TO: Director, FBI
FROM: SAC, Los Angeles
SUBJECT: FOUNDRY ASSOCIATES, INC.
NEUTRALITY ACT
FRAUD AGAINST THE GOVERNMENT
CONSPIRACY
Bureau File 2-875

CONFIDENTIAL

DATE: January 28, 1949

There is herewith enclosed a photostatic copy of a four page
communication bearing the date December 22, 1948, which was received from the
Zone Intelligence Office of the Eleventh Naval District, 626 South Spring
Street, Los Angeles, California.

The above is furnished for informational purposes.

ENCLOSURE ATTACHED

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CONFIDENTIAL
Palestine - Possible Export of Aircraft to
Aircraft Production (Civilian & Military).

American citizens to be prosecuted by Federal Government
for illegal conspiracy in exportation of arms and planes
to Palestine.

The following report is based on the substance of an article
appearing in "El Mundo," Spanish language daily newspaper in San
Juan, Puerto Rico, dated 17 November 1948.

The article, dated 16 November 1948 at Miami, Florida,
concerned the coming prosecution by Federal authorities of several
American citizens accused of conspiracy in the exportation of arms
and planes to Palestine via Czechoslovakia.

Among those named as the accused was Charles T. Winters,
mentioned in reference (a) as the owner of three B-17's which
stopped over at San Juan, Puerto Rico on 11 June 1948 for purposes
of fueling. Winters was charged with planning a flight of three
B-17's from Miami, Florida to Zatec, Czechoslovakia on 11 June
1948, and of accompanying the flight.

Also named was Ervin L. Johnson, mentioned in reference (a)
as the purchaser of the three B-17's, and one C. L. Johnson. It
was stated in the article that these two names were aliases
assumed by other members of the group as necessary to meet with
their plans.

James Meane, also mentioned in reference (a) as a co-pilot of
one of the B-17's, testified as a government witness before a
Federal Grand Jury, giving details of the flight and of the
organization. It was due to his testimony that the warrants were
issued for the arrest of the others involved.

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CMI: 1ND: 11ND: 12ND: 1ND: IN/NOR TRINIDA.
BNEKS testified that he had joined the organization in Bakersfield, California, where he had been previously employed as an instructor at the Municipal Airport. He said that after several interviews, he was accepted and was promised one hundred dollars per week while engaged in flying planes to Israel.

He stated that on 11 June 1949, he departed Miami, Florida in a B-17 and was accompanied by two other planes of the same type. That after many difficulties, including the forced landing of one of the planes at sea, they arrived at Zatoc. According to BNEKS's testimony, the airfield at Zatoc was staffed with 27 pilots and mechanics of all nationalities.

The names of the others accused are:

Adolph V. SCHWINNER, alias A. Allen, of Bridgeport, Connecticut, mentioned as organizer of the SCHWINNER AVIATION CO., of Burbank, California.

Irvin R. SCHINDLER, charged with piloting a fourth B-17 from New Jersey to Santa Maria, Arizona.

Abraham J. LEVIE and Leon GARDNER, both residents of North Hollywood, California, each charged with purchasing and piloting one B-17 from Tulsa, Oklahoma to Miami, Florida. These two planes were purchased from Mr. Donald E. SCOTT, President of the Universal Aviation Co., Tulsa, Oklahoma.


Michael KANE, resident of California.

Leonard BURNS, resident of San Francisco, California.

Twenty-one others were mentioned in the federal proceedings as accomplices but have not been named or accused. The trial of the accused is scheduled for 26 January 1949 in the Federal District Court, Miami, Florida.
The enclosed copy of an intelligence report from the Naval Attache in Puerto Rico, is also forwarded for whatever bearing it may have on investigations concerning Hoganah activities.

Very truly yours,

(signature)

W. DuBois
Officer in Charge

Enclosure
CONFIDENTIAL

Mr. R. B. Hood, Special Agent in Charge
Federal Bureau of Investigation
Room 900, Security Building
510 South Spring Street
Los Angeles 15, California

Dear Mr. Hood:

The following is quoted verbatim from a confidential dispatch from the Chief of Naval Operations, dated 16 December 1948. The information is believed of possible interest to your office, in connection with investigations of procurement and recruiting activities of Hamanah. Related reports are believed in your files under "Foundry Associates."

"REFER CNO 121-4932 NOVEMBER X INFO RECEIVED THAT 255 COMBAT PLANES INCLUDING CORSAIRS X SEACATS HELLDIVERS AND AVENGERS OF WHICH 76 COULD BE MADE OPERABLE AND 236 AIRPLANE ENGINES SOLD BY NAWT AT BARBERS POINT OAHU HI TO ADMIRALTY TRADING COMPANY 122 SOUTH MICHIGAN AVENUE CHICAGO ILLINOIS ON 1 OCTOBER 1948 X CONTRACT CALLED FOR SHIPMENT OF THE AIRPLANES AND ENGINES TO MAINLAND ONLY AND AS SCRAP X THIS SALE CLEARS UP ALL SCRAP NAVY AIRPLANES AND ENGINES IN HAWAII X R W BRINGS EDWARD STERN AND J F PURDY REPRESENTED ADMIRALTY TRADING COMPANY X REPORTED LURIS BROTHERS INC WOOLWORTH BUILDING NEW YORK WERE INTERESTED IN KNOWING SUCCESSFUL ROOGER X SIMAR COMPANY 7404 SANTA MONICA BOULEVARD LOS ANGELES ALSO REQUESTED NAME SUCCESSFUL ROOGER X INDIVIDUALS AND PRICES HAVE NOT BEEN IDENTIFIED IN THE FILES OF CNO."

Also quoted verbatim below is reference cited in above dispatch. Reference was dated 12 November 1948:

"INFORMATION RECEIVED FROM AIRFORCE THAT ONE A BERMACHE OR BERMACH IS PRESENTLY IN PANAMA CITY WHERE HE IS REPRESENTING HIMSELF AS COLONEL OF ISRAELI FORCES X REPORTEDLY BERMACH IS ATTEMPTING TO OBTAIN INFORMATION ON PURCHASE OF AIRPLANE ENGINES ESPECIALLY ENGINES FOR PS1 FIGHTERS X HE HAS ALSO MADE INQUIRIES ON ROUTE TO GET 40 SURPLUS NAVY HELLDIVERS OUT OF HONOLULU INTO PALESTINE WITHOUT STOPPING TO GET FUEL IN ANY US TERRITORY OR POSSESSION X REPORTEDLY HE HAS APPROACHED FUTURES IN PANAMA AREA FOR PALESTINE RECRUITING PROGRAM X ALLEGEDLY BERMACH HAS HINTED HE IS CONNECTED WITH LAPA (SERVICE AIRMEN) AND IS ASSOCIATED WITH PAUL RALPH OR DAUGHTER INTERPRESES X LEWIS SUMERS X OLY LAVITT AND OLLY THREDDLE X NO FURTHER INFORMATION ONE CONCERNING BERMACH."