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X  For this Page  X

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
TO: DIRECTOR, FBI

FROM: J. JACQUES, MANILA

SUBJECT: AUSTRALIAN ROYAL COMMISSION OF INQUIRY INTO DRUGS (ARCID)
FPC MAN 163-354
FRANK NUGAN; dba NUGAN GROUP
FPC MAN 163-357

Enclosed herewith for the Bureau are 6 copies of a page captioned “Nugan Hand International.”

Also enclosed for the Bureau for transmittal to Honolulu is one copy of surveillance photo of

On 10/20/78 advised that in connection with their responsibilities to

6 - Bureau (Enc. 7) ENCLOSEMENT
(1-Foreign Liaison Unit) (2-Honolulu) (1-Norfolk) (Info)
(1-Hong Kong (Info) (Enc. 1)

DECLASSIFIED BY 4-21-82 2:15 P.M.
306.556
Statutory
Declassified in full.

11/17/78
3-12-78
MAN 163-354; MAN 163-357

REQUEST OF THE BUREAU

The Bureau is requested to

HONOLULU

At Honolulu, Hawaii
Will attempt to further

Manila expects to obtain additional background information on __________ in the near future. [Redacted]
Name Searching Unit, 4543 JEH-FBI Bldg.
Service Unit, 4654 JEH-FBI Bldg.
Forward to File Review
Attention
Return to Supervisor

Type of Search Requested:
- Restricted Search Not Applied
- All Reference (Subversive & Nonsubversive)
- Subversive Search
- Nonsubversive Search
- Main References Only

Special Instructions:
- Restricted to Locality of
- Exact Name Only (On the Nose)
- Buildup
- Variations

Subject: 

Birthdate & Place
Address

Localities

R# Date 12-7 Searcher

Prod.

FILE NUMBER SERIAL

FBI/DOJ

HEREIN IS UNCLASSIFIED
DATE 2/151978 BY SPECIMENS
FEDERAL BUREAU OF INVESTIGATION
Records Branch

Name Searching Unit, 4543 JEH-FBI Bldg.
Service Unit, 4654 JEH-FBI Bldg.
Forward to File Review
Attention ____________________________
Return to ____________________________

Supervisor Room Ext.

Type of Search Requested:
☐ Restricted Search Not Applied
☐ All Reference (Subversive & Nonsubversive)
☐ Subversive Search
☐ Nonsubversive Search
☐ Main __________________ References Only

Special Instructions:
☐ Restricted to Locality of ____________________________
☐ Exact Name Only (On the Nose)
☐ Buildup ☐ Variations

Subject ________________________________________
Birthdate & Place ____________________________
Address ____________________________
Locality ______________ Searcher
Prod. Date ___________ Initials ______

FILE NUMBER SERIAL
1-163-4056121

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-1-70 BY SPECA 10ms

FBI/DOJ
Name Searching Unit, 4543 JEH-FBI Bldg.
Service Unit, 4654 JEH-FBI Bldg.
Forward to File Review
Attention
Return to Supervisor Room Ext.

Type of Search Requested:
- Restricted Search Not Applied
- All Reference (Subversive & Nonsubversive)
- Subversive Search
- Nonsubversive Search
- Main References Only

Special Instructions:
- Restricted to Locality of
- Exact Name Only (On the Nose)
- Buildup
- Variations

Subject
Birthdate & Place
Address

Localities

R# Searcher Initials

Date

FILE NUMBER SERIAL

FILE NUMBER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 2/15/70 BY: SP 61100S

FBI/DOJ
### Type of Search Requested:
- Restricted Search Not Applied
- All Reference (Subversive & Nonsubversive)
- Subversive Search
- Nonsubversive Search
- Main References Only

### Special Instructions:
- Restricted to Locality of
- Exact Name Only (On the Nose)
- Buildup
- Variations

### Subject
Mugan Hand International

### Birthdate & Place

### Address

### Localities

### R# | Date | Searcher | Initials
---|---|---|---
12-7 | 2/04

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**FILE NUMBER** | **SERIAL**
---|---
163-45619 | H/11

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**ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED 309, 306 FBI/DOJ**

**DATE** 3/15/79 BYSPSC1005
FEDERAL BUREAU OF INVESTIGATION
Records Branch

[Form]

[Handwritten text]

Type of Search Requested:

- Restricted Search Not Applied
- All Reference (Subversive & Nonsubversive)
- Subversive Search
- Nonsubversive Search
- Main References Only

Special Instructions:

- Restricted to Locality of
- Exact Name Only (On the Nose)
- Buildup
- Variations

Subject: [Handwritten text]
Birthdate & Place: [Handwritten text]
Address: [Handwritten text]

Localities: [Handwritten text]
R# 1 Date 12-7 Searcher Initials HDY
Prod.

FILE NUMBER SERIAL
163-45612 I

[Handwritten signature]

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED FBI/DOJ
DATE 01-1970 BY SPECIATOMS
FEDERAL BUREAU OF INVESTIGATION
Records Branch

Name Searching Unit, 4543 JEH-FBI Bldg.
Service Unit, 4654 JEH-FBI Bldg.
Forward to File Review
Attention ________________________________
Return to _______________ Supervisor Room Ext.

Type of Search Requested:
☐ Restricted Search Not Applied
☒ All Reference (Subversive & Nonsubversive)
☐ Subversive Search
☐ Nonsubversive Search
☐ Main ________ Reference Only 1978

Special Instructions:
☐ Restricted to Locality of __________________
☐ Exact Name Only (On the Nose)
☐ Buildup ☐ Variations

Subject ______________ Group
Birthdate & Place __________________
Address ____________________________

Localities ____________________________

R# __________ Date 12-7 __________ Searcher __________
Prod. _________________________________

FILE NUMBER SERIAL
T... 163-45 612 I H1-

ALL INFORMATION CONTAINED
SECRET OR UNCLASSIFIED 598.55
D-1 215140 BY395E003
Type of Search Requested:
- Restricted Search Not Applied
- All Reference (Subversive & Nonsubversive)
- Subversive Search
- Nonsubversive Search

Special Instructions:
- Restricted to Locality of
- Exact Name Only (On the Nose)
- Buildup
- Variations

Subject: Aunan Hard Limited
Birthdate & Place
Address

Localities

R# Date 18-7 Searcher Initials
Prod. ☑

FILE NUMBER SERIAL
1 163-45619
2 89-0-9028

ALL INFORMATION CONTAINED HERIN IS UNCLASSIFIED 308,506 FBI/DOJ
DATE 2/15/76 BY SE95676D3S

Name Searching Unit, 4543 JEH-FBI Bldg.
Service Unit, 4654 JEH-FBI Bldg.
Forward to File Review
Attention __________________________
Return to __________________________ Supervisor Room Ext.
TO: DIRECTOR, FBI
FROM: SAC, HONOLULU (163-307) (RUC)
SUBJECT: FRANK NUGAN:

FOREIGN POLICE COOPERATION
00: Bureau

Re Bureau letter to Honolulu, 11/24/78.

Enclosed for the Bureau are the original and five copies of an LHM reporting investigation regarding in captioned matter.

Investigation in the enclosed LHM was conducted by

Without further background information regarding it was not possible to determine and evaluate reason for trying to disassociate Nugan Hand International from the Nugan Group. Direct inquiries would have to be made to determine the foregoing, and these inquiries would most probably come to the attention of

These inquiries are not being made without a specific request from Legat, Manila.

has SSAN as which is different from the SSAN listed on

driver's license.
It was determined from [censored] that the information in the LHM may be disseminated to a foreign government. [censored]
UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Honolulu, Hawaii
December 19, 1978

The State of Hawaii General Excise Tax Branch, Honolulu, Hawaii, lists Nugan Hand, Inc., care of Hawaiian Trust, Ltd., Post Office Box 3170, Honolulu, Hawaii, 96802, as having license to do business in the State of Hawaii as of August 5, 1974. The current business license was issued February 3, 1978. Copies of the State of Hawaii Department of Regulatory Agencies, Business Registration Division, Honolulu, Hawaii, papers concerning Nugan Hand, Inc., are attached. There was no record found at the Department of Regulatory Agencies for Nugan Hand International.

The 1978 City Directory for Honolulu, Hawaii, lists Frank Nugan as President and Nugan Hand, Inc., with an address of 111 South King Street, Honolulu, telephone number 525-7520.

The Hawaiian Trust Company, Ltd., is located at 111 South King Street, Honolulu. Telephone number is for Hawaiian Trust Company.

The City Directory lists the named in the enclosed papers as American Trust of Hawaii, 841 Bishop Street, Honolulu, Hawaii.

The current City Directory for Honolulu lists Honolulu, as "retired."

The Honolulu telephone directory lists an Honolulu, with telephone number

ALL INFORMATION CONTAINED HEREBY IS CLASSIFIED

1-3-80
2-15-80

ENCLOSURE
RE: FRANK NUGAN:

NUGAN GROUP

located at [lists] as retired from

No other information regarding is available to the public.
**For Domestic Profit Corporations**

**STATE OF HAWAII**

**DEPARTMENT OF REGULATORY AGENCIES**

Business Registration Division

1010 Richards Street

Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810

**AMENDED**

ANNUAL CORPORATION EXHIBIT

**OF**

(NUGAN HAND, INC.) **SWISS-PACIFIC, INC.**

Mailing Address: 111 South King St., Honolulu, Hawaii 96813

For Year Ended June 30, 1977

<table>
<thead>
<tr>
<th>Class</th>
<th>Authorized Capital</th>
<th>Par Value</th>
<th>Par Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>376,365</td>
<td>$1.00</td>
<td>$376,365.00</td>
</tr>
</tbody>
</table>

Paid-In Capital (Cannot Exceed Authorized Capital)

<table>
<thead>
<tr>
<th>Class</th>
<th>Shares</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>276,365</td>
<td>$376,365.00</td>
</tr>
</tbody>
</table>

Officers and directors:

<table>
<thead>
<tr>
<th>Office Held</th>
<th>Name in Full</th>
<th>Social Security Number</th>
<th>Residence Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>President,</td>
<td>Francis John Nugan</td>
<td>None</td>
<td>8th Flr., 55 Macquarie St, Sydney, N.S.W., Australia 2000</td>
</tr>
<tr>
<td>Secretary &amp;</td>
<td>None</td>
<td>8th Flr., 55 Macquarie St, Sydney, N.S.W., Australia 2000</td>
<td></td>
</tr>
<tr>
<td>Treasurer</td>
<td>None</td>
<td>8th Flr., 55 Macquarie St, Sydney, N.S.W., Australia 2000</td>
<td></td>
</tr>
</tbody>
</table>

Directors: (minimum 3)—At least one-third must be residents of Hawaii.

<table>
<thead>
<tr>
<th>Name in Full</th>
<th>Residence Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Francis John Nugan</td>
<td>8th Flr., 55 Macquarie St, Sydney, N.S.W., Australia 2000</td>
</tr>
</tbody>
</table>

1. Date of incorporation: August 1, 1974
4. Total value of assets shown on balance sheet: $709,046.00
5. Total liabilities as shown on balance sheet. (Do not include capital): $None
6. Gross income received: $4,517.00
7. Dividends paid. (See Note 1) Cash $ None
8. CAPITAL STOCK: (See Note 2)

Issued during the period:

- 125,945 shares preferred stock at $1.00 par value
- None shares common stock at $N/A par value

Consideration received for stock issued during the period

- None in cash
- None in value of property
- None at $125,945.00 from prior paid-in capital surplus

Distribution of consideration received

- None to capital
- None to paid-in capital (surplus)

Acquired during the period

(See Note 3)

<table>
<thead>
<tr>
<th>Consideration paid for acquired stock</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None shares preferred stock</td>
<td>None</td>
</tr>
<tr>
<td>None shares common stock</td>
<td>None</td>
</tr>
</tbody>
</table>

Note 1: Dividends may be authorized and paid only from the profits and retained earnings (earned surplus) pursuant to the provisions of Section 416-91, Hawaii Revised Statutes.

Note 2: Section 485-8, provides that it shall be unlawful to offer or sell any security unless the security is exempt from registration, or unless the security is sold in an exempt transaction, or unless the security has been registered with the Commissioner of Securities of the State of Hawaii.

Note 3: Treasury stock may be acquired only pursuant to the provisions of Section 416-23.

(Continued on Reverse Side)

File Number: 7580

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE: 3-15-77

BY: SPECIES

*American*
CERTIFICATE RE INCREASE OF AUTHORIZED CAPITAL STOCK

The undersigned duly authorized officers of the captioned Hawaii corporation, being first duly sworn under oath, depose and affirm as follows:

(line out inapplicable statement)

A. That at a special meeting of the stockholders of said corporation duly called for the purpose of increasing the authorized capital stock and held on the 19th day of

B. That all of the stockholders of the corporation entitled to vote have consented in writing, in lieu of a meeting, to increase the authorized capital stock as set forth in paragraph C.

C. The shareholders have approved the increase of the authorized capital stock of said corporation from $376,365.00 to $387,965.00 common by authorizing the issuance of 331,200 new shares of the par value of $1.00 each, and/or from N/A to N/A new shares of the par value of N/A each.

And in compliance with the requirements of law, the undersigned officers further depose and affirm:

D. That the present authorized capital stock of said corporation is $376,365.00 common and $N/A preferred;

E. That the amount to which the capital stock of said corporation may be increased under its articles of incorporation is $10,000,000.00 common and $N/A preferred, being $10,000,000.00 in the aggregate;

F. That not less than ten percent of the total authorized capital stock as increased has been paid in, in cash or property.

My Commission expires: X X X

Instructions on reverse side
In the Matter of the Amendment of the Articles of Incorporation of

/SWISS-PACIFIC, INC.

CERTIFICATE OF AMENDMENT

The undersigned duly authorized officers of SWISS-PACIFIC, INC., a Hawaii corporation, do hereby certify as follows:

A. That at a special meeting of the stockholders of said corporation, duly called for the purpose of changing the name of the corporation and held at on the day of , 19 , it was voted by the holders of shares out of shares of stock issued, outstanding, and having voting power, to amend the Articles of Incorporation by deleting the name " wherever it appears in the Articles of Incorporation, and inserting in lieu thereof the name .

B. That all of the stockholders of the corporation entitled to vote have consented in writing, in lieu of a meeting, to amend the Articles of Incorporation by deleting the name " SWISS-PACIFIC, INC." wherever it appears in the Articles of Incorporation, and inserting in lieu thereof the name " NUGAN HAND, INC.".

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this day of October , 1977.

STATE OF HAWAII

CITY & COUNTY OF HONOLULU

FRANCIS JOHN NUGAN and being first duly sworn on oath depose and say that they are the Pres./Sec./Treas. and respectively, of SWISS-PACIFIC, INC., that as such officers they are duly authorized to sign the foregoing Certificate of Amendment; and that they have read the said Certificate, know the contents thereof, and that the same are true.

Subscribed and sworn to before me this day of October , 1977.

Notary Public, State of Hawaii

My Commission expires: 8-6-80 (See reverse side for instructions)
I, the undersigned Director of Regulatory Agencies of the State of Hawaii, do hereby certify that pursuant to an amendment to the 

Articles of Incorporation 

of 

SWISS-PACIFIC, INC., a Hawaii corporation, the name of the 
said corporation was changed to 

NUGAN HAND, INC.

Further, I do hereby certify that I have determined that such change in the name of said corporation is not in conflict with the provisions of Section 416:12, Hawaii Revised Statutes.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of 
Regulatory Agencies, at Honolulu, this 2nd day of November, 1977.
CERTIFICATE OF AMENDMENT

The undersigned duly authorized officers of NUGAN HAND, INC., a Hawaii corporation, do hereby certify as follows:

A. That at a special meeting of the stockholders of said corporation duly called for the purpose of changing the name of the corporation and held at __________, 19__, it was voted by the holders of __________ shares out of __________ shares of stock issued, outstanding, and having voting power, to amend the Articles of Incorporation by deleting the name "NUGAN HAND, INC." wherever it appears in the Articles of Incorporation, and inserting in lieu thereof the name "SWISS-PACIFIC, INC."

B. That all of the stockholders of the corporation entitled to vote have consented in writing, in lieu of a meeting, to amend the Articles of Incorporation by deleting the name "NUGAN HAND, INC." wherever it appears in the Articles of Incorporation, and inserting in lieu thereof the name "SWISS-PACIFIC, INC."

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this __________ day of __________, 19__.

Francis John Nugan and __________ being first duly sworn on oath depose and say that they are the President and __________ respectively, of Nugan Hand, Inc., that as such officers they are duly authorized to sign the foregoing Certificate of Amendment; and that they have read the said Certificate, know the contents thereof, and that the name are true.
RECORDATION REQUEST
DEPARTMENT OF REGULATORY AGENCIES
BUSINESS REGISTRATION DIVISION
ISSUE RECEIPT TO:

AFTER RECORDATION, RETURN TO:
DEPARTMENT OF REGULATORY AGENCIES
BUSINESS REGISTRATION DIVISION
RETURN BY: MESSENGER

STATE OF HAWAII
DEPARTMENT OF REGULATORY AGENCIES
HONOLULU

CERTIFICATE FOR FILING WITH THE REGISTRAR OF THE BUREAU
OF CONVEYANCES OF THE STATE OF HAWAII AS REQUIRED
BY SECTION 416-23, HAWAII REVISED STATUTES

I, the undersigned Director of Regulatory Agencies of the State of Hawaii, do hereby certify that pursuant
to an amendment to the Articles of Incorporation
of
NUGAN HAND, INC.
said corporation was changed to SWISS–PACIFIC, INC.

Further, I do hereby certify that I have determined that such change in the name of said corporation is not
in conflict with the provisions of Section 416-12, Hawaii Revised Statutes.

IN WITNESS WHEREOF, I have hereunto set my
day of February 17, 1977.
CERTIFICATE RE INCREASE OF AUTHORIZED CAPITAL STOCK

The undersigned duly authorized officers of the captioned Hawaii corporation, being first duly sworn under oath, depose and affirm as follows:

(line out inapplicable statement)

A. That at a special meeting of the stockholders of said corporation duly called for the purpose of increasing the authorized capital stock and held at on the day of 19 , it was voted by the holders of shares out of shares outstanding and having voting power to increase the authorized capital stock as stated in paragraph C.

B. That all of the stockholders of the corporation entitled to vote have consented in writing, in lieu of a meeting, to increase the authorized capital stock as set forth in paragraph C.

C. The shareholders have approved the increase of the authorized capital stock of said corporation from $250,420.00 to $376,365.00 common by authorizing the issuance of 125,945 new shares of the par value of $1.00 each, and/or from $N/A to $N/A preferred by authorizing the issuance of N/A new shares of the par value of $N/A each.

And in compliance with the requirements of law, the undersigned officers further depose and affirm:

D. That the present authorized capital stock of said corporation is $250,420.00 common and $None preferred;

E. That the amount to which the capital stock of said corporation may be increased under its articles of incorporation is $10,000,000.00 common and $None preferred, being $10,000,000.00 in the aggregate;

F. That not less than ten percent of the total authorized capital stock as increased has been paid in, in cash or property.

It must be stated in paragraph F that not less than ten percent of the total authorized capital stock as increased has been paid in, in cash or property, or that the corporation holds cash or property of a value equal to ten percent of the total authorized capital stock as increased, etc.
CERTIFICATE RE INCREASE OF AUTHORIZED CAPITAL STOCK

The undersigned duly authorized officers of the captioned Hawaii corporation, being first duly sworn under oath, depose and affirm as follows:

(line out inapplicable statement)

A. That at a special meeting of the stockholders of said corporation duly called for the purpose of increasing the authorized capital stock and held at _______ on the ______ day of _______ 19____ it was voted by the holders of _______ shares outstanding and having voting power to increase the authorized capital stock as set forth in paragraph C.

B. That all of the stockholders of the corporation entitled to vote have consented in writing, in lieu of a meeting, to increase the authorized capital stock as set forth in paragraph C.

C. The shareholders have approved the increase of the authorized capital stock of said corporation from $244,150.00 to $250,420.00 common by authorizing the issuance of _______ new shares of the par value of $1.00 each, and/or from $N/A to $N/A preferred by authorizing the issuance of N/A new shares of the par value of $N/A each.

And in compliance with the requirements of law, the undersigned officers further depose and affirm:

D. That the present authorized capital stock of said corporation is $244,150.00 common and $N/A preferred;

E. That the amount to which the capital stock of said corporation may be increased under its articles of incorporation is $10,000,000.00 common and $N/A preferred, being $10,000,000.00 in the aggregate;

F. That not less than ten percent of the total authorized capital stock as increased has been paid in, in cash or property.

Subscribed and sworn to before me this 29 day of July, 1975.

[Signature]

Office held: President

[Signature]

Notary Public, Judicial Circuit, America.

State of Hawaii

My commission expires: XXX

(Instructions on reverse side)

[Signature]

DATE 3/16/75 BY 23500AUN

ALL INFORMATION CONTAINED HEREE IS UNCLASSIFIED 306.506
CERTIFICATE RE INCREASE OF AUTHORIZED CAPITAL STOCK

The undersigned duly authorized officers of the captioned Hawaii corporation, being first duly sworn under oath, depose and affirm as follows:

(line out inapplicable statement)

A. That at a special meeting of the stockholders of said corporation duly called for the purpose of increasing the authorized capital stock and held at __________________________ on the ______ day of ______, 19____, it was voted by the holders of ______________________________ shares out of __________________ shares outstanding and having voting power to increase the authorized capital stock as set forth in paragraph C.

B. That all of the stockholders of the corporation entitled to vote have consented in writing, in lieu of a meeting, to increase the authorized capital stock as set forth in paragraph C.

C. The stockholders have approved the increase of the authorized capital stock of said corporation from $1,000,000 to $244,150.00 common by authorizing the issuance of 244,150 new shares of the par value of $1.00 each, and/or from $ N/A to $ N/A preferred by authorizing the issuance of N/A new shares of the par value of $ N/A each.

And in compliance with the requirements of law, the undersigned officers further depose and affirm:

D. That the present authorized capital stock of said corporation is $1,000,000 common and $ None preferred;

E. That the amount to which the capital stock of said corporation may be increased under its articles of incorporation is $10,000,000.00 common and $ None preferred, being $10,000,000.00 in the aggregate;

F. That not less than ten percent of the total authorized capital stock as increased has been paid in, in cash or property.

COMMONWEALTH OF AUSTRALIA
STATE OF NEW SOUTH WALES

STATE OF HAWAII

HAWAII CONSULATE GENERAL OF THE UNITED STATES OF AMERICA

Subscribed and sworn to before me this 9th day of September, 1974

Alt Fowler
Notary Public

Judicial Council

Consul of the United States of America

at Sydney, Australia

b6
b7c

Rev. 3/73

(Instructions on reverse side)

Rev. 1.13HWP 16
In the Matter of the Incorporation of
NUGAN HAND, INC.

ARTICLES OF INCORPORATION

and

AFFIDAVIT

Of Counsel

Honolulu, Hawaii 96813
Attorney for Incorporators
KNOW ALL MEN BY THESE PRESENTS:

That we, having united and associated ourselves together to form a corporation under the laws of the State of Hawaii, do hereby agree to the following Articles of Incorporation, that is to say:

1. The name of the corporation, hereinafter called the "Corporation", shall be NUGAN HAND, INC.

2. The location and principal office address of the Corporation is and shall be Financial Plaza of the Pacific, 4th Floor Bank Bldg., 111 So. King St., Honolulu, Hawaii, with branch offices at such other places within said State and elsewhere in the United States of America, including territories and possessions thereof and in foreign countries as the business of the Corporation may from time to time require and as the Board of Directors of the Corporation in its discretion may designate.

3. The purposes of the Corporation or the objects for which it is organized are:

   (a) To engage in the business of investment bankers, industrial loan companies, money lenders, investment companies, investment consultants, underwriters, guarantors and to deal in and make loans upon commercial or business paper and to lend money upon the security of real and personal property, goods, wares and merchandise of any kind or kinds, to make loans and
to discount contracts, promissory notes, commercial paper, debentures and securities of every kind and nature and carry out all lawful operations and transactions of the investment business.

(b) To borrow money for any business, object or purpose of the Corporation from time to time, without limit as to amount; to issue any kind of evidences of indebtedness convertible into shares of capital stock of the Corporation; to secure the payment of any evidence of indebtedness by the creation of any interest in any of the property or rights of the Corporation, or in any property owned by others when the Corporation has the right so to do, whether owned by or subject to such right of the Corporation at the time such indebtedness is incurred or thereafter.

(c) To loan to any person, corporation, trust, firm, public authority or organization of any kind any of its funds or property, with or without security, and to guarantee the loans of any of the foregoing.

(d) To purchase, hold, sell, convert, redeem, escrow, transfer, reissue or cancel shares of its own capital stock or any instruments evidencing its indebtedness or any other securities issued by it.

(e) To engage in any commercial construction, contracting, mercantile, manufacturing, industrial, trading, mining, real estate, petroleum or petroleum products business or venture of any kind, character or description whatsoever, either by itself or jointly with others, and to do all things incidental to the conduct of such business.

(f) To acquire all or any part of the property
and business, including good will, of any person, corporation, partnership or other entity, to pay as consideration therefor cash or property, including securities issued by the Corporation, to assume in connection therewith any liabilities or obligations of any such person, corporation or partnership, and to hold, conduct, use or dispose of the whole or any part of the property and business, including any good will, so acquired.

(g) To subscribe for, buy, acquire, sell, encumber and deal in and with securities of any other corporation or municipal corporation, debentures, stocks, bonds, commercial paper, and other forms of assets, rights and interests and evidences of property or indebtedness, tangible or intangible.

(h) To be a promoter, partner, joint venturer, member, associate of other business enterprises or ventures, and to the extent permitted in any other jurisdiction to be an incorporator of other corporations of any type or kind.

(i) To hold, improve, develop, sell, lease, mortgage or otherwise encumber or otherwise dispose of real estate and personal property of the Corporation or any interest therein.

(j) To do any of the foregoing either on its own account or as agent, contractor, trustee or otherwise, and by and through agents, factors, contractors or trustees, and either directly or by virtue of ownership or control of the stock or other interest in any other corporation, association or entity.

(k) To do and transact any and every kind of business which is permitted under the general corporation laws of the State of Hawaii as now in force or as hereafter
amended.

4. The capital of the Corporation shall be ONE THOUSAND DOLLARS ($1,000.00), consisting of ONE THOUSAND (1,000) shares of common stock of the par value of ONE DOLLAR ($1.00) each, with the privilege of subsequent extension thereof to an amount not to exceed TEN MILLION DOLLARS ($10,000,000.00) by the issuance of additional shares of like par value.

5. The Corporation shall have the power from time to time to create an additional class or additional classes of stock with such preferences, voting powers, restrictions and qualifications thereof as shall be fixed in the resolution authorizing the issuance thereof in accordance with law. Subject to the pre-emptive rights of the holders of common stock as set forth in Article 12, the Board of Directors is authorized to determine the terms and conditions upon which and the persons to whom authorized and unissued shares may be issued and sold.

6. There shall always be a Board of Directors consisting of not less than three (3) nor more than fifteen (15) members who shall have and exercise all of the corporate powers of the Corporation, and a President, one or more Vice-Presidents, a Secretary and a Treasurer. The Directors shall be elected and may be removed by the shareholders of the Corporation. The President, Vice-Presidents, Secretary and Treasurer, as well as any other officers that may be provided for by the By-Laws, shall be appointed by the Directors, either wholly or partly from members of the Board of Directors, or wholly or partly from persons not Directors. Any person, whether a Director or not, may hold any two (2) of said offices. The President, the Vice-Presidents, Secretary and Treasurer, as
well as any other officers that may be provided by the By-Laws, may be removed from time to time by the Directors. No Director or officer need be a shareholder of the Corporation.

7. The following persons shall comprise the Board of Directors of the Corporation and shall hold office subject to the provisions of Article 6 hereof until the first annual meeting of the Corporation to be held as provided for in the By-Laws of the Corporation and thereafter until their successors shall have been elected and shall have qualified:

<table>
<thead>
<tr>
<th>Name</th>
<th>Mailing Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCIS JOHN NUGAN</td>
<td>8th Floor 55 Macquarie Street</td>
</tr>
<tr>
<td></td>
<td>Sydney NSW Australia 2000</td>
</tr>
<tr>
<td></td>
<td>8th Floor 55 Macquarie Street</td>
</tr>
<tr>
<td></td>
<td>Sydney NSW Australia 2000</td>
</tr>
<tr>
<td></td>
<td>Honolulu, Hawaii 96813</td>
</tr>
</tbody>
</table>

8. The following persons whose mailing addresses are as set forth below shall hold the office or offices set opposite their respective names (subject to the provisions of Article 6 hereof) henceforth and until the first annual meeting of the Corporation and thereafter until their successors shall have been appointed and shall have qualified:

<table>
<thead>
<tr>
<th>Name</th>
<th>Mailing Address</th>
<th>Office Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCIS JOHN NUGAN</td>
<td>Same as above</td>
<td>President/Treasurer/Secretary</td>
</tr>
<tr>
<td></td>
<td>Same as above</td>
<td></td>
</tr>
</tbody>
</table>

9. The duration of the Corporation shall be perpetual.

10. The Corporation shall have all of the powers and rights and be subject to all of the liabilities provided by
law for incorporated companies, and shall be subject to and have all the benefits of all general laws to be hereafter enacted in regard to corporations. All of the property of the Corporation shall be liable for the just debts thereof but no shareholder shall be liable for the debts of the Corporation beyond the amount of what is due upon the share or shares owned by him or them.

11. The Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding to the extent permitted by law or the By-Laws of the Corporation.

