety in the local area. MARCELLO, on coming to the bank one day, expressed a desire to meet [redacted] and was ushered into [redacted] office where they had a discussion and meeting. b6 b7C

At this first meeting [redacted] advised they appeared to get on quite well, and an association was formed on a friendly basis which continued on to this day. [redacted] advised this was not a close association, nor were there any business interests involved--it was merely as a result of his past positions with the First National Bank of Jefferson Parish. [redacted] stated while president of the bank, he did not directly involve himself in any of the bank's business with MARCELLO, since the executive offices of the bank had that responsibility.

During 1975 and 1976, [redacted] was involved in banking negotiations which resulted in his losing his position at the bank and also losing his warehouse business in New Orleans. While he was in difficulty; prior to the ultimate loss of position, MARCELLO came forward and offered to help [redacted] by allowing him to use land controlled by MARCELLO as collateral to obtain loans in order to extricate himself from his financial difficulties. [redacted] advised he

Interviewed on 6/23/77 at New Orleans, Louisiana File # NO 74-354-41

by SA [redacted] :stw Date dictated 6/27/77 b6 b7C

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thanked MARCELLO for this offer, however he did not avail himself of the use of the land.

Subsequent to his loss of prestige in business, [redacted] learned of the financial difficulties of Pyramid Marine, which was run by a friend of his named [redacted] stated he recommended to [redacted] that he get in touch with CARLOS MARCELLO so that MARCELLO might be able to suggest a method wherein [redacted] could obtain loans to obtain sufficient capital to continue Pyramid Marine. [redacted] stated he then brought CARLOS MARCELLO to the offices of Pyramid Marine where MARCELLO offered [redacted] the use of land controlled by MARCELLO to use for collateral to obtain loans to continue the business. For this favor, MARCELLO would receive 1/3 ownership in Pyramid Marine. [redacted] refused this offer and subsequently lost his business. [redacted] stated he became acquainted with [redacted] and Pyramid Marine when [redacted] originally started the business. [redacted] was at that time a 1/3 owner in the company. He lost his major interest at the time when he was experiencing difficulty in his other financial affairs as he was not able to continue the purchases of stock to maintain his percentage of ownership. [redacted] stated [redacted] in a stock manipulation, had forced his partners into minor stockholders positions obtaining and maintaining majority interest in the company for himself.

[redacted] further advised he knew [redacted] also having met [redacted] through his banking associations. He recalls having met [redacted] approached First National Bank of Jefferson Parish for a $400,000 loan to purchase some property and commercial buildings in Schriever, Louisiana. He had further dealings with [redacted] at the time when [redacted] had rented space from Warehouse Corporation of America for Container Services Corporation, a corporation controlled by [redacted] in New Orleans. [redacted] advised that he was further aware of dealings [redacted] had with the First National Bank of Jefferson Parish beyond the $400,000 loan, however, he again was not directly involved since he considered this to be the responsibility of the executive officers.

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[redacted] stated generally he has had no further dealings with either MARCELLO or [redacted] since he lost his position with the [redacted] His business interests since the lost of [redacted] and his position at the bank have shifted to Beaumont, Texas. He now runs the [redacted] for several of his relatives. He remains in the Beaumont area taking care of the business during the week returning to New Orleans on weekends or as needed to conduct his continuing financial affairs.

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[redacted] who was a Special Agent with the FBI from 1941 through 1945, currently resides at [redacted] New Orleans, telephone number [redacted] He is employed at [redacted] Beaumont, Texas, telephone number [redacted]

FD-302 (REV. 11-27-76)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 7/21/77

[redacted] in response to a telephonic inquiry by SA [redacted] voluntarily appeared in the New Orleans Office of the Federal Bureau of Investigation and was advised that SA [redacted] who was accompanied by Detective [redacted] of the New Orleans Police Department (NOPD), requested to interview him concerning his knowledge of [redacted] and his corporate accounts in relationship with CARLOS MARCELLO while Mr. [redacted] Louisiana. b6 b7C

Mr. [redacted] provided the following background information concerning himself. Mr. [redacted] advised that he started in the banking business in 1959 as a teller at [redacted] Louisiana. He remained with that bank for approximately 7 to 8 years working his way up to [redacted] In 1967 he accepted a position from [redacted] Louisiana. Mr. [redacted] advised that [redacted] was the [redacted] and that as he recalls Mr. [redacted] in New Orleans was the majority stockholder of that bank. In 1969, Mr. [redacted] accepted a job at the [redacted] He advised that he accepted this job from [redacted] who was then [redacted] and had some control over the [redacted] Mr. [redacted] 1973 and held the title of [redacted] when he left to accept a position as [redacted] where he was in charge of the [redacted] In 1975, Mr. [redacted] advised that he transferred to the [redacted] who was the [redacted] b6 b7C

While in this capacity of [redacted] a close associate of his by the name of [redacted] an attorney who was performing some legal duties for the bank, introduced [redacted] who

Interviewed on 7/13/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] dbr Date dictated 7/20/77 b6 b7C

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was one of [redacted] law partners, to [redacted] DAVID LEVY later introduced [redacted] to Mr. [redacted] Mr. [redacted] came into the bank, stated he was conducting banking business with First National Bank of Jefferson Parish, but desired to open an account at a bank in Metairie and subsequent to that did open an account in the name of Gulf Coast Fabricators, Inc. (GCF) at the Pontchartrain State Bank. As the result of [redacted] opening the account, Pontchartrain State Bank subsequently entered into the many business transactions which included opening other accounts and entering into many loans with [redacted] and his corporate entities. Sometime after [redacted] was a good customer of the bank, [redacted] in the company of [redacted] invited [redacted] to lunch at the La Riviera Restaurant in Metairie. While having lunch, CARLOS MARCELLO arrived and sat down and ate with them, at which time [redacted] was introduced to CARLOS MARCELLO for the first time. b6 b7C

In connection with the banking business with [redacted] subsequent to the meeting of CARLOS MARCELLO, SIEGEL frequently mentioned his association with MARCELLO and it became quite apparent to [redacted] that [redacted] and MARCELLO were business partners in more than one venture.

[redacted] advised it was resolved in his own mind that [redacted] and MARCELLO were partners in those corporate accounts which [redacted] was doing business with the Pontchartrain State Bank mainly because [redacted] was always mentioning his business association with MARCELLO while doing business at the bank concerning those corporate accounts with the bank which included only GCF and Container Service Corporation.

[redacted] advised that he knew [redacted] was not the sole owner of Container Service Corporation since he had the Articles of Incorporation which reflected [redacted] as only a partner whereas the Articles of Incorporation for GCF listed [redacted] as the sole owner, but he still was of the opinion in his own mind that CARLOS MARCELLO was a business partner in both ventures.

In the first part of 1976, between January and April, [redacted] had driven [redacted] to Schriever, Louisiana to see a fabricated aluminum building which the bank was going to make a loan on, at which time [redacted] advised that he and

owned the plant where this building was being dismantled. Thereafter approached attempting to obtain a rather large loan to pay off a loan at the First National Bank of Jefferson Parish for this land, building and property. At this time displayed to the title to this property reflecting that and CARLOS MARCELLO were equal owners.

advised he dictated a memoranda on this loan which was presented to the Loan Advisory Board at Pontchartrain State Bank who advised the loan was too large for them to handle and it was thereafter forgotten. b6 b7C

advised that had accumulated a $65,000 overdraft in the bank around this same time. , thinking that MARCELLO was partner, went to MARCELLO's office at the Town and Country Motel to inquire if MARCELLO could talk to and make him stop writing bad checks. MARCELLO advised that he had joint ventures with but was not responsible unless his signature appeared on some document.

recalls in the discussion of this proposed loan on the property in Schriever, that either or MARCELLO mentioned it to him that it was with a 60-40 or a 70-30 percent cut on that particular business venture, with MARCELLO receiving the larger share.

advised after asked if CARLOS MARCELLO had ever received any proceeds of a loan to GCF, that had obtained cashiers checks from the bank in MARCELLO's name, but could not recall specifically if these cashiers checks were proceeds of loans to GCF. SA then displayed to a copy of a promissory note by Pontchartrain State Bank, loan number 000340, in the amount of $11,000, dated November 18, 1975, in which an attached paper showed that a cashiers check number 1113 for $5,500 was in fact issued to CARLOS MARCELLO. then pointed out that this loan was to as an individual.

then advised that without checking further in bank records as to the disbursement of loans he would be unable to provide any specific information concerning cashiers checks made out in the name of CARLOS MARCELLO which would be the proceeds of the loan to GCF.

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NO 74-354
RLS:dbr

The following description was obtained through observation and interview:

Name: [redacted]
Address: [redacted] New Orleans, Louisiana
Telephone: [redacted] Business - [redacted]
Place of birth: New Orleans, Louisiana
Date of birth: [redacted]
Father: CHARLES [redacted]
Mother: HELEN [redacted]

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[redacted], San Francisco, California, provided the following information to SA [redacted] on March 23, 1977:

He and his partner, [redacted] have been in business under the name [redacted] since August, 1976. Prior to that date their corporate name was [redacted] was described as a "Massachusetts trust fund" whose function was to act as a guarantor for commercial loans, to arrange financing for companies that were unable to obtain required capital, and to structure financial transactions between interested parties. If required, financial statements setting forth the assets [redacted] could be provided.

During November, 1976, they were contacted by [redacted] a New Orleans financial broker, by telephone requesting that arrangements for a letter of credit be made through a bank in San Francisco so that a [redacted] could import glassware from India. [redacted] reportedly had a letter of credit drawn on a New Orleans bank, but the transfer bank in India supposedly would not use the letter of credit that [redacted] had arranged. Telephone contact was made with the appropriate Bank of America official, who was introduced by telephone to [redacted] and [redacted] The purpose of this introduction was so that the above-required letter of credit could be arranged through the Bank of America, San Francisco. To the best of his knowledge, the Bank of America did not participate in providing this letter of credit for [redacted]

As an outgrowth of this contact with [redacted] and [redacted] both partners [redacted] with their wives, traveled to New Orleans, Louisiana, during November, 1976. The purpose of this business trip was to discuss possible financing for several projects that were being proposed by [redacted] This business trip was financed by [redacted] and while in New Orleans, arrangements were made for them to stay at the Fairmont Hotel. Their first meeting with [redacted]

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[redacted] was at a restaurant outside of New Orleans where they had dinner. This business dinner was attended by [redacted] both partners and their wives. During dinner, they were joined by an individual who appeared to be the owner of the restaurant and was introduced to them as CARLOS MARCELLO. No business conversation was had with MARCELLO, but he appeared to be friendly with [redacted] and may have "picked up the tab". The next morning the same group, with the exception of MARCELLO, met at Brennan's Restaurant in New Orleans for brunch. During both meals, there was some business conversation concentrating primarily on a proposed glass importing business and the acquisition of buildings and real estate, both projects proposed by [redacted]

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After their meetings with [redacted] and [redacted] in New Orleans, they were convinced that the financial proposals put forth by [redacted] were financially unsound and ill conceived. Due to their lack of interest, the business deals "fizzled out". [redacted] was described as an individual who attempted to take shortcuts to arrange financing, rather than providing the necessary financial statements and commitments that were required by legitimate lending institutions. [redacted] did no business with either [redacted] or [redacted]

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Approximately three months ago, an additional telephone call was received from [redacted] indicating that he was at the Holiday Inn at Fisherman's Wharf in San Francisco. [redacted] requested that he be allowed to meet with them at his hotel, but when they arrived at the Holiday Inn after normal business hours, it was determined that [redacted] had checked out. [redacted] has had no additional cont[redacted] since that date. [redacted]

After their meetings with [redacted] and [redacted] in New Orleans, it was his impression that [redacted] worked for [redacted] They had been initially introduced to [redacted] by [redacted] from Dallas, Texas. [redacted] was associated with First Charter Acceptance Corporation and T. B. Investments, both companies headquartered in Dallas, Texas. To the best of his knowledge, [redacted] is a legitimate businessman, but described as being "not too smart".

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[redacted] has contacted [redacted] on numerous occasions with a "package" for financing, but all of these "packages" have been refused because of their "lack of potential". Again, [redacted] was described as a businessman who attempted to make shortcuts rather than completing all the necessary steps to complete a proper business negotiation. However, at one time during August and September, 1976, [redacted] had seriously considered a combination purchase and merger with First Charter Acceptance Corporation. This transaction had progressed to the point where [redacted] made a commitment to merge with First Charter, but after a complete examination of the assets and arrangements of First Charter, the offer was rescinded during December, 1976. Although he could not remember the name of the president of First Charter Acceptance Corporation, he remembered him as being a retired Air Force colonel. A major portion of the assets of First Charter Acceptance Corporation had been real estate located somewhere in the state of Virginia. Part of this real estate was believed to have been coal mines, but no other locations or description of any real estate could be remembered. After an examination of some correspondence from [redacted] it was determined that one of the "projects" proposed by [redacted] was the purchase of a building in "Shever", Louisiana, for $300,000. This city in Louisiana was not Shreveport. The above letter was typed on International Metal Trade Company letterhead stationery. He again stated that [redacted] had done no business with either [redacted]

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 10/13/77

Mr. [redacted] Texas, was contacted at telephone number [redacted] by [redacted] who identified himself as a Special Agent of the FBI. Mr. [redacted] thereafter furnished the following information:

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He stated that [redacted] introduced him telephonically to a man named [redacted] He said that [redacted] was described by Mr. [redacted] as a businessman who needed money in the form of a loan.

Mr. [redacted] stated that he told Mr. [redacted] that if he would send him a round trip airline ticket that he would fly to New Orleans to discuss the matter with him. He said that he received this airline ticket and subsequently flew to New Orleans where he was met at the New Orleans International Airport by [redacted] Approximately five minutes after they departed the airport in Mr. [redacted] car, [redacted] was stopped by the police and arrested for allegedly being drunk.

The next morning Mr. [redacted] picked up Mr. [redacted] at his hotel and took him to a plant in the country out from New Orleans, Louisiana. There were several employees working at this plant which was engaged in the business of coating metal. Subsequently Mr. [redacted] took Mr. [redacted] to another plant which was further out in the country but which was not operating. He described this as an extremely large plant. Mr. [redacted] said that this was the plant for which Mr. [redacted] needed a $400,000 standby committment. He said that after looking over the plant he could not understand why anyone would want to buy it as it seemed too far removed to be worth the kind of money that [redacted] was looking for.

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Mr. [redacted] said that he had no correspondence records of any transactions or correspondence between him and [redacted] since there was none.

Mr. [redacted] was asked about a letter dated August 6, 1976, which had been written by him and addressed to "Mr. [redacted]

Interviewed on 10/11/77 at New Orleans, Louisiana (telephonic) File # NO 74-354

by SA [redacted] :dbr Date dictated 10/13/77

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P. O. Box 1183, Gonzales, Louisiana 70737" and has the reference "Re - $400,000 standby committment, Schriever, Louisiana". Mr. [redacted] stated that this was not an actual committment letter and that he had been asked by [redacted] to prepare a phony standby committment letter which he needed to use to stall off someone. Mr. [redacted] said that this someone he mentioned was apparently the person or the bank who held the first mortgage on the plant at Schriever, Louisiana. Mr. [redacted] said that he does not know for sure who this was, however.

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He said that he was never able to assist Mr. [redacted] in obtaining any financing and has had no additional contact with him pertaining to this matter.