12. In case of any increase of the outstanding capital stock of the Corporation by the issuance or reissuance of any shares of any class, or by the issuance of any obligations or securities convertible into shares of capital stock (unless the same shall be issued or sold or granted in connection with the acquisition of the property or of substantially the entire assets of a going business or in connection with a merger or consolidation) such stock, obligations, or securities
shall, unless otherwise provided by the vote of the holders of not less than three-fourths \((\frac{3}{4})\) of the common stock issued and outstanding, before being sold or offered to others, be offered to the holders of the common stock of the Corporation as of the date of issuance as shown by the stock books of the Corporation upon such terms (which terms shall not be less favorable than the terms upon which said shares are thereafter sold to others) as shall be determined by the Board of Directors in proportion to the shares of common stock respectively held by such stockholders at such date.

IN WITNESS WHEREOF, the parties hereinabove named have hereunto set their hands this 2\textsuperscript{nd} day of \textit{August}, 1974.

\begin{center}
\textbf{STATE OF HAWAII}
\textbf{\begin{tabular}{c}
CITY AND COUNTY OF HONOLULU
\end{tabular}}
\end{center}

On this 2\textsuperscript{nd} day of \textit{August}, 1974, before me personally appeared RICHARD K. INGERSOLL, EDWARD M. SANPEI, and WILLIAM R. LOOMIS, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

\begin{center}
\textit{Gene Yamashita}
\end{center}
\begin{center}
\end{center}

My commission expires \textit{Oct. 30, 1974}.
In the Matter of the Incorporation of NUGAN HAND, INC.

FRANCIS JOHN NUGAN, being first duly and severally sworn on oath, deposes and says:

That he is respectively and in the order named the President/Secretary/Treasurer of NUGAN HAND, INC., a corporation seeking to be incorporated under the laws of the State of Hawaii; that the authorized capital of the Corporation is in the sum of ONE THOUSAND DOLLARS ($1,000.00), divided into ONE THOUSAND (1,000) shares of common stock of the par value of ONE DOLLAR ($1.00) each; that all of the said shares have been subscribed for; that the name of the subscriber for stock in the Corporation, the number of shares subscribed for, the subscription price for said shares, and the amount paid in in cash are as follows:
<table>
<thead>
<tr>
<th>Name of Subscriber</th>
<th>No. of Shares</th>
<th>Subscription Price</th>
<th>Amount Paid In</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUGAN HAND NEEDHAM, LIMITED, an Australian corporation</td>
<td>1,000</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

And further affiant sayeth not.

Subscribed and sworn to before me this __ day of ____ , 1974.


My commission expires: OCT. 30, 1976
9. Amount of stock subscriptions due, if any. $ None

10. Voting powers and stockholders:
   (a) Does each share of stock have the right to vote? Yes
       If not, explain voting rights: N/A
   (b) Date of last annual meeting. January 7, 1977
   (c) State the total voting power of all stockholders as of the date of this report. 376,365
   (d) State the total number of stockholders as of the date of this report. One

DEARATION

I declare, under the penalties set forth in Section 416-54, Hawaii Revised Statutes, that this exhibit, including any accompanying schedules or statements, has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete exhibit, made in good faith, for the period stated.

(Signature of person or firm preparing this exhibit) (Signature of authorized corporate officer)

Date 12/9/77 Office held

INSTRUCTIONS

This exhibit shall be made as of December 31 of each year. If the corporation has adopted a fiscal year, it must apply in writing to the Director of Regulatory Agencies to be allowed to make the exhibit as of the end of its fiscal year. Exhibit forms may be obtained from the Director, and all of the information requested in the exhibit form must be furnished; otherwise, the exhibit will not be accepted. Failure to file the exhibit within the prescribed period will subject the corporation to a maximum penalty of $100.00 for every thirty days the delinquency continues, and if continued for a period of two years, the corporation may be dissolved by the Director.

DATE DUE: On or before the 120th day following the end of the fiscal or calendar year adopted.

FILING OF FIRST EXHIBIT:

1. Calendar Year Basis. First exhibit due as of the end of the calendar year in which corporation incorporated, provided that if the corporation incorporated after December 20 an annual exhibit will not be required for the first year.

2. Fiscal Year Basis. First exhibit due as of the first fiscal year after the date of incorporation. The fiscal year shall not exceed twelve months after the date of incorporation.

INACTIVE CORPORATION: An exhibit must be filed annually even though a corporation may have been inactive for that period.

CHANGE IN PERIOD COVERED: Authorization will be granted upon written request to change the fiscal or calendar year, provided however that upon the change the period covered shall not exceed twelve months.

ALL QUESTIONS MUST BE ANSWERED: If the answer to any question is "none" so state or enter a dash in the space provided.

DO NOT ATTACH FINANCIAL STATEMENTS.
**ANNUAL CORPORATION EXHIBIT**

**OF**

(NUGAN HAND, INC.) SWISS-PACIFIC, INC.

**Mailing Address:** 111 South King Street, Hon., HI 96813

**For Year Ended** June 30, 1977

<table>
<thead>
<tr>
<th>Class</th>
<th>Shares</th>
<th>Par Share</th>
<th>Par Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>376,365</td>
<td>$1.00</td>
<td>$376,365.00</td>
</tr>
</tbody>
</table>

**Authorized Capital**

**Paid-In Capital**

<table>
<thead>
<tr>
<th>Class</th>
<th>Shares</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>376,365</td>
<td>$376,365.00</td>
</tr>
</tbody>
</table>

**Officers and directors:**

- **President:** Francis John Nusan
- **Secretary:** None
- **Treasurer:** None

**Directors:** (minimum 3)—At least one-third must be residents of Hawaii.

- Francis John Nusan

<table>
<thead>
<tr>
<th>Name in Full</th>
<th>Social Security Number</th>
<th>Residence Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Francis John Nusan</td>
<td>NONE</td>
<td>8th Flr., 55 Macquarie St., Sydney N.S.W., Australia 2000</td>
</tr>
<tr>
<td>NONE</td>
<td>NONE</td>
<td>8th Flr., 55 Macquarie St., Sydney N.S.W., Australia 2000</td>
</tr>
<tr>
<td>NONE</td>
<td>NONE</td>
<td>8th Flr., 55 Macquarie St., Sydney N.S.W., Australia 2000</td>
</tr>
</tbody>
</table>

1. Date of incorporation: August 1, 1974


4. Total value of assets as shown on balance sheet: $709,646.00

5. Total liabilities as shown on balance sheet. (do not include capital): $None

6. Gross income received: $4,571.00

7. Dividends paid. (See Note 1)

   - Cash: $None
   - Stock: $None

8. CAPITAL STOCK: (See Note 2)

   - None
   - Shares preferred stock at $____ par value
   - Shares common stock at $____ par value

   - None
   - Cash
   - Value of property
   - None

   - None
   - To capital
   - To paid-in capital (surplus)

   - None
   - Shares preferred stock
   - Shares common stock

   - None
   - Cash

Note 1: Dividends may be authorized and paid only from the profits and retained earnings (earned surplus) pursuant to the provisions of Section 416-91, Hawaii Revised Statutes.

Note 2: Section 416-6 provides that it shall be unlawful to offer or sell any security unless the security is exempt from registration, or unless the security is sold in an exempt transaction, or unless the security has been registered with the Commissioner of Securities of the State of Hawaii.

Note 3: Treasury stock may be acquired only pursuant to the provisions of Section 416-28. (Continued on Reverse Side)
9. Amount of stock subscriptions due, if any. $ None

10. Voting powers and stockholders:
   (a) Does each share of stock have the right to vote? Yes If not, explain voting rights:

   (b) Date of last annual meeting January 7, 1977
   (c) State the total voting power of all stockholders as of the date of this report 376,365
   (d) State the total number of stockholders as of the date of this report 016

DECLARATION
I declare, under the penalties set forth in Section 416-94, Hawaii Revised Statutes, that this exhibit, including any accompanying schedules or statements, has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete exhibit, made in good faith, for the period stated.

(Signature of person or firm preparing this exhibit) (Signature of authorized corporate officer)
Date 10/14/77 Office held President

INSTRUCTIONS
This exhibit shall be made as of December 31 of each year. If the corporation has adopted a fiscal year, it must apply in writing to the Director of Regulatory Agencies to be allowed to make the exhibit as of the end of its fiscal year. Exhibit forms may be obtained from the Director, and all of the information requested in the exhibit form must be furnished; otherwise, the exhibit will not be accepted. Failure to file the exhibit within the prescribed period will subject the corporation to a maximum penalty of $100.00 for every thirty days the delinquency continues, and if continued for a period of two years, the corporation may be dissolved by the Director.

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ALL QUESTIONS MUST BE ANSWERED: If the answer to any question is "none" so state or enter a dash in the space provided.

DO NOT ATTACH FINANCIAL STATEMENTS.
Memorandum

TO: DIRECTOR, FBI (163-45612)
FROM: LEGAT, MANILA (163-357) (RUC)

SUBJECT: FRANK NUGAN: dba Nugan Hand International etc.
FPC

Re Honolulu letter dated 6/7/79, captioned, "Australian Royal Commission of Inquiry into Drugs (ARCID), FPC."

By communication dated 8/23/79, Legat, Manila, requested information from

On 11/2/79, during a recently-completed roadtrip, Legat contacted

Advised that

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

TO: DIRECTOR, FBI

FROM: LEGAT, MANILA

DATE: 12/7/78

SECRET

SUBJECT: AUSTRALIAN ROYAL COMMISSION OF INQUIRY INTO DRUGS (ARCID)

FPC MAN 163-354

FRANK NUGAN; dba
Nugan Hand International,
Nugan Hand Bank;
NUGAN GROUP
FPC MAN 163-357

All information contained herein is unclassified except where shown otherwise.

Enclosed herewith for the Bureau are 7 copies of a letter dated 9/11/78 from

Enclosed letter has been furnished Legat by as having been handed to him in person on 9/11/78 by

As noted in this letter,

It is understood that

Enclosure

1. (Foreign Liaison Unit)
   (1-Norfolk) [Enc. 1] (Info)
2. Hong Kong (Info) [Enc. 1] (Direct)
3. Manila

Classified and extended by 12/18/78.

Declassification

Declassified by 12/18/78.

Declassified by 12/26/78.

NOT RECORDED

Original File Dec 1978.

DEPARTMENT OF STATE

OSS

1978. 4561

Manila

1978. 4561

Director, FBI

Director, FBI

Director, FBI

Director, FBI

Director, FBI

Director, FBI

Director, FBI
TO: Director, FBI
FROM: Legal Attaché, Manila (163-357) (P)
SUBJECT: FRANK NUGAN: FPC

Reference: Honolulu airtel & LHM, 12/19/79. 

Dissemination, as outlined below, was made on dates indicated.

☒ Single copies of Honolulu airtel, 12/19/79.

☐ Pertinent information from:

Name and Location of Agency

Date Furnished: 1/18/79

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

PETER JOSEPH WILCOX, FPC. MAN 163-376

FRANK NUGAN

FPC. "WANFILE 163-357. HONOLULU FILE 163-357

AUSTRALIA ROYAL COMMISSION INQUIRY INTO DRUGS (RCCI). FPC MAN 163-354
CONFIDENTIAL

FM DIRECTOR FBI

TO LEGAL ATTACCE MANILA ROUTINE

CONFIDENTIAL

PETER JOSEPH WILCOX; FPC. MANILA {163-370}; FRANK NUGAN;

MANILA {163-357}; HONOLULU {163-307};

AUSTRALIAN ROYAL COMMISSION INQUIRY INTO DRUGS {ARCID}; FPC.

MANILA {163-354};

BY TELETYPE DATED MARCH 28, 1979, HONOLULU ADVISED:

REFERENCE IS MADE TO MANILA TELETYPE TO BUREAU, MARCH 21,

CAPTIONED MAIL

FRAUD; FRAUD BY WIRE; RICO {A3}; BUREAU FILE {36-26843}; MANILA
FILE 163-6.

REFERENCED TELETYPE DATED MARCH 21, 1979, REQUESTS INFOR-

MATION.  

EMS: KBB {33}; 3/28/79 5078/6 4290

1 - 163-4 (1)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.

182 APK 12 1979

MAR 29 1979

RDI: 3-24-79

DECLASSIFIED ON 4-21-81

RE: 61 Rundeline
MATION REGARDING PETER JOSEPH WILCOX. IT IS NOTED THAT REFER-
ENCED TELETYPE DATED OCTOBER 25, 1978, REPORTS THAT PETER JOSEPH
WILCOX CAME TO THE FBI OFFICE ON THAT DATE TO PROVIDE INFOR-
MATION REGARDING A POSSIBLE FRAUD BEING CONDUCTED IN THE
NORTHERN TERRITORY OF AUSTRALIA BY AND OTHERS.
THIS MATTER WAS INVESTIGATED BY THE AUSTRALIAN AUTHORITIES AND
REPORTED IN MANILA FILE {183-6}.

DURING THE ABOVE INVESTIGATION, IT WAS DEVELOPED THAT
WILCOX WAS IN AUSTRALIA IN SEPTEMBER AND OCTOBER, 1978.
WILCOX RECONTACTED THE HONOLULU OFFICE OF THE FBI AND SPOKE
WITH SA ON SEVERAL OCCASIONS AFTER THE
INTERVIEW ON OCTOBER 25, 1978, AND OFFERED HIS SERVICES IN THE
INQUIRY REGARDING THE FRAUD IN AUSTRALIA. HE INDICATED THAT HE
WAS GOING TO TRAVEL TO LONDON FOR A HOLIDAY AROUND CHRISTMAS,
1978, {EXACT DATES UNRECALLED}. HE FURTHER INDICATED THAT HE
HAD CONTACTS WITH MANY GOVERNMENT OFFICIALS IN AUSTRALIA AND
READILY NAMED THEM IN CASUAL CONVERSATION. HE FURTHER INDICATED
THAT HE OFTEN TRAVELS TO AUSTRALIA IN HIS JOB AS A CONSULTANT.
IT IS NOT KNOWN IF WILCOX HAD ANY ASSOCIATION WITH THE NUGAN
HAND BANK OR IF HE TRAVELED TO AUSTRALIA IN NOVEMBER, 1977.
IT IS FELT THAT WILCOX COULD BE RECONTACTED UNDER THE PRETEXT OF INQUIRING ABOUT THE DARWIN INVESTMENT AND DEVELOPMENT INQUIRY OR HE COULD BE INTERVIEWED STRAIGHTFORWARD REGARDING HIS TRAVELS AND ASSOCIATION WITH THE NUGAN HAND BANK.

WILCOX APPEARS TO HAVE BEEN FREE AND OPEN DURING HIS CONTACTS WITH THE FBI. NO INQUIRY WILL BE MADE OF WILCOX UNLESS REQUESTED BY AUSTRALIAN AUTHORITIES.

WILCOX IS DESCRIBED AS A CAUCASIAN MALE, DATE OF BIRTH OCTOBER 29, 1930, HEIGHT 5'6'', WEIGHT 168 POUNDS, HAIR BROWN, EYES BROWN, SOCIAL NUMBER 328-42-7625, HOME ADDRESS LUNALILO HOME ROAD, HONOLULU, HAWAII.

---

MARCH 27, 2009

BT
PETER JOSEPH WILCOX, FPC. MAN 163-370; FRANK NUGAN; NUGAN GROUP. FPC. MANFILE 163-357.

HONOLULU FILE 163-307.


RE MANILA TELETYPETO BUREAU, MARCH 21, 1979; AND HONOLULU: TELETYPETO BUREAU, OCTOBER 25, 1978, CAPTIONED

MF; FBW; RICO (A);

BUFILE 36-2684; MANILA FILE 183-6.
Wilcox came to the FBI office on that day to provide information regarding a possible fraud being committed in the Northern Territory of Australia by [redacted].

This matter was investigated by the Australian authorities and reported in Manila file 100-3.

During the above investigation, it was developed that Wilcox was in Australia in September and October, 1970. Wilcox recontacted the Honolulu office of the FBI and spoke with [redacted] on several occasions after the interview on October 25, 1970, and offered his services in the inquiry regarding the fraud in Australia. He indicated that he was going to travel to London for a holiday around Christmas, 1970 (exact dates unknown). He furnished information that he had contacts with many government officials in Australia and readily named them in casual conversations. He furnished information that he often travels to Australia in his job as a consultant. It is not known if Wilcox had any association with the Naen Naen Bank or if he traveled to Australia in November, 1970.

It is felt that Wilcox could be re-contacted under the pretense of inquiring about the Korean investigation and development
INFORMATION ON THE JUDICIAL HISTORY OF THE INQUIRY OR HE COULD BE INTERVIEWED SIMILARLY TO WILCOX.

WILCOX APPEARS TO HAVE BEEN RELUCTANT TO TELL THE TRUTH DURING HIS CONTACTS WITH THE FBI. IT IS INQUIRY IS TO BE MADE OF WILCOX UNLESS REQUESTED BY AUSTRALIAN AUTHORITIES.

WILCOX IS DESCRIBED AS A CAUCASIAN MALE, BORN JULY 29, 1950, HEIGHT 5'6", WEIGHT 190 POUNDS, HAIR BROWN, EYES BLOND.

SSN 028-42-7027, HOME ADDRESS 5500 UNIVERSITY ROAD, HONOLULU, HAWAII.

INFORMATION AND EXTENDED BY 7/19; RECOMMENDED (12)
MARCH 21, 1990

ADMINISTRATIVE

THE BUREAU IS REQUESTED TO FORWARD THE ABOVE INFORMATION TO LEGAL, MANILA.
USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.

2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.

3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the “TO” or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator’s name, room number and telephone extension.
5. Indicate approval for transmission by initialing the “Approved By” box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype copy made for relay to SACS _____ , (OR LEGATS) _____ , (OR GOVERNMENT AGENCIES) _____ .
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a “Z,” figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attachés and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
P 251.630Z APR 80
TO DIRECTOR  PRIORITY JBPWR
BT
CONFIDENTIAL
NUGAN HAND BANK. FPC.

REBUTELS APRIL 17, 1980. (13)
BY TELETYPE DATED APRIL 25, 1980. LEGAL ATTACHÉ HONG KONG ADVISED AS FOLLOWS:

TELETYPEx INFORMED

APRIL 25, 1980, THAT

STATES THAT
LEADS - MIAMI AND DALLAS:

OBTAIN

DETERMINE EXACT LOCATION OF PROVIDE SUMMARY

DESCRIPTION OF
ADMINISTRATIVE: FOR INFO OF FBINQ, MIAMI AND DALLAS:

FOR YEARS THERE HAVE BEEN NUMEROUS ALLEGATIONS THAT THE NUGAN HAND ENTERPRISES HAVE BEEN CONDUITS FOR WASHING MONEY FOR AUSTRALIAN AND PERHAPS AMERICAN ORGANIZED CRIME ELEMENTS, AS WELL AS CORRUPT SOUTHEAST ASIAN GOVERNMENT OFFICIALS AND INDIVIDUALS INVOLVED IN NARCOTICS TRAFFICKING. THEY WERE ALSO ALLEGED TO HAVE BEEN INVOLVED IN THE HANDLING OF U.S. COUNTERFEIT CURRENCY (THUS THE REASON FOR LEGAT'S 55 CASE DESIGNATION). INFO OBTAINED IN HONG KONG WAS RELAYED TO U.S. SECRET SERVICE IN HONOLULU). NONE OF THESE ALLEGATIONS HAVE EVER BEEN PROVEN ALTHO FRANK NUGAN WAS UNDER INVESTIGATION BY SEVERAL LAW ENFORCEMENT AGENCIES IN AUSTRALIA WHEN HE WAS FOUND DEAD APPARENTLY OF A SELF-INFLICTED GUNSHOT WOUND IN AUSTRALIA ON JANUARY 27, 1980. 

INQUEST TESTIMONY TO DATE INDICATES THAT FRANK NUGAN DIVERTED NUGAN HAND BANKING COMPANY FUNDS TO HIS PERSONAL USE IN THE AMOUNT OF "SEVERAL MILLION U.S. DOLLARS." THE HONG KONG SUBSIDIARY HAS APPARENTLY LST APPROXIMATELY HONG KONG DOLLARS 14 MILLION (U.S. DOLLARS 2.8 MILLION).

NUGAN HAND INTERNATIONAL, HONG KONG, AND OTHER SUBSIDIARIES ARE BELIEVED TO HAVE INVESTED MONEY FOR VARIOUS INDIVIDUALS AND ORGANIZATIONS UNDER TRUSTEE ACCOUNTS, I.E. IN WHICH THE PRINCIPALS'
IDENTITIES ARE CONCEALED, AND THE OWNER IN INTEREST APPEARS ONLY AS NUGAN HAND. THE RECORDS AT DALLAS COULD BE VERY ENLIGHTENING IN THIS REGARD.

C&E BY 376; REASON ONE; DRD APRIL 25, 2000.

BT 4/25/00

w2c, advised the FPC deal.

FA, I hope that
FM DIRECTOR FBI

TO FBI HONOLULU PRIORITY

B6

B7C

UNCLAS

PETER JOSEPH WILCOX; FPC (MAN 163-370); FRANK NUGAN;

DBA. NUGAN HAND BANK; NUGAN GROUP. FPC


AUSTRIAN ROYAL COMMISSION INQUIRY INTO DRUGS (ARCID); FPC

MANILA 163-354.

LEGAT, MANILA (163-370) ADVISED BY TELETYPING APRIL 5, 1979,

AS FOLLOWS:

REBUCAB MARCH 28, 1979.

LEGAT WILL MAKE A SUBSEQUENT REQUEST IF NEEDED.

APPROPRIATE AGENCIES AND DEPARTMENTS

AND THEIR REGULATING

ACTIVITY (S) NOTICED

CLASS

DATE 1-10-80

CLASS

23 APR 1979

APPROPRIATE AGENCIES

AND DEPARTMENTS

OUTSIDE REGULATING

ACTIVITY (S) NOTICED

CLASS

DATE

57 MIA 1979

ALL INFORMATION CONTAINED HEREIN RECLASSIFIED

EXCEPT WHERE SHOWN OTHERWISE.
5 APR 79 03 35

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS, SECTION

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN OTHERWISE.

[Signature]

CT

5 APR 79

TO DIRECTOR ROHLS

M:9 (F9:165-357)

STU

UNCLASSIFIED

[Redacted]

AUSTRALIAN ROYAL COMMISSION INTO DRUGS (AILC); Etc.

[Redacted]

SUDDAB, 5/7/79.
TO: DIRECTOR, FBI (163-4561)
FROM: SAC, NORFOLK (92-556) RUC

[AUSTRALIAN ROYAL COMMISSION OF INQUIRY INTO DRUGS (ARCID)]

FRANK NUGAN
Nugan Hand International
dba
Nugan Hand Bank
Nugan Group
FPC

Re Manila Legat letters to Bureau, 11/7/78, and 12/7/78; Bureau airtel to Norfolk, 4/11/79.

Enclosed for the Bureau are six copies of an LHM captioned as above.

For the information of the Bureau, advised that the investigator he had hired to conduct the inquiries regarding Nugan Hand Ltd. activities was 

was hired by to snoop around Southeast Asia in an attempt to determine if there were any wrongdoings or illegal activities on the part of Nugan Hand Ltd. In addition, advised that he had contacted regarding the alleged illegal activities of 

advised that if he detected any illegal activities concerning drugs on the part of his company, he would be most cooperative with the FBI in furnishing this information to them. He further stated that if the FBI furnished names of individuals or companies who might be suspected of illegal activities, he would check these 

(1) - Bureau (Enc. 6)
1 - Norfolk
RJA/nlh

APPROPRIATE AGENCIES AND FTO OFFICES

DECLASSIFIED BY 63-CR-137, 4-17-79

JUN 7 1979
names against the list of distributors in the banks at Sydney, Hong Kong and Germany. It is also felt that would probably check the distributors listed in the bank at Grand Cayman, Bahamas. During the interview, mentioned that he had just returned to the United States approximately two days prior to the interview. He noted that upon his re-entry to the U. S. his luggage was subjected to a rather thorough examination by Customs Officials and he inquired as to whether the investigation by the FBI was connected with the customs examination. was advised that the interviewing agent had no knowledge regarding a request to give special attention during his entries into, or exits from, the U. S.
On April 6, 1979, telephones furnished the following information:

While employed in Australia, he met Frank Nugan and he was offered a job with then trip to Australia, he was again offered a job with Nugan Hand Ltd., and was also offered a part of the business. He joined the organization in At that time Nugan Hand Ltd., Nugan Hand Bank in

Shortly after the beginning of his association with Nugan Hand Ltd., the allegation regarding the association of Nugan Hand Ltd. and Nugan Fruit Group became known to He explained that Nugan Fruit Group was allegedly involved with marijuana trafficking in Griffin, New South Wales, Australia. Due to the close similarity of the names of the two organizations, Nugan Hand Ltd., and Nugan Fruit Group, and the fact that the chairman of Nugan Hand Ltd., Frank Nugan

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

was the attorney for Nogan Fruit Group, people have assumed that company, Nukan Hand Ltd., may have some dealings in drug trafficking. When this allegation surfaced, Frank Nugan approached and offered the opportunity to leave the company and disassociate himself with the outfit. was told he could rejoin the company after the matter was resolved. refused to leave the company, however, he did hire an investigator to determine if there was any wrongdoing by the company. also made some inquiries of his contacts which he had established during his career as to the activities of the company.

advised that Frank Nugan, who is the chairman of the Nukan Hand Ltd., has been indicted in New South Wales, Australia for a conspiracy to defraud minor stockholders of the Nukan Fruit Group. Frank Nugan is not associated with the Nukan Fruit Group other than being their attorney or solicitor. Nukan Hand Ltd. is not in any way associated with Nukan Fruit Group. Nukan Hand Bank is in no way associated with the Nukan Fruit Group and has satisfied himself that there are no interlocking directorships. stated that it is his understanding the conspiracy charge against Frank Nugan came about as a result of a stacked stockholders meeting during which the major stockholders defeated the minor stockholders attempt to take over the Nukan Fruit Group company. described the indictment as a political case. He stated that the prosecuting attorney in the matter is a member of the Labor Party in New South Wales, Australia. He stated that the Labor Party is a wing of the Communist Party and is dedicated to the devastation of corporate business. He described Frank Nugan and as right wing politicians and therefore a natural political enemy of the prosecuting attorney.

advised that Nukan Hand Ltd. had banks in Sydney, Australia, Hong Kong and Germany. The money deposited in these banks is sometimes redeposited in the Grand Cayman, Bahamas, Nukan Hand Bank. The Grand Cayman branch is not a lending bank, but is a depository bank only. The bank makes money by buying and selling money market instruments. The Grand Cayman Bank only has assets of around.
six million dollars and to some degree the business has been stigmatized because of the allegations in Australia. Frank Negan has offered Australian authorities the right to review all the books and ledgers of the banks in Germany, Hong Kong, and Sydney, Australia. An exception was made regarding the Grand Cayman Bank because of Bahama bank laws. He explained that this law states in essence that information regarding depositors should not be given out to anyone without the depositors' consent. Advised that Negan Hand Bank does not do any bank business in the United States. The telephone listing is strictly a telephone contact for

In addition to

repeated that he is convinced that there is no association between Negan Hand Ltd., Negan Fruit Group and that Negan Hand Ltd., is not involved in any illegal activities.
Director, FBI

FRANK NUGAN: dba
Nugan Hand International
Nugan Hand Bank
Nugan Group

Reference: Norfolk airtel and LHM 4/17/79

Dissemination, as outlined below, was made on dates indicated.

\[\begin{array}{ll}
\text{X} & \text{one copies of referenced Norfolk LHM} \\
\end{array}\]

Pertinent information from

Name and Location of Agency

Date Furnished
5/11/79

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan
FM DIRECTOR, FBI
TO LEGAL ATTACHE HONG KONG ROUTINE
FBI HOUSTON ROUTINE
BT

CONFIDENTIAL

"CHANGED" RUGAN HAND BANK: FPC

TITLE MARKED CHANGED TO DELETE CHARACTER OF NAME CHECK MATTER AND SET FPC AS THE PROPER CHARACTER.

RE HONG KONG TELETYPE APRIL 15, 1980, RELAYED TO HOUSTON.

SINCE NO DESCRIPTIVE DATA FOR

WAS FURNISHED IN REFERENCED TELETYPE, LEGAL ATTACHE HONG KONG SHOULD NOTE THAT A CHECK OF NCIC AND IDENTIFICATION DIVISION RECORDS IS NOT POSSIBLE. FOR THE SAME REASON A CHECK OF BUREAU INDICES IS ALSO NOT FEASIBLE.

FBI HOUSTON SHOULD REQUEST FBIHQ TO CONDUCT THE ABOVE CHECKS IF INVESTIGATION REQUESTED IN YOUR DIVISION IN REFERENCED TELETYPE PROPERLY IDENTIFIES THE ABOVE INDIVIDUAL.

DO NOT TYPE MESSAGE BELOW THIS LINE

APPROVED BY
DRAFTED BY JEM/MJJ 123
DATE 4/17/80
ROOM 5078/6
TELE EXT. 4290

1 - MR. MEDER

DECLASSIFIED BY SP5C11 OmS
ON 2/15/90

NO ARREST LOCATED FOR AT

HOUSTON POLICE DEPARTMENT, HARRIS COUNTY SHERIFF'S OFFICE,
HOUSTON INTERCONTINENTAL AIRPORT POLICE, DEPARTMENT OF
PUBLIC SAFETY, UNITED STATES CUSTOMS SERVICE, UNITED STATES
SECRET SERVICE AND UNITED STATES MARSHAL'S SERVICE.