214/630-7636
214/630-1011

First Charter Acceptance Corporation

1341 WEST MOCKINGBIRD • SUITE 233E • DALLAS, TEXAS 75247

MORTGAGES BANKING MANAGEMENT DEVELOPERS

August 6, 1976

Mr. [redacted]
Gulf Coast Fabricators, Inc.
P. O. Box 1183
Gonzales, Louisiana 70737

Re: $400,000.00 Standby Commitment, Schriever, Louisiana b6 b7C

Dear Mr. [redacted]

I am pleased to advise you that your application for a standby loan commitment in the amount of $400,000.00 has been approved under the following terms and conditions:

Loan Amount:	$400,000.00
Term:	12 months
Rate of Interest:	5% over Bank prime (Chase-Manhattan)
Commitment Fee:	5 points (1 point upon acceptance, balance on funding)
Term of Authorization:	30 days
Conditions:	Acceptable appraisal

If these terms and conditions are acceptable to you, please indicate by return mail. The commitment, per se, will follow for your perusal.

[redacted]

TB:kws

APPROVED AND ACCEPTED:

Gulf Coast Fabricators, Inc.

By: [redacted] PAGE 172

Date: Aug 11 1976

214/630-7636
214/630-1011

First Charter Acceptance Corporation

1341 WEST MOCKINGBIRD • SUITE 233E • DALLAS, TEXAS 75247

MORTGAGES BANKING MANAGEMENT DEVELOPERS

August 16, 1976

Mr. [redacted]

[redacted]

Gulf Coast Fabricators, Inc.

P. O. Box 1183

Gonzales, Louisiana

Re: $400,000 Standby Commitment
Schriever, Louisiana

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b7C

Dear Mr. [redacted]:

As per your request, I hereby acknowledge receipt of your written acceptance of the terms and conditions by Gulf Coast Fabricators, Inc., of a standby commitment as per our letter of August 6, 1976. (See copy attached.)

[redacted]

TB:kws

August 16, 1976

Mr. [redacted]
1020 ITM Bldg.
New Orleans, Louisiana 70130

Dear Mr. [redacted]

On August 11, 1976 you furnished me a commitment from the First Charter Acceptance Corp. for a $400,000 loan, proceeds of which would be used to pay out your debts at this bank. During that visit you were advised that the interest must be brought current on the Gulf Coast Fabricator, Inc. note, as well as interest and a $500 principal payment on the note of Tea 'n Tiques.

I have checked our records and find that the $500 principal payment plus interest on the Tea 'n Tiques' note has been received. However, we have yet to receive the interest on the large debt of Gulf Coast Fabricators, Inc. Furthermore, we have had an opportunity to analyze the material that you left with us regarding First Charter Acceptance Corp. In view of the fact that this corporation was formed in April of this year, less than 120 days ago, and that the corporation's principal asset and the basis for its paid-in capital is a series of individual installment sales contracts with add-on interest included in the total, we do not find the commitment acceptable. Accordingly, we again make demand for payment in full of all debts of Gulf Coast Fabricators, Inc. To avoid further legal action, we ask that payment be received on or before Monday, August 23, 1976.

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b7C

Very truly yours,

[redacted]

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MSM/mjc

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/14/77

Mr. [redacted] Louisiana, telephone [redacted] appeared at the New Orleans Office of the FBI. The official identities of [redacted] as Special Agents of the FBI were made known to Mr. [redacted] who thereafter furnished the following information: b6 b7C

He stated that he became acquainted with [redacted] during the first eight months of 1976 and subsequently met with him on almost a daily basis in connection with business matters. He said that these matters pertained primarily to the preparation of a financial package for presentation to lending institutions in an attempt to obtain money for Mr. [redacted]

He said that about July or August, 1976, he contacted an acquaintance, [redacted] also known as [redacted] who resides in Texas. He said that he advised Mr. [redacted] that [redacted] needed a $400,000 standby committment. Mr. [redacted] subsequently flew to New Orleans where he [redacted] and [redacted] met [redacted] at the New Orleans International Airport. After departing the airport in [redacted] automobile, [redacted] was stopped by a police car and was arrested.

Later the same day [redacted] and [redacted] went to the Elmwood Plantation Restaurant for dinner. The next day [redacted] and [redacted] picked up [redacted] at his hotel and took him to the B & M Plant and possibly to the galvanizing plant at Gonzales, Louisiana.

Subsequently [redacted] convinced [redacted] to draft a "Letter of Intent" pertaining to a $400,000 standby committment concerning the B & M Plant mentioned above. At this time Mr. [redacted] was shown a letter with the letterhead "First Charter Acceptance Corporation" dated August 6, 1976 addressed to "Mr. [redacted] Gulf Coast Fabricators, Inc., P. O. Box 1183, Gonzales, Louisiana 70737." This letterhhad the reference, "Re: $400,000 standby committment, Schriever, Louisiana", and was signed [redacted]. In the lower lefthand corner appeared the following:

Interviewed on 10/13/77 at New Orleans, Louisiana File # NO 74-354 -

by SA [redacted] SA HVH:dbr Date dictated 10/14/77 b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

"Approved and accepted: Gulf Coast Fabricators, Inc. by [redacted] dated "August 11, 1976". Mr. [redacted] identified this letter as being identical to the "Letter of Intent" mentioned above. Mr. [redacted] said that [redacted] paid [redacted] $1,000 for this "Letter of Intent" and thereafter [redacted] and Mr. [redacted] returned to New Orleans. He said that this transaction took place at [redacted] office in Dallas, Texas.

Mr. [redacted] said that [redacted] told him that he was having trouble at the bank where he had the loan on the B & M Plant and that he needed this "Letter of Intent" to take to the bank since the bank had called the loan. He said that Mr. [redacted] told him that he either wanted to move the loan or at least to take the pressure off the loan. He said that he does not now recall the identity of the bank where Mr. [redacted] had the loan on the B & M Plant.

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A few days later, [redacted] told Mr. [redacted] that the bank which had the loan on the B & M Plant would not accept the "Letter of Intent".

Subsequent to the Dallas, Texas trip mentioned above, [redacted] told Mr. [redacted] that he [redacted] and CARLOS MARCELLO were partners in the B & M Plant mentioned above and that CARLOS MARCELLO was putting pressure on him to do something about the loan on the property since the bank had called the loan.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/27/77

[redacted] Baton Rouge, Louisiana, upon being advised of the identities of the interviewing agents, provided the following information: b6 b7C

[redacted] stated that the galvanizing plant in Gonzales, Louisiana, had originally been mortgaged by [redacted] [redacted] was the original owner, and had started several businesses, all of which failed. [redacted] had managed to sell off some of the businesses, and land, and had retained the galvanizing service, standing on approximately four and one-half acres of land.

[redacted] had subsequently sold this property to [redacted] and [redacted] The bank in processing this sale and subsequent mortgage, had maintained [redacted] name as one of the legally responsible parties for the repayment of the loan. [redacted] and [redacted] had then attempted to conduct the business unsuccessfully with their loan being in arrears. b6 b7C

At this time, [redacted] introduced [redacted] to the bank as a person who was interested in buying the Gonzales galvanizing plant. In the original approach, [redacted] was to purchase this land and property, along with [redacted] and [redacted] of Shreveport. As negotiations progressed, [redacted] dropped out, with [redacted] being left as sole purchaser. A cursory review of [redacted] background conducted by the bank indicated, according to [redacted] that [redacted] had been in the garbage business in New York City and had been quite wealthy; however, as a result of a financial reverse, which [redacted] believed may have included a fire, [redacted] had gone broke. The bank decided to allow the sale of the property and business to [redacted] since it appeared the bank had some reasonable hope of repayment on a loan which was already known to be bad. As part of the conditions for the sale, [redacted] had agreed to eliminate a loan on the equipment at the company site in the amount of $53,000. This payoff of the one loan put the bank in an immediate better position. b6 b7C

Interviewed on 9/22/77 at Baton Rouge, Louisiana File # NO 92-1994 NO 74-354

by SA [redacted] /prb Date dictated 9/27/77 b6

SA b7C

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[redacted] had paid $5,000 in cash to [redacted] and [redacted] for an option to buy. This $5,000 had been paid by [redacted] sometime around May 20, 1974. The eventual purchase of the plant was resolved at a point in time outside of the option. This $5,000 was applied to the interest owed by [redacted] and [redacted] on their loan at the bank.

The purchase was agreed at with a sales price of $450,000, which took place about June 24, 1974. At this time, [redacted] was supposed to have brought $55,974.79, however, as it turned out [redacted] brought either one or two cashiers checks, possibly from the First National Bank of Jefferson Parish, totaling $35,974.79. He issued a note to [redacted] and [redacted] for the $20,000 balance. [redacted] further reduced the chattel mortgage on the equipment at the plant, which at that time was approximately $60,623.02. $53,000 worth of equipment located at the plant was excluded from the sale.

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The bank in order to protect itself at this point merely expanded the persons responsible for the repayment of the mortgage. These persons now included the following:

[redacted]

[redacted] advised as he recalled the transaction was handled by [redacted], as the Attorney for [redacted] and [redacted] as the Attorney for the bank.

Subsequent to the sale, [redacted] started making payments as agreed in the amount of $3,500 per month. It was soon noticed that some of the checks involved in the [redacted] account, both in the loan account and a minorchecking account, which [redacted] had established at Fidelity Bank, were not clearing as they should. [redacted] advised the bank, fearing the possibility of a check kiting scheme, circumvented this possibility by

insisting that [redacted] use cashiers checks in his dealings with Fidelity Bank. [redacted] stated as time went on [redacted] managed one way or another to maintain the account for the repayment of the loan. Quite often these payments were late and [redacted] always seemed pressed for cash.

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In October or November of 1976, this property was again sold with the new buyer being [redacted] has been paying the mortgage as agreed and the bank, according to [redacted] is quite satisfied with the repayment schedule at this time. The loan is now issued with the following persons being responsible for repayment:

[redacted]

[redacted] advised [redacted] was discovered as a part owner when the sale to [redacted] had taken place. To the bank's knowledge, [redacted] was a minority stock holder and [redacted] surmised he was probably an accountant for the company.

[redacted] obtained all of the foregoing information from four files maintained by the bank in the name of [redacted] and Gulf Coast Fabricators (GCF). [redacted] advised had attempted to conduct other business with the bank during the course of time he operated the galvanizing plant in Gonzales; however, the bank had refused any further loans.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/27/77

On September 26, 1977, [redacted] Certified Public Accountant (CPA), [redacted] Baton Rouge, Louisiana, after having been advised of the identities of the interviewing agents provided the following information:

[redacted] advised he first met [redacted] in October, 1974, through a friend of his, [redacted] of New Orleans, with whom he had attended college. [redacted] advised [redacted] was just starting a business and would need the services of an accountant and arranged the introduction. [redacted] stated his firm started accounting work for [redacted] at that time.

Upon attempting to prepare statements for the period July 1 - September 30, 1974, his firm discovered [redacted] had established no bookkeeping or accounting records whatsoever. [redacted] firm was forced at that point to reconstruct the business activities working from bank statements, check stubs and accounts receivables. After a tedious review of the materials available, they were able to complete statements from the periods July 1 - September 30, 1974 and October 1 - December 31, 1974, and to establish a bookkeeping system for Gulf Coast Fabricators (GCF). [redacted] stated his firm had issued two annual fiscal statements, one June 30, 1975, and one June 30, 1976. The one in 1976 was the last annual statement.

Business with GCF was complicated since the firm was unable to retain anyone in the bookkeeping department who had any knowledge whatsoever of bookkeeping methods. The ladies who were hired never stayed for any period of time until [redacted] was hired. [redacted] stated Miss [redacted] has remained an employee of GCF and to his knowledge remains there to this date.

The accounts of the corporation were further complicated by [redacted] kept opening different bank

Interviewed on 9/26/77 at Baton Rouge, Louisiana File # NO 92-1994 ~~NO 74-354~~

by SA [redacted] /prb Date dictated 9/27/77

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accounts in different banks and constantly transferred funds from one account to another. [redacted] considered his various enterprises as all operating under one roof and saw nothing wrong with one firm helping another when financial difficulties arose. [redacted] would, however, make no records of these transfers of funds which caused problems in accounting and in tracing the funds from one corporation to another. Additionally, [redacted] would not hesitate to issue counter-checks, the purpose of which he would not recall and which he would not disclose until information was requested by the accounting firm for an explanation of the check.

This practice on the part of [redacted] caused many problems since funds thought to be in the operating account of GCF were not and had been removed by [redacted] with counter-checks, subsequent checks issued by the corporation would be refused for non-sufficient funds. b6 b7C

On several occasions, this practice caused payroll checks to bounce. Creditors were constantly complaining as they received checks for services or supplies which checks were consistently refused for payment by the banks due to non-sufficient funds.

[redacted] stated the business at Gulf Coast in Gonzales handled properly could have generated $100,000 to $150,000 per year for [redacted] without his being there had he not constantly drained the company for his own purposes or his other corporate ventures.

[redacted] stated the corporation managed to remain solvent until the Summer of 1975 when a loan for $408,000 for one of [redacted] other ventures came through listing GCF as a recipient of a loan. The accounting firm carried this loan as a contingent liability for GCF. This additional drain on the finances of the corporation started a deterioration which steadily worsened.

[redacted] stated it appeared [redacted] was attempting to kite funds through the use of many accounts. He was

constantly transferring funds from account to account. [redacted] stated in one bank he would find several accounts in [redacted] name to include checking accounts, special accounts, payroll accounts and loan accounts. [redacted] stated the only solution he was able to arrive at in the financial statements for the corporation was to list all these funds which [redacted] took out of the corporation as a receivable for the corporation. [redacted] stated this irritated [redacted] however, the accounting firm could use no other method to account for these monies being taken out. [redacted] stated his firm was never able to successfully trace the progress of funds through the various checking accounts opened and held by [redacted] or the accounts receivable. [redacted] stated the result was there were too many accounts to keep track of. In addition to the difficulties experienced in tracing funds through the many accounts which [redacted] maintained, [redacted] stated there were also invoices which could not be accounted for. Some of these invoices had been pledged as receivables for loans and remained unpaid with the result the banks would charge back these invoices to [redacted] and use other funds generated to repay the loans.

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[redacted] could recall [redacted] ARTHUR DANIELS Company, and a third company which he recalled involved the name [redacted] had resulted in invoices from June through September of 1975 amounting to between $25,000 and $30,000 which invoices were never paid.

When [redacted] expressed an interest in selling the corporation, his first asking price was 1.5 million dollars. An associate of [redacted] in Baton Rouge made an offer of $450,000. [redacted] was not able to accept since [redacted] had encumbered the corporation with over $800,000 in loans and a projection of business for the year 1976 showed an estimated loss of $27,000. PEAY was at a loss to understand how [redacted] was able to purchase the corporation in view of the above figures. He suspects the possibility the purchaser [redacted] and Pontchartrain State Bank may have been involved in [redacted] financial activities.

[redacted] advised he could recall [redacted] had loans and financial dealings with the following banks:

First National Bank of Jefferson Parish

Fidelity Bank of Baton Rouge

Pontchartrain State Bank

First Progressive Bank

Jefferson Bank

(All the above are in the Metropolitan New Orleans area)

Pioneer Bank in Shreveport

An account at a bank in Slidell was started and stopped very quickly as apparently the bank suspected a kiting scheme and terminated the account.

[redacted] suspected the Pontchartrain State Bank was deeply involved in [redacted] affairs since he had been advised the bank was now running the financial affairs of the corporation and had taken over additional loans in order to protect its interests.

[redacted] advised the last contact he had had with [redacted] was in the statement for June 30, 1976, wherein [redacted] Stoneham, Massachusetts, telephone number [redacted] had called and requested an adjustment of receivables charged to [redacted] to reflect a $50,000 bonus for [redacted] personal income. This resulted in the entire financial statement having to be redone to reflect this bonus situation. [redacted] stated this was not an unacceptable procedure in business, however, it is normally scheduled during the course of the year so that it may be reflected in the financial statements as well. This was however in his mind indicative of [redacted] way of doing business. b6 b7C

[redacted] stated that on at least two occasions he and one associate of his were forced to proceed to the different banks to attempt to get lists of

loans which [redacted] had outstanding in these various banks. [redacted] could recall that the Bank of Gonzales and Pontchartrain State Bank were both getting receivables from GCF. [redacted] recalled specifically on one occasion when he had proceeded to the Pontchartrain State Bank to obtain a list of loans obtained by [redacted] he had talked with [redacted] had advised him during their contact that [redacted] had managed to obtain a cashiers check in blank and left the bank with this cashiers check in his possession. [redacted] advised [redacted] at this time she was not certain as to who was responsible for allowing this to happen; however, she appeared quite concerned since [redacted] advised he believed recalling [redacted] had cashed the check in the amount of $50,000.

In a further discussion of [redacted] business habits, [redacted] stated [redacted] had known [redacted] for approximately twenty years and had brought [redacted] down from the Northeast to run GCF. [redacted] stated in his opinion [redacted] was a conscientious, dedicated worker who tried to make GCF work. [redacted] financial activities, however, caused such confusion that [redacted] was unable to successfully run the plant. [redacted] advised the relationship between [redacted] and [redacted] has degenerated to the point where [redacted] is currently entering suit against [redacted] for back pay. [redacted] is attempting to assist [redacted] in this suit and as a result has had continuing contact with him. [redacted] advised [redacted] that he had left Louisiana in July, 1976, to go to his summer home in Cape Cod and had returned two months later (September, 1976) only to find that [redacted] had drained $100,000 from Gulf Coast during the period of his absence. [redacted] advised he was not able to verify this since his accounting firm had ceased doing business with [redacted] as of the 1976 statement which had been drawn through June 30, 1976.

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In discussing the last financial statement, [redacted] advised [redacted] was extremely anxious to obtain this statement; however, [redacted] accounting firm had refused to deliver this statement prior to the receipt of payment for this statement as well as other past-due bills. An agreement was finally reached through [redacted] who had purchased GCF wherein [redacted] accounting firm would turn over the statement and all supporting

documentation and [redacted] would pay the bills incurred at the time documentation was turned over. [redacted] advised this had been accomplished and he had at the time turned over all of the records, which his company held for the preparation of GCF financial statement.

He recalled one particular box of records which contained many bills of lading showing coal delivered to customers of Penn-Lee Corporation. These, along with other records, were all delivered to [redacted] at Gulf Coast and payment was received for his accounting services at the same time.

[redacted] stated on two occasions he and one of his associates had proceeded to New Orleans to meet with [redacted] to discuss his financial affairs. In the course of contacts with [redacted] including these two times, he had learned that [redacted] had resided in Boston and in Shreveport, Louisiana, prior to residing in New Orleans.

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He recalled three occasions when CARLOS MARCELLO's name came up in the course of business with [redacted] The first occasion was when a loan for $408,000 cleared and [redacted] ticed MARCELLO had signed as a guarantor. The second occasion was when [redacted] had traveled to New Orleans to confer with [redacted] and noted [redacted] was driving a white and yellow Cadillac, which [redacted] stated he had purchased from MARCELLO. The third occasion was when [redacted] noted MARCELLO's name on several checks issued by [redacted] [redacted] stated [redacted] would not permit discussion concerning his relationship with MARCELLO stating that MARCELLO was not in the rackets as everybody claimed and was merely a friend who was attempting to help [redacted] [redacted] recalled discussing one particular check with [redacted] which [redacted] had issued to MARCELLO in the amount of $300.00. [redacted] had claimed this check had been issued to cover the cost of nursing services to Mr. MARCELLO. [redacted] stated he and [redacted] disagreed on this check since [redacted] would not accept payment for nursing services as a reason for issuing a check to CARLOS MARCELLO.

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NO 92-1994
NO 74-354
BAD:prb

[redacted] stated his firm had maintained all of their work sheets and issued statements from their association with [redacted] and their duties with GCF. [redacted] stated he would make these available to the FBI upon the receipt of a Grand Jury subpoena, which he requested to protect the legal interests of his company. b6 b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/23/77

[redacted] Louisiana, voluntarily appeared at the New Orleans Office of the FBI. Mrs. [redacted] advised that she had been advised by her employer [redacted] that he had received a subpoena from the Federal Grand Jury in Miami and requested her to place all of the [redacted] in Boston, Massachusetts. Mrs. [redacted] advised that she [redacted] which she was requested to do by Mr. [redacted] and sent them to Boston. b3 b6 b7C

She stated she still has records at the [redacted]

She further advised that [redacted] the [redacted], had stored numerous pieces of heavy equipment and specifically, mentioned two old trucks, one old van, one big forklift, and one broken forklift, all equipment which [redacted] She further advised that [redacted] had stored on the Gonzales property a Cincinnati brake press and a Ferro (phonetic) bending machine.

She advised that she has just completed a complete inventory of machinery and equipment belonging to Galvanizing Services, Inc. and an additional list of equipment and machinery stored on the Gonzales plant property belonging to GCFI and/or [redacted] b6 b7C

Mrs. [redacted] advised that a truck driver for [redacted] named [redacted] had been dispatched to the Schriever, Louisiana plant belonging to [redacted] to pick up an additional Cincinnati press [redacted]

Interviewed on 9/22/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] mjb Date dictated 9/23/77 b6 b7C

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Mrs. [redacted] advised that approximately two to four months ago, [redacted] came to the [redacted]

[redacted] b6 b7C b7D

Mrs. [redacted] further advised that she did some secretarial work for [redacted] when requested to do so. She advised she would drive [redacted]

[redacted] b6 b7C b7D

On at least two of these occasions, while doing secretarial work for [redacted] he had introduced her to CARLOS MARCELLO whom he described as a close associate.

Mrs. [redacted] provided the following background and descriptive information:

True Name	[redacted]	
Maiden Name		
Date of Birth		
Place of Birth	[redacted] Colorado	b6 b7C b7D
Education	Graduate from high school. Has taken some night courses in Junior College	
Residence	[redacted]	
	[redacted] Louisiana	

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NO 74-354
RLS/mjb

Home Telephone [redacted]

Business Telephone Baton Rouge straight lines - [redacted]

[redacted] straight line - [redacted]

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Marital Status Divorced

Business [redacted]

[redacted] Louisiana

NO 74-354

At New Orleans, Louisiana

[redacted]

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Review was conducted by SA [redacted]

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 12/13/77

This is to record that a subpoena was served to [redacted] Miami, Florida, by SA [redacted] on [redacted] b3 b6 b7C

A copy of this subpoena is attached hereto.

Interviewed on 12/6/77 at Miami, Florida File # NO 74-354

by: SA [redacted] dbr Date dictated 12/12/77 b6 b7C

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Subpoena to Produce Document or Object — Cr. Form No. 21 (Rev. 12-73)

United States District Court

FOR THE

SOUTHERN DISTRICT OF FLORIDA

~~UNITED STATES OF AMERICA~~

X

No. GRAND JURY INVESTIGATION

To [redacted] b3

You are hereby commanded to appear in the United States District Court for the Southern District of Florida at [redacted] in the city of [redacted]

to testify in the above case ~~and bring with you~~

This subpoena is issued upon application of the[1] United States.

December 5, 19 77. b6 b7C

[redacted] Special Attorney for U.S. Dept. of Justice
111 N.W. 5th Street, Miami, FL 33128
Address Tele: [redacted]

Joseph I. Bogart
U.S. Magistrate or Clerk.
By [signature]
Deputy Clerk.

[1] Insert "United States," or "defendant" as the case may be.
[2] A subpoena shall be issued by a Magistrate in a proceeding before him, but need not be under the seal of the court. (Rule 17(a), Federal Rules of Criminal Procedure)

RETURN

Received this subpoena at _____ on _____
and on _____ at _____
served it on the within named _____
by delivering a copy to _____ and tendering to _____ the fee for one day's attendance and the mileage allowed by law.[3]

Dated: _____

_____, 19____. By _____

Service Fees
Travel _____$
Services _____
Total _____$

[3] Fees and mileage need not be tendered to the witness upon service of a subpoena issued in behalf of the United States or an officer or agency thereof, or an individual authorized to proceed in Forma Pauperis, 28 USC 1825, or on behalf of a defendant who is financially unable to pay such costs (Rule 17(b), Federal Rules of Criminal Procedure)

FPI-MI—5-1-75-60M-3750

NO 74-354

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b7C

At Miami, Florida.

On December 6, 1977, Special Attorney [redacted] Miami Strike Force, advised SA [redacted] that after [redacted] appeared before the Federal Grand Jury [redacted] a hearing before U. S. District Judge SIDNEY ARONOVITZ.

At the request of the government attorney, Mr. [redacted] Judge ARONOVITZ directed Mr. [redacted] before the Federal Grand Jury.

[redacted]

NO. 74-354

VIII. INFORMATION RE $30,000 LOAN AT FIRST PROGRESSIVE BANK, METAIRIE, LOUISIANA

FD-302 (REV 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/10/77

Mr. [redacted]

[redacted] was asked how cashier's check #36621 from First National Bank of Jefferson Parish (FNBJP) was purchased. A review of the microfilm by [redacted] and [redacted] revealed cashier's check #1210 from First Progressive Bank of Metairie made payable to Gulf Coast Fabricators in the amount of $30,000 was utilized to purchase cashier's check #36621, cashier's check #36620, and cashier's check #36622 from FNBJP.

[redacted] at FNBJP provided photostatic copies of cashier's check #1210 from First Progressive Bank of Metairie.

Interviewed on 8/2/77 at New Orleans, Louisiana File # NO 74-354

by GNG AT [redacted] GNG:dbr Date dictated 8/10/77

b6
b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77

1

Mr. [redacted] was contacted at his place of employment and after being advised of the official identity of [redacted] as a Special Agent of the FBI, furnished the following information: b6 b7C

In response to a question by SA [redacted] concerning a $30,000 loan on May 21, 1975, to [redacted] doing business as Gulf Coast Fabricators, Inc., [redacted] furnished the following.

He said that the [redacted]

He said that the proceeds of the loan were contained in FPB cashiers check number 1210 of which the FPB still has the original of the cashiers check in file. b6 b7C

[redacted] said he felt that any additional questions should be answered by the [redacted]

[redacted] closed by stating that at the time the above loan was granted by [redacted] on behalf of FPB the loan ceiling was $50,000, that is to say anything above that amount would require approval by the loan committee and anything below that amount could be approved by the loan officer with no further consultations.

Interviewed on 9/1/77 at Metairie, Louisiana File # NO 74-354 - [redacted]

by SA [redacted] /jss Date dictated 9/7/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77

1

Mr. [redacted] First Progressive Bank (FPB), 1501 Veterans Boulevard, was contacted at this address. After being advised of the official identity of [redacted] as a Special Agent of the FBI, Mr. [redacted] furnished the following information pertaining to a loan on May 21, 1975, by [redacted] doing business as Gulf Coast Fabricators, Inc. b6 b7C

[redacted] and furnished the following information.

He stated that the [redacted] which was dated May 21, 1975, in the name of Gulf Coast Fabricators, Inc., 1021 ITM Building, New Orleans, Louisiana, 70130 and is loan number 30-120-1352. This security instrument shows the amount financed as $30,000 with a finance charge of $6,344.10 for a total of $36,344.10. This loan is shown to be payable in 30 monthly installments of $1211.47 each commencing on June 30, 1975. This security instrument is witnessed by [redacted] and [redacted] and is signed by [redacted] as President of Gulf Coast Fabricators, Inc. b6 b7C

Mr. [redacted] explained that Mr. [redacted] was the loan officer who handled this loan and according to other papers in the file, namely an invoice of the Roller Motor Company, Pennington Gap, Virginia, dated March 27, 1975, this loan was made to cover the purchase of some equipment by [redacted] displayed invoice number 4124 dated March 27, 1975, of the Roller Motor Company, 612 East Morgan, Pennington Gap, Virginia, which indicates that a 1973 John Deere loader, model number 644-A with serial number 1606971 was sold to the Penn-Lee Corporation, Pennington Gap, Virginia, for $30,000. This loader was shown to be used equipment on the invoice.

Mr. [redacted] explained that the basic collateral for the loan was the loader described above and to his knowledge and recollection FPB registered a lien against the loader in the state of Virginia.

Interviewed on 9/1/77 at Metairie, Louisiana File # NO 74-354 -

by SA [redacted] /jss Date dictated 9/7/77 b6 b7C

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Mr. [redacted] also displayed two insurance policies concerning the above mentioned loader, one with Aetna Insurance Company for the period April 17, 1975 to April 17, 1976, issued by Gibson and Turner Company, Inc., 1252 West State Street, Bristol, Tennessee-Virginia. This policy is in the amount of $30,000 and shows insurance for a John Deere front end loader with a loss payable clause to the First National Bank of Jefferson Parish (FNBJP), Gretna, Louisiana. A second insurance policy number M9101023 of the Great American Insurance Companies, which was also issued by Gibson and Turner Company, Inc., 1252 West State Street, with the address Bristol, Tennessee, is made out to the Penn-Lee Corporation, Box 370, Pennington Gap, Virginia, and is in the amount of $65,000 and shows insurance for four pieces of equipment including a John Deere front end loader which is insured for $30,000. A loss payable clause in this policy is shown to FPB, Veterans Boulevard, Metairrie, Louisiana.

b6
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Mr. [redacted] then displayed a copy of a cashiers check of the FPB, number 1210, dated May 21, 1975, payable to the order of Gulf Coast Fabricators, Inc., in the amount of $30,000. Mr. [redacted] said after viewing this check he could say that this was the proceeds of the loan mentioned above and that he himself signed this check on the line above the notation "Authorized signature". Banking stamps on the back of this cashiers check indicate to Mr. [redacted] that this check was processed through the FNBJP, Gretna, Louisiana.

Mr. [redacted] said that Mr. [redacted] the [redacted] who handled the above loan, is [redacted] is currently associated with [redacted] in New Orleans East. He said that he recalls that Mr. [redacted] was CARLOS MARCELLO's contact at the FPB as he [redacted] had previous dealings with Mr. MARCELLO while Mr. [redacted] was employed at the National American Bank (NAB).

In this regard Mr. [redacted] displayed a form of the FPB captioned "Continuing Guaranty" which is dated May 21, 1975, is in the amount of $36,500, is signed CARLOS J. MARCELLO, and is witnessed [redacted] This "Continuing Guaranty" requests the giving or extending terms of credit to Gulf Coast Fabricators, Inc. Mr. [redacted] said that this "Continuing Guaranty" further strengthened the loan and was a normal business practice.