HOUSTON INDICES NEGATIVE.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED.
DATE 21 ST 1980 BY SPECILOMS

JUN 6 1980
NOTIFIED THAT SHIPMENT WILL ARRIVE AND HAS
AGreed TO CONTACT AGENT AND CONDUCT JOINT REVIEW OF CONTENTS
SATURDAY, APRIL 26, 1986. ADVISED MAJORITY OF
CONTENTs ARE HIS PERSONAL TEXT BOOK COMPANY MANUSCRIPTS THAT HE
CARRIED WITH HIM TO HONG KONG. RECORDS DO CONTAIN SOME "HUMAN
COMPANY COMMUNICATIONS AND MANAGEMENT INFORMATION SYSTEM TYPE
INFORMATION. HE DOES NOT BELIEVE FILES CONTAIN ANY CLIENT
INFORMATION. HOWEVER, HE WILL FULLY COOPERATE.

THE BUREAU IS FURTHER REQUESTED TO ADVISE LEGAT, HONG KONG,
THAT RECORDS WILL BE REVIEWED AND A DETAILED LISTING PROVIDED BY
TELETYPE UPON COMPLETION OF REVIEW.

DALLAS DIVISION DISCONTINUE.

C & E BY, REASON 1, DDE APRIL 26, 1986.

MIAMI WILL REVIEW RECORDS, APRIL 26, 1986, AND PROVIDE
DETAIL TO BUREAU WITH REQUEST FOR RELAY TO LEGAT, HONG KONG.
MESSAGE RELAY VIA TELETYPewriter

DATE 4/15/80  CLASSIFICATION CONFIDENTIAL  PRECEDENCE ROUTINE

FM DIRECTOR FBI

TO    FBI HOUSTON

☑ The President
☑ The Vice President
☑ White House Situation Room
    ☑ Attn: National Security Council
☑ Department of the Air Force (AFOSI)
☑ Department of the Army
☑ Naval Investigative Service
☑ Commandant, U. S. Coast Guard
☑ National Security Agency (DIRNSA/NSOC (ATTN: SOO))
☑ Director, Defense Intelligence Agency
☑ Director CIA
☑ U. S. Secret Service (PID)
    ☑ Attn: Executive Protective Service
☑ ZEN/U. S. Postal Service
    ☑ Attn: Chief Postal Inspector
☑ Nuclear Regulatory Commission
☑ Department of Energy
☑ Department of the Treasury
    ☑ Attn: U. S. Customs
☑ Department of Treasury
    ☑ Attn: Bureau of Alcohol Tobacco & Firearms
☑ Department of Transportation
    ☑ Attn: Director of Security
☑ Drug Enforcement Administration
☑ General Services Administration (WASHDC area, specify office)

☐ (Other Areas, specify CITY/STATE)

☐ Federal Aviation Administration
☐ Federal Protective Service
☐ Secretary of State
    ☑ Attn: Director Bureau of Intelligence & Research
    ☑ Attn: SCA - VISA Office
        Room 709 - SA2

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION) ☐

SUBJECT: 163-45/6/0  

APPROVED BY  ORIGINATOR ROOM TELE EXT.

☑ 03/20

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

FBI/DOJ
USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.

2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.

3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the “TO” or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator’s name, room number and telephone extension.
5. Indicate approval for transmission by initialing the “Approved By” box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype “1 copy made for relay to SACS ______ , (OR LEGATS) ______ , (OR GOVERNMENT AGENCIES) ______ .”
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a “Z,” figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
Hand Bank is one of a number of financial institutions using variations of the Wagner name (Waan - Australian Citizen). The Wagner Hand Bank is one of the Financial Conduct Authority's 'names of concern'. They are also individuals involved in narcotics trafficking. They were also

For years there have been numerous allegations that the Wagner Hand Bank is one of a number of financial institutions using variations of the Wagner name (Waan - Australian Citizen). The Wagner Hand Bank is one of the Financial Conduct Authority's 'names of concern'. They are also individuals involved in narcotics trafficking. They were also

Individuals involved in narcotics trafficking. They were also
ALLEGED TO BE INVOLVED IN THE HANDLING OF U. S. COUNTERFEIT CURRENCY (THUS THE REASON FOR LEGAT'S 55 CASE DESIGNATION). THE INFORMATION OBTAINED HERE WAS RELAYED TO U. S. SECRET SERVICE IN HONOLULU). NONE OF THESE ALLEGATIONS HAVE EVER BEEN PROVEN ALTHOUGH FRANK NUGAN WAS UNDER INVESTIGATION BY SEVERAL LAW ENFORCEMENT AGENCIES IN AUSTRALIA. HE WAS FOUND DEAD, APPARENTLY OF A SELF-INFLICTED GUNSHOT WOUND, IN AUSTRALIA IN JANUARY 1983 (X). (U)

THE NUGAN HAND BANK, HONG KONG, HAS RECENTLY, APPARENTLY, FAILED. INITIAL ESTIMATES OF LOSS TO DEPOSITORS IS HONG KONG 21 MILLION (US 4 MILLION). ACCOUNTS ARE PRESENTLY BEING
REQUEST OF FBHQ:

PLEASE CHECK IDENTIFICATION DIVISION, NCIC AND RUFILTS
FOR REFERENCES. SUITL.

LEAD - HOUSTON AT HOUSTON;
T LOGICAL
CONTACT LOCAL, STATE AND FEDERAL AGENCIES TO
VERIFY ARREST AND OBTAIN DETAILS. SUITL.


BT
CONFIDENTIAL

NUGAN HAND BANK; FPC.

RE BUREAU TELETYPCPE TO MIAMI AND DALLAS, APRIL 25, 1980;
MIAMI TELETYPE TO BUREAU, APRIL 25, 1980.

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE
FOLLOWING INFORMATION:

ON APRIL 28, 1980, _______ ACCOMPANIED BY
MIAMI SPECIAL AGENT, PICKED UP FROM AMERICAN AIRLINES AIR FREIGHT
THREE BOXES OF RECORDS AND PERSONAL ITEMS THAT HAD BEEN SHIPPED
TO _______ FROM HONG KONG.

AFTER SEPARATING PERSONAL ITEMS OF _______ FROM SHIPMENT,
APPROXIMATELY ONE FILE DRAWER OF RECORDS WAS REVIEWED BY SPECIAL
AGENT (SA) AND _______.

THE MAJORITY OF THE FILES WERE "IN HOUSE" MEMOS UNDER VARIOUS

DECLASSIFIED BY SPECIALIST on 21 May 1980.
TITLES AND SUBJECTS CONCERNING PROPOSALS FOR REORGANIZATION OF THE COMPANY AND ITEMS OF GENERAL BACKGROUND INFORMATION INCLUDING PUBLIC INFORMATION TYPE COMPANY BROCHURES.

NO ORIGINAL COMPANY FILES CONTAINED IN SHIPMENTS, ONLY WORKING SUBFILES USED BY _______ IN HIS REVIEW OF NUMEROUS COMPANY PROCEDURES. NO CLIENT FILES LOCATED. _______ HAD VERY LIMITED CONTACT WITH ANY NUGAN-HAND CLIENTS. MANY OF THE FILES WERE MADE UP OF ITEMS OF GENERAL BANKING AND MANAGEMENT PRACTICES THAT _______ CARRIED WITH HIM FROM MIAMI. MOST FILES REVIEWED CONTAIN GENERAL BUSINESS CORRESPONDENCE AND REPORTS OF VARIOUS BUSINESS TELEPHONE CONVERSATIONS.

HAD PRIOR BUSINESS COMMITMENTS APRIL 28 AND APRIL 29 WHICH PRECLUDE AN EARLIER DETAILED REVIEW.

FILES SEPARATED INCLUDED WEEKLY SUMMARY OF DEPOSITS RECEIVED SHOWING CLIENT NUMBER. NO NAMES WERE REFLECTED. NO CROSS-REFERENCE CHART LOCATED CORRELATING CLIENT NUMBERS WITH NAMES.
OTHER FILES INCLUDE INFORMATION CONCERNING OBSERVATION OF VARIOUS AREAS WHEREIN HE AND NUGAN HAND COMPANY "IN HOUSE" ATTORNEY FELT THAT THE COMPANY WAS NOT IN COMPLIANCE WITH ESTABLISHED BANKING REGULATIONS OF HONG KONG.

ADVISER THAT DURING THE APPROXIMATE PERIOD OCTOBER 1, 1979 THROUGH MARCH 21, 1980. HIS PURPOSE WAS TO

HIS REASON FOR LEAVING WAS THAT HE COULD NOT OBTAIN SATISFACTORY ANSWERS FROM MANAGEMENT CONCERNING THE FINANCIAL CONDITION OF THE COMPANY.

CATEGORIES OF FILES REVIEWED ARE AS FOLLOWS: DESK FILES; GENERAL FILES; PERSONNEL FILES - LOCAL, FILE ONLY; BANKS; PROJECTS; NHI-OFFICES; NHI HONG KONG DIVISIONS AND COUNTRIES THAT NHI DEALT WITH. MANY OF THE FILES WERE EMPTY AND
ADDITIONAL DETAILED INFORMATION WILL BE TRANSMITTED BY MIAMI DIVISION OF THE FBI THROUGH FBIHQ UPON COMPLETION ON APRIL 30, 1980, OF DETAILED REVIEW.

C&E BY 7886, REASON ONE; DRD APRIL 29, 2000.

ADMINISTRATIVE

FOR THE INFORMATION OF FBIHQ, STATES HE DID NOT SEE ANY EVIDENCE OF ANY NARCOTICS OR ORGANIZED CRIME DOLLAR LAUNDERING NOR HANDLING OF ANY COUNTERFEIT U.S. CURRENCY THROUGH NUGAN HAND COMPANY WHILE HE WAS ASSOCIATED WITH IT. HOWEVER, HE WAS NOT PRIVY TO MUCH FINANCIAL INFORMATION; THEREFORE, HE RESIGNED. CLAIMS THAT MR. NUGAN AND WERE ENTREPRENEURS AND WERE NOT GOOD BANK ADMINISTRATORS. FELT THAT FRANK NUGAN DEVOTED TOO MUCH OF HIS TIME ATTEMPTING TO CLEAR UP HIS FAMILY’S BUSINESS INTERESTS IN AUSTRALIA AND THUS NEGLECTED NUGAN HAND COMPANY INTERESTS, THEREFORE CONTRIBUTING TO ITS FINANCIAL PROBLEMS.

FORMERLY WORKED FOR AND HAS BEEN INTERVIEWED AS A WITNESS IN MIAMI CASE (BUREAU SPECIAL NUMBER 12) ENTITLED
"NETWORK", MIAMI FILE 183-338. [REPUTATION IN] APPEARS TO ENJOY GOOD

BT
P 151239Z APR 80

FM HONG BNS . (55-4)

TO DIRECTOR PRIORITY 128-14

LEGAT MANILA (INFO) 4975 ROUTINE 027-14

CT

CONFIDENTIAL

ATTENTION: NAME CHECK SECTION.

\*

NUGAN HAND BANK. NAME CHECK MATTER, POC

HQ PLEASE PASS TO HUSTON.

\*

X THE NUGAN HAND BANK IS ONE OF A NUMBER OF FINANCIAL

INSTITUTIONS USING VARIATIONS OF THE NUGAN HAND NAME (FRANK

NUGAN - AUSTRALIAN CITIZEN;..........................)

THE NUGAN HAND ENTERPRISES HAVE HIRED PROMINENT PEOPLE,

INCLUDING.................................................. AS REPRESENTATIVES

IN THE UNITED STATES, AND ACQUIRED OLD, WELL-KNOWN, EUROPEAN

BANKING INSTITUTIONS. (U)

\*

FOR YEARS THERE HAVE BEEN NUMEROUS ALLEGATIONS THAT THE

NUGAN HAND ENTERPRISES HAVE BEEN CONDUITS FOR WASHING MONEY FOR

AUSTRALIA, AND PERHAPS AMERICAN, ORGANIZED CRIME ELEMENTS, AS

WELL AS CORRUPT SOUTHEAST ASIAN GOVERNMENT OFFICIALS AND

INDIVIDUALS INVOLVED IN NARCOTICS TRAFFICKING. THEY WERE ALSO

DECLASSIFIED BY SPO0C:

ON 2/15/90 308,506

4 MAY 201980

29

19

b6 b7c
ALLEGED TO BE INVOLVED IN THE HANDLING OF U.S. COUNTERFEIT CURRENCY (THUS THE REASON FOR LEGAT'S 55 CASE-DESIGNATION). THE INFORMATION OBTAINED HERE WAS RELAYED TO U.S. SECRET SERVICE IN HONOLULU. NONE OF THESE ALLEGATIONS HAVE EVER BEEN PROVEN ALTHOUGH FRANK NUGAN WAS UNDER INVESTIGATION BY SEVERAL LAW ENFORCEMENT AGENCIES IN AUSTRALIA. HE WAS FOUND DEAD, APPARENTLY OF A SELF-INFlicted GUNSHOT WOUND, IN AUSTRALIA IN JANUARY 1980 (U)

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REQUEST OF FBI HQ:

PLEASE CHECK IDENTIFICATION DIVISION, NCIC AND RUFILES FOR REFERENCES. SUTEL.

LEAD - HOUSTON AT HOUSTON:

CONTACT LOCAL, STATE AND FEDERAL AGENCIES TO VERIFY ARREST AND OBTAIN DETAILS. SUTEL.

CASE BY 582; REASON (1): DRD APRIL 15, 2010.

BT
MESSAGE RELAY VIA TELETYPETE

<table>
<thead>
<tr>
<th>DATE</th>
<th>CLASSIFICATION</th>
<th>PRECEDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>H17/80</td>
<td>UNCLAS/EPJO</td>
<td>ZORNS</td>
</tr>
</tbody>
</table>

FM DIRECTOR FBI

TO LEGAL ATTACHE, Hong Kong, Adm.

☐ The President
☐ The Vice President
☐ White House Situation Room
  ☐ Attn: National Security Council
☐ Department of the Air Force
  (APOSJ)
☐ Department of the Army
☐ Naval Investigative Service
☐ Commandant, U. S. Coast Guard
☐ National Security Agency
  (DIRNSA/NSOC (ATTN: SOO))
☐ Director, Defense Intelligence Agency
☐ Director, CIA
☐ U. S. Secret Service (PID)
  ☐ Attn: Executive Protective Service
☐ ZEN/U. S. Postal Service
  ☐ Attn: Chief Postal Inspector
☐ Nuclear Regulatory Commission
☐ Department of Energy
☐ Department of Treasury
  ☐ Attn: U. S. Customs
☐ Department of Treasury
  ☐ Attn: Bureau of Alcohol Tobacco & Firearms
☐ Department of Transportation
  ☐ Attn: Director of Security
☐ Drug Enforcement Administration
☐ General Services Administration
  (WASHDC area, specify office)
  (Other Areas, specify CITY/STATE)
☐ Federal Aviation Administration
☐ Federal Protective Service
☐ Secretary of State
  ☐ Attn: Director Bureau of Intelligence & Research
  ☐ Attn: SCA - VISA Office
  Room 709 - SA2
☐ Attorney General
☐ Deputy AG
  ☐ Attn: Emergency Programs Center
☐ Assistant AG, Civil Rights Div.
☐ Assistant AG, Criminal Div.
  ☐ Attn: Internal Security Section
  ☐ Attn: General Crimes Section
☐ Assistant AG for Administration
  ☐ Attn: Security & Administrative Services Staff
☐ Immigration & Naturalization Service

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

SUBJECT: 163-45612-10X

DE-14 163-0

APPROVED BY ORIGINATOR ROOM TELE EXT.
JEM JLM 5078 4270

JUN 5 1980

DO NOT FILE WITHOUT COMMUNICATIONS STAMP
USE OF FORM 0-73

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3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

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HOUSTON INDICES NEGATIVE

HOUSTON POLICE DEPARTMENT
INTERCONTINENTAL AIRPORT POLICE, DEPARTMENT OF
PUBLIC SAFETY, UNITED STATES CUSTOMS SERVICE, UNITED
STATES SECRET SERVICE AND UNITED STATES MARSHAL'S SERVICE.
CONFIDENTIAL

NUGAN HAND BANK, FPC.


THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE FOLLOWING INFORMATION:

ON APRIL 30, 1980, SUMMARY REVIEW OF FILES COMPLETED BY SA OF MIAMI FBI AND STATES THAT AND COMPANY PUBLIC ACCOUNTING FIRM IN KONG KONG HAS VARIOUS NUGAN HAND BANK COMPANY (NH) INFORMATION FURTHER ADVISED THAT NH ALSO MAINTAINED COMPANY RECORDS IN SINGAPORE AND IN SYDNEY. SYDNEY IS HEADQUARTERS FOR NH. AFTER NUGAN'S DEATH, SPENT CONSIDERABLE TIME IN SYDNEY ASSISTING IN SETTLING NUGAN'S ESTATE.
FILES REFLECT A MEMO DATED FEBRUARY 25, 1980, FROM [REDACTED] TO [REDACTED] WHICH SETS FORTH VARIOUS NH HONG KONG BANKING PRACTICES THAT VIOLATE ORDINANCE OF HONG KONG BANKING COMMISSIONER. THE MEMO GOES ON TO SET FORTH AT LEAST SIX PROPOSALS TO CORRECT THIS SITUATION AND THUS LEGITIMIZE NH COMPANY’S OPERATIONS IN HONG KONG. THE PURPOSE OF MEMO IS TO RESEARCH THE PROBLEM AND CORRECT THE PROBLEM OR ELSE RECOMMEND THAT NH CEASE BANKING OPERATIONS IN HONG KONG.

ANOTHER MEMO DATED MARCH 13, 1980, EXPLAINS THE RELATIONSHIP BETWEEN NH THAILAND (NHT) AND NH LTD. (NHL) AS A STOCK OWNERSHIP RELATION ONLY WITH NHL OWNING NHT.

ANOTHER MEMO DATED FEBRUARY 26, 1980, REFLECTS [REDACTED] TO WHICH ONLY SHE AND [REDACTED] HAVE ACCESS. DUTIES INCLUDED [REDACTED] NOT IN SINGAPORE.

ANOTHER MEMO DATED FEBRUARY 8, 1980, REFLECTS CLIENT NUMBER [REDACTED] TO BE PERSON NAMED [REDACTED].
THIS MEMO CONCERNED INTEREST PAYMENTS TO MOLL ON A CERTIFICATE OF DEPOSIT HE HAD WITH NH BANK.

ANOTHER MEMO REFLECTS THREE DIGIT CODE NUMBERS FROM ALL NH EXECUTIVES TOGETHER WITH THEIR TITLES AND LOCATIONS IN ADDITION TO CORRECT TELEX NUMBERS FROM VARIOUS NH LOCATIONS.

STATES HE WILL ASSIST IN ANY SPECIFIC INQUIRIES.

C AND E BY 387; REASON 1, DRD APRIL 30, 2000.

ADMINISTRATIVE MIAMI DIVISION WILL FILES TEMPORARILY MAINTAINED AT FBI, MIAMI, WILL BE RETURNED TO UACB WITHIN TWO WEEKS FROM DATE OF THIS COMMUNICATION.

BT
**MESSAGE RELAY VIA TELETYPE**

<table>
<thead>
<tr>
<th>DATE</th>
<th>CLASSIFICATION</th>
<th>PRECEDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/25/80</td>
<td>CONFIDENTIAL</td>
<td>PRIORITY</td>
</tr>
</tbody>
</table>

**FM DIRECTOR FBI**

**TO** LEGAT HONG KONG

<table>
<thead>
<tr>
<th>The President</th>
<th>Nuclear Regulatory Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Vice President</td>
<td>Department of Energy</td>
</tr>
<tr>
<td>White House Situation Room</td>
<td>Department of Treasury</td>
</tr>
<tr>
<td>Attn: National Security Council</td>
<td>Department of Treasury</td>
</tr>
<tr>
<td>Department of the Air Force (AFOSI)</td>
<td>Attn: Bureau of Alcohol, Tobacco &amp; Firearms</td>
</tr>
<tr>
<td>Department of the Army</td>
<td>Department of Transportation</td>
</tr>
<tr>
<td>Naval Investigative Service</td>
<td>Attn: Director of Security</td>
</tr>
<tr>
<td>Commandant, U. S. Coast Guard</td>
<td>Drug Enforcement Administration</td>
</tr>
<tr>
<td>National Security Agency (DIRNSA/NSC) (ATTN: SOO)</td>
<td>General Services Administration (WASHDC area, specify office)</td>
</tr>
<tr>
<td>Director, Defense Intelligence Agency</td>
<td>(Other Areas, specify CITY/STATE)</td>
</tr>
<tr>
<td>Director CIA</td>
<td>Federal Aviation Administration</td>
</tr>
<tr>
<td>U. S. Secret Service (PID)</td>
<td>Federal Protective Service</td>
</tr>
<tr>
<td>Attn: Executive Protective Service</td>
<td>Secretary of State</td>
</tr>
<tr>
<td>ZEN/U. S. Postal Service</td>
<td>Attn: Director Bureau of Intelligence &amp; Research</td>
</tr>
<tr>
<td>Attn: Chief Postal Inspector</td>
<td>Attn: SCA - VISA Office</td>
</tr>
<tr>
<td></td>
<td>Room 700 - SA2</td>
</tr>
</tbody>
</table>

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED.
CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

**SUBJECT:** SEE ATTACHED

**APPROVED BY** [Name]

<table>
<thead>
<tr>
<th>ORIGINATOR</th>
<th>ROOM</th>
<th>TELE EXT.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BVM</td>
<td>5027</td>
<td>2805</td>
</tr>
</tbody>
</table>

**APR 30 1980**

**DECLASSIFIED BY** [Signature] [Date]

**DO NOT FILE WITHOUT COMMUNICATIONS STAMP**
USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.

2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.

3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the “TO” or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator’s name, room number and telephone extension.
5. Indicate approval for transmission by initialing the “Approved By” box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype “1 copy made for relay to SACS _____, (OR LEGATS) _____, (OR GOVERNMENT AGENCIES) _____.”
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a “Z,” figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
REFERENCE BUREAU TELETYPe TO MIAMI AND DALLAS, APRIL 25, 1980; LEGAT, HONG KONG, TELETYPe TO BUREAU, APRIL 25, 1980.

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE FOLLOWING INFORMATION:

BY TELETYPe 4/25/80 FBI MIAMI FURNISHED THE FOLLOWING ON INSTANT DATE, CONTACTED BY MIAMI SPECIAL AGENT AND AGREED TO HAVE RECORD REVIEWED BY FBI AGENT, HOWEVER, HE PREFERRED TO BE PRESENT DURING REVIEW. RECORDS LOCATED AT

CONTACTED AND ADVISED RECORDS IN TRANSIT TO MIAMI CARE OF DIRECTOR OF CUSTOMS, MIAMI INTERNATIONAL AIRPORT, AND
ON AMERICAN AIRLINES AIR BILL NUMBER _______________________________
DUE TO ARRIVE MIAMI, APRIL 26, 1980, SPECIFIC TIME AND FLIGHT NUMBER UNKNOWN.

NOTIFIED THAT SHIPMENT WILL ARRIVE AND HAS AGREED TO CONTACT AGENT AND CONDUCT JOINT REVIEW OF CONTENTS SATURDAY, APRIL 26, 1980. ADVISED MAJORITY OF CONTENTS ARE HIS PERSONAL TEXT BOOK COMPANY MANUELS THAT HE CARRIED WITH HIM TO HONG KONG. RECORDS DO CONTAIN SOME NUGAN COMPANY COMMUNICATIONS AND MANAGEMENT INFORMATION SYSTEMS TYPE INFORMATION. HE DOES NOT BELIEVE FILES CONTAIN ANY CLIENT INFORMATION. HOWEVER, HE WILL FULLY COOPERATE.

THE BUREAU IS FURTHER REQUESTED TO ADVISE LEGAT, HONG KONG, THAT RECORDS WILL BE REVIEWED AND A DETAILED LISTING PROVIDED BY TELETEYPE UPON COMPLETION OF REVIEW.

DALLAS DIVISION DISCONTINUE.

C & E BY REASON 1, DRD APRIL 25, 2000.

MIAMI WILL REVIEW RECORDS, APRIL 26, 1980, AND PROVIDE DETAIL TO BUREAU WITH REQUEST FOR RELAY TO LEGAT, HONG KONG.

BT
P 251636Z APR 80
FM HONG KONG (55-4)
TO DIRECTOR PRIORITY 28 APR 80 ON 577
BT
CONFIDENTIAL
NUGAN HANG BANK. FPC.
REBUTELS APRIL 17, 1980.
FBI HQ PLEASE PASS TO MIAMI AND DALLAS BY PRIORITY
TELETYP.

[INFORMED]

APRIL 25, 1980, THAT

[STATES THAT]

DECLASSIFIED BY SP5Cl] DMS
ON 3/15/90 368566
LEADS - MIAMI AND DALLAS:

OBTAIN

DETERMINE EXACT LOCATION OF [ ] PROVIDE SUMMARY

DESCRIPTION OF [ ]
FOR YEARS THERE HAVE BEEN NUMEROUS ALLEGATIONS THAT THE NUGAN HAND ENTERPRISES HAVE BEEN CONDUITS FOR WASHING MONEY FOR AUSTRALIAN AND PERHAPS AMERICAN ORGANIZED CRIME ELEMENTS, AS WELL AS CORRUPT SOUTHEAST ASIAN GOVERNMENT OFFICIALS AND INDIVIDUALS INVOLVED IN NARCOTICS TRAFFICKING. THEY WERE ALSO ALLEGED TO HAVE BEEN INVOLVED IN THE HANDLING OF U.S. COUNTERFEIT CURRENCY (THUS THE REASON FOR LEGAT'S 55 CASE DESIGNATION. INFO OBTAINED IN HONG KONG WAS RELAYED TO U.S. SECRET SERVICE IN HONOLULU). NONE OF THESE ALLEGATIONS HAVE EVER BEEN PROVEN ALTHOUGH FRANK NUGAN WAS UNDER INVESTIGATION BY SEVERAL LAW ENFORCEMENT AGENCIES IN AUSTRALIA WHEN HE WAS FOUND DEAD APPARENTLY OF A SELF-INFLICTED GUNSHOT WOUND IN AUSTRALIA ON JANUARY 27, 1980. (R)(N)

INQUEST TESTIMONY TO DATE INDICATES THAT FRANK NUGAN DIVERTED NUGAN HAND BANKING COMPANY FUNDS TO HIS PERSONAL USE IN THE AMOUNT OF "SEVERAL MILLION U.S. DOLLARS." THE HONG KONG SUBSIDIARY HAS APPARENTLY LST APPROXIMATELY HONG KONG DOLLARS 14 MILLION (U.S. DOLLARS 2.8 MILLION).

NUGAN HAND INTERNATIONAL, HONG KONG, AND OTHER SUBSIDIARIES ARE BELIEVED TO HAVE INVESTED MONEY FOR VARIOUS INDIVIDUALS AND ORGANIZATIONS UNDER TRUSTEE ACCOUNTS, I.E. IN WHICH THE PRINCIPALS'
IDENTITIES ARE CONCEALED, AND THE OWNER IN INTEREST APPEARS ONLY AS NUGAN HAND. THE RECORDS AT DALLAS COULD BE VERY ENLIGHTENING IN THIS REGARD.

C&E BY 886; REASON ONE; DRD APRIL 25, 2000.
MESSAGE RELAY VIA TELETYPET

DATE: 4/29/80
CLASSIFICATION: CONFIDENTIAL
PRECEDENCE: T

FM DIRECTOR FBI

TO

LEGAT HONG KONG

- The President
- The Vice President
- White House Situation Room
  - Attn: National Security Council
- Department of the Air Force (AFOSI)
- Department of the Army
- Naval Investigative Service
- Commandant, U. S. Coast Guard
- National Security Agency (NSA/NSOC (ATTN: 800))
- Director, Defense Intelligence Agency
- Director CIA
- U. S. Secret Service (PID)
  - Attn: Executive Protective Service
- ZEN/U. S. Postal Service
  - Attn: Chief Postal Inspector
- Nuclear Regulatory Commission
- Department of Energy
  - Attn: U. S. Customs
- Department of Treasury
  - Attn: Bureau of Alcohol Tobacco & Firearms
- Department of Transportation
  - Attn: Director of Security
- Drug Enforcement Administration
- General Services Administration
  - (WASHDC area, specify office)
- (Other Areas, specify CITY/STATE)
- Federal Aviation Administration
- Federal Protective Service
- Secretary of State
  - Attn: Director Bureau of Intelligence & Research
  - Attn: SCA - VISA Office
  - Room 709 - SA2

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

SUBJECT:

see attached

APPROVED BY: ORIGINATOR: ROOM: TELE EXT.
BVM 5027 2805

DECLASSIFIED BY SPCulams ON 2/15/86 308.561

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

\[16=415612\]

\[FBI/DOJ\]
USE OF FORM 0-73

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RE BUREAU TELETYPES TO MIAMI AND DALLAS, APRIL 25, 1980;

MIAMI TELETYPES TO BUREAU April 25, 1980;

BY TELETYPING 4/29/80 FBI MIAMI FURNISHED THE FOLLOWING:

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE FOLLOWING INFORMATION:

ON APRIL 28, 1980, accompanied by MIAMI SPECIAL AGENT, PICKED UP FROM AMERICAN AIRLINES AIR FREIGHT THREE BOXES OF RECORDS AND PERSONAL ITEMS THAT HAD BEEN SHIPPED TO FROM HONG KONG.

AFTER SEPARATING PERSONAL ITEMS OF FROM SHIPMENT, APPROXIMATELY ONE FILE DRAWER OF RECORDS WAS REVIEWED BY SPECIAL AGENT (SA) AND.

THE MAJORITY OF THE FILES WERE "IN HOUSE" MEMOS UNDER VARIOUS
TITLES AND SUBJECTS CONCERNING PROPOSALS FOR REORGANIZATION OF THE COMPANY AND ITEMS OF GENERAL BACKGROUND INFORMATION INCLUDING PUBLIC INFORMATION TYPE COMPANY BROCHURES.