Mr. [redacted] said that the following individuals were employed at the bank at the time of this loan on May 21, 1975, to the best of his recollection:

[redacted]

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Mr. [redacted] said that there was no way to tell for sure exactly which one of the employees typed the cashiers check number 1210 of FPB dated May 21, 1975, but he said he felt it was most likely [redacted] who also witnessed the security instrument (disclosure statement).

FEDERAL BUREAU OF INVESTIGATION

9/7/77

Date of transcription

1

LA.

Mr. [redacted] was contacted at the Red Onion Restaurant, 2700 Edenborn and after being advised of the official identity of [redacted] as a Special Agent of the FBI, furnished the following information: b6 b7C

Mr. [redacted] stated that he has been acquainted with CARLOS MARCELLO for approximately 25 years and handled CARLOS MARCELLO's account at a previous place of employment, the National American Bank (NAB). He said that he recalls making a loan to [redacted] and when he was shown a copy of a security instrument dated May 21, 1975, with the borrower's name listed as Gulf Coast Fabricators, Inc. 1020 ITM Building, New Orleans, Louisiana, loan number 30-120-1352 made the following comments.

He said that he recognized his signature as the second witness on this instrument and recognized the other witness' signature as [redacted] who was a secretary at First Progressive Bank (FPB) at the time this loan was made.

Mr. [redacted] said that this loan was handled as a commercial loan and that since the amount of the loan was less than $50,000 there was no necessity of him presenting it to a loan committee since no further approval beyond his approval was needed at that time.

He said that he recognized the form of FPB dated May 21, 1975, captioned "Continuing Guaranty" since he recognized both his signature as the witness and CARLOS J. MARCELLO's signature to the right of his signature. He said that this "Continuing Guaranty" applied to the loan shown on the above mentioned security instrument and was for the purpose of backing up the collateral which he recalls was a piece of equipment. He said he could not recall whether or not the equipment involved in this loan was single-purpose or multi-purpose in nature. When shown a copy of an invoice number 4124 dated March 27, 1975, of the Roller Motor Company, 612 East Morgan, Pennington Gap, Virginia, he said he did not recognize this as anything

Interviewed on 9/2/77 at Metairie, Louisiana File # NO 74-354 -

by SA [redacted] /jss Date dictated 9/7/77 b6 b7C

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he remembers seeing. He continued by saying that he could state that as long as CARLOS MARCELLO guaranteed the loan he did not feel that any other collateral would have been necessary due to his previous business dealings with Mr. MARCELLO.

When questioned to whether or not CARLOS MARCELLO actually came into the bank on May 21, 1975, and signed the "Continuing Guarantee" form in his presence, Mr. [redacted] said he does not recall whether Mr. MARCELLO came in on that day or the day before or the day after. He did say, however, as a result of his previous business dealings with Mr. MARCELLO he felt he could recognize CARLOS J. MARCELLO's signature well enough that he would be willing to witness the signature on a document. He said that in retrospect he cannot recall whether or not CARLOS MARCELLO actually appeared at the bank physically in connection with this loan. b6 b7C

Mr. [redacted] was shown a copy of FPB cashiers check number 1210 dated May 21, 1975, payable to the order of Gulf Coast Fabricators, Inc., in the amount of $30,000 and made the following comments. He said that since this cashiers check was signed by Mr. [redacted] he does not feel that he [redacted] personally handled the entire transaction. He explained by saying that if he had actually handled the entire transaction he would most likely have signed the cashiers check since all of the officers of the bank are authorized signatories.

Mr. [redacted] was then asked who physically prepared the cashiers check mentioned above as well as the other documents shown to him including a hand note dated May 21, 1975, concerning loan number 30-120-1352. He said that these documents could have been typed by anyone of three people who worked behind the cages in the trailer which was used as the temporary business office of FPB at the time this loan was made. He explained by saying that the bank was operated out of a trailer prior to the construction of the present building.

He said that the typing on the hand note, the [redacted] b6 b7C [redacted] said that in connection with the [redacted] is north of Louisiana, exact state unrecalled.

Mr. [redacted] concluded by saying that he does not recall ever having had any business experience with [redacted] prior to the above mentioned loan and knows of no prior or subsequent loans to [redacted] or to Gulf Coast Fabricators, Inc., by FPB.

In closing Mr. [redacted] said that if [redacted] had not been able to obtain the "Continuing Guaranty" by CARLOS J. MARCELLO in an amount sufficient to cover this loan, he feels certain that he would have closely inspected the collateral offered by [redacted] which was the equipment mentioned above. As it was, Mr. [redacted] said that he did not care whether the equipment was worth anything so long as CARLOS J. MARCELLO was willing to guarantee the loan. He explained this by saying that he knew as a result of previous business dealings with Mr. MARCELLO that the loan would be satisfactorily repaid.

He said that he recalled nothing concerning any comments which may have been made regarding a business relationship between [redacted] and CARLOS J. MARCELLO. b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77

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Mr. [redacted] was contacted at his place of employment and after being advised of the official identity of [redacted] as a Special Agent of the FBI, furnished the following information: b6 b7C b7D

He stated that in connection with the processing of cashiers check number 1210 of the First Progressive Bank (FPB), dated May 21, 1975, in the amount of $30,000, payable to the order of Gulf Coast Fabricators, Inc., he could state that this cashiers check was handled by Mrs. [redacted]

Mr. [redacted] said that Mrs. [redacted] was familiar with this matter and could furnish further information. b6 b7C b7D

Interviewed on 9/2/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] /jss Date dictated 9/7/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77

1

Mrs. furnished the following information to who identified himself as a Special Agent of the FBI.

Mrs. said that Mrs. normally handled most of the banking transactions for and some other people who were acquainted with including b6 b7C b7D

Mrs said that she recognized Mr. on sight as he had been in the bank many times in the past.

Mrs. said that to the best of her knowledge Mrs. is currently employed by in the New Orleans area. She said that her husband to the best of her knowledge is employed at a meat packing company.

Interviewed on 9/2/77 at Metairie, Louisiana File # NO 74-354

by SA /jss Date dictated 9/7/77 b6 b7C

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FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77

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Mrs. [redacted] Lakeside Shopping Center, furnished the following information to [redacted] who identified himself as a Special Agent of the FBI.

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SA [redacted] displayed to Mrs. [redacted] a copy of cashiers check number 1210 of First Progressive Bank (FPB) dated May 21, 1975, payable to the order of Gulf Coast Fabricators, Inc., in the amount of $30,000 and Mrs. [redacted] made the following comments concerning this cashiers check.

She said that the stamp on the face of this check indicates that it was processed by Mrs. [redacted] a former teller. Further Mrs. [redacted] said that a stamp on the back of this cashiers check indicates that it was the second transaction by Mrs. [redacted] on that date. She said, however, that this cashiers check should have been deposited directly to the account of Gulf Coast Fabricators, Inc., and then a check should have been drawn on the company account or a debit memo should have been written against the account in place of a check. She said that the handwriting underneath the endorsements on the rear of this check indicates to her that three cashiers checks of FNBJP were purchased from the proceeds of this $30,000 cashiers check.

b6
b7C

Mrs. [redacted] then furnished copies of three cashiers checks of FNBJP described as follows:

#36620, dated May 22, 1975, payable to the order of Chateau Film and Supply in the amount of $11,500, signed [redacted]

#36621, dated May 22, 1975, payable to the order of CARLOS MARCELLO in the amount of $15,000, signed [redacted]

#36622, dated May 22, 1975, payable to the Chateau Equipment & Sales, in the amount of $8,750, signed [redacted]

Interviewed on 9/2/77 at Metairie, Louisiana File # NO 74-354

by SA [redacted] /jss Date dictated 9/7/77

b6
b7C

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Mrs. [redacted] said that records on the file copies indicate that checks 36621 and 36622 were purchased by [redacted] whereas check 36620 was shown to be purchased by Gulf Coast Fabricators.

Mrs. [redacted] noted that a total of these three cashiers checks of FNBJP totaled $35,250 which was $5,250 more than the $30,000 cashiers check of FPB. She said that in the event FNBJP still has the teller's tape for May 21, 1975, she could check this and possibly tell what other item was used in conjunction with the $30,000 cashiers check of FPB to purchase the cashiers checks numbered 36620, 36621 and 36622. b6 b7C

Mrs. [redacted] said that [redacted] was a well known customer in the bank and she recognized him on sight and said that Mr. [redacted] normally sought out Mrs. [redacted] to handle his transactions. Mrs. [redacted] noted that Mr. [redacted] always seemed to have "exceptions" to be handled; as an example she noted the above transaction which was not handled in the way that the bank would like to have had it handled. She noted that Mrs. [redacted] simply "cashed out" the cashiers check number 1210 on the FPB and used the proceeds to purchase the other three cashiers checks.

Mrs. [redacted] said it would be a simple matter to substantiate the fact that the three cashiers checks of FNBJP had been purchased with the proceeds of the $30,000 cashiers check number 1210 of FPB by way of the handwritten notes of Mrs. [redacted] on the rear of the cashiers check number 1210 which actually lists the check numbers of the FNBJP checks.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77 b6 b7C

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Mr. [redacted] was contacted at his place of employment by [redacted] who identified himself to [redacted] as a Special Agent of the FBI.

Mr. [redacted] was shown a copy of a cashiers check number 1210 of the First Progressive Bank (FPB), Metairie, Louisiana, dated May 21, 1975, payable to the order of Gulf Coast Fabricators, Inc., in the amount of $30,000. Mr. [redacted] said that after reviewing this copy of this cashiers check he could say that this was handled by former teller Mrs. [redacted] at the Lakeside Branch of First National Bank of Jefferson Parish (FNBJP).

Mr. [redacted] was then shown copies of FNBJP cashiers checks numbered 36620, 36621 and 36622, all of which are dated May 22, 1975, and made the following comments concerning these.

Check number 36620, payable to Chateau Film and Supply Company in the amount of $11,500 is signed [redacted]

Check number 36621, payable to the order of CARLOS MARCELLO in the amount of $15,000 is also signed [redacted]

Check number 36622, payable to the order of Chateau Equipment & Sales in the amount of $8,750 is signed [redacted]

Mr. [redacted] said that Mrs. [redacted] has since retired from the bank and was last known to reside at [redacted] New Orleans, Louisiana, 70118 and had telephone number [redacted]

Mr. [redacted] is [redacted] and is now employed by [redacted] Gretna, Louisiana.

Interviewed on 9/2/77 at Gretna, Louisiana File # NO 74-354

by SA [redacted] /jss Date dictated 9/7/77 b6 b7C

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Mr. [redacted] noted that the total of the three FNBJP checks was $35,250 whereas the amount of the cashiers check number 1210 of FPB was only $30,000. He stated that as a result of reviewing the teller's notations on the rear of cashiers check number 1210 it appeared obvious to him that some other item, either cash or some other deposit or debit memo had been used in conjunction with cashiers check number 1210 to purchase the three cashiers checks, numbered 36620, 36621 and 36622. b6 b7C

Mr. [redacted] said there would be a possibility based on the information printed on the FPB cashiers check number 1210 to locate the place on microfilm where this is shown in the records of FNBJP and it might be possible this way to ascertain what additional item could have been used to complete the above mentioned transaction.

SA [redacted] then accompanied Mr. [redacted] to the microfilm room of FNBJP where a review of the pertinent portion of microfilm indicated that the next item to FPB cashiers check number 1210 was a "debit advice" dated May 22, 1975, in the amount of $5,250 drawn on Container Service Corporation and signed by [redacted] This "debit advice" number 52180 has the following notation; "As per instructions [redacted] account charged for cashiers check #36622."

As a result of viewing this microfilm Mr. [redacted] said it was obvious to him that this was the item which was used in conjunction with the $30,000 cashiers check, FPB cashiers check number 1210, which was used to complete the transaction mentioned above in the purchase of the three cashiers checks of FNBJP.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/77

1

Mrs. [redacted] Louisiana, appeared at the office of the FBI, 701 Loyola Avenue, New Orleans, Louisiana. The official identities of [redacted] and [redacted] were made known to Mrs. [redacted] She was thereafter advised that an interview was desired with her concerning some [redacted] b6 b7C

Mrs. [redacted] was shown [redacted] of First Progressive Bank (FPB) dated May 21, 1975, in the amount of $30,000 made payable to Gulf Coast Fabricators, Inc. Mrs. [redacted]

Mrs. [redacted] continued by saying that [redacted] She said that these numbers refer to three cashiers checks which she sold to [redacted] who did business as Gulf Coast Fabricators, Inc. She said further that one of the stamps on the rear of this check indicates to her that she processed it through her machine and that it was the second transaction that she handled on that date. Mrs. [redacted] was then shown FNBJP cashiers checks numbered 36620, 36621 and 36622 all dated May 22, 1975. She said she typed these three cashiers checks of FNBJP. b6 b7C

Mrs. [redacted] was then shown a copy of [redacted] advice" dated May 22, 1975, number 52180 of FNBJP which was signed [redacted] Mrs. [redacted] said that she recognized this as being her signature and stated that the notation "As per instruction [redacted] account charged for cashiers check #36622" was the notation placed

Interviewed on 9/6/77 at New Orleans, Louisiana File # NO 74-354

by SA [redacted] SA HVH/jss Date dictated 9/7/77 b6 b7C

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there which accounts for the difference in the amount of the proceeds of the $30,000 cashiers check of FPB check number 1210 dated May 21, 1975, and the three cashiers checks of FNBJP which totaled $35,250. She noted that this "debit advice" was drawn on one of [redacted] companies, Container Service Corporation.

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b7C

She said that she handled this particular transaction in this fashion since it did not involve Mr. [redacted] receiving any cash, that is to say that since he used the $30,000 cashiers check and the $5,250 "debit advice" to purchase three cashiers checks she did not require him to sign a check to obtain the cashiers checks.

She said that whenever Mr. [redacted] came to the bank during her employment there he would normally seek her out and she would do most of the work for him as he seemed to like the way she handled his account. She said that she recalls a couple of instances where she had a question about Mr. [redacted] account and contacted Mr. [redacted] who was the person she contacted in the event she needed an authorization to cash a check or disburse monies if there was insufficient amount in Mr. [redacted] account.

Mrs. [redacted] said she recalls seeing CARLOS MARCELLO's name on the bank copy of a large cashiers check at the FNBJP which she handled for [redacted] but could not recall specifically whether or not the above mentioned $30,000 cashiers check was the cashiers check on which CARLOS MARCELLO's name had appeared.

Mrs. [redacted] was asked why two of the FNBJP cashiers checks were signed by Mrs. [redacted] and the other cashiers check was signed by [redacted] since she had stated all three were purchased at the same time. Mrs. [redacted] explained by saying that what obviously happened was that she went ahead and made out cashiers checks numbered 36620 and 36621 and had Mrs. [redacted] to sign them. Inasmuch as the $30,000 cashiers check of the FPB was not sufficient to cover the three cashiers checks she then debited the Container Service Corporation account and apparently by the time she had completed the paper work Mrs. [redacted] was not available and she simply got another bank officer, Mr. [redacted] to sign the check, number 36622. She re-emphasized that

this was probably what happened and stated that all three of the checks were in fact handled on the same date by her for [redacted] and all three checks were purchased with the proceeds of the $30,000 cashiers check number 1210 of FRB dated May 21, 1975, and the $5,250 "debit advice" as mentioned above drawn against the Container Service Corporation account.

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b7C

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/19/77

Mr. [redacted], was contacted at his place of business, [redacted] Louisiana. He was made aware of the official identities of [redacted] and [redacted] as Special Agents of the FBI and thereafter furnished the following information:

He stated that he met [redacted] about 1971 or 1972 through [redacted] when [redacted] and [redacted] were [redacted] in the Boston, Massachusetts area.

He said that sometime later he had discussions with officials at the Fidelity Bank and Trust Company in Baton Rouge, Louisiana, concerning the foreclosure or having taken back a plant located at Gonzales, Louisiana. Mr. [redacted] explained by saying that he is a long-time customer of this bank and subsequently he mentioned this deal to [redacted] who told him that he knew of someone who might be interested in purchasing such a plant. Mr. [redacted] mentioned the name of [redacted] Subsequently, Mr. [redacted] took [redacted] to the plant, showed it to him, and discovered that [redacted] wanted to buy the plant. Mr. [redacted] said that he took [redacted] to the Fidelity Bank and Trust Company, introduced him to Mr. [redacted] and the bank agreed to loan the money to [redacted] for the purchase of the plant if [redacted] would co-sign for the loan. b6 b7C

Subsequently [redacted] told Mr. [redacted] that the deal was too small for three people, meaning himself, [redacted] and Mr. [redacted] and that [redacted] wanted to give [redacted] a small amount of money each month to stay out of the deal. Mr. [redacted] said that he told [redacted] that he would much prefer rather than cut [redacted] out of the deal that he [redacted] would simply give his interest in the deal to [redacted] and [redacted] for $20,000 finders fee plus $2,500 expenses. He said that he proposed to give $10,000 of this to [redacted] [redacted] ultimately agreed with [redacted] to pay [redacted] $12,500 and [redacted] was to make private arrangements with [redacted] to pay the additional $10,000 to [redacted]

Interviewed on 9/14/77 at Ponchatoula, Louisiana File # NO 74-354

by SA [redacted] and SA /kil Date dictated 9/19/77 b6 b7C

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[redacted] subsequently deposited a cashiers check in the amount of $12,500 into Mr. [redacted] account at the Pioneer Bank in Shreveport, Louisiana, in payment of the aboye.

Mr. [redacted] said that to the best of his recollection, the only equipment which his company sold to [redacted] was an old "cherry picker" and possibly an old truck. b6 b7C

Mr. [redacted] characterized [redacted] as an extremely likeable person who was very knowledgeable on any subject and was undoubtedly the most knowledgeable person he has ever met concerning banking.

Mr. [redacted] said that he extended a number of personal loans to [redacted] starting with a small loan and gradually increasing to larger amounts. As the amounts of the loans increased, the difficulty in collecting these loans also increased.

Mr. [redacted] was then shown a cashiers check drawn on the First National Bank of Jefferson Parish, Number 36620, dated May 22, 1975, payable to the order of Chateau Film and Supply in the amount of $11,500. Mr. [redacted] stated that he was not positive but believed this was probably to re-pay a personal loan that he had made to [redacted]

Mr. [redacted] was then shown a cashiers check drawn on the First National Bank of Jefferson Parish, Number 36622, dated May 22, 1975, payable to the order of Chateau Equipment and Sales in the amount of $8,750. Mr. [redacted] likewise stated that he believes this was probably also a repayment of a personal loan by [redacted] but in both cases it would be necessary for him to check his records to state positively.

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/14/77

Mr. [redacted] Louisiana, was contacted at his place of employment and after being advised of the official identity of [redacted] as a Special Agent of the FBI, furnished the following information: b6 b7C

He stated that a review of a loan file concerning a $30,000 loan at Gulf Coast Fabricators, Inc., dated May 21, 1975, reflects a "Continuing Guaranty" dated May 21, 1975, signed CARLOS J. MARCELLO and witnessed [redacted]

Mr. [redacted] made available the original document to SA [redacted] for which SA [redacted] executed a receipt.

Interviewed on 10/13/77 at Metairie, Louisiana File # NO 74-354

by SA [redacted] :dbr Date dictated 10/14/77 b6 b7C

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Laboratory Transmittal Form
7-72

1- Mr. Moreau

FBI LABORATORY

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

February 7, 1978

To: SAC, New Orleans (74-354)

From: Director, FBI

FBI FILE NO. 74-2644

LAB. NO. 71221038 D SP

Re: CARLOS J. MARCELLO, aka;
[redacted]
PERJURY; OOJ

b6
b7C

Examination requested by: New Orleans

Reference: Airtel dated December 16, 1977

Examination requested: Document

Remarks:

If additional handwriting examinations are desired, it is suggested that known signatures prepared by the writer of K1 at the approximate time period of the alleged preparation of the questioned signatures be submitted for examination. Such signatures may be in the form of signatures on checks, business correspondence, etc. Such signatures may be of value in effecting an identification concerning the writer of K1.

For investigative information, handwriting characteristics were noted in the comparison of the [redacted] signatures on Q1 with fingerprint card signatures of [redacted] which suggest the advisability of acquiring known exemplars from this individual, should the [redacted] signatures on Q1 become questioned material for Laboratory examination. b6 b7C

EX-124 REC-3 74-2644-6

Enclosures (6) (2 Lab report, Q1 through ~~Q3 and K1~~)

9 FEB 8 1978

MAILED 12
FEB 07 1978
FBI

DMM:ksl
(4)

ADMINISTRATIVE PAGE

MAIL ROOM ☐ TELETYPE UNIT ☐

DO NOT INCLUDE ADMINISTRATIVE PAGE (S) INFORMATION IN INVESTIGATIVE REPORT FBI/DOJ

53 FEB 16 1978

REPORT
of the

FBI LABORATORY

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

February 7, 1978

To: SAC, New Orleans (74-354)

FBI FILE NO. 74-2644 -6

LAB. NO. 71221038 D SP

Re: CARLOS J. MARCELLO, aka;
[redacted]
PERJURY; OOJ

b6
b7C

Specimens received December 19, 1977

Q1 Promissory note bearing two signatures in the name "Carlos J. Marcello"

Q2 Letter dated 8/23/76 bearing signature in the name "Carlos J. Marcello"

Q3 Continuing guaranty dated 5/21/75 bearing signature in the name "Carlos J. Marcello"

K1 Nine sheets of paper bearing known writing of CARLOS J. MARCELLO

Result of examination:

Due to the handwriting style represented in the questioned "Carlos J. Marcello" signatures on Q1 through Q3, unexplained handwriting variations and the lack of contemporaneous known handwriting, it could not be determined whether these questioned signatures were or were not prepared by the writer of K1. From such examinations as could be accomplished, handwriting characteristics were noted which suggest the writer of K1 not be eliminated as a suspect writer of these questioned signatures on Q1 through Q3.

The submitted evidence has been photographed and is returned herewith to the New Orleans Office.

DMM:ksl
(4) ksl

FBI/DOJ

7-2 RECORDED
1/13/78
ksl

FEB 1

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

To: SAC, New Orleans (74-354)

FBI FILE NO. 74-2644

LAB. NO. 71221038 D SP

YOUR NO.

Re: CARLOS J. MARCELLO, aka;
[redacted]
PERJURY; OOJ

b6
b7C

Examination by: Moreau 1/31/78

Examination requested by: New Orleans

Reference: Airtel dated December 16, 1977

Examination requested: Document

Specimens received: December 19, 1977

Q1 Promissory note bearing two signatures in the name "Carlos J. Marcello"

Q2 Letter dated 8/23/76 bearing signature in the name "Carlos J. Marcello"

Q3 Continuing guaranty dated 5/21/75 bearing signature in the name "Carlos J. Marcello"

K1 Nine sheets of paper bearing known writing of CARLOS J. MARCELLO

Report 2/7/78 DMM/ksl

4432

FBI/DOJ

0-42 (Rev. 4-25-75)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Ash RA 1-16 33 TPK

DATE: 1/12/78

FROM : ☐ W. V. Cleveland ☒ XXXXXXXXXX [redacted]

☐ LATENT EXAMINATION INVOLVED
Communication:
Agency Submitting:

b6
b7C

SUBJECT: CARLOS J. MARCELLO, aka; [redacted]
PERJURy; OOJ

☐ BOTH CIVIL & CRIMINAL FILES
☒ SEND OVER ALL CARDS

Please search the name of the individual through the records of the Identification Division and return this memorandum with a notation of your findings to -

☐ Employees Security and Special Inquiry Section, Room _____, _____ Building. (In SGE and UN cases, if a record of arrest is found, please enclose, in addition to file copy, 1 copy of the Identification Record for each state in which arrests occurred.)

☒ Laboratory, Att. [redacted] Rm. 3238, Ext. 4432, re D # 71221038 D SP (74-2644)

The following identifying data are listed for your assistance (Att.: Special Investigative Division only - In addition to the name or names and the Government agency appearing in the title):

Sex ☐ Male ☐ Female	Race	Height	Name and aliases (For use of Laboratory) (1)	(2)	(3)
Date and place of birth		Age	Carlos J. Marcello (1)	[redacted] (2)	
Military Service #	CSC #		SEND OVER	SEND OVER	
Last known address Locate well we sent			292-542	957-600 J5 → Purged - no record [illegible] 977-573 Po	
Previous Government employment					
Date SGE security form received					
Other pertinent identifying data (Att.: Lab., including PD #s and location)					

b6
b7C

Identification Division Reply

☐ Based upon information furnished, no record located.

☐ A noncriminal fingerprint record which IS or MAY BE identical was located. This record was searched through the criminal files and no criminal record found.

☐ The enclosed Identification Record IS or MAY BE identical with the record of the employee, applicant, or subject.

Q1
* Carlos J. Marcello

71221038 D SP
D 74-2644

Q2
* Carlos J Marcello (indented just on Q2 in same name)

Q3
* Carlos J. Marcello

* poor quality writing style - heavy pressure + slowly written

K1
Carlos J. Marcello

Carlos J Marcello

Carlos J. Marcello

Carlos J Marcello

* also, poor quality writing style - heavy pressure + slowly written

Rept

① Due to the hw style represented in the qst "Carlos J. Marcello" sigs on Q1 → Q3, unexplained hw vars, + lack of contemp. bn. hw, it could not be deter. whether these qst sigs were or were not prep. by the writer of K1. From such exams as could be accomplished, hw chars noted which suggest the writer of K1 not be elim as a suspect writer of these qst sigs on Q1 → Q3.

② Sub evid photo'd + ret'd h/W.

T. F.:

① If addtl exams desired, it is suggested kn sigs prep. by writer K1 at the approx time period of the alleged prep. of the qst sigs be sub. for exam. Such sigs may be in the form of sigs on checks, business correspondence, etc. Such sigs may be of value in effecting an ident concerning writer of K1.

② For invest info. hw chars noted in comp. of "[redacted]" sigs on Q1 w/ fp card sigs of [redacted] FBI # [redacted] which suggest the advisability of acquiring kn. exemplars from [redacted] the rdw should the "[redacted] sigs on Q1 become qst material

b6
b7C

FILE # 74-26444-6
CONTENTS LAB WORKSHEET ITEMS

DO NOT STAMP OR HANDLE AS ENCLOSURE

EVIDENCE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

EVIDENCE
FEDERAL BUREAU
WASHIN

DOC LAB NOTE

ITEM (S)

CAN NOT

BE SCANNED

DESCRIPTION

Negatives

FILE# 71221038 DATE _____ EXAMINER # SP

Q# Q1-Q3

K# K1

NEGATIVES

INITIALS _____

FBI/DOJ

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

New orleans, La

New orleans, La.

Dec. 9 1977

Carlos J. Marcello

71221038 D KI SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

New orleans, La.

New orleans, La.

Carlos J. Marcello

71221038 D KI SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Ten
twenty
thirty
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fifty
sixty
eighty
ninety
Hundred

Carlos J. Marcello

71221038 D KI SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

are
two

71221038 D K1 SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

One
Two
three
four
Five
Six
Seven
eight
nine
Ten

Carlos Marcello

71221038 D K1 SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Carlos Marcello
Carlos J. Marcello
Carlos J. Marcello

71221038 D KJ SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

1 one
2 Two
3 Three
4 Four
5 Five
6 six
7 Seven
8 eight
9 nine
10 ten

Carlos J. Marcello

71221038 D K1 SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

1
2
3
4
5
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Carlos J. Marcello

71221038 D KI SP

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

One
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three
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Seven
eight
Nine
Ten

Carlos J. Marcello

71221038 D KI SP

12/15/77
HM
ADB

[redacted]

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Carlos J. Marcello

71221038 D QI SP

Due No. $

Kenner, La. 19

after date, we, the signers, endorsers, guarantors, sureties and each of us, in solido, promise to pay to the order of Merchants Trust AND SAVINGS BANK at its Banking House in Kenner, La., Dollars, for value received, with interest thereon at the rate of per cent per annum from until paid.

This note is secured by pledge and delivery of the securities or property mentioned on the reverse hereof and any securities or property that may be substituted therefor or added thereto and any and all securities or property that may have been or may subsequently be pledged to or come into the possession of the Merchants Trust and Savings Bank, or the holder or holders of this note. Should the securities or property herein pledged DECLINE IN VALUE, or become impaired, the maker of this note hereby agrees, within twenty-four hours from demand on him to that effect, to furnish and pledge additional securities or property satisfactory to the Merchants Trust and Savings Bank, or the holder of this note, to cover such decline or impairment. And the failure or refusal of the maker to promptly furnish such additional securities or property, when so called for, shall at once, without demand, notice or a putting in default, mature this note and pledge and every other debt, liability or obligation, direct or contingent, due by the maker to the Merchants Trust and Savings Bank, or the holder of this note.

Should this note not BE PAID AT MATURITY, or when it BECOMES DUE by failure to furnish additional securities, as above provided, or for any other reason or in case of the non-payment of any other debt, liability or obligation, direct or contingent, due or to become due, whether now existing or hereafter arising, by the maker, endorsers, guarantors or sureties or any of them to the Merchants Trust and Savings Bank, or the said holder, when due or demandable, the Merchants Trust and Savings Bank, or the then holder hereof, is hereby authorized TO SELL the pledged securities or any part thereof or any substitutes therefor or additions thereto, without demand, notice to redeem or notice of the time, place or manner of sale, and without recourse to Judicial Proceedings, at public or private sale, or on any Exchange, at the option of the Merchants Trust and Savings Bank, or the then holder thereof, and is hereby irrevocably authorized to transfer any shares of stock, or other securities, on the books of the company issuing same, to purchaser under such public or private sale. The proceeds of the sale of said securities or property shall be applied (1) to the payment of all costs and commissions for selling, (2) to the payment of this note, in principal and interest and the 10% attorney's fees, herein stipulated, and (3) to the payment of any other indebtedness, then due or thereafter to become due, up to the sum of Ten Million Dollars ($10,000,000.00) by the maker of this note to the said Merchants Trust and Savings Bank, or said holder. Merchants Trust and Savings Bank, or the holder of this note, shall have the right to purchase any or all of the pledged securities at such sale, free from any right of redemption on the part of any party hereto, which right is hereby waived and released, and all parties hereon shall remain liable for any deficiency remaining, with legal interest and all costs. All parties hereto severally consent and agree that the securities or property hereby pledged may be exchanged or surrendered from time to time without notice to, or assent from any party hereto, and without, in any manner, releasing or altering their obligations hereunder. All parties hereto do hereby further irrevocably authorize and empower the Merchants Trust and Savings Bank, or the holder of this note, at any time to collect, and appropriate and apply to the payment and extinguishment hereof, the interest, dividends, or other income accruing and payable on any of the securities or property pledged to secure the payment hereof, and to facilitate such collection, all parties hereto agree that any of the said property may be transferred, at the Merchants Trust and Savings Bank, or the holder's option to the name of said Merchants Trust and Savings Bank, or said holder, or nominee, on the books of the company issuing same. The securities pledged with this note are also pledged to secure any other obligation of the maker or makers due or hereafter to become due to the Merchants Trust and Savings Bank, or the holder of this note.