NO ORIGINAL COMPANY FILES CONTAINED IN SHIPMENTS, ONLY WORKING SUBFILES USED BY [REDACTED] IN HIS REVIEW OF NUMEROUS COMPANY PROCEDURES. NO CLIENT FILES LOCATED. [REDACTED] HAD VERY LIMITED CONTACT WITH ANY HAND CLIENTS. MANY OF THE FILES WERE MADE UP OF ITEMS OF GENERAL BANKING AND MANAGEMENT PRACTICES THAT [REDACTED] CARRIED WITH HIM FROM MIAMI. MOST FILES REVIEWED CONTAIN GENERAL BUSINESS CORRESPONDENCE AND REPORTS OF VARIOUS BUSINESS TELEPHONE CONVERSATIONS.

HAD PRIOR BUSINESS COMMITMENTS APRIL 28 AND APRIL 29 WHICH PRECLUDE AN EARLIER DETAILED REVIEW.

FILES SEPARATED INCLUDED WEEKLY SUMMARY OF DEPOSITS RECEIVED SHOWING CLIENT NUMBER. NO NAMES WERE REFLECTED. NO CROSS-REFERENCE CHART LOCATED CORRELATING CLIENT NUMBERS WITH NAMES.
ADVISER THAT DURING THE APPROXIMATE PERIOD OCTOBER 1, 1979 THROUGH MARCH 21, 1980. HIS PURPOSE WAS TO

HIS REASON FOR LEAVING WAS THAT HE COULD NOT OBTAIN SATISFACTORY ANSWERS FROM MANAGEMENT CONCERNING THE FINANCIAL CONDITION OF THE COMPANY.

CATEGORIES OF FILES REVIEWED ARE AS FOLLOWS: DESK FILES; GENERAL FILES; PERSONNEL FILES - LOCAL, FILE ONLY; BANKS; PROJECTS; NHI-OFFICES; NHI HONG KONG DIVISIONS AND COUNTRIES THAT NHI DEALT WITH. MANY OF THE FILES WERE EMPTY AND
ADDITIONAL DETAILED INFORMATION WILL BE TRANSMITTED BY MIAMI DIVISION OF THE FBI THROUGH FBIHQ UPON COMPLETION ON APRIL 30, 1980, OF DETAILED REVIEW.

C&E BY 7796, REASON ONE; DRD APRIL 29, 2000.

ADMINISTRATIVE

FOR THE INFORMATION OF FBIHQ, STATES HE DID NOT SEE ANY EVIDENCE OF ANY NARCOTICS OR ORGANIZED CRIME DOLLAR LAUNDERING NOR HANDLING OF ANY COUNTERFEIT U.S. CURRENCY THROUGH NUGAN HAND COMPANY WHILE HE WAS ASSOCIATED WITH IT. HOWEVER, HE WAS NOT PRIVY TO MUCH FINANCIAL INFORMATION; THEREFORE, HE RESIGNED. CLAIMS THAT MR. NUGAN AND WERE ENTREPRENEURS AND WERE NOT GOOD BANK ADMINISTRATORS. FELT THAT FRANK NUGAN DEVOTED TOO MUCH OF HIS TIME ATTEMPTING TO CLEAR UP HIS FAMILY'S BUSINESS INTERESTS IN AUSTRALIA AND THUS NEGLECTED NUGAN HAND COMPANY INTERESTS, THEREFORE CONTRIBUTING TO ITS FINANCIAL PROBLEMS.

AND HAS BEEN INTERVIEWED AS A WITNESS IN MIAMI CASE (BUREAU SPECIAL NUMBER 12) ENTITLED
"NETWORK", MIAMI FILE 183-338. APPEARS TO ENJOY GOOD REPUTATION IN
CONFIDENTIAL

RE MIAMI TEL TO BUREAU DATED MAY 7, 1980.

BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG THE FOLLOWING INFO:

ON MAY 9, 1980, [REDACTED] ADVISED MIAMI SA THAT HE WOULD BE UNABLE TO COMPLETE HIS RESPONSE UNTIL MONDAY, MAY 12, 1980. [REDACTED]

MIAMI AT MIAMI WILL OBTAIN [REDACTED] RESPONSE AND FORWARD SAME TO LEGAT, HONG KONG BY MAY 12, 1980. [REDACTED]

C AND E BY 1347, REASON 1, DRD MAY 9, 2033.

DECLASSIFIED BY SPECIOMS ON 21S10

MAY 12 1980

15
TO DIRECTOR  PRIORITY  125111
CONFIDENTIAL
HONG KONG  (55-4)
2 May 90 07-44z

REBUTEL MAY 1, 1990.
HQ PLEASE PASS MIAMI.

Relayed to Miami
a.m. 5-2-90

DECLASSIFIED BY SPECILAMS
ON 21/5/90

JUN 6 1980
LEADS:
MIAMI AT MIAMI: PLEASE PRESENT

SUIT RESPONSES.

C&G BY ☒; REASON (1); DATED MAY 2, 2010.
Memorandum

TO: Director, FBI

FROM: Legal Attache, HONG KONG (55-4) (P)

SUBJECT: NUGAN HAND BANK
FPC

DATE: 5/1/80


Dissemination, as outlined below, was made on dates indicated.

XX One copies of referenced teletype dated 4/30/80.

XX Pertinent information from referenced teletype dated 5/1/80.

NAME AND LOCATION OF AGENCY

Date Furnished: 5/1/80

ALL INFORMATION CONTAINED HERIN IS UNCLASSIFIED

DATE 215/80 BY SPSC110MS

1 - Bureau
2 - Foreign Liaison Desk
2 - Hong Kong
(1 - HON 66-94)
JFM: eim
(4)

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

FBI/DOJ
MESSAGE RELAY VIA TELETYPING

DATE
4/30/80

CLASSIFICATION
CONFIDENTIAL

PRECEDENCE
IMMEDIATE

FM DIRECTOR FBI

TO
LEGAT HONG KONG

The President
The Vice President
White House Situation Room
Attn: National Security Council
Department of the Air Force (AFOIS)
Department of the Army
Naval Investigative Service
Commandant, U.S. Coast Guard
National Security Agency (DINNSA/NSOC (ATTN: SOO))
Director, Defense Intelligence Agency
Director, Defense Intelligence
Director, CIA
U.S. Secret Service (PID)
Attn: Executive Protective Service
ZEN/U.S. Postal Service
Attn: Chief Postal Inspector
Nuclear Regulatory Commission
Department of Energy
Department of Treasury
Attn: U.S. Customs
Department of Treasury
Attn: Bureau of Alcohol Tobacco & Firearms
Department of Transportation
Attn: Director of Security
Drug Enforcement Administration
General Services Administration (WASHDC area, specify office)

(Other Areas, specify CITY/STATE)

Federal Aviation Administration
Federal Protective Service
Secretary of State
Attn: Director Bureau of Intelligence & Research
Attn: SCA - VISA Office Room 709 - SA2

Attorney General
Deputy AG
Attn: Emergency Programs Center
Assistant AG, Civil Rights Div.
Assistant AG, Criminal Div.
Attn: Internal Security Section
Attn: General Crimes Section
Assistant AG for Administration
Attn: Security & Administrative Services Staff
Immigration & Naturalization Service

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

SUBJECT:
SEE ATTACHED

APPROVED BY
ORIGINATOR
BVM
ROOM
5027
TELE EXT.
2805

DECLASSIFIED BY 308508
ON 2/15/90

1 MAY 1980

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

FBI/DOJ
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RECEIVED
TELETYPE UNIT

MMO014 1212157Z
00 HQ
DE MM
O 30 2130Z APR 80
FM MIAMI (196-488) P
TO DIRECTOR IMMEDIATE
BT

CONFIDENTIAL

NUGAN HAND-BANK, FPC.

BY TELETYPE 4/30/80 FBI MIAMI FURNISHED THE FOLLOWING:
RE BUREAU TELETYPE TO DALLAS AND MIAMI, APRIL 25, 1980, AND

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE
FOLLOWING INFORMATION:

ON APRIL 30, 1980, SUMMARY REVIEW OF FILES COMPLETED BY SA OF
MIAMI FBI AND STATES THAT AND
COMPANY PUBLIC ACCOUNTING FIRM IN HONG KONG HAS VARIOUS NUGAN HAND
BANK COMPANY (NH) INFORMATION

FURTHER ADVISED THAT NH ALSO MAINTAINED
COMPANY RECORDS IN SINGAPORE AND IN SYDNEY. SYDNEY IS HEADQUARTERS
FOR NH. AFTER NUGAN'S DEATH, SPENT CONSIDERABLE TIME IN
SYDNEY ASSISTING IN SETTLING NUGAN'S ESTATE.
Files reflect a memo dated February 25, 1980, from [redacted] to [redacted] which sets forth various NH Hong Kong banking practices that violate Ordinance of Hong Kong Banking Commissioner. The memo goes on to set forth at least six proposals to correct this situation and thus legitimize NH company's operations in Hong Kong. The purpose of the memo is to research the problem and correct the problem or else recommend that NH cease banking operations in Hong Kong.

Another memo dated March 13, 1980, explains the relationship between NH Thailand (NHT) and NH Ltd. (NHL) as a stock ownership relation only with NHL owning NHT.

Another memo dated February 26, 1980, reflects duties included to which only she and [redacted] have access. Another memo dated February 8, 1980, reflects client number to be person named [redacted].
THIS MEMO CONCERNED INTEREST PAYMENTS TO MOLL ON A CERTIFICATE OF DEPOSIT HE HAD WITH NH BANK.

ANOTHER MEMO REFLECTS THREE DIGIT CODE NUMBERS FROM ALL NH EXECUTIVES TOGETHER WITH THEIR TITLES AND LOCATIONS IN ADDITION TO CORRECT TELEX NUMBERS FROM VARIOUS NH LOCATIONS.

STATES HE WILL ASSIST IN ANY SPECIFIC INQUIRIES.

C AND E BY CT; REASON 1, DRD APRIL 30, 2000.

ADMINISTRATIVE

MIAMI DIVISION WILL FILES TEMPORARILY MAINTAINED AT FBI, MIAMI, WILL BE RETURNED TO UACB WITHIN TWO WEEKS FROM DATE OF THIS COMMUNICATION.

BT
MM0005 1281532
PP HQ
DE MM
P 071532Z MAY 80
FM MIAMI (163-2191) P
TO DIRECTOR PRIORITY
BT
CONFIDENTIAL

RE BUREAU TELETYPE TO MIAMI, MAY 2, 1980.
BUREAU IS REQUESTED TO RELAY THE FOLLOWING INFORMATION TO LEGAT, HONG KONG:
ON MAY 7, 1980, [ ] WAS CONTACTED CONCERNING

MIAMI, AT MIAMI, WILL [ ] AND

FORWARD SAME TO LEGAT, HONG KONG, ON MAY 9, 1980.

* DECLASSIFIED BY SECTIONS
ON 21/5/90 308-506

JUN 6 1980
C&E BY REASON 1, DRD MAY 7, 2000.
CONFIDENTIAL

RE: BUREAU TELETYPE TO MIAMI, MAY 2, 1980.

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG THE FOLLOWING INFORMATION:

[Blanks for text]

RESPONSE WILL BE FORWARD BY MAIL.

[Signature and date]

22 MAY 10 1980

DECLASSIFIED BY SPECIFICATIONS ON 3/3/90
MIAMI AT MIAMI, FLORIDA WILL TRANSMIT RESPONSE BY AIRTÉL TO THE BUREAU FOR FORWARDING TO LEGAT, HONG KONG.

THE BUREAU IS AGAIN REQUESTED TO RELAY TO LEGAT, HONG KONG THE ABOVE INFORMATION.

C&F BY 1357, REASON 1, DRD MAY 16, 2000.
**MESSAGE RELAY VIA TELETYP**

<table>
<thead>
<tr>
<th>DATE</th>
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<td>5-2-80</td>
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</tr>
</tbody>
</table>

**FM DIRECTOR FBI**

**TO MIAMI**

- The President
- The Vice President
- White House Situation Room
  - Attn: National Security Council
- Department of the Air Force (AFOSI)
- Department of the Army
- Naval Investigative Service
- Commandant, U. S. Coast Guard
- National Security Agency (DIRNSA/NOSC (ATTN: SOO))
- Director, Defense Intelligence Agency
- Director CIA
- U. S. Secret Service (PID)
  - Attn: Executive Protective Service
- ZEN/U. S. Postal Service
  - Attn: Chief Postal Inspector
- Nuclear Regulatory Commission
- Department of Energy
- Department of Treasury
  - Attn: U. S. Customs
- Department of Treasury
  - Attn: Bureau of Alcohol, Tobacco & Firearms
- Department of Transportation
  - Attn: Director of Security
- Drug Enforcement Administration
- General Services Administration
  - (WASHDC area, specify office)
  - (Other Areas, specify CITY/STATE)
- Federal Aviation Administration
- Federal Protective Service
- Secretary of State
  - Attn: Director Bureau of Intelligence & Research
  - Attn: SCA - VISA Office
    - Room 709 - SA2
- Attorney General
- Deputy AG
  - Attn: Emergency Programs Center
- Assistant AG, Civil Rights Div.
- Assistant AG, Criminal Div.
  - Attn: Internal Security Section
  - Attn: General Crimes Section
- Assistant AG for Administration
  - Attn: Security & Administrative Services Staff
- Immigration & Naturalization Service

(Service also available to government agencies not listed. Contact Communications Center for addressing information.)

**SUBJECT:**

SEE ATTACHED

<table>
<thead>
<tr>
<th>APPROVED BY</th>
<th>ORIGINATOR</th>
<th>ROOM</th>
<th>TELE EXT.</th>
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**DECLASSIFIED BY SP5.C1.0m5 ON 21/5/90 308,504**

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

FBI/DOJ

**SU JAN 05 1980**
USE OF FORM 0-73

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CONFIDENTIAL

LEGAT, HONG KONG (55-4) ADVISED BY TELETYPICAL MAY 2, 1980, AS FOLLOW:
REBUTEL MAY 1, 1980.

PLEASE PASS MIAMI
LEADS:

MIAMI AT MIAMI: PLEASE PRESENT SUITEL RESPONSES.

C&D BY REASON (1); DRD MAY 2, 2010.

BT
**MESSAGE RELAY VIA TELETEYPE**

<table>
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<tr>
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**FM DIRECTOR FBI**

To

**HONG KONG**

- The President
- The Vice President
- White House Situation Room
- Attn: National Security Council
- Department of the Air Force (AFOSI)
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  - Attn: General Crimes Section
- Assistant AG for Administration
  - Attn: Security & Administrative Services Staff
- Immigration & Naturalization Service

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

**SUBJECT:**

SEE ATTACHED

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DO NOT FILE WITHOUT COMMUNICATIONS STAMP

58 JUN 05 1980

DECLASSIFIED BY [SPSCIOMS] 308.50k ON 21/5/90

163 - 45612 - 21

DO MAY 18 1980

FBI/DOJ
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Received Teletype Unit

P 09 2000Z May 80
FM Miami (163-2191) P
TO Director Priority

CONFIDENTIAL

Nugan Hand Bank - FPC

Re Miami Tel To Bureau Dated May 7, 1980.

Bureau Is Requested To Relay To Legat, Hong Kong The

Following Info:

On 5/9/80, Miami Advised By Teletype As Follows:
On May 9, 1980, #7 ADvised Miami SA

That He Would Be Unable To Complete His Response Until

Monday, May 12, 1980. (Kw)

Miami At Miami Will Obtain Response And

Forward Same To Legat, Hong Kong By May 12, 1980. (Kw)

C and E By 1300, Reason 1, DRD May 9, 2000.

BT
TO:  DIRECTOR, FBI  

FROM:  SAC, MIAMI (163-2191) (P)  

SUBJECT:  [NUGAN HAND BANK; FPC]

Enclosed for the Bureau is a five page typed response prepared by [ ]

The Bureau is requested to forward enclosure to the Legat Hong Kong.

Miami Division awaiting response to questions set forth in second referenced teletype concerning shipping instructions for return of records and Attkisson's legal fees.

CONFIDENTIAL

CLASSIFIED AND EXTENDED BY 1357
REASON FOR EXTENSION SCIM, II, L-2.4.2.
**MESSAGE RELAY VIA TELETYPED**

<table>
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</table>

**FM DIRECTOR FBI**

**TO** LEGAL ATTACHÉ, HONG KONG

- The President
- The Vice President
- White House Situation Room
- Attn: National Security Council
- Department of the Air Force (AFOSI)
- Department of the Army
- Naval Investigative Service
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- Attn: Security & Administrative Services Staff
- Immigration & Naturalization Service

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

**SUBJECT:**

**APPROVED BY** ORIGINATOR ROOM TELE EXT.

| 1 | JEM 12em | 5078 | 4390 |

**68 JUN 1980**

**DECLASSIFIED BY**

**MAY 18 1980**

**DO NOT FILE WITHOUT COMMUNICATIONS STAMP**
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CONFIDENTIAL
NUGAN HAND BANK; FPC.

RE- BUREAU TELETYPE TO MIAMI, MAY 2, 1980.

BUREAU IS REQUESTED TO RELAY THE FOLLOWING INFORMATION TO

LEGAT, HONG KONG;

BY TELETYPE DATED 5/7/80 MIAMI ADVISED THAT
ON MAY 7, 1980, WAS CONTACTED CONCERNING

MIAMI, AT MIAMI, WILL AND

FORWARD SAME TO LEGAT, HONG KONG, ON MAY 9, 1980.
**MESSAGE RELAY VIA TELETYP**

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FM DIRECTOR FBI

TO LEGAT, HONG KONG

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SUBJECT: SEE ATTACHED

APPROVED BY ORIGINATOR

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CONFIDENTIAL

NUGAN HAND BANK; FPC.

MIAMI OFFICE (163-2191) ADVISED BY TELETYPETO MIAMI, MAY 2, 1980, AS FOLLOWS:

THE BUREAU IS REQUESTED TO RELAY TO LEGAL, HONG KONG THE FOLLOWING INFORMATION:

HAS RESPONDED IN WRITING TO

RESPONSE WILL BE FORWARDED BY MAIL.
MIAMI AT MIAMI, FLORIDA WILL TRANSMIT RESPONSE BY AIRTEL TO THE BUREAU FOR FORWARDING TO LEGAT, HONG KONG.

THE BUREAU IS AGAIN REQUESTED TO RELAY TO LEGAT, HONG KONG THE ABOVE INFORMATION.

C&E BY REASON 1, DRD MAY 16, 2000.

PT
MESSAGE RELAY VIA TELETYPE

DATE: 7/17/80
CLASSIFICATION: EFTO UNCLAS
PRECEDENCE: ROUTINE

FM DIRECTOR FBI
TO MIAMI

☐ The President
☐ The Vice President
☐ White House Situation Room
  ☐ Attn: National Security Council
☐ Department of the Air Force
  (AFOSI)
☐ Department of the Army
☐ Naval Investigative Service
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☐ Immigration & Naturalization Service

SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. ☐ CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION) ☐

SUBJECT: SEE ATTACHED

163 - 4561.2-25

☐ APPROVED BY
☐ ORIGINATOR
EMS: ems
☐ ROOM
4644/232
☐ TELE EXT.
4696

☐ 23 JUL 18 1980

117

☐ DO NOT FILE WITHOUT COMMUNICATIONS STAMP

☐ § 4 AUG 1 1980

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 2115190 BY: 3654245
FBI/DOJ
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The following reply to the request of FBI HQ, Miami, Teletype to FBI HQ, Miami, May 16, 1980, advising of the following reply to the request of FBI HQ, Miami, Teletype to FBI HQ, May 17, 1980, was received by Legat, Hong Kong, through Teletype Unit on May 18, 1980.

FBIHQ: Please pass to Miami (452-8-949).

Legat, Hong Kong, (95-4).

FM: Hong Kong.

Teletype Unit

Director Routine

2471553

616552

452-8-949

Telegram from Director's office

Teletype from Miami

Legat, Hong Kong

FBIHQ

Miami

556-1652

452-8-949

Telegram from Director's office

Teletype from Miami
LEGAT'S COMMENT: REURED TO IN PARAGRAH ONE OF

LEAD:

MIAMI, AT MIAMI, FLORIDA:

PLEASE SUDEL TO THE ABOVE.

BT
CONFIDENTIAL

RE: BUREAU TELETYPE TO MIAMI DATED JULY 17, 1935.

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE
FOLLOWING INFORMATION:

HAS CONTACTED JULY 13, 1935, AND HAS
AGREED TO RETURN KUGAW HAND FILES EXCLUDING THOSE CONSIDERED
PERSONAL PROPERTY.

METHOD OF RETURN SHIPMENT WILL BE AS FOLLOWS IF AGREED.

WITH

1935

DECLASSIFIED BY SPSC1DMS ON 21/6/1980 308.506
ADVISER THAT

REQUESTS

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE
ABOVE INFORMATION.

MIAMI, AT MIAMI, FLORIDA, WILL RELAY

CASE BY BY REASON 1, DRE JULY 13, 2023.

PLS HOLD
R 1604 15Z JUL 80

FM HONG KONG (55-4)

to director routine 247-15

bt

unclas ett o

nugan hand bank; fpc.

fbihq please pass to miami (163-2191).

re miami teletype to fbihq may 16, 1980 (fbihq teletype to

hong kong may 17, 1980).

the following reply to the request of

was received by legat, hong kong, through

jul 18 1980

68 aug 3 1980

all information contained
herein is unclassified 300, 504
date 21 july 1980 by spscloms
LEGAT'S COMMENT: REFERRED TO IN PARAGRAPH
ONE OF

LEAD:

MIAMI, AT MIAMI, FLORIDA:

PLEASE SUTEL \_
\_
\_
\_
\_
\_
\_
\_ TO THE ABOVE.

BT.
FM DIRECTOR FBI

to Hong Kong

The President
The Vice President
White House Situation Room
Attn: National Security Council
Department of the Air Force (AFOSI)
Department of the Army
Naval Investigative Service
Commandant, U.S. Coast Guard
National Security Agency (DIANSA/NSOC (ATTN: SOO))
Director, Defense Intelligence Agency
Director, CIA
U.S. Secret Service (PID)
Attn: Executive Protective Service
ZEN/U.S. Postal Service
Attn: Chief Postal Inspector
Nuclear Regulatory Commission
Department of Energy
Department of Treasury
Attn: U.S. Customs
Department of Treasury
Attn: Bureau of Alcohol Tobacco & Firearms
Department of Transportation
Attn: Director of Security
Drug Enforcement Administration
General Services Administration (WASHDC area, specify office)
(Other Areas, specify CITY/STATE)
Federal Aviation Administration
Federal Protective Service
Secretary of State
Attn: Director Bureau of Intelligence & Research
Attn: SCA - VISA Office
Room 709 - SA2

SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

SUBJECT: SEE ATTACHED

DO NOT FILE WITHOUT COMMUNICATIONS STAMP
USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.

2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.

3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the “TO” or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator’s name, room number and telephone extension.
5. Indicate approval for transmission by initialing the “Approved By” box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype “1 copy made for relay to SACS _____ , (OR LEGATS) _____ , (OR GOVERNMENT AGENCIES) _____ .”
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a “Z,” figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

RE: BUREAU TELETYPING TO MIAMI DATED JULY 17, 1980

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE
FOLLOWING INFORMATION:

MIAMI BY TELETYPING DATED JULY 18, 1980 ADVISED AS FOLLOWS:

AGREED TO RETURN NUGAN HAND FILES EXCLUDING THOSE CONSIDERED
PERSONAL PROPERTY.

METHOD OF RETURN SHIPMENT WILL BE AS FOLLOWS IF AGREEABLE

WITH

-2-
ADVISER THAT

REQUESTS

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG, THE

ABOVE INFORMATION.

MIAI, AT MIAMI, FLORIDA, WILL RELAY

C AND E BY #, REASON 1, DRD JULY 18, 2000.

BT

#

PLS HOLD
Dear [Blank]

As requested, I have outlined the various matters that we have dealt with in our discussions over the last two days and I have put these points into the form of a memorandum which I think is the most convenient way of dealing with them and I enclose a copy of the memorandum.

If there is any way I can assist or if there is any additional information you would like me to put into the memorandum then please let me know.

Yours sincerely,
[Blank]

encl.

K3. If any, quoting regarding this letter
please ring 5-2490378
The problem surrounding the Nugan Hand Group of Companies is a complex one for this Group of Companies in various guises operated in at least 13 countries throughout the world, namely, Singapore, Australia, Argentina, the Cayman Islands, Chile, Germany, Hong Kong, Malaysia, the Philippines, Taiwan, Thailand, the United States of America and Saudi Arabia.

Recent events
Some of the events which have occurred have been dramatic and alarming to say the least.

In 1978 Mr. Nugan was charged with conspiracy to defraud an allegation which was due for hearing in May 1980 and then in January 1980 he was found dead. Reportedly also in January a departed from the Group and went to the United States with confidential company papers. On 18th February 1980 the Attorney General of New South Wales, Australia, ordered an investigation in Australia. In early April 1980 investigations commenced in New South Wales by the Corporate
ceased operations and repayments of deposits were frozen in Australia and Hong Kong. Additionally said that a full audit was being carried out of Nugan Hand Bank and a winding-up petition was filed against the Bank in Hong Kong. On 13th April 1980, left Singapore and on the following day investigations commenced there concerning the company's operating a banking business without a licence and their accountant was arrested.

On 18th April 1980 a Provisional Liquidator was appointed over Nugan Hand Ltd. in Australia and at about this time alleged that Mr. Nugan had misappropriated vast sums of money belonging to the Group.

On 19th April 1980, a Receiver was appointed in Hong Kong over Nugan Hand Bank in Hong Kong and shortly thereafter a Provisional Liquidator was appointed in respect of the Singapore company.

On 26th April 1980, a winding-up petition was filed in Hong Kong against Nugan Hand Management Services Ltd.

On 28th April 1980, an inspector was appointed to investigate and report on the affairs of Nugan Hand (Hong Kong) Ltd. As a result of that inspection, on 2nd May 1980, a winding-up petition was filed against that company. On 17th May 1980, Nugan Hand Bank in Hong Kong was ordered by the court to be wound up.
As at 8th May 1980, various writs had been filed in Hong Kong by creditors of the Nugan Hand Companies totalling some HK$4,500,000.

Some HK$18,000,000 in claims have been lodged against Nugan Hand Bank in Hong Kong.

The banking licence of Nugan Hand Bank in the Cayman Islands has been voluntarily surrendered.

Allegations have been made that the Group has been involved in drug syndication.

**Liquidation**

In so far as we are concerned with Nugan Hand Bank and that company alone, it is to be noted that this company is incorporated in the Cayman Islands and the secrecy laws applied there prevent any outside enquiry being carried out successfully as to the directors and shareholders of the company. The precise links between the various companies in the Group is a matter of importance but is yet to be finally made public.

The actions which so far have been taken by individuals and government bodies are fragmented as they are basically limited to the particular country concerned. For example the jurisdiction of the Hong Kong Liquidator is limited to Hong Kong. He may be in difficulty in exercising his authority elsewhere. While the Nugan Hand Bank's board of directors (in so far as it still operates) cannot make effective decisions over matters in Hong Kong they can
still exercise their authority over the bank's affairs elsewhere. None of the officers of the bank are displaced outside Hong Kong by virtue of the Liquidator's appointment in Hong Kong.

We are of the view that the only way to properly attempt to control and protect the assets which may still exist (if any) and the records of Nugan Hand Bank is by means of liquidating this company at its source, that is, where it is incorporated.

The first obligation of a liquidator in the winding-up of a company is to take into his custody or control all the property, effects and things to which the company is entitled or may be entitled and also all the money, property, books and papers of the company. In order to accomplish this in the case of Nugan Hand Bank it is clear that the liquidator in the Cayman Islands may have to appoint agents in the various countries in which Nugan Hand Bank has or may have assets and records. These countries include Singapore (where we understand a substantial proportion of the company's books at least regarding its liabilities are presently held by the Singapore police), Hong Kong (where the liquidator already appointed here will have no doubt taken possession of these things and commenced enquiries), Australia (where we understand considerable investments were placed through Nugan Hand Limited), New York (where we understand there is a bank account at Irving Trust Company), England (where we understand a financial institution may have recently been purchased possibly called Capital Acceptances Ltd.) and W. Germany (where a substantial - possibly majority - shareholding exists in a bank called F.A. Neubauer). Clearly the liquidator will ascertain from
the books and other enquiries of the directors, past directors, employees and such like where the bank's funds were sent and he will attempt to trace these funds and get them back. Ultimately after paying his expenses, taxes and secured creditors there may be a distribution amongst the unsecured creditors by way of a dividend.

The liquidator will, of course, investigate all questions of misfeasance, breach of trust and fraud by past and present directors and officers of the bank and enforce repayment of moneys misapplied thereby. The liquidator will look into the question of fraudulent preferences between creditors and as to fraudulent trading, that is, carrying on business with intent to defraud creditors or for any fraudulent purpose and any person knowingly a party to these activities may be held personally responsible for all the debts of the bank. Intent to defraud can arise where a company carries on business and incurring debts knowing there is no reasonable prospect of creditors ever being paid.

The liquidator will examine publicly or privately any person who can provide information.

It is not possible at this time for us to state what are the assets and liabilities. Some of the company's records may well be in the Cayman Islands with their auditors Messrs. Price Waterhouse & Co. (so we understand from the Hong Kong liquidator).
As we see it, it is essential that a liquidator is appointed as soon as possible as, in our view, this is the only way an attempt can be made to protect the creditors' interests throughout the world and commence the recovery of assets.