At or after the maturity of this note, or when same becomes due under any of the provisions hereof, any money, stocks, bonds or other property of any kind whatsoever, on deposit or otherwise to the credit of the maker, endorsers, guarantors or sureties on the books of the Merchants Trust and Savings Bank, or the then holder of this note, in transit or in their possession, may, without notice, be applied at the discretion of said Merchants Trust and Savings Bank, or said holder, to the full or partial payment of this note.

Should the maker of this note or any of the endorsers, guarantors or sureties hereon, fail in business, ask a respite or make application for an adjudication in bankruptcy, or commit an act of bankruptcy, or have an action of bankruptcy brought against him, or apply for a receiver or have a receiver appointed before the maturity of this note, this note and every other debt, liability or obligation, direct or contingent, due by the undersigned or any of them, to said Merchants Trust and Savings Bank, or the holder, shall immediately become due and exigible, without demand, notice or a putting in default, notwithstanding any credit or time allowed the maker by any instrument evidencing any of said liabilities.

Should this note not be paid at maturity or when due or demandable as herein provided, or should it become necessary to employ an attorney to enforce the same or recover the amount hereof or any portion of same, or should this note be placed in the hands of an attorney for collection or compromise or for any other reason, the makers, endorsers, guarantors and sureties and each of them hereby agree to pay the fees of such attorneys, which are hereby fixed at ten per cent on the amount then due on this note with interest and all costs and which attorney's fees are secured by this pledge.

The Merchants Trust and Savings Bank, or any holder hereof may transfer this note and may deliver said collateral security or any part thereof to the transferee or transferees, who shall thereupon become vested with all powers and rights herein given in respect thereto; and said Merchants Trust and Savings Bank, or any holder making such transfer shall thereafter be forever relieved and fully discharged from any liability or responsibility in the matter.

No delay on the part of the Merchants Trust and Savings Bank, or any holder hereof, in exercising any rights hereunder shall operate as a waiver of such rights.

The makers of this note and the endorsers, guarantors and sureties hereon hereby severally waive presentment for payment, demand, notice or non-payment, protest, and all pleas of division and discussion, and agrees that the time of payment hereof may be extended from time to time, one or more times, without notice of such extension or extensions and without previous consent, hereby binding themselves, in solido, unconditionally and as original promisors, for the payment hereof, in principal, interest, costs and attorney's fees. All parties hereto further severally agree that this note evidences and sets forth their entire agreement with the Merchants Trust and Savings Bank, or the holder hereof, that they hereby consent to all the terms and conditions hereof, and that no modification hereof shall be binding unless hereon endorsed in writing and signed by the parties.

Carlos J. Marcello

PROMISSORY NOTE - SECURED

71221038 D 01 SP

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Carlos J. Marcello

1225 AIRLINE HIGHWAY
METAIRIE, LOUISIANA 70001
AREA CODE 504 • XXXXXX 835-8437

August 23, 1976

Merchants Trust and Savings Bank
Kenner, La. 70062

Gentlemen:

Pursuant to your request, this is to advise that my net worth is in excess of ONE MILLION DOLLARS ($1,000,000.00).

Yours very truly,

Carlos J. Marcello

Carlos J. Marcello

71221038 D Q2 SP

FIRST PROGRESSIVE BANK
1501 Veterans Memorial Boulevard
Metairie, Louisiana 70005

CONTINUING GUARANTY

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IN CONSIDERATION of the FIRST PROGRESSIVE BANK of Metairie, at my request giving or extending terms of credit to

GULF COAST FABRICATORS, INC.

hereinafter called debtor, I hereby give this continuing guaranty to the said FIRST PROGRESSIVE BANK of Metairie, Louisiana, hereinafter referred to as the Bank, its transferees or assigns, for the payment in full together with interest, fees and charges of whatsoever nature and kind, of any indebtedness, direct or contingent of said debtor to said Bank, up to the amount of

THIRTY SIX THOUSAND FIVE HUNDRED AND 00/100=---------- Dollars; whether due or to become due, and whether now existing or hereafter arising; and I hereby bind and obligate myself, my heirs and assigns, in solido with said debtor, for the payment of said indebtedness precisely as if the same had been contracted and was due or owing by me in person, hereby agreeing to and binding myself, my heirs, and assigns, by all the terms and conditions contained in any note or notes signed or to be signed by said debtor, making myself a party thereto; and, waiving all notice, including notice of demand, dishonor, or protest, and all pleas of discussion and division, I agree to pay upon demand at any time to said Bank, its transferees or assigns, the full amount of said indebtedness up to the amount of this guaranty, together with interest, fees and charges, as set forth, becoming subrogated in the event of payment in full by me to the claim of said Bank, its transferees or assigns, together with whatever security it or they may hold against said indebtedness. The Bank may extend any obligation of the debtor one or more times, and may surrender any securities held by it or release any other party without notice or consent from me, and I shall remain at all times bound hereby, notwithstanding such extensions and/or surrender and/or release.

This guaranty shall continue in full force and effect and shall be terminated only upon receipt by the Bank of written notice of revocation from me, or upon receipt of notice of my death, and that, in either of said events, my liability hereon shall continue as to obligations then existing; and as to any and all renewals or extensions thereof made after said event or events.

The pronoun "I" when used above shall include all of the signatories to this guarantee and each signatory is liable in solido with said debtor for the amount stated above.

IT IS EXPRESSLY AGREED that this continuing guaranty is absolute and complete, and that acceptance and notice of acceptance thereof by the Bank are therefore unnecessary and they are hereby expressly waived.

IN FAITH WHEREOF, I have hereunto signed my name on this the 21st day of May, 19 IV.

Witness _____

Carlos J. Marcello

Carlos J. Marcello

PB-211

71221038 D Q3 SP

FD-36 (Rev. 7-27-76)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ E F T O
- ☐ CLEAR

Date 4/19/78

TO: DIRECTOR, FBI (74-2644)

FROM: SAC, NEW ORLEANS (74-354)

RE: CARLOS J. MARCELLO
et al
PERJURY

As the Bureau is aware, captioned investigation relates to the [redacted] the Federal Grand Jury, Miami, Florida, in April, 1977, in connection with UNIRAC investigation, at [redacted]

On 8/26/77, U. S. Strike Force Attorney [redacted] Miami, advised he intended to seek a two-count perjury indictment against MARCELLO on 10/12/77; however, prior to that time, requested additional investigation be conducted to consolidate the Government's case.

The requested investigation was conducted and on 10/18/77, during a telephonic discussion of this matter with attorney [redacted] advised that he intended to seek return of the indictment of MARCELLO on two counts of perjury on 11/17/77. At that time he noted that this was some two weeks later than what he had originally planned but this was occasioned by the fact the Federal Grand Jury at Miami does not sit every week and only sits every other week.

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b6
b7C

(2) - Bureau
4 - New Orleans
TMG:sam
(6)

EX-121 REC-45 74-2644-7

17 MAY 2 1978

Approved: MAY 24 1978 Transmitted _____ (Number) _____ (Time) Per _____

70 MAY 24 1978

NO 74-354 /sam

On 11/22/77, attorney [redacted] telephonically advised that the USA, Miami, had rescheduled the Federal Grand Jury sessions for that city and as a result, [redacted]

On 1/26/78, attorney [redacted] advised that the prosecutive summary in instant case was still being typed and had not yet been submitted to the Department of Justice for approval. b6 b7C

On 2/2/78, attorney [redacted] advised that the prosecutive summary had been completely typed by his secretary and was being proofread at that time; however, he stated it would be necessary to include additional information as a result of testimony furnished to the Grand Jury by persons who had recently testified.

[redacted] stated that [redacted] Chief, Miami Strike Force, was currently ill with extremely high blood pressure and his date of return to duty was not known. [redacted] could furnish no date or approximate date as to when the summary would be sent to the Department in Washington, D. C., for their consideration. He pointed out that he would not be in his office between 2/6/78 and 2/23/78 as he was taking annual leave for that period of time.

On 2/8/78, [redacted] Miami Strike Force, was telephonically contacted and advised that [redacted] did not complete the prosecutive summary regarding this case prior to his departure on annual leave. He stated that the prosecutive summary had not yet been sent to the Department of Justice in Washington, D. C., by the Miami Strike Force since it had not as of that time come across his desk in finished form for final approval. b6 b7C

On 3/9/78, a meeting was held in the offices of the newly formed New Orleans Strike Force to discuss certain aspects of the UNIRAC investigation. This meeting was attended by representatives of the U. S. Strike Force, the Internal Revenue Service, and from the FBI from the States of Mississippi, Louisiana and Texas. Present also was [redacted] Deputy Assistant Attorney General, U. S. Department of Justice; [redacted] Attorney in Charge, Miami Strike Force; [redacted], members of the Miami Strike Force.

NO 74-354 /sam

During the course of this conference, a synopsis of captioned investigation was presented and it was pointed out that although the investigation has been essentially complete since October, 1977, the proposed indictment of CARLOS MARCELLO has yet to occur. In response, representatives of the Miami Strike Force, and specifically [redacted] stated that prosecutive action regarding MARCELLO would occur no later than mid-April, 1978.

As no notification had yet been received regarding the presentment of this matter to the Federal Grand Jury on [redacted] attempts were made to contact attorney [redacted] in an effort to ascertain what action was contemplated. These attempts were negative. b3 b6 b7C

On 4/17/78, a second attempt was made to contact [redacted] which was successful. During this contact, [redacted] advised that he had spent the prior week in trial concerning an ATF case and that he hoped to get "a couple of cases out" during the week of 4/17/78, one of which was captioned case. He stated he has not been able to do any work on this case since his trip to New Orleans during the early part of March, 1978.

Extensive investigation was conducted by Agents of the New Orleans Division to substantiate the perjury violations involving CARLOS MARCELLO. A great amount of Agent investigative time has been expended and numerous witnesses have been subpoenaed before the Federal Grand Jury in Miami during the course of the investigation to substantiate the perjury violations.

Information has been received by those Agents involved in the investigation that many of the individuals in the banking community in the New Orleans area involved in this case and involved in making loans to MARCELLO in other areas, who have been less than cooperative, are waiting to see what action will be taken against MARCELLO before cooperating fully with the FBI, particularly in other areas involving MARCELLO and his associates.

According to reliable informant information, MARCELLO is aware of the pending prosecutive action to be taken against him by the Miami Grand Jury, and is concerned.

New Orleans is of the opinion that this case has not received the priority handling that it should have by the Miami Strike Force. It would appear logical that if an

opportunity exists to undertake legitimate prosecutive action against an LCN boss, that that case should receive priority handling.

The Bureau is requested to contact appropriate Department of Justice personnel and obtain a definitive statement from them of their intentions regarding what further action they intend to undertake in this matter and when exactly they intend to take it.

Airtel

4/26/78

1 - Mr. Sharp

To: SAC, New Orleans (74-354)

From: Director, FBI (74-2644)

CARLOS J. MARCELLO
ET AL
PERJURY

ReNOairtel 4/19/78.

On 4/25/78, [redacted] Organized Crime Section, Department of Justice, was personally contacted regarding your request in referenced communication to determine the status of any contemplated action of returning an indictment against Carlos J. [redacted] advised he telephonically contacted [redacted] Chief, Miami, Florida, Strike Force, and determined that the Strike Force Attorney handling this matter, namely, [redacted] was currently on leave this week. However, [redacted] assured [redacted] that the prosecutive summary memorandum concerning Marcello will be on [redacted] desk on Tuesday, 5/2/78, for final review and approval.

New Orleans can rest assured that this matter will be closely followed by FBIHQ and you will be kept advised.

EJS:emj
(4)

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MAILED 7
APR 26 1978
FBI

EX-121
REC-45 74-2644-8

17 MAY 2 1978

Assoc. Dir.
Dep. AD Adm.
Dep. AD Inv.
Asst. Dir.:
Adm. Servs.
Crim. Inv.
Ident.
Intell.
Laboratory
Legal Coun.
Plan. & Insp.
Rec. Mgnt.
Tech. Servs.
Training
Public Affs. Off.
Telephone Rm.
Director's Secy

4 2 1978 MAIL ROOM

FBI/DOJ

FD-36 (Rev. 7-27-76)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ E F T O
- ☐ CLEAR

AIRTEL

Date 5/31/78

TO: DIRECTOR, FBI (74-2644)
Attention: Organized Crime Section
Section Chief Edwin J. Sharp

FROM: SAC, NEW ORLEANS (74-354)

CARLOS MARCELLO; b6 b7C

PERJURY;
OBSTRUCTION OF JUSTICE

Enclosed for the Bureau is the original and one copy of a memorandum prepared by the New Orleans Division setting out an argument as to why the above named individuals should each be indicted on two counts of perjury and one count of obstruction of justice.

The Bureau is requested to discuss enclosed memorandum with appropriate personnel of the Department who are currently reviewing further prosecutive action regarding the above captioned individuals.

EX-125

REC-72 74-2644-9

23 JUN 23 1978

(2) - Bureau (Enc. 2)
2 - New Orleans (1 - 74-354)
TMG-jss (1 - 92-36)
(4)

b6 b7C

Approved: JUL 5 1978 Transmitted _____ (Number) _____ (Time) Per _____

57

GPO : 1977 O - 225-539

OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR (41 CFR) 101-1

UNITED STATES GOVERNMENT

Memorandum

TO :ASAC THEODORE M. GARDNER DATE: 5/31/78

FROM :SA [redacted]

SUBJECT:CARLOS MARCELLO;
[redacted]
PERJURY;
OBSTRUCTION OF JUSTICE
NO File 74-354

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b7C

The purpose of this memorandum is to set out the argument of the New Orleans Division of the Federal Bureau of Investigation as to why the above-named individuals should each be indicted on two counts of perjury and one count of obstruction of justice.

The argument will be set forth as follows:

Part I

[redacted]

Part II

The facts concerning the purchase of the B & M Plant in Schriever, Louisiana, and the facts supporting the sought after indictment.

Part III

A visual display depicting the acquisition of the B & M Plant and what occurred after the initial acquisition of this plant on May 16, 1975.

Part IV

[redacted]

74-2644-9

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-110

b3
b6
b7C

Part V

Part VI

I. PREDICATION

The Federal Bureau of Investigation for sometime was investigating covertly allegations of irregularities on the waterfront. The investigation was given the code word "UNIRAC." The purpose of this investigation was to ascertain the extent of influence or control of Organized Crime over the International Longshoremens Association unions and businesses who operate at the various ports throughout the United States. On January 26, 1977, the overt phase of the UNIRAC investigation began. With the commencement of the overt phase of UNIRAC, the Miami Strike Force caused literally hundreds of subpoenas to be served on both businesses and International Longshoremens Association locals all along the Gulf and Atlantic Coasts. Among the subpoenas issued at that time were two subpoenas to companies controlled by a New Orleans "wheeler dealer" - [redacted] - who was also known to be a close associate of CARLOS MARCELLO reputedly known as the crime boss in Louisiana. b3 b6 b7C

[redacted]

MARCELLO's lawyer, [redacted] wrote the Strike Force that MARCELLO was not now, nor had he ever been a party in interest to GCF and that MARCELLO did not have the records. The Strike Force insisted on [redacted]

in the past has represented Tampa LCN boss SANTOS TRAFFICANTE). [redacted] at that time stated that [redacted]

[redacted]

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b7C

b3
b6
b7C

II. FACTS PERTAINING TO THE PURCHASE OF THE B & M PLANT BY GULF COAST FABRICATORS AND FACTS SUPPORTING THE SOUGHT AFTER INDICTMENT AGAINST MARCELLO [redacted]

Crawford Industries, a Chicago based corporation owned and operated a plant in Schriever, Louisiana, known as the B & M Manufacturing Company (hereinafter referred to as B & M). B & M was located about eight miles from Houma, Louisiana, and was approximately 55 miles from New Orleans. During the latter part of 1974 Crawford Industries began to experience cash flow problems and soon found themselves seriously in need of cash. The executives at Crawford Industries decided to sell the B & M Plant in Schriever.

[redacted]

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[redacted] mentioned to [redacted] he had a fabricating plant known as Gulf Coast Fabricators in Gonzales, Louisiana. [redacted] stated that prior to [redacted] seeking the loan to purchase the B & M Plant, [redacted] had approved loans to [redacted] for GCF and [redacted] had a good record at the bank for paying off the loans made to GCF.

Regarding the B & M loan, [redacted] stated that in either late March or in early April, 1975, [redacted] approached him for a $400,000 loan to purchase the B & M plant in Schriever. [redacted] stated it was "a deal of a lifetime." [redacted] stated that [redacted] Industries, the owner of the B & M Plant was having "cash" problems and that they were looking for cash in a hurry. [redacted] said [redacted] is willing to sell the B & M Plant, land and equipment for $400,000 cash. [redacted] stated there is extensive equipment at the B & M Plant of which he is knowledgeable and assured [redacted] that he could sell all the equipment and pay off the $400,000 loan in 120 days then the plant and land would be his free and clear. [redacted] stated that he told [redacted] that although he has done well on paying the previous loans and in effect you are a good businessman - "You can't go this one alone - You'll have to have someone to go the note with you - even if it means giving away part of the deal." [redacted] stated that [redacted] was a little disappointed and left the bank. No mention was made at this time that [redacted] had a partner. [redacted] stated that at first he thought that [redacted] could not stand alone but [redacted] then examined an appraisal of the B & M Plant which [redacted] had given him. This appraisal put the value of the B & M Plant, land and equipment at $971,000.

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began to feel this was a good deal and he stated that he discussed the loan with who was the major stockholder of the bank, holding 51 percent of the shares of the First National Bank of Jefferson, as well as being a member of the Board of Directors. stated to that it sounded like a good deal but would like to take a personal look at the B & M Plant. surmised that apparently he mentioned to that wanted to view the B & M property. then offered to drive out to the plant.

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[redacted]

An FBI investigation regarding the parties involved in the act of sale of B & M to GCF and prior negotiations reflected the following people present: [redacted] attorney representing the seller, [redacted] Industries; [redacted] Attorney, ostensibly representing GCF and [redacted] real estate broker who negotiated the deal; WILLIAM WHITE, Attorney for First National Bank of Jefferson; [redacted] First National Bank of Jefferson; and [redacted] CARLOS MARCELLO was not present during any of the negotiations or during the act of sale.

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[redacted], the attorney who represented the seller - Crawford Industries - stated that he also had the impression that MARCELLO was a party in interest because during the negotiations, [redacted] and [redacted], Attorney for [redacted] would make comments like, "We better get CARLOS' approval on this." "We better see what CARLOS has to say about this." [redacted] also stated that while he was out of town on other business, [redacted] attorney for GCF, told [redacted] another lawyer working with [redacted] on this act of sale, that CARLOS MARCELLO was a principal in this act of sale.

It should be noted that [redacted] admitted to Agents of the FBI and [redacted]

[redacted] also stated that no one knew until almost up to the time of the act of sale in what or whose name the title to B & M would pass. [redacted] just told [redacted] he represented investors interested in the B & M plant. A letter of intent just said, "Mr. [redacted] or nominee, or the interests to be represented." [redacted] stated he was finally told the title would be taken in the name GCF.

On May 16, 1975 with the above-mentioned people present GCF purchased the B & M Plant for $400,000 with CARLOS MARCELLO as an endorser of the note used to purchase the B & M Plant.

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It is interesting to note here that the facts indicate that the plan of [redacted] with the approval of MARCELLO, was to buy the B & M Plant for $400,000, sell off the equipment and with the proceeds of the sale pay off the note and own the plant and land (12 acres) free and clear. It should also be pointed out that the note obtained from the First National Bank of Jefferson was obtained with the understanding that the loan would be paid off in 120 days. For this to be accomplished the proceeds of the sale of B & M equipment had to be applied directly to pay off the loan. It can be surmised that several pieces of equipment were sent directly to CSC, another [redacted] company, after [redacted] a [redacted], inspected B & M, and it is doubtful if payment was ever made to GCF for the equipment obtained by CSC. Secondly, the money from the sale of the equipment was going directly to [redacted] who was a known wheeler dealer with many other interests and debts. It can be surmised that some of these proceeds of the sale of B & M equipment were not going to pay off the First National Bank of Jefferson loan for purchase of B & M from [redacted]

[redacted]

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[redacted]

It must be kept in mind that during the meeting with [redacted] on or about August, 1975, attended by MARCELLO and [redacted] wherein [redacted] threatened to call the note and MARCELLO promised to send "his man" to straighten things out that title to B & M was in CARLOS MARCELLO's name as of June 2, 1975. Investigation by the FBI reflected that up to October or November, 1976, the insurance on the B & M Plant was being paid for by GCF. [redacted] an employee of [redacted] and at one time President of CSC, was selling equipment to pay off a loan on property owned by MARCELLO since June 2, 1975.

After the meeting with [redacted] it can be inferred that it became obvious to both MARCELLO and [redacted] that there was a real danger that the First National Bank of Jefferson loan could be called. [redacted]

[redacted]

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this. All of the loans requested were requested in the name of GCF with GCF being the primary make of the note and Marcello only shown as an endorser.

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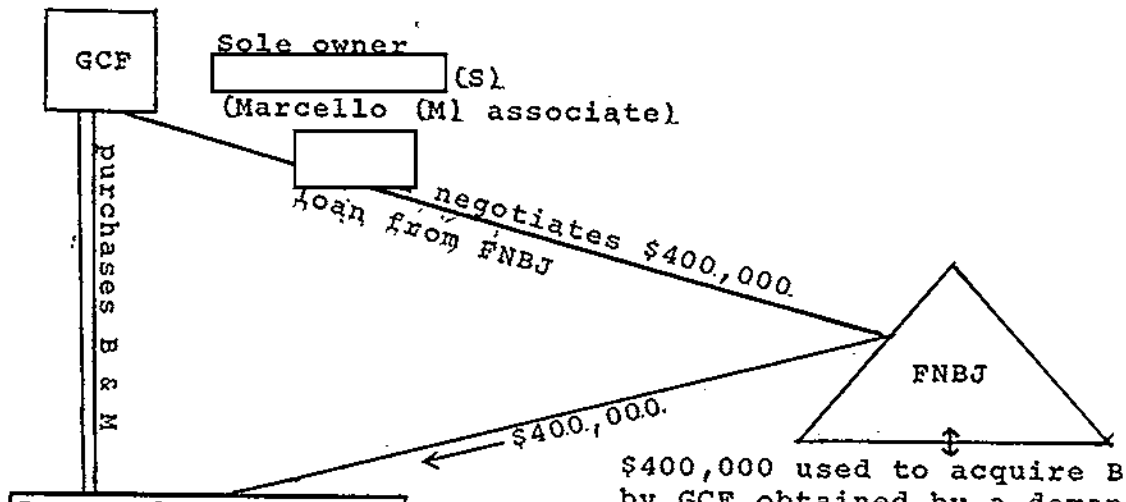
[redacted] Merchants Trust and Savings Bank, advised that on December 2, 1976, CARLOS MARCELLO approached [redacted] of Merchants Trust and Savings Bank with respect to taking out a loan from the First National Bank of Jefferson on which he was an endorser and the loan had been called. [redacted] advised [redacted] of the above and stated that MARCELLO had been doing business for well over 19 years with Merchants Trust and Savings Bank. [redacted] stated to [redacted] that MARCELLO wanted to borrow $300,000 to $335,000 to refinance the note. [redacted] stated MARCELLO was quite emphatic that the note was to be refinanced in the name of GCF by [redacted] President. [redacted] stated that on December 3, 1976, MARCELLO brought [redacted] into the Merchants Trust and Savings Bank. At this meeting MARCELLO stated that [redacted] was going to sell the property within a year and that the bank would be paid off. [redacted] stated that no mention was made by MARCELLO as to whose name the Houma or Gonzales property was currently being held. MARCELLO only mentioned that he wanted to refinance this loan to protect his endorsement interest.

[redacted] stated that negotiations continued up to February 16, 1977. WILLIAM WHITE, then the President of First National Bank of Jefferson, was very anxious for Merchants Trust and Savings Bank to take over the loan. On February 16, 1977, there was a meeting of representatives of the First National Bank of Jefferson and the Merchants Trust and Savings Bank. MARCELLO was present at this meeting. The collateral to be offered was still the same as the collateral offered for the First National Bank of Jefferson. However, at this meeting MARCELLO mentioned to WHITE, the President of First National Bank of Jefferson, that he was willing to offer "other collateral," i.e. other real estate. [redacted] concluded, by MARCELLO offering this collateral to back up the First National Bank of Jefferson loan with new collateral, the loan as of February 16, 1977, stayed at the First National Bank of Jefferson and Merchants Trust and Savings Bank was finished with the negotiations.

III. EXHIBIT DEPICTING ACQUISITION OF B & M PROPERTY

ACQUISITION OF B & M PLANT, SCHRIEVER, LOUISIANA



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B & M Plant acquired 5/16/75 by GCF for $400,000. Appraised value at purchase $971,000. Legal asset of GCF

$400,000 used to acquire B & M by GCF obtained by a demand note given to FNBJ executed on the front of the note Gulf Coast Fabricators by [redacted] President, and executed on the back of this note Gulf Coast Fabricators by [redacted] President. [redacted] individually, Carlos Marcello individually. Collateral obtained by FNBJ. Second mortgage GCF and 100% GCF stock; first mortgage on B & M building and land, equipment. $100,000 mortgage note on GCF.

GCF sells B & M to [redacted] and Marcello as individuals.

Acquired 6/1/75. Price $1.00. Not recorded till August, 1975

[redacted] sells B & M to Marcello - Price $1.00.

Acquired 6/2/75. Not recorded till January, 1976. Marcello now sole owner of B & M

IV. ARGUMENTS AND FACTS SUPPORTING AN INDICTMENT OF MARCELLO FOR TWO COUNTS OF PERJURY

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The purpose of Part IV of this memorandum is to set forth the arguments of the FBI, New Orleans, that MARCELLO

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[redacted]

Concurring with the opinion of the FBI, New Orleans, is [redacted], Professor of Bills and Notes for ten years at Tulane University School of Law. On May 26, 1978, Professor [redacted] was contacted by SA [redacted] and SA [redacted] of the FBI. SA [redacted] presented to Professor [redacted] a hypothetical factual situation which was identical to the factual situation concerning the acquisition of the B & M Plant in Schriever, Louisiana. Two basic questions were asked Professor [redacted] Under Louisiana law:

1. Did (B) have a legal interest in XYZ Corporation?

2. Did (B) have a beneficial interest in XYZ Corporation?

[redacted] stated that based upon the hypothetical situation presented to him he would conclude that (B) by endorsing the $400,000 note from a Louisiana bank would not in and of itself give (B) a legal and/or a beneficial interest in the XYZ Corporation. However, when you look at the chain of events that occurred in the factual situation, namely the fact that (B) is constantly "commingling" and intertwining his economic interests with the XYZ Corporation then he would conclude that (B) would have a beneficial interest under Louisiana law in the XYZ Corporation. LOVETT cited as examples of (B) commingling his interests with that of XYZ Corporation as the fact that the insurance premiums on the ABC Corporation were paid for by the XYZ Corporation after title had already passed to (B). This would give (B) a beneficial interest in XYZ in that if there were a fire or loss at the ABC Plant then (B) would be dependent on XYZ to recover his losses. Secondly, the fact that the Louisiana bank paid the taxes on the ABC Corporation when again title had already passed to (B) and the taxes paid by the Louisiana bank holding the loan were deducted from the business account of the XYZ Corporation at the bank. Finally, (B)'s continued use of (A) and his XYZ Corporation to renegotiate a loan on ABC which was no longer an asset of XYZ.

A copy of the hypothetical situation presented to Dr. [redacted] is located in the appendix section of this memorandum. The following symbols in the hypothetical factual situation represented the following: b6 b7C

(A) represented	[redacted]
(B) represented	CARLOS MARCELLO
(F) represented	[redacted]
XYZ Corp. represented	Gulf Coast Fabricators
ABC Corp. represented	B & M Plant
Louisiana bank was	First National Bank of Jefferson

Other things to indicate that MARCELLO derived a beneficial interest from his association with GCF and [redacted] are that, 1) MARCELLO could pursue various business ventures and use GCF as a front so that his interests would not be revealed. 2) Investigation by the FBI reflected that loans obtained by [redacted] on behalf of GCF were a quick source of cash for MARCELLO. For example, on May 21, 1975, [redacted] on behalf of GCF, obtained a loan from the First Progressive Bank, the loan to GCF was for $30,000, plus finance charges and interest, making a total of $36,344.10. On the same date MARCELLO presented to the First

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Progressive Bank a continuing guarantee in the amount of $36,500.00. A First Progressive Bank cashier's check No. 1210 was prepared in the name of GCF in the amount of $30,000. Investigation reflected this check was cashed on May 21, 1975, by [redacted] at the First National Bank of Jefferson Lakeside Office and cashier's check No. 36620, 36621, 36622 were purchased on May 21, 1975 by [redacted] Cashier's check No. 36621, dated May 21, 1975, was payable to the order of CARLOS MARCELLO in the amount of $15,000. The $15,000 to MARCELLO came from the $30,000 loan negotiated by [redacted] at First Progressive Bank on behalf of GCF. 3) The use of GCF - Container Service employee, [redacted], to sell equipment to pay off the loan at the First National Bank of Jefferson in which MARCELLO would be the primary beneficiary from the reduction of this loan. At the times [redacted] was selling the B & M Plant equipment, MARCELLO had sole title to B & M. [redacted] while selling the equipment at the B & M Plant also negotiated various leases on the B & M Plant with various sugar manufacturers in which MARCELLO was listed as the lessor.

For the above reasons, the FBI feels MARCELLO had a beneficial interest in GCF.