**Procedure**

Given that the company is to be wound up then it is necessary to file with the court in the Cayman Islands a petition to wind up the company. The petition can be brought in the name of a selection of depositors whose deposits have matured and have not rolled over e.g. where notice has been given in due time terminating the deposit on the due date and payment has not been made. The ground for the petition will be that the company is unable to pay its debts as evidenced by:

1. non-payment on maturity to the petitioning creditors.
2. the winding-up order in Hong Kong.
3. a statement by Mr. Hand that the company is "bankrupt".
4. a telex which the liquidator in Hong Kong has agreed to supply us but which we have not yet seen.

Immediately on filing that petition, it is permissible to apply to the court to appoint a provisionaial liquidator who will effectively discharge the functions of a liquidator until the time when the eventual order to wind up the company is made by the court. It is highly desirable in order to achieve the greatest effect that a provisional liquidator is appointed. When and if the winding up order is made the
provisional liquidator's appointment ceases to be provisional and he will become a fully-fledged liquidator.

Subsequently, that is probably in one to two months after presenting the petition, the court will make the winding up order. It may be that the petition will be opposed in which event this time factor may not apply and indeed may be substantially lengthened if the opposition is at all effective.

It will be essential as we see it for the provisional liquidator/liquidator in order to properly fulfill his functions to appoint agents to act on his behalf in the various countries in which assets are believed to be or may subsequently be found. In particular, we mention Hong Kong, Australia and Singapore. We believe that there will be no difficulty in the recognition in these various countries of the provisional liquidator/liquidator appointed in the Cayman Islands. Indeed we believe that he has an authority which supersedes that of the liquidator appointed solely to deal with the Hong Kong assets.

Once the winding up order is made then any disposition of the company's property after the petition is presented is void so the date of presenting the petition is most important.
The creditors who obtain the appointment of this provisional liquidator/liquidator do not of course gain any precedence with regard to repayment of their debts. They take this action on behalf of all the creditors and all the creditors share equally according to the order of priority.

We have spoken with the accountants, who have offices in all the relevant countries. They have indicated that for them to act in this matter as provisional liquidator/liquidator (the Cayman Islands government has no "Official Receiver" to discharge these functions as there is in Hong Kong and elsewhere) their fees would be at minimum HK$250,000 with a possible maximum of HK$1 million. They cannot be more precise because they do not have access to the relevant records and information and it cannot be gauged at the present time the amount of work which will have to be put into uncovering the activities which have been going on but in all fairness it is most likely that the amount of work they would have to do can be reckoned as substantial.

Whoever petitions to wind up this company will be faced with this expense if they apply for the appointment of a provisional liquidator and in any event the liquidator can look to the petitioning creditor for his expenses if the assets of the company are insufficient to cover them. These sort of fees may clearly impose upon the petitioning creditor a very substantial financial burden.
Tactics

Accordingly, as a preliminary step it seems advisable to ascertain as much information as possible regarding the assets and liabilities of the company. If assets can be traced and they are relatively accessible then they can be used by the provisional liquidator/liquidator to pay his expenses in priority to the creditors. Though it might mean the petitioning creditors putting up expenses to begin with they can do so in the fairly safe knowledge that eventually these expenses should be repaid assuming the assets are eventually collected.

It appears to us that there is one way to ascertain what the assets and liabilities of Nugan Hand Bank might be and that is pursuant to the companies regulations in the Cayman Islands by obtaining the appointment of an inspector appointed by the Government there to look into these particular aspects. Clearly the expense involved and the work involved in obtaining this initial report will be greatly assisted by the fact that (1) the provisional liquidator in Hong Kong will already have done a considerable amount of work along the same lines, (2) some of the records are with the police in Singapore, (3) the provisional liquidator of Nugan Hand Ltd. in Australia may be prepared to assist and (4) any records with Price Waterhouse & Co. may also be inspected.
At the same time as persuading the Government in the Cayman Islands to initiate this inspection it may be possible to persuade them also, when the report is available, to wind up the company themselves and take the financial responsibility bearing in mind that it is largely their "system" which has given rise to the way in which the misappropriation of funds and the frauds which are alleged to have occurred took place. It might well be that they have not been pressured sufficiently so far to do this. Clearly if the financial burden can be shifted on to them then so much the better for all of the creditors.

If they are prepared only to go so far as to obtaining the aforesaid report and they are not prepared to wind up the company at least the creditors should be in a better position to know whether it is worthwhile to proceed.

We cannot emphasize enough that a number of difficulties exist in adopting this course but as we now represent over 80 creditors who are together owed a very substantial sum we are of the firm view that this pressure group should be enough to persuade the Government in the Cayman Islands to start the ball rolling.
Costs

If the Government is prepared to do the whole thing that is order the report and wind up the company, then the only expense involved should be as estimated hereunder:

- Our representative preparing for and visiting Cayman Islands for approximately 8 days: HK$ 90,000
- Legal fees in the Cayman Islands: 15,000
- Travelling expenses: 15,000
- Allowance for unexpected items: 15,000

Total: HK$135,000

Of this sum, our present clients have contributed $60,000 and the amount owed to them by Nugan Hand Bank is approximately HK$5 million.

We shall therefore need a further HK$75,000 which represents approximately 1% of the investment of each of the depositors whom you represent.

Having obtained the report or not having obtained it as the case may be, it will then be necessary to decide whether to proceed with the winding up of the company. By presenting a petition but not appointing a provisional liquidator the only additional costs to those above would be the legal fees of the lawyers in the Cayman Islands to do the necessary legal work for this purpose and our fees for liaising with them. Assuming the petition is not opposed then we would estimate their fees would amount
to some HK$30,000 to HK$40,000. Assuming the petition is opposed then we can only say that the legal fees there would probably not be less than between HK$50,000 to HK$80,000. If the petition is successful then a proportion of these fees should be recovered out of any assets that there may be in the company.

If it is decided to present a petition and to appoint a provisional liquidator then on top of the fees referred to above for Messrs. [Name] and the aforesaid $135,000 and as set out in the previous paragraph there would of necessity be the additional legal costs of the lawyers in the Cayman Islands and it would probably be reasonable to expect their fees to be HK$20,000 more than as stated above for dealing with the appointment of a provisional liquidator.

As to our additional legal costs in dealing with these matters on your behalf then we can only estimate these as being relatively minimal depending on the amount of advice we would have to give from time to time. In this capacity we should be virtually a go-between between yourself and the lawyers in the Cayman Islands.
If at any time the liquidator runs short of funds he is entitled to look to the creditors. If no funds are forthcoming this will obviously reflect on the efforts he puts into the progress of the liquidation.

Subsequent to the winding up order there would undoubtedly be regular meetings of creditors when the liquidators would tell the creditors the present situation and decision would be made on future conduct of the liquidation. A proxy can be appointed to attend.

If lawyers in the Cayman Islands are appointed proxies then their fees would be based on their attendance at the meeting and reporting to you thereafter.

Note: the legal points herein are based on English law. We are advised by Cayman Islands lawyers that their laws are in essence the same as English law.
May 16, 1980

Dear

NUGAN HAND BANK

In accordance with your request I summarise the results of our investigations carried out in relation to Nugan Hand Bank.

FACTS

You have been appointed to act on behalf of a group known as the MID-EAST CHARTER GROUP which has been formed to collectively seek recovery of monies deposited with Nugan Hand International Private Bankers and its affiliates. The Charter presently consists of 64 members, each member having executed a power of attorney in your favour for the above purpose. On April 12, 1980 Nugan Hand's offices in Al Khobar were unexpectedly vacated and no record can be found of the Charter's deposits or the location to which the deposits were sent. The 64 members of the Charter have deposited amounts totalling US$1,358,499.30

INVESTIGATIONS

We have found little evidence to date of Nugan Hand bank carrying on business in Sydney. A Nugan Hand leaflet supplied by you refers to the organisation having banking facilities in Sydney with Nugan Hand Limited.
Messrs.________________ were appointed provisional liquidators of Nugan Hand Limited on April 18, 1980. It has been alleged that the company is insolvent and that various funds belonging to the Nugan Hand Group have been embezzled. Mr. Frank Nugan, a principal of the Nugan Hand Group of companies was found dead in suspicious circumstances on January 27, 1980. A Coroner's Inquest into the death of Mr. Nugan has yet to be concluded.

Although the Corporate Affairs Commission of New South Wales has been investigating the affairs of Nugan Hand Limited for a number of months the senior investigator carrying out the investigation,________________ has informed us that he has so far not found any evidence of the movement of monies deposited with Nugan Hand Bank. I note that you have conferred directly with________________ and informed him of the interests of the charter and supplied him with material brought with you from Al Khobar.

I have made arrangements for you to see________________ today to inform him of the interests of the charter so that those interests may be noted in so far as they become relevant to the affairs of Nugan Hand Limited.

It appears that a significant part of the business of Nugan Hand Bank was carried out in Hong Kong as monies can be deposited there without restriction.________________ of our Hong Kong Office has been acting on behalf of other creditors of the Nugan Hand Group and has commenced proceedings there against a number of companies in and affiliates of the Nugan Hand Group. I understand that a provisional liquidator of the Bank has been appointed in Hong Kong and that the appointment of a liquidator will be sought tomorrow in Hong Kong. I have also given you details of arrangements being made in Hong Kong to take proceedings against the Bank in the Cayman Islands.

A note of our costs to date in this matter is enclosed for your kind attention.

Yours sincerely,
Meeting with Official Receiver

Present:

) Official Receiver's department

explained his situation and related his meeting with in Australia, the events in Saudi Arabia and the documents obtained.

variously made the following points:

1. they had obtained the co-operation of the FBI in securing in Miami the records had taken to the U.S. They expected these records to be returned to Hong Kong.

2. they had had a meeting with one of the provisional liquidators of Nugan Hand Limited but they were not very satisfied with his attitude which seemed to be to reach an early settlement by selling off available assets rather than pursuing claims to recover assets. He was appointed on the company's own petition.

3. they wanted to appoint as their agent when visiting the Cayman Islands as they thought that armed with their authority better co-operation might be achieved with the Government there.

4. they were getting a full picture of the liabilities but not the assets. Nugan allegedly was taking the books to the Cayman Islands for auditing but he died. The books may never have got there. cannot carry out his promised audit without the books.
5. the lawyers in the Cayman Islands acting for Nugan Hand are not co-operating voluntarily.

6. it is believed that the holding company in Hong Kong is the shareholder in... It is not known which companies are shareholders in Nugan Hand Bank because of the secrecy laws in Cayman Islands. There is a holding company in Australia.

7. telexes to... have not been answered.

8. there is a bank account at Irving Trust, New York. Pressure will be put on Irving Trust in Hong Kong to reveal the state of the account.

9. it is believed Nugan Hand funds were used to purchase a bank in England.

10. until... explained his story they did not know funds had been collected in Saudi Arabia.

11. there is a connection with Panama which is being investigated.

12. various declarations of trust make the beneficial interests in the companies difficult to determine.

13. they have been to Singapore to look at the accounts.

14. they were investigating whether "investments" were made in Hong Kong.

15. there might be funds in bank accounts in Hong Kong which they did not yet know of.

16. the major task was tracing where the funds have gone.
further explained:

1. the ANZ deposit certificate and its importance.

2. [cheque paid to Wing On Bank a/c Nugan Hand Bank.] said he felt this sort of business was "banking" but the Commissioner of Banking disagreed.

3. he had made a statement to the Corporate Affairs Commission.

4. that he would copy all of the Saudi Arabian files and send them over.

5. that in Australia the losses were variously stated to be between $80 million and $400 million.

6. the role played in Saudi Arabia by [how they had been to a symposium in Singapore (but in reality had attended Nugan's funeral), how Nugan's death had been explained away, how the Associated Press report of the "run" was explained.]
R 230810Z JUL 80
FM HONG KONG (55-4)
TO DIRECTOR ROUTINE 254-22
BY
UNCLAS E F T O
WHEN HAND BANK, FPC.

FBIHQ PLEASE PASS TO MIAMI (163-2191).

REBUTEL JULY 21, 1980, WHICH RELAYED MIAMI TELETYPE JULY 18, 1980

PLEASE ADVISE THAT

IS AGREEABLE TO METHOD AND TERMS OF RETURN
SHIPMENT, AS SET OUT IN RETEL.

MIAMI, AT MIAMI, FLORIDA:

AFTER IS ADVISED AS ABOVE, PLEASE FURNISH LEGAT,
HONG KONG, WITH DETAILS OF SHIPMENT.

BT

163-456-14-29

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED 308.5(b)
DATE 216/90 BY:RBC/DOS3
R 270510Z JUL 80
FM AMCONSUL DHAHRAN
TO SECSTATE WASHDC 8258
DEPARTMENT OF JUSTICE WASHDC
DEPARTMENT OF TREASURY WASHDC
INFO USDOC WASHDC
AMEMBASSY CANBERRA
AMCONSUL HONG KONG
AMEMBASSY JIDDA
USL RIYADH
AMEMBASSY SINGAPORE
AMCONSUL SING APOR

UNCLAS SECTION 1 OF 2 DHAHRAN 1458

EO 12065: N/A
TAGS: BBK, EFIN, AS, SA, HK, SN
SUBJECT: NUGAN HARD BANK

REF: (A) DHAHRAN 0655 (NOTAL) (B) SYDNEY 2185 (C) HONG KONG 9976 (D) SINGAPOR 4618
1. **SUMMARY:** MID-EAST CHARTER GROUP, AN INFORMAL ASSOCIATION OF AMERICAN CITIZENS EMPLOYED IN SAUDI ARABIA, HAS REQUESTED THE CONGEN'S ASSISTANCE IN IDENTIFYING USG AGENCIES WHICH IT MIGHT APPROACH IN EFFORTS TO SECURE RECOVERY OF THEIR FUNDS INVESTED WITH NUGAN HAND BANK AND TO COOPERATE IN PROCESURING OFFICERS OF THE BANK. THIS GROUP REPRESENTS 97 AMERICANS WHO HOLD NUGAN HAND CERTIFICATES OF DEPOSITS WITH AGGREGATE VALUE OVER $2.5 MILLION. THE NUMBER OF AMERICAN VICTIMS IN THIS AREA AND THE TOTAL VALUE OF UNCLASSIFIED
THEIR INVESTMENTS IN THIS REPORTEDLY FRAUDULENT BANK ARE BELIEVED TO BE CONSIDERABLY GREATER. EXPRESSED HOPE THAT USG AGENCIES WILL FIND GROUNDS FOR ACTION IN VIEW OF THE NUMEROUS AMERICANS IN NUGAN-HAND OPERATIONS AND THE LIKELIHOOD THAT SOME OF ITS ASSETS ARE UNDER U.S. JURISDICTION. DEPARTMENTS OF STATE AND TREASURY ARE REQUESTED TO PROVIDE CONGEN GUIDANCE FOR RESPONDING TO THE MID-EAST CHARTER GROUP. END SUMMARY

2. REFTELS ON SUBJECT BANK REVEAL WHAT APPEARS TO BE AN EXTENSIVE INTERNATIONAL FRAUD BASED ON RECEIVING DEPOSITS AND SELLING CD'S WITH OFFERS OF HIGH INTEREST EARNINGS, WITH PROCEEDS SIPHONED INTO PERSONAL ACCOUNTS AND HOLDINGS OF KEY PRINCIPALS. THIS "STING" OPERATION WAS CARRIED OUT WITH SUBSTANTIAL MEDIA AND PERSONAL CONTACT PROMOTIONS NOT UNLIKE MUTUAL FUND FRAUDS OF THE 1960'S THE MYSTERIOUS SHOOTING OF MR. NUGAN, THE DISAPPEARANCE OF AND OTHER PRINCIPALS AND THE RESULTS OF INVESTIGATIONS BY AUTHORITIES IN AUSTRALIA, HONG KONG AND SINGAPORE INDICATE THAT PROSECUTION COULD BE DIFFICULT AND LENGTHY.
AMERICAN VICTIMS IN THE EASTERN PROVINCE OF SAUDI ARABIA BELIEVE THE U.S. GOVERNMENT SHOULD ASSUME A MORE ACTIVE ROLE IN TRACKING THE BANKS' PRINCIPALS AND SECURING RETURN OF THEIR MONIES. WITH THIS OBJECTIVE IN MIND, HAVE APPROACHED THE CONGEN IN APRIL 1980 FOR ADVICE AND ASSISTANCE. THE CONGEN WAS ABLE TO IDENTIFY FOR THEM THE SAUDI SPONSOR DIHAN AL-AMEERY OF NUGAN HAND REPRESENTATIVES, HERE, AND IN A CALL ON LOCAL MONETARY AUTHORITIES (SAMA), LEARNED THAT THE BANK WAS NOT LICENSED TO OPERATE IN SAUDI ARABIA. THE ECONOFF SUGGESTED THEY FORM AN UNCLASSIFIED
INFORMAL ORGANIZATION AND SEEK LEGAL COUNSEL. SUCH AS ORGANIZATION, CALLED THE OID-EAST CHARTER GROUP, WAS ESTABLISHED UNDER A CHARTER DATED MAY 6. MEMBERSHIP REACHED 97 AMERICANS BY JULY 15. OFFICERS WERE ELECTED, DOCUMENTS AND ASSESSMENTS WERE COLLECTED AND

4. VISITED AUSTRALIA, SINGAPORE AND HONG KONG WHERE HE PROVIDED LOCAL AUTHORITIES WITH COPIES OF NUGAN HAND RECORDS AND OTHER EVIDENCE OBTAINED HERE AND GAVE ORAL TESTIMONY. IN SYDNEY HE ENGAGED ATTORNEY OF AND IN HONG KONG HE WAS ENCOURAGED TO LEAN IN HONG KONG THAT THE FBI ASSISTED THE KHG IN THE RETURN FROM MIAMI OF SOME OF THE BANK'S RECORDS TAKEN THERE BY A FORMER DIRECTOR.
UNCLASSIFIED

PAGE 01
DHAHRAN 01458 02 OF 02 271321Z POSS DUPE
ACTION OCS-06

INFO OCT-01 EA-12 NEA-07 ADS-00 CA-01 L-03 EB-08
COME-00 TRSE-00 FBIE-00 FTC-01 SY-05 SYE-00
CIAE-00 INR-10 NSAE-00 JUS-01 /055 W

-----------------103203 WU1917Z /40

R 270510Z JUL 80
FM AMCONSUL DHahrAN
TO SECSTATE WASHDC 8259
DEPARTMENT OF JUSTICE WASHDC
DEPARTMENT OF TREASURY WASHDC
INFO USDOC WASHDC
AMEMBASSY CANBERRA
AMCONSUL HONG KONG
AMEMBASSY JIDDA
USLO RIYADH
AMEMBASSY SINGAPORE
AMCONSUL SYDNEY

UNCLAS SECTION 2 OF 2 DHAHRAN 1458
5. **Visited CONGEN again in mid-July and requested further assistance in enlisting support of Washington agencies in investigating and prosecuting alleged NUGAN HAND conspiracy to defraud depositors and investors.** He provided copies of various documents, press clippings and other material which the CONGEN is air pouching to [Redacted]. Among items is a Jan 20, QOIPN list of the bank's personnel and code numbers. Those shown at U.S. locations are: [Redacted] Another item shows photographs and names of 20 key officers at 12 world-wide locations. Figure prominently on that item. An article from the [Redacted]
MELBOURNE AGE OF MAY 2, 1980, REPORTS THAT A BUSINESS CARD OF FORMER CIA DIRECTOR WILLIAM COLBY WAS FOUND WITH THE BODY OF FRANCIS J. NUGAN ON JANUARY 27, 1980. THE ARTICLE ADDS MR. COLBY ACKNOWLEDGED BEING LEGAL REPRESENTATIVE FOR NUGAN HAND BANK IN THE U.S. THERE IS REFERENCE IN ANOTHER DOCUMENT OF AN ACCOUNT AT IRVING TRUST, NEW YORK. IN A MAY 31 LETTER TO THE U.S. TREASURY DEPARTMENT IDENTIFIED THREE AMERICANS WHO REPRESENTED NUGAN HAND IN SAUDI ARABIA AND WHO ARE GEORGIA RESIDENTS (ONE, REPORTEDLY IS OF SAINT SIMON ISLAND, GA)

6. COMMENT: SEEM INTERESTED PRIMARILY IN RECOVERING THEIR DEPOSITS. IF, HOWEVER, PROGRESS IS NOT REALIZED SOON (WHICH IS LIKELY DUE TO FRAGMENTATION OF JURISDICTIONS IN THE CASE AND DIFFICULTY IN LOCATING PRINCIPALS AND ASSETS) WE BELIEVE THEY WILL RESORT TO LETTERS TO U.S. CONGRESSMEN AND MEDIA. AT THEIR REQUEST THE CONGEN PROVIDED A LIST OF CONGRESSMEN. MATERIALS THEY PROVIDED (POUCHED) ON NUGAN HAND REPRESENTATION IN THE U.S. CONTAIN LEADS FOR INVESTIGATION OF POSSIBLE VIOLATION OF U.S. LAWS.
7. ACTION REQUESTED: THE CONGEN WOULD APPRECIATE GUIDANCE FOR RESPONDING TO MID-EAST CHARTER GROUP. CONGEN WOULD, IN PARTICULAR, LIKE TO KNOW OF ANY INTEREST BY TREASURY, JUSTICE OR OTHER DEPARTMENTS/ AGENCIES TO WHICH THE GROUP MIGHT SUBMIT INFORMATION AND OF THE STATUS OF TREASURY DEPARTMENT'S REPLY TO LETTER OF MAY 31 (ADDRESS TO THE OFFICE OF THE ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS—RETURN RECEIPT DATED JUNE 5).

EALUM

UNCLASSIFIED
FM DIRECTOR FBI
TO FBI MIAMI ROUTINE
BT
UNCLASSIFIED
NUGAN HAND BANK, FPC

BY TELETYPE JULY 23, 1980, LEGAT, HONG KONG REQUESTED THAT YOU ADVISE WHETHER IT IS AGREEABLE TO METHOD AND TERMS OF RETURN SHIPMENT, AS SET OUT IN REFERENCED TELETYPE.

MIAMI, AT MIAMI, FLORIDA:

AFTER IT IS ADVISED AS ABOVE, PLEASE FURNISH LEGAT, HONG KONG, WITH DETAILS OF SHIPMENT.

DO NOT TYPE MESSAGE BELOW THIS LINE

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 21 JUL 80 BY SPEGALLs
Memorandum

TO: Director, FBI

FROM: Legal Attache, HONG KONG (55-4) RUC

SUBJECT: NUGAN HAND BANK

DATE: 9/18/80


Dissemination, as outlined below, was made on dates indicated.

___ copies of

[] Pertinent information from referenced Butel.

Name and Location of Agency

Date Furnished

9/18/80

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

RE BUREAU TEL TO MIAMI, JULY 28, 1980.

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG THE FOLLOWING INFORMATION:

ADvised MIAMI SA ON SEPTEMBER 4, 1980, THAT AFTER CONFERRING WITH HIS ATTORNEY, HE PLANS TO CORRESPOND DIRECTLY VIA LETTER TO CONCERNING

METHOD AND TERMS OF RETURN SHIPMENT OF NUGAN HAND BANK RECORDS.

THE BUREAU IS REQUESTED TO RELAY THE ABOVE-INFO TO LEGAT, HONG KONG.

ADMINISTRATIVE:

DEClassified BY SPECIAL DMS ON 2161980 308 506

59 SEP 23 1980
INASMUCH AS [REDACTED] WILL NOW BE IN DIRECT CONTACT WITH HONG KONG OFFICIALS, MIAMI DIVISION IS CLOSING ITS FILE IN THIS MATTER. C AND E BY [REDACTED], REASON 1, DRD SEPTEMBER 4, 2000.

BT
MESSAGE RELAY VIA TELETYPEx

<table>
<thead>
<tr>
<th>DATE</th>
<th>CLASSIFICATION</th>
<th>PRECEDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEPT. 5, 1980</td>
<td>CONFIDENTIAL</td>
<td>ROUTINE</td>
</tr>
</tbody>
</table>

FM DIRECTOR FBI

TO LEGAT, HONG KONG

<table>
<thead>
<tr>
<th>The President</th>
<th>Nuclear Regulatory Commission</th>
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</thead>
<tbody>
<tr>
<td>The Vice President</td>
<td>Department of Energy</td>
</tr>
<tr>
<td>White House Situation Room</td>
<td>Department of Treasury</td>
</tr>
<tr>
<td>Attn: National Security Council</td>
<td>Attn: U. S. Customs</td>
</tr>
<tr>
<td>Department of the Air Force (APOS)</td>
<td>Department of Treasury</td>
</tr>
<tr>
<td>Attn: Bureau of Alcohol Tobacco &amp; Firearms</td>
<td></td>
</tr>
<tr>
<td>Department of the Army</td>
<td>Department of Transportation</td>
</tr>
<tr>
<td>Attn: Director of Security</td>
<td></td>
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<tr>
<td>National Security Agency</td>
<td>Drug Enforcement Administration</td>
</tr>
<tr>
<td>(DIRNSA/NSOC (ATTN: SOO))</td>
<td>General Services Administration (WASHDC area, specify office)</td>
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<table>
<thead>
<tr>
<th>Director, Defense Intelligence Agency</th>
<th>(Other Areas, specify CITY/STATE)</th>
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</thead>
<tbody>
<tr>
<td>Director CIA</td>
<td>Federal Aviation Administration</td>
</tr>
<tr>
<td>Attn: Executive Protective Service</td>
<td>Federal Protective Service</td>
</tr>
<tr>
<td>U. S. Secret Service (PID)</td>
<td>Secretary of State</td>
</tr>
<tr>
<td>Attn: Director Bureau of Intelligence &amp; Research</td>
<td></td>
</tr>
<tr>
<td>ZEN/U. S. Postal Service</td>
<td>Attn: SCA - VISA Office</td>
</tr>
<tr>
<td>Attn: Chief Postal Inspector</td>
<td>Room 709 - SA2</td>
</tr>
</tbody>
</table>

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

SUBJECT: NUGAN HAND BANK

FPC

APPROVED BY ORIGINATOR ROOM TELE EXT.
BK/K 4825 4671

DECLASSIFIED BY SP5CA10M5 ON 21/6/80

DO NOT FILE WITHOUT COMMUNICATIONS STAMP
USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.

2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.

3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the "TO" or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator's name, room number and telephone extension.
5. Indicate approval for transmission by initialing the "Approved By" box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype "1 copy made for relay to SACS ______, (OR LEGATS) ______, (OR GOVERNMENT AGENCIES) ______."
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a "Z," figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
RE: BUREAU TEL TO MIAMI, JULY 28, 1980.

THE BUREAU IS REQUESTED TO RELAY TO LEGAT, HONG KONG THE FOLLOWING INFORMATION:

MIAMI SA WAS ADVISED MIAMI S.A. ON SEPTEMBER 4, 1980, THAT AFTER CONFERRING WITH HIS ATTORNEY, HE PLANS TO CORRESPOND DIRECTLY VIA LETTER TO

CONCERNING

METHOD AND TERMS OF RETURN SHIPMENT OF NUGAN HAND BANK RECORDS.

THE BUREAU IS REQUESTED TO RELAY THE ABOVE INFO TO LEGAT, HONG KONG.

ADMINISTRATIVE:
INASMUCH AS [REDacted] WILL NOW BE IN DIRECT CONTACT WITH HONG KONG OFFICIALS, MIAMI DIVISION IS CLOSING ITS FILE IN THIS MATTER.

C AND E BY 1357 REASON 1, DRD SEPTEMBER 5, 2000.
CONFIDENTIAL

NUGAN HAND BANK; FPC

REBUTEL SEPTEMBER 5, 1980.

FBIHQ PLEASE PASS TO MIAMI (163-2191).

ADvised SEPTEMBER 25, 1980,

THAT TO DATE

PLEASE ADVISE CURRENT STATUS.

C&E BY 2000; REASON 1; DRD SEPTEMBER 26, 2000.

DECLASSIFIED BY SPSC 11101990 ON 308.506

5/30
MESSAGE RELAY VIA TELETYPewriter

DATE  CLASSIFICATION  PRECEDENCE
9-26-80  CONFIDENTIAL  ROUTINE

FM DIRECTOR FBI

TO FBI, MIAMI

□ The President
□ The Vice President
□ White House Situation Room
□ Attn: National Security Council
□ Department of the Air Force (AFOSI)
□ Department of the Army
□ Naval Investigative Service
□ Commandant, U.S. Coast Guard
□ National Security Agency (DIRNSA/NSOC (ATTN: SOO))
□ Director, Defense Intelligence Agency
□ Director CIA
□ U.S. Secret Service (PID)
□ Attn: Executive Protective Service
□ ZEN/U.S. Postal Service
□ Attn: Chief Postal Inspector
□ Nuclear Regulatory Commission
□ Department of Energy
□ Department of Treasury
□ Attn: U.S. Customs
□ Department of Treasury
□ Attn: Bureau of Alcohol Tobacco & Firearms
□ Department of Transportation
□ Attn: Director of Security
□ Drug Enforcement Administration
□ General Services Administration (WASHDC area, specify office)
□ (Other Areas, specify CITY/STATE)
□ Attorney General
□ Deputy AG
□ Attn: Emergency Programs Center
□ Assistant AG, Civil Rights Div.
□ Assistant AG, Criminal Div.
□ Attn: Internal Security Section
□ Attn: General Crimes Section
□ Assistant AG for Administration
□ Attn: Security & Administrative Services Staff
□ Immigration & Naturalization Service
□ Federal Aviation Administration
□ Federal Protective Service
□ Secretary of State
□ Attn: Director Bureau of Intelligence & Research
□ Attn: SCA - VISA Office
□ Room 709 - SA2

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION)

SUBJECT:

SEE ATTACHED.

APPROVED BY  ORIGINATOR  ROOM  TELE EXT.

163-45617

4644/5

4696/232

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

DECLASSIFIED BY SPSCI 10/90
ON 2/1/1980 308.506
USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.