Count two of the perjury indictment being sought by the FBI, New Orleans, against MARCELLO resulted from MARCELLO's

[redacted]

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[redacted]

The FBI investigation indicates that MARCELLO had numerous contact with [redacted] and that [redacted] was well known to MARCELLO. The factual situation of the B & M purchase presented earlier in this memorandum reflects clearly MARCELLO's attempt to conceal his interest in the B & M Plant in Schriever, Louisiana. [redacted]

[redacted]

[redacted]

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[redacted]

In an interview with an FBI Agent on June 2, 1977, [redacted] stated that he stays at the Town and Country on such a frequent basis that any thime it was necessary to contact him, the FBI should contact the Town and Country Motel Manager as the Manager would know his location and would be able to relay the message. A review of guest receipts at the Town and Country Motel for the period of 1975, 1976, and 1977, reflected approximately 63 guest receipts were located for a [redacted] and/or [redacted] admitted that when he stays at the Town and Country there is no charge.

[redacted] admits to having dinner and lunch with MARCELLO and going over to his residence on various occasions and generally admits to fairly constant contact.

On June 17, 1977, in the Jefferson Parish Sheriff's Office continuing investigation of MARCELLO, [redacted] was observed on the following dates:

12/27/76 - 8:30 pm, departing residence of MARCELLO driving a vehicle determined to be registered to MARCELLO.

12/29/76 - 8:10 am; observed arriving at the residence of MARCELLO. 9:05 am, [redacted] observed leaving the residence.

1/4/77 - 8:40 am, [redacted] observed arriving at residence of MARCELLO. 9:55 am, [redacted] observed leaving MARCELLO's residence. 10:26 am, [redacted] returns to MARCELLO residence. 11:10 am, departed MARCELLO residence.

1/7/77 - 9:40 am, [redacted] observed departing the residence of MARCELLO driving a car registered to MARCELLO with MARCELLO as passenger.

1/23/77 - [redacted] and [redacted] observed talking to MARCELLO at MARCELLO's residence.

1/28/77 - 9:10 am, MARCELLO and [redacted] observed at the Morning Call. 9:30 am, they departed.

Finally, on August 1, 1977, SA [redacted] telephonically contacted MARCELLO re a subpoena to be served to MARCELLO [redacted] MARCELLO then asked SA [redacted] if there was a subpoena for him. [redacted] stated no, but he did have one for [redacted] Mr. MARCELLO asked, "Do you want me to also notify him?" SA [redacted] said, "Are you able to get in touch with [redacted] Mr. MARCELLO advised, "Yes. He is out of town now but I will have my secretary call him and advise him of the subpoena." b3 b6 b7C

It is felt by the FBI, New Orleans, that MARCELLO was very close with FOLKS and did know how to contact FOLKS and that [redacted]

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It can be argued that to date GCF records have not been produced or located. It can be inferred from the facts that SIEGEL had no intention of turning over GCF records to the FBI.

[redacted]

This concludes the argument of the FBI, New Orleans, for the indictment of CARLOS MARCELLO and [redacted] for perjury and obstruction of justice.

APPENDIX

Hypothetical factual situation presented to Professor [redacted] Tulane University School of Law. b6 b7C

Situation:

A is the president and sole owner of XYZ Corporation in Louisiana. A learns that an out of state corporation is strapped for cash and has one of its Louisiana manufacturing plants and equipment up for sale. A inspects this plant up for sale (hereinafter referred to as the ABC Corporation) and A estimates the entire ABC plant, land and equipment is worth approximately $900,000. The out of state corporation is only asking $400,000 for the entire ABC plant, land and equipment.

A's plan is to borrow $400,000 from a Louisiana bank. With the funds obtained from the bank, A plans to purchase the ABC Corporation property sell the equipment in the ABC plant to pay off the $400,000 and have the plant, land and equipment free and clear; or immediately sell the entire ABC plant and equipment for near the estimated value of ABC, $900,000 and double his investment.

A approaches the Louisiana bank which A has dealt with in the past and sets forth his plan. The bank president tells him that although they have dealt with him in the past, this deal is too big for A to handle himself, A needs a partner.

Meanwhile the bank investigates the ABC investment and decides to lend the $400,000 to A standing alone. A is informed of this, but states that the bank must accept B into the ABC deal because B had been approached by A and B accepted going into the ABC deal.

The bank loans A's XYZ Corporation $400,000 on a demand note and executed by XYZ Corporation with A as president on the front of the note. On the back of the note it reads "XYZ Corporation, A - president, A as an individual, and B as an individual, is also on the back of this note. The note is secured by a second mortgage on the XYZ Corporation and 100 percent of the shares of XYZ Corporation, as well as a first mortgage on the ABC plant and a chattel mortgage on the equipment at the ABC plant. The understanding was that the equipment could be sold only to pay off the $400,000 loan.

On May 16, 1975, A, as the president and in the name of XYZ Corporation, purchases the ABC plant. A immediately sends F, one of A's employees, out to ABC to sell the equipment, to give the proceeds of the equipment sale to A so he can reduce the $400,000 loan. F does this but after a couple of months the payments to the bank stop. It is not known what A was doing with the money.

The bank calls in B, who is influential and wealthy, and threatens to call in the loan. B assures the bank that the payments will resume and that B will personally send his man out there to sell the equipment and his representative will personally deliver the money to the bank.

B's man turns out to be F, the employee of A, who was already handling the selling of the equipment for A. The only change is that after F sells the equipment, the money is not given to A, but is personally carried to the bank by F.

As noted previously on May 16, 1975, A bought ABC under his corporation, XYZ's, name on May 16, 1975, ABC was considered legally an asset of the XYZ Corporation. However, the following transpired:

May 16, 1975 - XYZ buys ABC for $400,000.

June 1, 1975 - XYZ sells ABC to A and B as individuals for $1.00. This sale was not recorded until August, 1975.

June 2, 1975 - A sells ABC to B for $1.00. This sale was not recorded until January, 1976.

The insurance on ABC was paid for by the XYZ Corporation until October, 1976.

When it became obvious to B that the loan was in trouble, not only did B send his own man up there, but B, as well as A, after the title passed to B, contacted numerous banks in an attempt to refinance the $400,000 loan. The significant thing is that both A and B were requesting the loan in the name of the XYZ Corporation. A and B were unsuccessful in their attempts to refinance the loan.

Finally, in 1976 B paid the bank off on the loan.

Question 1 - Under Louisiana law did B have a legal interest in the XYZ Corporation?

Question 2 - Did B have a "beneficial" interest in the XYZ Corporation?

FEDERAL GOVERNMENT

Assistant Attorney General
Criminal Division

September 6, 1978

Director, FBI

1 - Mr. [redacted]
1 - Mr. Sharp
1 - Mr. [redacted]

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74-2644

CARLOS MARCELLO;
[redacted]
PERJURY; OBSTRUCTION OF JUSTICE

[redacted]

EX-124 REC-89 74-2644-10

As you are aware, Carlos Marcello is a top ranking LCN official in the United States and has been boss of the New Orleans LCN since 1947. Considering the importance of Marcello and the amount of time that has transpired since the completion of the FBI investigation, it is requested that the Department of Justice reach a prosecutive decision. If that decision is to decline prosecution, please provide this Bureau with the basis for making that decision.

BCR:jrg (6)

Hand-Delivered to Justice Dept. 9/11/78 J T

23 SEP 13 1978

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[redacted]

Assoc. Dir. ____
Dep. AD Adm. ____
Dep. AD Inv. ____
Asst. Dir.:
Adm. Servs. ____
Crim. Inv. ____
Ident. ____
Intell. ____
Laboratory ____
Legal Coun. ____
Plan. & Insp. ____
Rec. Mgmt. ____
Tech. Servs. ____
Training ____
Public Affs. Off. ____
Telephone Rm. ____
Director's Sec'y ____

62 OCT 4 1978

FBI/DOJ

Assistant Attorney General
Criminal Division

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[redacted]

APPROVED:
Director
Assoc. Dir.
Dep. AD Adm.
Dep. AD Inv.

Adm. Serv.
Crim. Inv.
Ident.
Intell.
Laboratory

Legal Coun.
Plan. & Insp.
Rec. Mgnt.
Tech. Servs.
Training
Public Affs. Off.

UNITED STATES GOVERNMENT

Memorandum

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Assoc. Dir. ____
Dep. AD Adm. ____
Dep. AD Inv. ____
Asst. Dir.:
Adm. Servs. ____
Crim. Inv. ____
Ident. ____
Intell. ____
Laboratory ____
Legal Coun. ____
Plan. & Insp. ____
Rec. Mgnt. ____
Tech. Servs. ____
Training ____
Public Affs. Off. ____
Telephone Rm. ____
Director's Sec'y ____

TO : Mr. [redacted] Rem/JEM

DATE: 8/17/78

FROM : E. J. Sharp EJS/JEM

1 - Mr. [redacted]
1 - Mr. [redacted]
1 - Mr. Sharp
1 - Mr. [redacted]

SUBJECT: CARLOS MARCELLO; [redacted]
PERJURY; OOJ

74-2644

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PURPOSE: To provide the most current information concerning the [redacted]

SYNOPSIS: [redacted] in connection with the UNIRAC investigation and during a [redacted] In August, 1977, the Miami Strike Force advised that they [redacted] Since that time numerous contacts with the Miami Strike Force have indicated [redacted] Organized Crime and Racketeering Section, Department of Justice, until May, 1978. As of this date the decision of the Department has not been received.

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RECOMMENDATIONS: For information.

74-2644

APPROVED:
Director ____
Assoc. Dir. ____
Dep. AD Adm. ____
Dep. AD Inv. ____

Adm. Serv. ____
Crim. Inv. m/ab
Ident. ____
Intell. ____
Laboratory ____

Legal Coun. ____
Plan. & Insp. ____
Rec. Mgnt. ____
Tech. Servs. ____
Training ____
Public Affs. Off. ____

EJS/JEM

REC-24 74-2644-11

Send letter to Dept re their pros. opinion this case

6 SEP 12 1978

BCR:jrg (5)

CONTINUED - OVER

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[redacted]

Let AAG, Criminal Div
8-30-78 BCR:jrg

4 OCT 3 1978

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FBI/DOJ

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Memo Sharp to Moore
Re: Carlos Marcello

DETAILS: In connection with the UNIRAC investigation,

[redacted]

On 8/26/77 Miami Strike Force Attorney [redacted] advised our New Orleans Office that he intended to seek a two count indictment on 10/12/77 charging Marcello with perjury if some requested additional investigation was conducted. This investigation was subsequently conducted and on 10/18/77 [redacted] during a telephone conversation with our New Orleans Office, stated he would seek this indictment on 11/17/77. FBI investigation was essentially completed by the end of 10/77. New Orleans contacted either [redacted] or Strike Force Chief [redacted] several more times between 10/18/77 and 4/17/78. Annual leave, sick leave and continued work on the pros memo were given as the reasons for the continuing postponement of the indictment. At a meeting on 3/9/78 at the newly formed New Orleans Strike Force certain aspects of the UNIRAC investigation and this case in particular were discussed. [redacted] Organized Crime and Racketeering Section, U. S. Department of Justice, was also present at that meeting and he stated that prosecutive action in the Marcello case would occur no later than mid-April, 1978.

Our New Orleans Office, by airtel dated 4/19/78, requested FBI Headquarters to contact the Department of Justice, and determine the status of the proposed prosecution. [redacted] was contacted on 4/25/78 and he advised that the Department had not received the pros memo from Miami but that it would arrive no later than 5/2/78.

Memo Sharp to Moore
Re: Carlos Marcello

Neither FBI Headquarters nor our New Orleans Office have been officially advised of any decision by the Department. However, on 8/3/78, [redacted] orally told SA [redacted] Organized Crime Section, that both he, [redacted] and [redacted] had agreed that in their opinion the [redacted] Marcello did not merit prosecution. [redacted] added that he knew when they (the Department) advised Section Chief Sharp that they were declining prosecution that Sharp would protest strongly and ask for a review of the facts and reconsideration of that opinion. b6 b7C

Our New Orleans Office strongly recommends seeking the indictment. They agree that the legal issues and available facts make this a very close case but feel that [redacted] a federal court judge and ultimately a petty jury. There is no indication that the Miami Strike Force wants the case to be declined. There appears to be at least an even chance of [redacted] and the Organized Crime Section agrees with and supports our New Orleans Office in requesting that the Department direct its Miami Strike Force to seek the [redacted] b3

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (74-2644)
Attention: Organized Crime Section
Chief EDWIN J. SHARP

DATE: 10/20/78

FROM :
SAC, NEW ORLEANS (74-354) (C)

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SUBJECT: CARLOS J. MARCELLO;
[redacted]
PERJURY; OOJ

Re New Orleans airtel to FBIHQ, 5/31/78.

For the information of the Bureau, based upon conversations with Strike Force personnel at Miami wherein they stated that Federal prosecution in this matter was not going to take place, this matter is being placed in a closed status.

REC-39 EX-120 74-3644-12

2 OCT 25 1978

(2) - Bureau
1 - New Orleans
HVH:nep
(3)

[redacted]

[redacted]

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5 NOV 1978

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR (41-CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Assistant Attorney General
Criminal Division

DATE September 6, 1978

FROM : Director, FBI

SUBJECT: CARLOS MARCELLO;
[redacted]
PERJURY; OBSTRUCTION OF JUSTICE

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[redacted]

As you are aware, Carlos Marcello is a top ranking LCN official in the United States and has been boss of the New Orleans LCN since 1947. Considering the importance of Marcello and the amount of time that has transpired since the completion of the FBI investigation, it is requested that the Department of Justice reach a prosecutive decision. If that decision is to decline prosecution, please provide this Bureau with the basis for making that decision.

RECEIVED
9/18/78

9/11/78

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

ENCLOSURE 74-2644-13

OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Director
Federal Bureau of Investigation

DATE: 9 JAN

FROM : Philip B. Heymann
Assistant Attorney General
Criminal Division

PBH:RNG:lel

SUBJECT: Carlos Marcello; [redacted] Perjury; Obstruction of Justice

FEDERAL GOVERNMENT

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Assoc. Dir.
Dep. AD Adm.
Dep. AD Inv.
Asst. Dir.:
Adm. Servs.
Crim. Inv.
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Director's Sec'y

FBI/DOJ

The Marcello matter to which you refer in your memo of September 6, 1978 -- the allegation that he committed perjury [redacted] has been declined. This decision and the reasons for it were discussed with personnel of your New Orleans office in telephone conversations in early August. I have now reviewed it personally.

[redacted]

[redacted]

EB 14 1979

REC-50 74-2644-13

More critically, it is highly unlikely that we could establish beyond a reasonable doubt that Marcello knew the

[redacted]

2 MAR 13 1979

ENCLOSURE

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[redacted]

interest. As it stands, Marcello could not be proved guilty beyond a reasonable doubt of willful perjury.

I understand that the investigation into the perjury allegations was extremely well done by Special Agents [redacted] and that it has produced a number of promising leads into the Marcello operation. Please express my thanks to them for their dedicated efforts.

airtel

2/9/79

To: SAC, New Orleans

1 - Mr. [redacted]

From: Director, FBI

CARLOS MARCELLO;
[redacted]
PERJURY; OOJ
OO: NEW ORLEANS

7

Enclosed for the New Orleans Division is one copy of a letter from [redacted] Assistant Attorney General, Criminal Division, to Director FBI, dated 1/9/79.

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Enclosed letter is being provided to New Orleans for their information. This letter sets forth the reasons why the Department of Justice has chosen to decline prosecution in captioned case.

Enclosure

BCR:jrg (4)

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FBI

EX-114
REC-50 74-2644-14

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