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PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the “TO” or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator’s name, room number and telephone extension.
5. Indicate approval for transmission by initialing the “Approved By” box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

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4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
CONFIDENTIAL

ATTENTION INTL. CI-38 UNIT.

ATTENTION HANIT BANK, FPC.

RE MIAMI TELE TYPE TO BUREAU, SEPTEMBER 4, 1980, AND BUREAU TEL TO MM, SEPTEMBER 6, 1980.

FOR INFO OF THE BUREAU ND LOUISVILLE, AND H. S. S. SOLD HIS RESIDENCE IN MIAMI AND RELOCATED TO OF OCTOBER 3, 1980.


PON RE: EST OF
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P RE T 0 MM

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H S

RESPONDED

TO

AS OF SEPTEMBER 4,

AGREED TO MAKE INDEPENDENT ARRANGEMENTS DIRECT WITH

1980,

TO RETURN SHIP ONE BOX OF RECORDS AND TO ADVISE

OF

THE METHOD AND TERMS OF THE RETURN SHIPMENT OF NUGAN HAND BANK

RECORDS.

AS OF SEPTEMBER 26,

1980, IT IS APPARENT THat|

INASMUCH AS THE SECOND

HAS NOT BEEN IN CONTACT WITH

REFERENCED TELETYPE REQUESTED MIAMI TO RECONTACT

AND

rDVISE OF THE CURRENT ST T S OF THE PLANNED RETURNED SHIPMENT OF
1

RECORDS.
THE BUREAU IS REQUESTED TO RELAY TO LEGAT HONG KONG THAT
AS OF OCTOBER 3,

HAS RELOCATED TO LEXINGTON,

1980,

KENTUCKY, AND THAT THE LOUISVILLE FBI OFFICE WILL MAKE EFFORTS TO

DETERMINE STATUS OF SHIPMENT.

LOUISVILLE AT LEXINGTON

'KENTUCKY WILL LOCATE AND INTERVIEW

AND DETERMINE IF HE plans TO

AT

RETURN SHIP RECORDS TO
DE L DIRECTLY

,

ITH

AND IF HE CONTINUES TO DE SIRE TO

CONCERNING THE RETURN SHIPMENT.

WILL


THEREAFTER ADVISE THE BUREAU OF RESULTS THAT THE REQUEST OF THE BUREAU FOR THOSE RESULTS BE FORWARD TO LEGAT HONG KONG.

C AND E BY 127, REASON 1, DRD OCTOBER 7, 2000.

BT
RE: MIAMI Teletype to the Bureau, October 7, 1980.

On October 15, 1980, [Redacted] advised that with regard to record in question, he considers all of these records to be personal. However, he has inventoried these records and has or will furnish a list to officials in Hong Kong through and by his attorney.

[Redacted] advised that he will await response from Hong Kong with regard to what records officials there consider not to be personal and depending upon advice from his attorney, who will coordinate the

[Redacted]

DECLASSIFIED BY: [Redacted]
ON: 21 Oct 1990
MATTER WITH HONG KONG OFFICIALS, AND WILL FORWARD REQUESTED RECORDS. FEELS THAT HE REQUIRES RECORDS IN QUESTION TO GAIN REIMBURSEMENT FOR LEGAL FEES CAUSED BY CAPTIONED BANK.

C & E BY 544, REASON 1, DRD OCTOBER 23, 2008.

BT

#001

HOLD FOR ONE
TO: DIRECTOR, FBI
FROM: LEGAT, HONG KONG (55-4) (P)
SUBJECT: NUGAN HAND BANK

Re: HONONTel to Bureau, 9/26/80.

Enclosed for FBIHQ and recipient offices is a CONFIDENTIAL memorandum dated 9/29/80 received from the

Relating to captioned matter. (x)

Honolulu, at Guam, if possible, is requested to furnish whatever information obtainable, if any, to Legat, Hong Kong, for passage (U)

CONFIDENTIAL
Classified and Extended by 2008
Reason for Extension FCIM II, 1-2.4.2 (1)
Date of Review for Declassification 10/3/2010

6 - Bureau (Enc-3)
(1) - Honolulu (Att: Guam Resident Agent)
(2) - Miami, 163-2191)
1 - Hong Kong
REG: vmm (7)

AIRTEL

CONFIDENTIAL MATERIAL ATTACHED

Approved: ____________________ Transmitted __________ (Number) __________ (Time) Per

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDELINES
DATE 11/7/2012
**MESSAGE RELAY VIA TELETYPE**

<table>
<thead>
<tr>
<th>DATE</th>
<th>CLASSIFICATION</th>
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</tr>
</thead>
<tbody>
<tr>
<td>10-21-80</td>
<td>UNCLASSIFIED</td>
<td>ROUTINE</td>
</tr>
</tbody>
</table>

FM DIRECTOR FBI

TO LEGAL ATTACHE, HONG KONG

- The President
- The Vice President
- White House Situation Room
  - Attn: National Security Council
- Department of the Air Force (AFOSI)
- Department of the Army
- Commandant, U.S. Coast Guard
- National Security Agency (DIRNSA/NSOC (ATTN: SOO))
- Director, Defense Intelligence Agency
- Director CIA
- U.S. Secret Service (PID)
  - Attn: Executive Protective Service
- ZEN/U.S. Postal Service
  - Attn: Chief Postal Inspector
- Nuclear Regulatory Commission
- Department of Energy
- Department of Treasury
  - Attn: U.S. Customs
- Department of Treasury
  - Attn: Bureau of Alcohol Tobacco & Firearms
- Department of Transportation
  - Attn: Director of Security
- Drug Enforcement Administration
- General Services Administration (WASHDC area, specify office)
- (Other Areas, specify CITY/STATE)
- Federal Aviation Administration
- Federal Protective Service
- Secretary of State
  - Attn: Director Bureau of Intelligence & Research
  - Attn: SCA - VISA Office Room 709 - SA2
- Attorney General
- Deputy AG
  - Attn: Emergency Programs Center
- Assistant AG, Civil Rights Div.
- Assistant AG, Criminal Div.
  - Attn: Internal Security Section
  - Attn: General Crimes Section
- Assistant AG for Administration
  - Attn: Security & Administrative Services Staff
- Immigration & Naturalization Service

(Service also available to government agencies not listed. Contact Communications Center for addressing information)

SUBJECT:

SEE ATTACHED.

163-45612-88

APPROVED BY ORIGINATOR |
EMS: jyl ROOM 4644/5 TELE EXT. 4696/232

20 NOV 4 1980

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

DECLASSIFIED BY SPECS, 10MS ON 2/16/90 308, 506

FBI/DOJ
USE OF FORM 0-73

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4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.
BY TELETYPE DATED OCTOBER 20, 1980, SAC, LOUISVILLE ADVISED RE MIAMI TELETYPE TO THE BUREAU, OCTOBER 7, 1980.

AS FOLLOWS:

ON OCTOBER 15, 1980,

ADVISED THAT WITH REGARD TO RECORDS IN QUESTION, HE CONSIDERS ALL OF THESE RECORDS TO BE PERSONAL. HOWEVER, HE HAS INVENTORIES THESE RECORDS AND HAS OR WILL FURNISH A LIST TO OFFICIALS IN HONG KONG THROUGH AND BY HIS ATTORNEY.

ADVISED THAT HE WILL AWAIT RESPONSE FROM HONG KONG WITH REGARDS TO WHAT RECORDS OFFICIALS THERE CONSIDER NOT TO BE PERSONAL AND DEPENDING UPON ADVICE FROM HIS ATTORNEY, WHO WILL COORDINATE THIS
MATTER WITH HONG KONG OFFICIALS, AND WILL FORWARD REQUESTED RECORDS. FEEL S THAT HE REQUIRES RECORDS IN QUESTION TO GAIN REIMBURSEMENT FOR LEGAL FEES CAUSED BY CAPTIONED BANK.

C & E BY 547, REASON 1, DRD OCTOBER 24, 2000.
Re Legat, Hong Kong airtel to Bureau, 10/3/80, requesting investigation to determine if
visited Guam in May, 1980.

U.S. Immigration and Naturalization Service, Agana, Guam, advised a review of
records failed to reveal any information concerning either
further
advised his office does not maintain records of foreign
visitors who reside on Guam for only a short period of time.

Records of Guam Department of Public Safety were
reviewed and no information identifiable with
was located.

Guam Department of Customs and
Quarantine, advised a thorough review of records revealed
arrived on Guam 5/23/80 on Continental
Airlines Flight 656 for an indicated one day visit where she
would be residing at listed
her home address at
and the purpose of the visit as "pleasure"
advise no record was located for the name

For information, has recently been sold and is now known as
All records had been removed for storage at
Agana, Guam.

On 1/31/81, Agana, Guam, advised the hotel records for May, 1980, were apparently lost in the "mass of confusion" caused by a recent move of the hotel records to
She advised she would continue her efforts, and if the records for May, 1980 are located she would immediately advise the FBI.

In view of the above, Honolulu conducting no additional investigation at this time. However, if records for May, 1980 are located, any additional information will immediately be furnished to the Bureau for appropriate dissemination to Legat, Hong Kong.
Memorandum

TO: Director, FBI (Legal Attache, HONG KONG (55-4)

FROM: Legal Attache, HONG KONG (55-4)

SUBJECT: NUGAN HAND BANK FPC

Reference: Butel, 10/21/80.

Dissemination, as outlined below, was made on dates indicated.

Copies of

Pertinent information from referenced Butel.

Name and Location of Agency

Date Furnished

10/23/80

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan
TO: DIRECTOR, FBI
(ATTN: FOREIGN LIAISON UNIT)
FROM: LEGAT MANILA (163-357) (C)
SUBJECT: NUGAN HAND BANK
FPC

Re Honolulu airtel to the Bureau, 2/3/81.

Enclosed for the Bureau are two copies of American Consulate, Sydney telegram # 1188, dated 4/3/81, classified limited official use. Telegram received at Manila 4/8/81.

Enclosure outlines interest in FBI, U.S. Customs Service and Internal Revenue Service information concerning captioned bank by court appointed liquidator of defunct Nugan Hand Companies.

Enclosure contains American Consulate, Sydney request that Department of State provide guidelines. Inasmuch as FBIHQ likely will be contacted by Department of State, enclosure is provided for Bureau assistance.

Foreign Liaison Unit requested to assure enclosure is provided to FBIHQ personnel interested in this matter.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED.

DATE 2/16/81
2 - Bureau (Enc. 2)
1 - Manila
JHG:jss
(3)

Approved: __________________________ Sent ___________ M Per ______
Special Agent in Charge

GPO: 1970 O - 402-735
E.O. 12065: N/A
TAGS: 1 00, PRFR, FINV, AS
SUBJECT: REQUEST FOR INFORMATION ON NUGAN HAND CASE

1. THE COURT APPOINTED LIQUIDATOR OF THE DEFUNCT NUGAN HAND COMPANIES WISHES TO OBTAIN INFORMATION RELATING TO THOSE COMPANIES FROM US CUSTOMS, THE FBI AND THE IRS. AS A FIRST STEP, WE WOULD LIKE TO HAVE THE NAMES AND ADDRESSES OF OFFICIALS FROM THOSE AGENCIES WHO MAY BE ABLE TO ASSIST HIM. THE REQUEST, IN A LETTER FROM (WHO IS WITH SYDNEY) TO [INFORMATION]

BANGKOK FOR DFA
HONG KONG FOR CUSTOMS REPRESENTATIVE
MANILA FOR LEGATT

E.0. 12065: N/A
TAGS: 1 00, PRFR, FINV, AS
SUBJECT: REQUEST FOR INFORMATION ON NUGAN HAND CASE

RE: NUGAN LIMITED (IN LIQUIDATION) FORMERLY NUGAN HAND LIMITED, YORKVILLE NOMINEES PTY LIMITED (IN LIQUIDATION), NUGAN HAND INTERNATIONAL HOLDINGS (IN LIQUIDATION)

FOLLOWING MY TELEPHONE CONVERSATION WITH YOUR OFFICE, I AM GRATEFUL FOR THE OPPORTUNITY OF MEETING WITH YOU AND DISCUSSING MATTERS IN RELATION TO THE AFFAIRS OF THE ABOVE COMPANIES OF WHICH I WAS APPOINTED OFFICIAL LIQUIDATOR BY THE NEW SOUTH WALES SUPREME COURT LAST JULY. FOR YOUR RECORDS A COPY OF THE RESPECTIVE COURT ORDERS OF MY APPOINTMENT ARE ATTACHED.

MY FUNCTION AS LIQUIDATOR IS TO ACT FOR THE ORDINARY UNSECURED CREDITORS IN THE RECOVERY OF WHATEVER ASSETS AND FUNDS ARE AVAILABLE. THIS INCLUDES INVESTIGATING THE AFFAIRS OF THE COMPANIES IN ORDER TO DISCOVER ASSETS WHICH MAY NOT BE READILY IDENTIFIED IN THE RECORDS AS WELL AS REALISING KNOWN ASSETS AND PAYING A DIVIDEND TO CREDITORS.

DURING THE COURSE OF MY PRELIMINARY INVESTIGATIONS, I HAVE BEEN INFORMED THAT VARIOUS OFFICES OF THE UNITED STATES GOVERNMENT HAVE CONDUCTED INQUIRIES INTO THE COMPANIES IN LIQUIDATION OVER A PERIOD OF YEARS PRECEDING THE WINDING UP AND IN MORE RECENT TIMES HAVE INTERVIEWED FORMER OFFICERS OF THE COMPANIES.

SPECIFICALLY, I AM REFERRING TO INQUIRIES BY THE AMERICAN CUSTOMS DEPARTMENT INTO THE MOVEMENT OF FUNDS
BY THE VARIOUS NUGAN HAND COMPANIES TO AND FROM AUSTRALIA AND THROUGHOUT THE WORLD. I FURTHER UNDERSTAND THAT THIS DEPARTMENT HAS INFORMATION IN BOTH HONG KONG AND WASHINGTON IN RELATION TO THE COMPANIES WHICH MAY BE OF ASSISTANCE TO ME.

IN ADDITION, I UNDERSTAND THAT A UNITED STATES CITIZEN AND ONE OF THE FORMER OFFICERS OF NUGAN HAND, WAS INTERVIEWED BY THE FEDERAL BUREAU OF INVESTIGATION EARLY IN 1980 WHEN CERTAIN RECORDS OF THE COMPANY WERE IMPounded BY THAT AGENCY. I AM INTERESTED TO DETERMINE WHETHER THE RESULTS OF THAT INTERVIEW AND THE RECORDS HELD CAN BE OF ASSISTANCE TO ME.

FINALLY, I HAVE BEEN INFORMED THAT THE UNITED STATES INTERNAL REVENUE SERVICE HAS ALSO CONDUCTED INQUIRIES AND THAT THE HONG KONG OFFICE OF THAT DEPARTMENT TOGETHER WITH THE WASHINGTON OFFICE HAS INFORMATION ON THE AFFAIRS OF THE COMPANIES WHICH MAY BE HELPFUL TO ME.

I TRUST THAT IN THE CIRCUMSTANCES OF THIS MATTER YOU WILL UNDERSTAND THAT I AM OBLIGED TO MAKE THIS APPROACH TO YOU IN THE INTEREST OF THOSE PARTIES FOR WHOM I ACT AS THE DEFICIENCY AT THIS STAGE MAY APPROACH A FIGURE OF $A25,000,000.

IDEALLY WHAT I AM SEEKING FROM YOU ARE THE NAMES AND ADDRESSES OF PERSONS IN HONG KONG AND AMERICA FROM THOSE OFFICES MENTIONED ABOVE AND ANY OTHERS YOU MAY CONSIDER RELEVANT WHO WOULD BE PREPARE TO SEE ME. I WOULD THEN BE ABLE TO ASCERTAIN WHAT INFORMATION MAY BE MADE AVAILABLE TO ME WHICH WOULD ASSIST IN MY OBJECTIVE. LIKewise IF THERE IS ANY INFORMATION FROM MY FILES OR AVAILABLE TO ME WHICH MAY BE OF INTEREST TO YOUR GOVERNMENT OR ITS AGENCIES THEN I AM ONLY TOO HAPPY TO COOPERATE TO THE FULLEST EXTENT POSSIBLE.

MY THANKS IN ANTICIPATION OF YOUR COOPERATION.

YOUR FAITHFULLY

END QUOTE
2. CONGEN COMMENT. WE WOULD LIKE TO SEE AS FORCING A RESPONSE AS POSSIBLE. PUBLICITY IN AUSTRALIA ON THE NUGAN HAND AFFAIR WITH ALLEGATIONS OF DRUG DEALINGS, FRAUD, AND CIA INVOLVEMENT IS HARMFUL TO US AND WE SHOULD NOT BE UNCOOPERATIVE. HOWEVER, THE UNSECURED CREDITORS ON WHOSE BEHALF THE LIQUIDATOR IS WORKING, INCLUDE AMERICAN CITIZENS.

3. WE WOULD APPRECIATE THE DEPARTMENT'S GUIDANCE ON HOW TO PROCEED. CAN CUSTOMS, THE FBI AND THE IRS PROVIDE INFORMATION ON WHOM SHOULD CONTACT? IS THERE INFORMATION IN THESE AGENCIES THAT WOULD BE HELPFUL TO HIM? WHAT PRIVACY ACT AND FREEDOM OF INFORMATION ACT CONSIDERATIONS ARE APPLICABLE? TOLD US HE IS WILLING TO TRAVEL TO THE US TO MEET WITH ANY US OFFICIALS WHO MAY HAVE INFORMATION. WOULD SUCH A TRIP BE ADVISABLE OR NECESSARY? IT WOULD BE HELPFUL IF WOULD COORDINATE A RESPONSE TO THIS MESSAGE FROM THE VARIOUS CONCERNED AGENCIES.
1. THE COURT APPOINTED LIQUIDATOR OF THE DEFUNCT NUGAN HAND COMPANIES, WISFES TO OBTAIN INFORMATION RELATING TO THOSE COMPANIES FROM US CUSTOMS, THE FBI AND THE IRS. AS A FIRST STEP, HE WOULD LIKE TO HAVE THE NAMES AND ADDRESSES OF OFFICIALS FROM THOSE AGENCIES WHO MAY BE ABLE TO ASSIST HIM. THE REQUEST, IN A LETTER FROM SYDNEY TO TO READS AS FOLLOWS:

BEGIN QUOTE:
DEAR SIR:
RE: NUGAN LIMITED (IN LIQUIDATION) FORMERLY NUGAN HAND LIMITED, YORKVILLE NOMINEES PTY LIMITED (IN LIQUIDATION), NUGAN HAND INTERNATIONAL HOLDINGS (IN LIQUIDATION)

FOLLOWING MY TELEPHONE CONVERSATION WITH YOUR OFFICE, I AM GRATEFUL FOR THE OPPORTUNITY OF MEETING WITH YOU AND DISCUSSING MATTERS IN RELATION TO THE AFFAIRS OF THE ABOVE COMPANIES OF WHICH I WAS APPOINTED OFFICIAL LIQUIDATOR BY THE NEW SOUTH WALES SUPREME COURT LAST JULY. FOR YOUR RECORDS A COPY OF THE RESPECTIVE COURT ORDERS OF MY APPOINTMENT ARE ATTACHED.

MY FUNCTION AS LIQUIDATOR IS TO ACT FOR THE ORDINARY UNSECURED CREDITORS IN THE RECOVERY OF WHATSOEVER ASSETS AND FUNDS ARE AVAILABLE. THIS INCLUDES INVESTIGATING THE AFFAIRS OF THE COMPANIES IN ORDER TO DISCOVER ASSETS WHICH MAY NOT BE READILY IDENTIFIED IN THE RECORDS AS WELL AS REALISING KNOWN ASSETS AND PAYING A DIVIDEND TO CREDITORS.

DURING THE COURSE OF MY PRELIMINARY INVESTIGATIONS, I HAVE BEEN INFORMED THAT VARIOUS OFFICES OF THE UNITED STATES GOVERNMENT HAVE CONDUCTED INQUIRIES INTO THE COMPANIES IN LIQUIDATION OVER A PERIOD OF YEARS PRECEDING THE WINDING UP AND IN MORE RECENT TIMES HAVE INTERVIEWED FORMER OFFICERS OF THE COMPANIES.

SPECIFICALLY, I AM REFERRING TO INQUIRIES BY THE AMERICAN CUSTOMS DEPARTMENT INTO THE MOVEMENT OF FUNDS
BY THE VARIOUS NUGAN HAND COMPANIES TO AND FROM AUSTRALIA AND THROUGHOUT THE WORLD. I FURTHER UNDERSTAND THAT THIS DEPARTMENT HAS INFORMATION IN BOTH HONG KONG AND WASHINGTON IN RELATION TO THE COMPANIES WHICH MAY BE OF ASSISTANCE TO ME.

IN ADDITION, I UNDERSTAND THAT A UNITED STATES CITIZEN AND ONE OF THE FORMER OFFICERS OF NULAN HAND WAS INTERVIEWED BY THE FEDERAL BUREAU OF INVESTIGATION PARTY IN 1982 WHEN CERTAIN RECORDS OF THE COMPANY WERE IMPOUNDED BY THAT AGENCY. I AM INTERESTED TO DETERMINE WHETHER THE RESULTS OF THAT INTERVIEW AND THE RECORDS HELD CAN BE OF ASSISTANCE TO ME.

FINALLY, I HAVE BEEN INFORMED THAT THE UNITED STATES INTERNAL REVENUE SERVICE HAS ALSO CONDUCTED INQUIRIES AND THAT THE HONG KONG OFFICE OF THAT DEPARTMENT TOGETHER WITH THE WASHINGTON OFFICE HAS INFORMATION ON THE AFFAIRS OF THE COMPANIES WHICH MAY BE HELPFUL TO ME.

I TRUST THAT IN THE CIRCUMSTANCES OF THIS MATTER YOU WILL UNDERSTAND THAT I AM OBLIGED TO MAKE THIS APPROACH TO YOU IN THE INTEREST OF THOSE PARTIES FOR WHOM I ACT AS THE DEFICIENCY AT THIS STAGE MAY APPROACH A FIGURE OF $25,000,000.

IDEALLY WHAT I AM SEEKING FROM YOU ARE THE NAMES AND ADDRESSES OF PERSONS IN HONG KONG AND AMERICA FROM THOSE OFFICES MENTIONED ABOVE AND ANY OTHERS YOU MAY CONSIDER RELEVANT WHO WOULD BE PREPARED TO SEE ME. I WOULD THEN BE ABLE TO ASCERTAIN WHAT INFORMATION MAY BE MADE AVAILABLE TO ME WHICH WOULD ASSIST IN MY OBJECTIVE.

LIKEWISE IF THERE IS ANY INFORMATION FROM MY FILES OR AVAILABLE TO ME WHICH MAY BE OF INTEREST TO YOUR GOVERNMENT OR ITS AGENCIES THEN I AM ONLY TOO HAPPY TO COOPERATE TO THE FULLEST EXTENT POSSIBLE.

MY THANKS IN ANTICIPATION OF YOUR COOPERATION.

YOUR FAITHFULLY

END QUOTE
2. CONGEN COMMENT: WE WOULD LIKE TO SEE AS FORTHCOMING A RESPONSE AS POSSIBLE. PUBLICITY IN AUSTRALIA ON THE NUGAN HAND AFFAIR -- WITH ALLEGATIONS OF DRUG DEALINGS, FRAUD, AND CIA INVOLVEMENT -- IS HARMFUL TO US AND WE SHOULD NOT BE UNCOOPERATIVE. MOREOVER, THE UNSECURED CREDITORS ON WHOSE BEHALF THE LIQUIDATOR IS WORKING, INCLUDE AMERICAN CITIZENS.

3. WE WOULD APPRECIATE THE DEPARTMENT'S GUIDANCE ON HOW TO PROCEED. CAN CUSTOMS, THE FBI AND THE IRS PROVIDE INFORMATION ON WHOM SHOULD CONTACT? IS THERE INFORMATION IN THESE AGENCIES THAT WOULD BE HELPFUL TO HIM? WHAT PRIVACY ACT AND FREEDOM OF INFORMATION ACT CONSIDERATIONS ARE APPLICABLE? TOLD US HE IS WILLING TO TRAVEL TO THE US TO MEET WITH ANY US OFFICIALS WHO MAY HAVE INFORMATION. WOULD SUCH A TRIP BE ADVISABLE OR NECESSARY? IT WOULD BE HELPFUL IF COORDINATE A RESPONSE TO THIS MESSAGE FROM THE VARIOUS CONCERNED AGENCIES.
REQUEST FOR INFORMATION ON NUGAN HAND CASE

TAGS: SOPN, PEPR, EINV, AS

SUBJ: REQUEST FOR INFORMATION ON NUGAN HAND CASE

REF SYDNEY 1188 1-81
1. The National Times (NT), a weekly periodical that carries frequent articles and speculation on the Nugan Hand affair, this week criticizes Prime Minister Fraser's office for failing to cooperate with the court appointed liquidator, who is seeking information from the FBI and other US agencies about the defunct Nugan Hand companies.

The article, written by [Blank] under the headline "Nugan Hand: Govt Won't Ask FBI", states that [Blank] wrote directly to Prime Minister Fraser in April for assistance in securing information from the USG. It also notes that [Blank] sought assistance from the US Consulate General in Sydney, but so far has received no response either from [Blank] or the Consulate General other than an acknowledgement of his request.

2. These difficulties, the NT states, "reflect the reluctance shown at the top levels of the Australian Limited official use"
GOVERNMENT TO GETTING TO THE BOTTOM OF THE NUGAN HAND AFFAIR. THE ARTICLE ALLEGES THAT INVESTIGATION OF THE NUGAN HAND CASE IN AUSTRALIA HAS BEEN TOO NARROW IN SCOPE AND "HAS STUDIously AVOIDED EXAMINING ANY CONNECTIONS BETWEEN THE BANK, AMERICAN INTELLIGENCE ACTIVITIES, AND ARMS TRAFFICKING, DESPITE THE MOUNTING EVIDENCE OF SUCH A CONNECTION". IN THIS REGARD, THE ARTICLE REFERS TO AN FBI REPORT ON NUGAN HAND OBTAINED BY THE mt LAST YEAR UNDER THE FREEDOM OF INFORMATION ACT WHICH HAD 73 OF 119 PAGES WITHHELD AND THE REMAINING PAGES HEAVILY CENSORED. A PHOTOGRAPH ACCOMPANYING THE ARTICLE SHOWS 3 OF THE HEAVILY EDITED PAGES. THE PAPER STATES THAT ACCORDING TO A COVERING LETTER ACCOMPANYING THE RELEASED DOCUMENTS, A PRINCIPAL REASON FOR THIS CENSORSHIP WAS NATIONAL SECURITY GROUNDS.

3. COMMENT: WE HAVE RECEIVED NO INQUIRY FROM THE PRESS, NOR HAS BEEN BACK TO FOLLOW UP ON HIS REQUEST OF EARLY APRIL (REFTEL). HOWEVER, IT IS THREE MONTHS SINCE WE CABLED REQUEST AND WOULD LIKE TO BE IN A POSITION TO PROVIDE AN INTERIM REPLY. ANY GUIDANCE FROM THE DEPARTMENT WOULD BE APPRECIATED.

HOR OW ITZ
TO: DIRECTOR, FBI

FROM: LEGAT, HONG KONG (55-4) (P)

SUBJECT: NUGAN HAND BANK

FPC

For information of FBIHQ, on 7/23/81,

has requested

was advised that, pursuant to their request,

further assurances or representations were made.

FBIHQ is requested to advise what further response is to be given to this request, if any.

AIRTEL

Bureau (Encs. - 3)
1 - Hong Kong
REG:eim
(3)

60DEC 4 1981

Approved  7/31/81

Transmitted  
(Number)  
(Time)  
Per  

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED 30B,50b
DATE 7/31/81 BY SPECIALLS
TO: DIRECTOR, FBI

FROM: LEGAT, HONG KONG (55-4) (P)

SUBJECT: NUGAN HAND BANK
FPC

ReHONairtel 7/31/81.

Enclosed for FBIHQ is one copy of a letter dated 10/20/81, received by [recaptioned].

As seen from review of enclosure, Legat is being asked the present position with regard to this matter.

Please advise what /response FBIHQ wishes Legat to make to [request].

AIRTEL ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 2/16/80 BY SPECIALLMS

Approved: Transmitted

(Per)
REHONAIRTEL, JULY 31, 1981.

FOR LEGAT, MANILA, INFORMATION, RE AIRTEL CONTAINED REQUEST

OF

WHATEVER ASSISTANCE POSSIBLE BY THE FBI TO

[Redacted]

1 - 1 - 1 - 1 -

[Redacted]
ACCORDINGLY, IN RESPONSE TO THE REQUEST, THIS MATTER HAS BEEN REVIEWED AT FBIHQ, AND IT IS A MATTER OF FACT THAT THE FBI IS NOT, AND HAS NOT, INVESTIGATED NHB AND ITS ACTIVITIES AS SECRET.
A SUBSTANTIVE VIOLATION. HOWEVER, AS LEGATS HONG KONG AND MANILA ARE AWARE:

FINALLY, IF CONTACTS OF LEGATS HONG KONG AND MANILA HAVE SPECIFIC LEADS TO BE COVERED IN THE U. S. BY THE FBI REGARDING NHB'S ACTIVITIES, THEY CAN BE HANDLED UNDER FPC.

BT
BUTEL TO LEGATS HONG KONG AND MANILA
RE: NUGAN HAND BANK {NHB}
FPC

NOTE:

THE NHB IS ONE OF A NUMBER OF FINANCIAL INSTITUTIONS
USING VARIATIONS OF THE NUGAN HAND NAME (FRANK NUGAN —
AUSTRALIAN CITIZEN) AS REPRESENTATIVES IN THE UNITED
STATES, AND ACQUIRED OLD, WELL-KNOWN, EUROPEAN BANKING
INSTITUTIONS.

FOR YEARS THERE HAVE BEEN NUMEROUS ALLEGATIONS THAT
THE NUGAN HAND ENTERPRISES, WHICH ARE WORLDWIDE, HAVE BEEN CON-
DUITS FOR WASHING MONEY FOR AUSTRALIAN, AND PERHAPS AMERICAN,
ORGANIZED CRIME ELEMENTS, AS WELL AS CORRUPT SOUTHEAST ASIAN
GOVERNMENT OFFICIALS AND INDIVIDUALS INVOLVED IN NARCOTICS
TRAFFICKING. THEY WERE ALSO ALLEGED TO BE INVOLVED IN THE
HANDLING OF U. S. COUNTERFEIT CURRENCY. NONE OF THESE ALLEGATIONS
HAVE EVER BEEN PROVEN, ALTHOUGH FRANK NUGAN WAS UNDER INVESTIGA-
TION BY SEVERAL LAW ENFORCEMENT AGENCIES IN AUSTRALIA. HE WAS
FOUND DEAD, APPARENTLY OF A SELF-INFLICTED GUNSHOT WOUND, IN
AUSTRALIA IN JANUARY, 1980. WHEREABOUTS ARE UNKNOWN.

THE NHB, HONG KONG, HAS RECENTLY FAILED. INITIAL
ESTIMATES OF LOSS TO DEPOSITORS IS HONG KONG $21 MILLION
{U.S. $4 MILLION}.

THIS MATTER WAS COORDINATED WITH JAMES K. HALL, SECTION
CHIEF, FOIA, RECORDS MANAGEMENT DIVISION, AND
WHITE COLLAR CRIMES, CRIMINAL INVESTIGATIVE DIVISION.
ACCORDINGLY, IN RESPONSE TO REQUEST, THIS MATTER HAS BEEN REVIEWED AT FBIHQ, AND IT IS A MATTER OF FACT THAT THE FBI IS NOT, AND HAS NOT, INVESTIGATED NHB AND ITS ACTIVITIES AS
PAGE THREE DE HQ 0194 UNCLASSIFIED

A SUBSTANTIVE VIOLATION. HOWEVER, AS LEGATS HONG KONG AND MANILA ARE AWARE,

FINALLY, IF CONTACTS OF LEGATS HONG KONG AND MANILA HAVE SPECIFIC LEADS TO BE COVERED IN THE U.S. BY THE FBI REGARDING NHB'S ACTIVITIES, THEY CAN BE HANDLED UNDER FPC.

BT
NOTE:

THE NHB IS ONE OF A NUMBER OF FINANCIAL INSTITUTIONS USING VARIATIONS OF THE NUGAN HAND NAME (FRANK NUGAN—AUSTRALIAN CITIZEN) THE NUGAN HAND ENTERPRISES HAVE HIRED PROMINENT PEOPLE, INCLUDING AS REPRESENTATIVES IN THE UNITED STATES, AND ACQUIRED OLD, WELL-KNOWN, EUROPEAN BANKING INSTITUTIONS.

FOR YEARS THERE HAVE BEEN NUMEROUS ALLEGATIONS THAT THE NUGAN HAND ENTERPRISES, WHICH ARE WORLDWIDE, HAVE BEEN CONDUITS FOR WASHING MONEY FOR AUSTRALIAN, AND PERHAPS AMERICAN, ORGANIZED CRIME ELEMENTS, AS WELL AS CORRUPT SOUTHEAST ASIAN GOVERNMENT OFFICIALS AND INDIVIDUALS INVOLVED IN NARCOTICS TRAFFICKING. THEY WERE ALSO ALLEGED TO BE INVOLVED IN THE HANDLING OF U.S. COUNTERFEIT CURRENCY. NONE OF THESE ALLEGATIONS HAVE EVER BEEN PROVEN, ALTHOUGH FRANK NUGAN WAS UNDER INVESTIGATION BY SEVERAL LAW ENFORCEMENT AGENCIES IN AUSTRALIA. HE WAS FOUND DEAD, APPARENTLY OF A SELF-INFLICTED GUNSHOT WOUND, IN AUSTRALIA IN JANUARY, 1980. WHEREABOUTS ARE UNKNOWN.

THE NHB, HONG KONG, HAS RECENTLY FAILED. INITIAL ESTIMATES OF LOSS TO DEPOSITORS IS HONG KONG $21 MILLION (U.S. $4 MILLION).

THIS MATTER WAS COORDINATED WITH JAMES K. HALL, SECTION CHIEF, FOIA, RECORDS MANAGEMENT DIVISION, AND WHITE COLLAR CRIMES, CRIMINAL INVESTIGATIVE DIVISION.
TAGS: PEPR, ELHV, AS

SUBJECT: RESPONSE TO REQUEST FOR FINANCIAL INFORMATION ON NUGAN HAND

REF: A) SYDNEY 1188, B) STATE 303165, C) STATE 327720

1. POST MAY PASS THE FOLLOWING INFORMATION TO

2. DEPARTMENT IS POUCHING TO CONGEN SYDNEY (FOR ATTENTION) DOCUMENTS ON NUGAN HAND INC. RELEASED UNDER THE FREEDOM OF INFORMATION ACT BY THE FBI FOR TRANSMISSION TO FBI HAS CONDUCTED LIMITED OFFICIAL USE
NO/NO INVESTIGATION REGARDING NUGAN HAND FOR A VIOLATION OF US STATUTES OVER WHICH THE FBI HAS ENFORCEMENT JURISDICTION. NOR/NOR HAS THE FBI INTERVIEWED A
IN CONNECTION WITH NUGAN HAND. ON OCCASION,

3. TREASURY DEPARTMENT (OFFICE OF INTERNATIONAL BANKING AND PORTFOLIO INVESTMENT) HAS SOME CORRESPONDENCE RELATING TO NUGAN HAND BANK, BUT THIS MATERIAL IS UNLIKELY TO PROVIDE ANY ASSISTANCE IN LOCATING ASSETS. IT CONSISTS OF:
A) LETTERS FROM A US CITIZEN REGISTERING A REPRESENTATIVE OFFICE OF NUGAN HAND IN THE UNITED STATES AND SUBSEQUENTLY ADVISING OF CLOSURE OF THAT OFFICE. (REP OFFICES BASICALLY PERFORM LIAISON FUNCTIONS IN CONTRAST TO BRANCHES AND AGENCIES WHICH CARRY OUT MOST TYPES OF BANKING TRANSACTIONS; NUGAN HAND HAS NOT HAD BRANCH OR AGENCY OFFICES IN THE US. REGISTRATION LETTERS ESSENTIALLY PROVIDE ONLY NAMES AND ADDRESSES.) COPIES OF THESE LETTERS AND OF THE UNDERLYING REGULATIONS ARE BEING POUCHED.

B) A LETTER RECEIVED FROM A US CITIZEN, ON BEHALF OF HIMSELF AND OTHERS WHO HAD SUFFERED LOSSES IN TRANSACTIONS LIMITED OFFICIAL USE
ABROAD WITH NUGAN HAND, AND THE TREASURY RESPONSE.
COPIES BEING POUCHED.

WHILE THE CORRESPONDENCE DESCRIBED ABOVE HAS BEEN
RELEASED IN RESPONSE TO REQUESTS UNDER THE FREEDOM OF
INFORMATION ACT AND THUS CAN BE CONSIDERED TO BE IN THE
PUBLIC DOMAIN, WE WOULD APPRECIATE BEING ADVISED IF ITS
RELEASE BY OFFICIAL LIQUIDATOR IS CONTEMPLATED.

4. DURING THE COURSE OF OUR REVIEW OF ALL DOCUMENTS
IN STATE DEPARTMENT FILES PERTAINING TO THE NUGAN HAND
ENTERPRISES IN CONNECTION WITH REQUESTS UNDER OUR
FREEDOM OF INFORMATION ACT, WE HAVE DISCOVERED NO
MATERIAL RELEVANT TO THE REQUEST BY [REDACTED]
CONCERNING THE EXISTENCE OF ANY ASSETS OF THE LIQUIDATED
OR RELATED COMPANIES.

5. THE FOREGOING INFORMATION, PARTICULARLY THAT IN PARA
2 ABOVE, IS BEING PROVIDED TO [REDACTED] ON THE UNDER-
STANDING THAT IT IS SOLELY FOR HIS USE IN CARRYING OUT
HIS RESPONSIBILITIES AS A COURT-APPOINTED LIQUIDATOR.

HAIG
SUBJ: SYDNEY MORNING HERALD REVIEWS STATUS OF NUGAN HAND CASE

1. SUMMARY: A SYDNEY MORNING HERALD ARTICLE, FEB 8, CREDITED TO HERALD CORRESPONDENTS IN NEW YORK AND SYDNEY FEB 11 1982 REVIEWED THE STATUS OF NUGAN HAND INQUIRIES. IT REPEATS ALLEGATIONS OF CIA INVOLVEMENT AND LINKAGES TO DOPE-RUNNING. REFERRING TO THE INQUIRY NOW BEING MADE BY THE AUSTRALIAN LIQUIDATOR, THE HERALD STATES THAT THE AUSTRALIANS AND US GOVERNMENTS ARE COOPERATING "TO SOME EXTENT". END SUMMARY
2. The relisting of Nukan Hand Bank in Grand Cayman during the first week of February, the Herald said, has raised new hopes in attempts to unravel the activities of the Nukan Hand Group. The bank had been dropped from the Cayman Islands registered of companies on September 4, 1981, and thus formally ceased to exist. The article stated that liquidation of the bank will now be carried out by the liquidator of the Nukan Hand operation in Hong Kong, Mr. Robin Hearder, a Hong Kong public servant. He will be assisted by a Cayman Islands accountant.
3. The Herald article states that the opening of the Nugan Hand bank in the Caymans and the closure, about that time, of a bank there thought to be "operated as a front for the United States Central Intelligence Agency may possibly be more than coincidental". It continues that, "The CIA bank had been closed following embarrassing disclosures at that time, concerning certain other CIA fronts for its clandestine operations." The article also refers to allegations that a former American partner in the group, Michael Jon Hand, had been associated with the CIA, serving as a "paymaster". It states that Hand departed Australia on a forged passport, wearing a false mustache and goatee, entered the US via Vancouver, and is now believed to be residing in the US under an assumed name.

4. The article states that "despite Hand's central position in the Nugan Hand group, now believed to have had connections with the Mr. Asia heroin and murder syndicate and with Southeast Asia dope-running generally, and the fact of his illegal departure, Australian authorities, according to the US Federal Bureau of Investigation, appear to have made no serious attempt to locate him". The Herald said it was told by FBI and DEA officials that "the FBI had received no request from Australia to locate and interview Hand" and that the US Drug Enforcement Agency has received no request to be on the lookout for him.
5. THE ARTICLE FURTHER STATES THAT THE FBI, CIA AND US DEPARTMENTS OF CUSTOMS, TREASURY AND STATE HAVE ALL RECEIVED LETTERS SEEKING COOPERATION FROM THE AUSTRALIAN LIQUIDATOR OF THE NUGAN HAND GROUP, MR. JOHN O'BRIEN. IT CONTINUES SAYING THAT, "AFTER SEVERAL MONTHS OF PASSIVE RESISTANCE, THE AUSTRALIAN FEDERAL GOVERNMENT AND THE US CONSULATE ARE NOW, TO SOME EXTENT, COOPERATING WITH MR. O'BRIEN'S INQUIRIES DIRECTED TO US AGENCIES." IT ADDS THAT RESULTS THUS FAR ARE MINIMAL.
R 240427Z FEB 82
FM AMCONSUL SYDNEY
to SECMCTIE WASHDC 4755
INFO AM EMBASSY MANILA
AM EMBASSY CANBERRA
AM CONSUL HONG KONG
UN CLAS SYDNEY 0683
MANILA FOR LEGAT
DEPT FOR EA/ANZ
HONG KONG FOR CUSTOMS

E.O. 12065: N/A
TAGS: AINF,EINV,PEPA,AS,HK,US
SUBJECT: FBI REPORT ON MUGAN HAND COMPANIES
P 120420Z FEB 82
FM AMCONSUL SYDNEY
TO AMEMBASSY MANILA PRIORITY
INFO SECESTATE WASHDC PRIORITY 4693
AMEMBASSY CANBERRA
AMCONSUL HONG KONG

UNCLAS SYDNEY 0544

MANILA FOR LEGAT; DEPT FOR EA/ANZ; HONG KONG FOR CUSTOMS

ZC 12065: NA
TAGS 09 APR 1982 Z
SUBJ: FBI REPORT ON KUGAN HAND COMPANIES
1. FOLLOWING IS TEXT OF LETTER SENT 2/12/82 FROM [OCCASIONALLY OCCURRING] OFFICE TO AUSTRALIAN LIQUIDATOR OF MUGAN HARD COMPANIES:

"THANK YOU FOR YOUR LETTER OF FEBRUARY 10, 1982, ASKING IF I COULD CONFIRM THAT A 119-PAGE FBI REPORT ON THE MUGAN HARD COMPANIES WAS PREPARED WHOLLY [UNTIL REACHED]

"UNFORTUNATELY, I DO NOT HAVE THE ANSWERS TO THESE QUESTIONS. I HAVE BEGUN INQUIRIES, HOWEVER, AND I WILL GET BACK TO YOU AS SOON AS POSSIBLE."

2. WE ARE UNSURE OF WHERE [DID NOT RECOGNIZE] LEARNED ALLEGED NUMBER OF PAGES IN REPORT, BUT KNOWLEDGE OF EXISTENCE OF A REPORT WAS GIVEN TO HIM IN 12/31/81 LETTER FROM THIS OFFICE WHICH WAS BASED UPON 81 STATE 341264. AS YOU RECALL, THAT CABLE SAID [UNTIL REACHED] UNCLASSIFIED
3. IF NO OBJECTION PERCEIVED, WE WOULD APPRECIATE INFO THAT WILL PERMIT US TO REPLY TO TWO QUESTIONS ASKED BY
LEGATT MANILA HAS INFORMED US THAT, BECAUSE HE WAS NOT PARTY TO INTERAGENCY DISCUSSIONS RELATING TO RELEASE OF INFO TO AUSTRALIA LIQUIDATOR OF NUGAN HAND COMPANIES, HE UNSURE HOW TO RESPOND TO QUERIES AS GIVEN IN REFTEL. BECAUSE OF THIS, WE WOULD BE GRATEFUL IF DEPARTMENT WOULD ASSUME ACTION RESPONSIBILITY TO OBTAIN REPLY TO REFTEL.
UNCLASSIFIED

UNCLASSIFIED

SUDDLEY 0895

ACTION EA-12

OF INVESTIGATION

INFO OCT-00 ADS-00 INR-10 SS-10 CIAE-00 NSC-01 NSAE-00

PA-02 INM-06 JUSE-00 DEAE-00 FBJE-00 /041 W

--- 161137 120215Z 466

P 120100Z MAR 82

FM AM CONSUL SYDNEY

TO SECSTATE WASHDC PRIORITY 4842

INFO AM EMBASSY BANGKOK

AM EMBASSY CANBERRA

AM EMBASSY MANILA

UNCLAS SYDNEY 0895

BANGKOK FOR DEA; MANILA FOR LEGAT

E.O. 12065: NA

TAGS: EINV PGOV PINT SNAR

SUBJ: NUGAN HAND ALLEGATION AGAINST GOA DEPUTY PRIMIN

1. SYDNEY PRESS MAR 12 GAVE EXTENSIVE COVERAGE TO

ALLEGATION MADE PREVIOUS DAY IN FEDERAL PARLIAMENT IN CANBERRA

BY OPPOSITION LEADER BILL HAYDEN THAT DEPUTY PRIMIN DOUG

ANTHONY WAS INVOLVED IN SUPPRESSING A NARCOTICS BUREAU INVEST-

IGATION OF NUGAN HAND BANK. WHEN ANTHONY ISSUED DENIAL, HAYDEN

WITHDRAW ALLEGATION BUT STATED THAT MERE DENIAL DID NOT DISPONE

ALTOGETHER OF MATTER. HAYDEN ALSO REVEALED THAT AUST SECURITY

INTELLIGENCE ORGANIZATION HAD BEEN ANGERED BY AND HAD REFUSED TO

ANSWER QUERIES HE HAD MADE ON WHETHER CIA HAD INVESTIGATED

NUGAN HAND.
2. GOVERNMENT TEMPORARILY GAGGED DEBATE ON SUBJECT WHILE CABINET (ACCORDING TO ONE REPORT IN "THE AUSTRALIAN") ORDERED A HASTY INVESTIGATION OF ALL FILES ON THE NUGAN HAND AFFAIR.

MINISTER KEVIN NEWMAN (IN CHARGE OF NARCOTICS BUREAU), MEANWHILE, TABLED CORRESPONDENCE BETWEEN COMMONWEALTH AND NSW GOVTS TO PROVE THAT GOA WANTED INVOLVEMENT OF KNOWN CRIMINALS IN UNCLASSIFIED
NARCOTICS AND RELATED CRIME "FULLY INVESTIGATED". HE ALSO CONFIRMED THAT AUST POLICE HAD ASKED FBI TO APPROACH CIA FOR INFO ON NUGAN HAND.

3. HAYDEN'S CHARGE AGAINST ANTHONY CAME FOLLOWING TV INTERVIEW OF EX-NARCOTICS BUREAU OFFICER JOE VOLKMAN WHO CLAIMED HE RESIGNED FROM BUREAU BECAUSE OF VICTIMIZATION AND VILIFICATION HE ENCOUNTERED WHEN TRYING TO PRESS INVESTIGATION INTO ALLEGED ACTIVITIES OF NUGAN HAND INVOLVING DRUG TRAFFICKING AND LAUNDERING OF MONEY. BUT VOLKMAN DENIES GIVING ANTHONY'S NAME TO HAYDEN. ACCORDING TO VOLKMAN, A FEDERAL MINISTER NOT IN CHARGE OF NARCOTICS BUREAU (AND NOT FURTHER IDENTIFIED) GAVE ORDER THAT BUREAU SHOULD CONDUCT--IN VOLKMAN'S WORDS--"A BENIGN INQUIRY WHERE INFORMATION WAS GATHERED BUT NOTHING ACTED ON." HE SAID A "CONSPIRACY OF SILENCE" EXISTED WITH RESPECT TO NUGAN HAND AFFAIR WHICH HE CALLED AUSTRALIA'S WATERGATE.

4. SYDNEY MORNING HERALD LOCATED AND INTERVIEWED TWO FORMER COLLEAGUES OF VOLKMAN IN NARCOTICS BUREAU WHO CONFIRMED THAT THERE WERE STANDING ORDERS IN NARCOTICS BUREAU TO KEEP NUGAN HAND INQUIRY LOW KEY. ONE OF THEM CITED A 1978 MEMO FROM BRIAN BATES, THEN BUREAU DIRECTOR, THAT BUREAU FOR TIME BEING SHOULD NOT ENGAGE IN ACTIVE EXTERNAL INQUIRIES ON NUGAN HAND.
SUBJECT: FBI REPORT ON NUGAN HAND COMPANIES
SEVERAL TIMES IN EFFORT TO GET A RESPONSE TO REFS. ON FEBRUARY 26, FBI LIAISON INFORMED US IT IS THEIR UNDERSTANDING THAT LEGATT MANILA, WHO WILL VISIT SYDNEY AND CANBERRA IN MID-MARCH, HAS ALREADY INFORMED THE COURT-APPOINTED LIQUIDATOR FOR THE NUGAN HAND COMPANIES THAT HE IS WILLING TO MEET THE LIQUIDATOR TO EXPLAIN THE FBI

LIMITED OFFICIAL USE

2. FOR MANILA: WOULD APPRECIATE IT IF LEGATT WOULD CONFIRM THE ACCURACY OF THIS UNDERSTANDING IN CABLE TO STATE SLUGGED "FOR EA/ANZ" AND TO SYDNEY.

HAIG
TO: DIRECTOR, FBI (163-45612)
ATTN: INTD, LIAISON UNIT

FROM: LEGAT, HONG KONG (55-4) (P)

SUBJECT: NUGAN HAND BANK
FPC

ReButel 11/17/82.

Enclosed for information of recipients is letter dated 2/19/82, received from which advises of the travel to New York and Miami of the Official Receiver in re captioned matter,

As seen has requested the FBI Miami Office be apprised of his travel to that area during the period 2/28-3/4/82.

4 - Bureau (Encs. - 2)
(1 - Liaison Unit, INTD)
(1 - Miami, 163-2191, Info.)
l - Hong Kong
REG:eim (5)

AIRTEL

Approved: Transmitted (Number) (Time)
2/22/82

TO: DIRECTOR, FBI (163-45612)
ATTN: INTD, LIAISON UNIT

FROM: LEGAT, HONG KONG (55-4) (P)

SUBJECT: NUGAN HAND BANK
FPC

Re: Butel 11/17/82.

Enclosed for information of recipients is letter dated 2/17/82, received from [blank] which advises of the travel to New York and Miami of the Official Receiver in re captioned matter, [blank].

As seen, [blank] has requested the FBI Miami Office be apprised of his travel to that area during the period 2/28-3/4/82.

AIRTEL
LIMITED OFFICIAL USE SYDNEY 0796

MANILA FOR LEGAT; DEPT FOR EA/ANZ; HONG KONG FOR CUSTOMS

E.O. 12065: NA

TAGS: AFIN EINV PEPR AS HK US

SUBJ: FBI REPORT ON KUGAN HAND COMPANIES

REF MANILA 05631

 HAVE ARRANGED APPOINTMENT WITH LIQUIDATOR

FOR 10 AM ON FRI, MAR 19, AT OFFICES OF

SYDNEY. IF DATE OR TIME INCONVENIENT,

STANDS READY TO ALTER EITHER.
TO: SAC:

- Albany
- Albuquerque
- Alexandria
- Anchorage
- Atlanta
- Baltimore
- Birmingham
- Boston
- Buffalo
- Butte
- Charlotte
- Chicago
- Cincinnati
- Cleveland
- Columbia
- Dallas
- Denver
- Detroit
- El Paso
- Honolulu

TO: LEGAT:

- Bern
- Bogota
- Bonn
- Hong Kong
- London
- Manila
- Mexico City
- Ottawa
- Panama City
- Paris
- Rome
- Tokyo

RE: NUGAN HAND BANK

FPC

Re attached Hong Kong airtel to Director

2/22/82. (HONfile 55-4)

- Retention
- For appropriate

- For information
- optional
- action
- Surep, by

- The enclosed is for your information. If used in a future report, conceal all sources, paraphrase contents.

- Enclosed are corrected pages from report of SA dated

Remarks:

Re FBIHQ Supervisor telephone call to SA, Miami, 3/2/82, and SA New York, 3/3/82.

Any inquiries received from regarding this matter should be directed to FBIHQ, Attention: Liaison Unit, Intelligence Division.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE CLN/RD BY:SP5cllYms

Enc. 2

Bufile 163-45612

Urfile MM 163-2191

1 - Liaison Unit
1. LEGAT HAS ADVISED THAT HE IS WILLING TO MEET WITH COURT-APPOINTED LIQUIDATOR. LEGAT HAS NOT HAD CONTACT WITH LIQUIDATOR AND DESIRES THAT RELATIVE TO TIME FRAME OF PENDING VISIT, MAKE APPROPRIATE APPOINTMENT.
ACTION EA-12
INFO OCT-00 ADS-00 SY-05 L-03 CTME-00 TRSE-00 SYE-00
FEDERAL GOVERNMENT

P 2902432 MAR 82
FM AMCONSUL SYDNEY
TO SECSTATE WASHDC PRIORITY 4930
INFO AMEMBASSY CANBERRA
AMCONSUL HONG KONG
AMEMBASSY MANILA

LIMITED OFFICIAL USE SYDNEY 1095

HONG KONG FOR CUSTOMS; MANILA FOR LEGAT

E.O. 12065: NA
TAGS: AINF, EINV, PEPR AS HK US
SUBJ: FBI MEETING WITH NGAN HAND LIQUIDATOR

REF MANILA 5631 163-45612
1. Legat Manila and Future Legat Canberra met in Sydney on Mar. 22 with Nugan Hand Liquidator and Representative of NSW Corporate Affairs Commission to discuss alleged 119-page FBI report on N-H. Legats informed this office that they believe they convinced that mass of heavily-censored FBI documents in his possession represent not a comprehensive report on N-H but rather an accumulation of messages relating to rather peripheral matters (e.g., namechecks and internal administrative documentation), much of which probably would be of no continuing interest to anyone.

2. [Name] and Corporate Affairs Representative asked few questions and seemed quite willing to accept limited official use
LEGAT MANILA'S EXPLANATIONS. LESS WILLING WAS A REPRESENTATIVE OF THE TASK FORCE INVESTIGATING N-H WHO, WITHOUT FORKNOWLEDGE OF EITHER THE LEGATS OR THIS OFFICE, HAD APPARENTLY ALSO BEEN INVITED TO SIT IN ON THE MEETING. HIS CONTRIBUTION TO THE MEETING WAS A RATHER INTENSIVE CROSS-EXAMINATION.

3. DETAILS OF MEETING WERE PUBLISHED MAR 28 IN NATIONAL TIMES AND IN SYDNEY SUN-HERALD. ARTICLES ARE ESSENTIALLY ACCURATE IN THEIR RECOUNTING OF THE MEETING, ALTHOUGH SOME SLIGHT ERRORS OF FACT AND EMPHASIS HAVE BEEN NOTED. WHAT SEEMS EVIDENT FROM THE ARTICLES IS THAT SUCH INFO AS HAS BEEN SUPPLIED BY USG IS BEING USED BY N-H INVESTIGATORS AS LEVER TO Pry ADDITIONAL INFO FROM AGENCIES OF THE GOA AND THE NSW GOVT. MUCH IS MADE IN THE ARTICLES OF DISCREPANCIES BETWEEN WHAT N-H INVESTIGATORS HAVE BEEN TOLD BY FBI AND WHAT THEY HAVE BEEN TOLD BY COMMONWEALTH AND NSW POLICE AUTHORITIES. LOCAL POLICE, APPARENTLY, ARE STONEWALLING INVESTIGATORS BY DENYING THAT THEY HOLD FBI REPORTS WHICH LEGATS SAY THEY MUST HAVE.

4. IT IS MATTER OF REGRET THAT N-H INVESTIGATORS CHOOSE TO DO THEIR WHIPSAWING IN THE PUBLIC PRESS, USING DIRECT QUOTATIONS FROM CORRESPONDENCE ORIGINATING IN THIS OFFICE AS WELL AS THE STATEMENTS OF THE LEGATS. ALTHOUGH ALL OF THIS WAS UNCLASSIFIED, WE CONSIDERED IT "PRIVILEGED". THUS WE SHALL VERY LIKELY TREAT FUTURE REQUESTS FOR ASSISTANCE FROM [REDacted] AND OTHER N-H INVESTIGATORS WITH CONSIDERABLY MORE CIRCUMSPECION THAT THOSE ACTING IN USB.
PAGE 01
SYDNEY 01160 010637Z

ACTION EA-12

FEDERAL GOVERNMENT

INFO OCT-00 ADS-00 INR-10 CIAE-00 EB-08 NSAE-00 COME-00
SY-05 L-03 CTME-00 PA-02 FBIE-00 /040 W

--------------------------163375 010642Z /15

PR 010455Z APR 82
FM AMCONSUL SYDNEY
TO SECSTATE WASHDC PRIORITY 4960
INFO AMEMBASSY CANBERRA
AMCONSUL HONG KONG
AMEMBASSY MANILA

UNCLASS SYDNEY 1160

HONG KONG FOR CUSTOMS

MANILA FOR LEGAT

E.O. 12065: N/A

TAGS: AING EIMV PEPR AS HK US

SUBJECT: MUUGA: HAND LIQUIDATOR TIPPED TO SUE

BANK, FPC

REF: SYDNEY 1095

163-45612-57

RH 0659

29 APR 2 1982
1. APRIL 1 ISSUE OF "THE AUSTRALIAN", NATIONAL DAILY PAPER, STATES THAT MUGAN HAND LIQUIDATOR IS EXPECTED TO REVEAL PLANS TO SUE MORE THAN 60 COMPANIES AND INDIVIDUALS FOLLOWING A REPORT HE PLANS TO MAKE TO N-H CREDITORS WHICH WILL BE DISTRIBUTED NEXT WEEK. HIMSELF IS REFUSING TO DISCUSS MATTER PENDING DISTRIBUTION OF THE REPORT. HE WILL HOLD A CREDITORS' MEETING IN SYDNEY ON APRIL 16.

2. ARTICLE CHARACTERIZES USG POLICY AS ONE OF NON-COOPERATION IN ATTEMPTS MADE TO INVESTIGATE ALLEGED LINK BETWEEN N-H AND CIA. IT STATES PLANNING TO INTERVIEW FORMER CIA DIRECTOR UNCLASSIFIED
WILLIAM COLBY WHO HAS HIMSELF LODGED A CREDITOR'S CLAIM AGAINST N-H FOR NONPAYMENT FOR SERVICES RENDERED.
CLASSIFIED   FBB111

PAGE 01   SYDNEY 01718  110423Z

ACTION EA-12

INFO OCT-00 ADS-00 INR-10 CIAE-06 DODE-00 NSAE-00
COME-00 TRSE-00 PA-02 INM-06 ICAE-00 JUSE-00 DEAE-00

FBIIE-00 SP-02 SPRS-02 /042 W

-------------------------------------127250 110450Z /10

P 110406Z MAY 82

FM AMCONSUL SYDNEY

TO SECSTATE WASHDC PRIORITY 5185

INFO AMEMBASSY BANGKOK
AMEMBASSY CANBERRA
AMCONSUL HONG KONG
AMEMBASSY MANILA

UNCLAS SYDNEY 1718

BANGKOK FOR DEA; HONG KONG FOR CUSTOMS; MANILA FOR LEGAT

E.O. -2065: NA

TAGS: AINF, EINV PEPR PINR SNAR AS'HK US

SUBJ: NSW PREMIER SEeks WIDENED NUGAN-HAND INVESTIGAION

REF CANBERRA 03791

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12 MAY 18 1982

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1cc J&D D 3018

---

This was a major WCC case

P
SYDNEY DAILY TELEGRAPH 5/11/82 REPORTS THAT NSW PREMIER NEVILLE WRAN AGREED MAY 10 TO REQUEST BY PRIMIN FRASER THAT JOINT FEDERAL-STATE ROYAL COMMISSION INTO DRUGS (STEWART COMMISSION) HAVE TERMS OF REFERENCE WIDENED TO INCLUDE ACTIVITIES OF FORMER NUGAN HAND BANK. LETTER TO PRIMIN IS SAID TO URGE THAT STEWART COMMISSION NOT CONFINE ITS INVESTIGATION OF N-H TO ALLEGATIONS THAT BANK ENGAGED IN DRUG TRAFFICKING, BUT ALSO LOOK INTO CLAIMS THAT IT HAD LINKS TO FOREIGN INTELLIGENCE SERVICES, ORGANIZED CRIME FIGURES, AND INTERNATIONAL TRADE IN ARMS. WRAN SUGGESTED THAT EXACT TERMS OF REFERENCE BE SETTLED AT SPECIAL MEETING OF FEDERAL AND STATE ATTORNEYS GENERAL.
FEDERAL BUREAU OF INVESTIGATION

FBI-00 / 023 W

P 262309Z MAY 82
FM AM CONSUL SYDNEY
TO SECSTATE WASHDC PRIORITY 5273
INFO AM EMBASSY CANBERRA
AM CONSUL HONG KONG

LIMITED OFFICIAL USE SYDNEY 1908

CANBERRA ALSO FOR LEGAT; HONG KONG FOR CUSTOMS

E.O. 12065: NA
TAGS: AINF EINV PEPR AS HK US
SUBJ: QUERY ON NUGAN HAND; FOLLOW-UP ON GUIDANCE REQUEST

REF SYDNEY 1625
WE ARE BEGINNING TO BE CONCERNED ABOUT ABSENCE OF REPLY FROM DEPARTMENT TO REFTEL. DEPARTMENT WILL RECALL THAT PREVIOUS REQUEST FOR INFO FROM N-H LIQUIDATOR, [REDACTED] GOT SOMEHOW MISFILED OR OVERLOOKED, WITH RESULT THAT REPLY TO HIM TOOK SEVERAL MONTHS. THIS FACT LEAKED TO PRESS AND GAVE USG--AND IN PARTICULAR THIS OFFICE--ADVERSE PUBLICITY. IT IS HOPED THAT CURRENT QUERY FROM NSW CORPORATE AFFAIRS COMMISSION CAN GET SPEEDIER REPLY.

2. This matter continues to be of great interest to Australian authorities and has sparked much criticism on the part of the minority Labor Party as it relates to the administration of Australian Prime Minister Malcolm Fraser.

3. Allegations that the FBI has conducted extensive investigation and has compiled a 119-page report, as well
5. BUREAU REQUESTED TO PROMPTLY ADVISE IF SUCH A DOCUMENT IS FEASIBLE. NESEN BT

5363
FM DIRECTOR FBI 103-45612
TO EMBASSY CANBERRA
ATTN: LEGAL ATTACHE 103-45612
BT
UNCLAS
NUGAN HAND BANK.
REURTEL JUNE 4, 1982.
IT IS FEASIBLE TO PREPARE SUCH A LETTER REGARDING
CAPTIONED MATTER OVER THE SIGNATURE OF ASSISTANT DIRECTOR-
INTELLIGENCE DIVISION, FBIHQ. FURNISH ANY ADDITIONAL DETAILS,
AS WELL AS ADDRESSEE.
BT

OK/cwt

[Signature]

5/9 AUG 1982

[Signature]

JUN 18 1982
vv fba747
zz ruthfo
de ruthby 6617 1970-522
z ny cccccc
r 693521z jul 82
fm amebiassy canberra

TO ruthfo/director FBI WashDC
raming/amconsul hong kong
ruthcr/amconsul sydney

dt

confidential

limited official use canberra 6617

fbi for assistant director, intelligence div. (163-45612)
and foreign liaison unit
hong kong for legal liaison officer

e.o. 12655: h/a
tags: asec

subject: hogan hand bank (cbr 163-4)

referral/consult

refs: a) intell 6/4/52, b) rufel 6/17/72
1. **By way of background, the activities of Captured Bank are the subject of an Australian Royal Commission of Inquiry into Drugs (ARCID) which is attempting to determine the extent of illegal activity of this organization before its recent bankruptcy.** The bank was organized in the 1970's by Frank Negan, an Australian, and who is further described

2. **There have been allegations inter alia that**

3. **Apparentlly, as the result of a FOI Request by an Australian journalist in Washington, some 119 pages of heavily-excised material was made available. This has been referred to in the media as a "report." In fact, it is understood to be nothing more than**

**In other words,**
4. THE AUSTRALIAN PRESS CONTINUES TO PUBLISH INUENDOS THAT THE U.S. GOVERNMENT MAY BE WITHHOLDING INFORMATION IN THIS MATTER.

5. RECENTLY, THE NATIONAL TIMES, A SYDNEY PUBLICATION STATED: "IN OTHER DEVELOPMENTS, THE FBI HAS TOLD THE NATIONAL TIMES THAT IT HAS NEW MATERIAL ON NUGAN HAND THAT IT IS NOT PREPARED TO RELEASE UNDER THE FREEDOM OF INFORMATION ACT."

6. IT GOES ON TO STATE: "GETTING AHOLD OF THIS NEW MATERIAL WILL PROVIDE AUSTRALIAN AUTHORITIES WITH AN INTERESTING TEST OF THEIR TIES WITH THE FBI."

7. IN MY CONTACTS WITH

8. REFERENCED LEGAL TELEGRAM 6/4/62 TO THE DIRECTOR REQUESTED BUREAU TO ADVISE IF A LETTER COULD BE FORTHCOMING FROM AN OFFICER OF THE BUREAU STATING, IN FACT,
10. SUCH A LETTER SHOULD BE ADDRESSED TO

BT

6617
VV... F3A419
PP... RUEHFB
DE'RUEHBY 6751 1942233
ZNY CCCCZ ZZH
P I3223EZ JUL 22
FM AE EMBASSY CANBERRA
TO DIRECTOR FBI WASHDC PRIORITY
BT
CONFIDENTIAL

LIMITED OFFICIAL USE CANBERRA 66751

FBI FOR ASSISTANT DIRECTOR, INTELLIGENCE DIV. (163-45612)
AND FOREIGN LIAISON UNIT, FROM LEGAT CANBERRA

E.O. 12065: N/A
TAGS: ASECF
SUBJECT: MUGAHAND BANK (CBR 163-4)

REF: MYTEL 7/9/82 (CANBERRA 6617).

1. EMBASSY REQUESTS THAT YOUR RESPONSE TO REQUEST SET OUT IN REFTEL BE COORDINATED WITH DEPARTMENT OF STATE, EA/ANZ DESK, WHICH IS MONITORING DEVELOPMENTS IN THIS MATTER. HESSEN BT 6751
1. I HAVE BEEN ADVISED THAT THE AUSTRALIAN ROYAL COMMISSION OF INQUIRY INTO DRUGS (ARCID) IS PRESENTLY CONSIDERING THE ADOPTION OF "NEW TERMS OF REFERENCE" IN CAPTIONED MATTER, WITH SOME INDICATIONS THE ASPECT OF INQUIRY DEALING WITH PURPORTED REPORTS OF THE NUGAN HAND BANK OSTensibly MADE BY THE FBI MAY BE DROPPED ALTOGETHER IF ARCID RECEIVES A REPLY FROM THE FBI IN THE IMMEDIATE FUTURE.
2. BUREAU IS REQUESTED TO ADVISE STATUS OF THIS REPLY BY CABLE.

3. IF LETTER ALREADY PREPARED AND BEING FORWARDED BY POUCH, BUREAU IS REQUESTED TO REPLY WITH TEXT OF LETTER SO THAT LEGAT MAY ADVISE INTERESTED OFFICIALS WHO MAY BE ABLE TO SUCCESSFULLY CONVINCE ARCID TO DESIST IN ITS EFFORTS TO LOCATE AND REVIEW THE ALLEGED BUREAU REPORTS RELATING TO NUGAN HAND. CABLED TEXT REQUESTED SINCE POUCH TRANSIT TIME HAS BEEN FROM 3 TO 4 WEEKS. NESEN

BT

7673
FM DIRECTOR FBI (163-4) 5612

TO AMBASSADOR CANBERRA

ATTN: LEGAL ATTACHE (163-4)

BT

UNCLASSIFIED

NUGAN HAND BANK, FPC.

REURTEL AUGUST 9, 1982.
Memorandum

To: Mr. O. B. Revell

From: Mr. J. W. Greenleaf

Date: 8/31/82

Subject: INTELLIGENCE OVERSIGHT BOARD MATTERS REQUEST FOR INFORMATION CONCERNING NUGAN HAND, LTD.

PURPOSE:

To provide the substance of a request telephonically received from [redacted] Counsel, President's Intelligence Oversight Board (IOB), The White House, concerning any derogatory information the FBI may have developed relative to former U.S. intelligence community officials involved in a business relationship with Nugan Hand, Ltd., a now defunct private Australian banking concern allegedly involved in a world-wide swindle of investors.

DETAILS:

On 8/27/82, Unit Chief [redacted] OPR, Inspection Division, received a telephone call from [redacted] Counsel, President's IOB, The White House. [redacted] advised he was calling the Inspection Division relative to a recent newspaper article which appeared in the Wall Street Journal on 8/24/82, relative to Nugan Hand, Ltd. (attached). In summary, [redacted] noted that the lengthy article referred to the fact that Nugan Hand, Ltd., was allegedly involved in a major swindle that spanned several continents and bilked investors out of millions of dollars. He further stated that the article indicated that numerous former high-ranking officials of the U.S. intelligence community were alleged to be in the employ of Nugan Hand, Ltd., and in particular noted that William Colby, former Director of the CIA, was on retainer for this company. He also indicated that there was a reference in the article to the fact that several U.S. agencies, mainly the CIA, the FBI and the U.S. Customs Service, all have information on Nugan Hand, Ltd., and have refused to release it to help the current criminal and civil investigations being conducted by the Australian Government.

[redacted] advised that within the mandate of the IOB, as it relates to the intelligence community, he was contacting the FBI in an effort to determine if any derogatory information had

Encls.
1 - Mr. Revell
1 - Mr. O'Malley
1 - Mr. Mintz
1 - Mr. Greenleaf
1 - OPR
1 - 163-45612

See CID Addendum Page 4

CONTINUED - OVER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 8/14/82  BY D. P. SIMMONS
Memorandum From Mr. Greenleaf to Mr. Revell
Re: Intelligence Oversight Board Matters
Request for Information Concerning
Nugan Hand, Ltd.

been developed during the course of any FBI investigation conducted relative to Nugan Hand, Ltd., which indicates misconduct or criminality on the part of any of the named former intelligence officials in the Wall Street Journal, including Mr. Colby. During the telephone conversation, stressed on several occasions that he was not interjecting the IOB into any substantive criminal matter which the FBI may be investigating concerning Nugan Hand, Ltd., but wished to be advised of any derogatory information if available concerning former officials of the U.S. intelligence community, which would come under the purview of the IOB.

was advised at the conclusion of the telephone conversation that an appropriate review would be conducted of available FBI Headquarters records concerning Nugan Hand, Ltd., and in particular as it relates to his request for information concerning misconduct or criminality on the part of any former U.S. intelligence community officials.

A review of FBI Headquarters indices concerning Frank Nugan, and Nugan Hand, Ltd., has revealed one main file reference titled "Nugan Hand Bank; FPC," Bureau file 163-45612. In addition, there are several "see references" to these individuals which are not directly related to this matter.

A review of Bureau file 163-45612 reveals that the bulk of the FPC inquiries conducted by the FBI in this file

By Bureau teletype to the U.S. Embassy, Canberra, attention Legat, dated 8/13/82 (attached), FBI Headquarters responded to concerning

It is also noted this Bureau's main file has been processed under FOIPA and released to certain individuals who are apparently victims of Nugan Hand Bank and certain of these
Memorandum From Mr. Greenleaf to Mr. Revell
Re: Intelligence Oversight Board Matters
Request for Information Concerning
Nugan Hand, Ltd.

articles have apparently been released to the Australian press
and apparently to U.S. media sources.

RECOMMENDATIONS:

1. That Criminal Investigative Division (CID) and
Intelligence Division (INTD) conduct appropriate review to determine
if any substantive investigations have been or are presently
being conducted concerning Nugan Hand, Ltd., and in particular
whether any of the named former U.S. intelligence community
officials are involved in these investigations.

2. That upon completion of CID and INTD responses,
appropriate contact be made with [ ] to advise him of any
information as related to his request.
The Criminal Investigative Division (CID) conducted an appropriate review, to include a survey of all CID personnel, regarding Nugan Hand, Ltd. No information other than what was set forth by the Inspection Division was developed and no substantive investigations of Nugan Hand, Ltd., are known to have been conducted.
Australien Mystery
Fall of a Banking Firm
Spotlights the Roles
Of High U.S. Officials
Frank Nugan’s Violent Death
Opens Lid on Odd Traffic
In Dope, Foreign Funds

Politicians Charge Cover-Up

By JONATHAN KVITNY
Staff Reporter of THE WALL STREET JOURNAL

SYDNEY, Australia—At 4 a.m. Sunday, Jan. 27, 1980, a police sergeant and a constable, according to their testimony, were patrolling a lonely stretch of highway 90 miles from here when they spotted the parking lights of a Mercedes on an old road off in the woods. Inside the car, slumped across the front seat in a puddle of blood, was the body of a 37-year-old man with a new rifle in his hands.

They searched his pockets and found the business card of William Colby, the former U.S. director of central intelligence. On the back of the card was the itinerary of a trip Mr. Colby had planned to make to Asia in the next month. The two policemen also found a Bible with a meat-pie wrapper interleaved at page 252; on the wrapper were scribbled the names of Mr. Colby and U.S. Rep. Bob Wilson of California, then the ranking Republican on the House Armed Services Committee.

All this might sound like the beginning of a Hollywood spy movie, but the studios would have to assign their most imaginative scriptwriters to produce a tale as startling as the real-life events that have followed that early discovery more than 20 years ago. The body was quickly identified as that of Frank Nugan, the chairman of a group of companies affiliated with the private Australian banking concern of Negan Hand Ltd. Since then, investigations have pieced together a picture of an amazing swindle that spanned six continents and bilked investors out of millions of dollars.

A Political Issue

More perplexing yet, evidence has turned up that Negan Hand bank was deeply involved in moving funds about the world for big international heroin dealers and also might have been involved in the shady world of international arms traffic. To cap it all, the offices of Negan Hand and its affiliates were loaded with former high-ranking U.S. military and intelligence officials (see story on Page 22).

This has convinced many Australians that the company was involved in secret work for the U.S. government. Despite official denials from Washington, the issue has refused to die and has become one of the central debating points in Australian politics.

The issue of U.S. investment may be a difficult one because of the essential records were destroyed. Within hours after the discovery of Frank Nugan’s body, telephones began ringing urgently all over the world. One was on the desk in Manila of three-star U.S. Gen. Leroy J. Major, the recently retired chief of staff for all U.S. forces in Asia and the Pacific. After his retirement, Gen. Major had been on secret duty for the Air Force and at the time of Mr. Nugan’s death he was helping run Negan Hand’s Philippine office.

Ransacking the Files

According to Negan Hand’s public-relations man, Tony Zorilla, Gen. Major called him and told him to stop the wire services from reporting Mr. Nugan’s death. Mr. Zorilla says he replied that this would be unethical and impossible, and he refused. (Gen. Major would describe his activities with Negan Hand only in general terms, and he wouldn’t discuss this incident.)

Halfway around the world, Rear Adm. Earl P. “Buddy” Yates, the recently retired chief of staff for strategic planning for U.S. forces in Asia and the Pacific, heard the news and immediately jetted to Sydney, Negan Hand’s main office. Adm. Yates was the president of Negan Hand, though he lived in Virginia Beach, Va. En route to Sydney, he met Negan Hand’s vice chairman, Michael Hand, a highly decorated Green Beret during the Vietnam War and a former U.S. intelligence operative, coming from London. They raced to the Negan Hand office and with a few other insiders began ransacking the files.

According to witnesses, enough records to fill a small room were fed to a shredder. Others were packed in cartons, with everyone helping, and carried at night to the back room of a butcher shop owned by Robert W. Gehring, a former Army sergeant in Vietnam. Mr. Gehring worked for Maurice Bernard Houghton, a mysterious Texas who has owned several bars-restaurants in Sydney and who had played an active role in Negan Hand’s affairs since its inception in 1973.

A Lawyer’s Advice

Mr. Houghton not only joined the rape of the files, but also brought his lawyer, Michael Moloney, to direct it. According to the testimony of Stephen K. A. Hill, a Negan Hand director who joined the record-raiding that week, Mr. Moloney urged the group on by warning, “I am fully aware of what has been going on. You all face jail terms of up to 16 years.”

According to Mr. Hill’s testimony, the burly Mr. Hand then broke in to say that if Mr. Moloney’s orders to sanitize the files before the law arrived weren’t followed, “terrible things” would happen—“Your wives will be cut up and returned to you in bits and pieces.”

Mr. Moloney in a recent interview said, “Sure, I advised Hand to take documents out of the office. I was told there were serious deficiencies in the accounts. Everything I did I talked about with Yates first.” (Adm. Yates refuses to discuss any part of his activities with Negan Hand.)

—A few months later, on April 11, 1980, Negan Hand went into liquidation. And the secrets that were so frantically being destroyed after Frank Nugan’s death began to be reconstructed. Exposed to view, like maggots, were dozens of affiliated corporations, with little or no real assets, that Negan Hand had set up to help its clients avoid taxes and move money overseas secretly and often illegally. Mr. Nugan had boasted that $1 billion a year passed through these companies.

—Still unanswered is the question of why so many high-ranking U.S. military and intelligence officials were working for the company. The CIA has denied involvement, and the State Department says that Negan Hand wasn’t in any way a U.S. government operation. But liquidators of the company and various Australian law-enforcement officers express anger and bewilderment that the CIA, the FBI and the U.S. Customs Service, all of which have information on Negan Hand, have refused to release it to help in the current criminal and civil investigations.
Leaving By waii and dator. so £> almost by with s&varms into Criminal gal. officials has dine played ranking Houghton facilities. reporters.

From its base in Sydney, Nugan Hand had operated at least 22 offices around the world, including four in the U.S. After the company failed, anguished messages poured in from individuals who had invested money at above-market interest rates in securities sold by Nugan Hand and who now stood to lose everything. Liquidators say the official shortfall could reach $50 million. The victims include many Americans, not only on the U.S. mainland but also at construction sites in Saudi Arabia and at military bases and legations throughout the Far East, Hawaii and the Philippines.

Nugan Hand carried out its operations with intense secrecy. Cables and interoffice messages were in code and often were marked “Destroy After Perusal!” Company employees and customers were referred to by coded serial numbers rather than by name, and even references to foreign currencies were disguised: “Oats” stood for Swiss francs, “wage” for U.S. dollars and so forth down to “berries” for Portuguese escudos.

An Impossible Job

“This, plus the obvious phoniness of many of the transactions carried on between companies within the Nugan Hand galaxy, makes the job of settling claims by creditors almost impossible. “We wouldn’t be able to pay any claims, saving a creditor. Many creditors aren’t even bothering to file claims, apparently fearful that to do so would expose them to prosecution for illegal deals carried out with the aid of Nugan Hand.”

Currently, liquidators in Sydney, Hong Kong and the Cayman Islands are investigating the company, and often working at cross purposes, seeking to recover assets. Criminal investigations are being conducted by the New South Wales attorney general’s office and by a joint task force of the New South Wales police and the Commonwealth police. The Royal Commission on Drugs ran into Nugan Hand so much that it has recommended a separate Royal Commission be appointed just for Nugan Hand.

In June 1980, Mr. Hand, disguised and using a phony passport, flew to the U.S., apparently via Fiji and Vancouver. He hasn’t been seen since.

Leaving Australia about the same time as Mr. Hand was his closest friend and adviser, Bernie Houghton. Mr. Houghton has a broad acquaintanceship with many high-ranking U.S. officials. As a civilian, he daringly traded goods all over the Southeast Asian war zone in the 1960s. Though his restaurant is in a seedy district of Sydney that swarms with prostitutes and sex shows, he has frequently welcomed congressmen, CIA officials and military brass there. A few weeks before Mr. Nugan died, Mr. Houghton played host, at a luncheon and later a dinner, to five members of the House Armed Services Committee who were in Australia to inspect defense and intelligence-gathering facilities. He arranged for Rep. Wilson and another congressman and their wives to dine with Mr. Hand. Last year, Mr. Houghton returned to Australia. Authorities have questioned him at length, but he avoids reporters.

Exhuming a Body

With the scandal refusing to die down in Australia, reports began to circulate that the body in Frank Nugan’s grave wasn’t his and that he was still alive and hiding out in the U.S. One report had it having been seen in a bar in Atlanta. Finally, in February 1981, officials ordered the body exhumed. With gruesome diligence, Australian TV covered the event by interviewing practically everyone in the area. (“Some are dry, some are wet,” one讣told an interviewer, complaining that Mr. Nugan was “wet” and therefore “very messy.”) A dentist definitely identified the remains as those of Mr. Nugan.

Stymied by the lack of progress in the investigation of the company’s affairs, the National Times, an Australian newspaper, petitioned the FBI under the U.S. Freedom of Information Act for information it had on Nugan Hand. The newspaper was told that of some 151 pages of material in FBI files, it could see 71. But when the papers arrived, they resembled a collection of Rorschach tests, with page after page blacked out in heavy ink and bearing the notation “B-1,” indicating that they would endanger U.S. “national defense or foreign policy.”

What was left was a few pages of more or less routine information, such as a copy of a Nugan Hand subsidiary’s petition for Incorporation In Hawaii.

In response to more-official Australian demands, the State Department sent a two-man FBI delegation to Sydney in April 1982. But the two men stonewalled, telling law-enforcement officials that the FBI had already given its information to an appropriate Australian agency; they wouldn’t say which agency or re-release the material. Australian state and national police investigating Nugan Hand say that they have never received the information. The only other likely recipient would appear to be the Australian Security Intelligence Organization (ASIO), a secret counterspy group that long has worked closely with the CIA.

By law, ASIO can give information only to Prime Minister Malcolm Fraser or his attorney general. Mr. Fraser says the U.S. has assured him that it had no connections with Nugan Hand, and he has rejected opposition-party demands for a top-level probe. But the continuing parliamentary debate could undermine the one-to-one political controversy over vital CIA bases here. These bases monitor U.S. satellites watching the U.S.S.R. and China and direct the U.S.’s nuclear submarines.

The opposition Labor Party—which now leads Mr. Fraser’s Liberal Party in some polls—has openly questioned whether the CIA, through ASIO, helped topple Australia’s last Labor government, led by Prime Minister Gough Whitlam. The CIA has denied this. Now suspicions have been raised that Nugan Hand, which handled enormous amounts of money, may have been used to channel funds to favored Australian political candidates.

When Vice President George Bush visited Australia this April, Labor Party leader Bill 0'Brien used his strong possibility to become prime minister—used his 30-minute meeting with Mr. Bush mostly to press for the release of details on the Nugan Hand and Whitlam affairs. Mr. Bush only gave his assurances that the CIA wasn’t involved in either matter. Mr. Bush, the CIA director in 1975, succeeded Mr. Colly, who was to become a lawyer for Nugan Hand.

A Secret Wiretap

Suspensions of a government cover-up could be heightened by a disclosure by Australian liquidator O’Brien. He says that he has learned from the government-run telephone company that Frank Nugan’s phone conversations were secretly recorded the last two years of his life on a device in stalled at the company by a government agency. Mr. O’Brien says phone-company officials have told him that the tapes—which might solve the mystery of who was behind Nugan Hand—aren’t at the company anymore.

Wiretap authority is tightly restricted in Australia, being allowed only in cases involving official security or narcotics investigations, according to the Commonwealth attorney general’s office. State and national police have reported that they don’t know anything about a wiretap on Mr. Nugan. Again, this points the finger at ASIO.

Australian immigration officials show that a senior ASIO official, Leo Carter, vouched for Nugan Hand’s ubiquitous Mr. Houghton when he entered Australia in February 1972 with an expired visa. On ASIO’s watch, Mr. Houghton later说服ing him to come and go from Australia at will. Mr. Carter has died, and ASIO won’t comment on this.

Presumably the most sensitive of Nugan Hand’s records were shredded right after Mr. Nugan died. But the remaining records hold many suggestions that the company may have been much more than a banking venture.

Notes on Troop Movements

The records contain long, periodically filed reports about military and political activities, mostly in Kampuchea (Cambodia), but also in Laos, Vietnam and Thailand. They are compiled continuously by the president’s special assistant, the National Security Council’s assistant for National Security, who is an active participant in U.S. covert operations. However, these detailed reports of troop movements appear unconnected to any banking or business activity. They were prepared by Nugan Hand’s Bangkok representative, John Owen, a former career navy officer, and bear notations that they were to be shown to Mr. Hand.

The files also show that Nugan Hand worked on big international arms deals, though it isn’t clear what, if anything, was shipped.

For example, there were proposed transactions in 1979 for a partnership with Prince Panya Suvanna Phouma, the son of the former Laotian leader Souvanna Phouma. In one letter, Prince Panya took three pages to list available weapons, including missiles, light and heavy armor, tanks, combat helicopters and F-16 fighter planes and naval patrol ships. Nugan Hand indicated that the weapons were intended for delivery to Indonesia and Thailand. They also discuss creation of a private, freight-oriented airline in Southeast Asia (to be called “Sky of Siam”) and other deals with Prince Panya.
Memos  

rifles, mortars, grenade launchers and 

chine guns, and was negotiating for ship-

ments of Rhodesian ivory.

Mr. Houghton has acknowledged in testi-

mony that in 1978 he met in Switzerland with 

Edwin Wilson, the former CIA officer who is 

now in U.S. custody, who is charged with 

selling explosives in Libya and who is al-

leged to have supplied trained men, arms 

and technology to Libya and other military 

buyers. A former Nugan Hand represen-

tative in Thailand, Neil Evans, has testified 

that Mr. Wilson went to Bangkok to discuss 

arms deals with Mr. Hand. Other Nugan 

Hand officials, however, deny Mr. Evans's 

story.

There seems no denying, however, that 

Nugan Hand was heavily involved with drug 

dealers. Murray Stewart Riley, a former 

Sydney policeman now serving time in Aus-

tralia for attempting to import a boatload of 

marijuana from Thailand, was a regular 
customer of the firm. So were Riley's asso-

ciates, who deposited drug money in Sydney 

and withdrew it in Asia.

Riley's business was brought to the bank, 

according to extensive testimony, by Harry 

Wainwright, a former San Francisco crimi-

nal lawyer who fled to Australia in 1972 after 

being indicted in the U.S. for income-tax 

evasion.

Testifying from prison two years ago for 

an Australasian Royal Commission looking 

into drug trafficking, Riley said his heroin 

and marijuana imports were intended for 

the U.S. market. In the words of the com-

mission, he said that he had been informed 

that Nugan Hand offered a facility to trans-

fer funds from Hong Kong to the United 

States."

Over $1 Million of Drugs

Investigators say that they have traced 

about $250,000 that Riley moved to Asia via 

Nugan Hand and that they believe the final 

figure will exceed $1 million. They say they 

believe that much of the heroin was trans-

ported to the U.S. in containers that were 

repainted by a dockside welding firm in Aus-

tralia that was closely tied to the dope 

dealers. They believe that another heroin 

ingot tied to Nugan Hand used a similar sys-


tem.

Apart from their connection with the 

bank, Michael Hand and Frank Nugan had 

been viewed suspiciously by narcotics 

agents for some time. As early as 1973, the 

Australasian Narcotics Bureau began a file on 

Mr. Hand based on reports that he and K.L. 

"Bud" King, a former pilot for Air America 

theairline had been flying dope in from Asia to 

Australia in a Vietnam war-era airline, with close 

connections with the CIA. U.S. drug-enforcement 

officials now acknowledge that the airline 

also occasionally ran heroin out of Southeast 

Asia's famed "Golden Triangle" poppy-

growing area.

The landing strip involved in the "1973 

Australian Narcotics Bureau report was on 

a real-estate development promoted by 

American singer Pat Boone and financed by 

millionaire shipping magnate D.K. Ludwig. 

Mr. Hand had worked as a salesman for the 

project for several years after he came to 

Australia in 1967 and later asserted that he 

had made a fortune from his land sales.

The report of the illegal drug flights 
came from a lawyer representing Mr. 

King's housekeeper. Mr. King, who also 

worked for the Boone-Ludwig project, has 
since died in a fall. The report was released 
recently among many files turned over to 
the Australian parliament by three former 
narcotics officers who contend that the nar-

cotics bureau covered up information on Nu-

gan Hand drug dealings.

Meeting an Opium Overlord

Other released files include information 
on alleged Nugan Hand drug deals supplied 
by Andrew Lowe, formerly Sydney's biggest 
heroin dealer (by his own assessment), who 
recently completed a prison sentence for his 
dope deals. Mr. Lowe has testified that he 
arranged a meeting between Mr. Hand and 
Khun Sa, the Golden Triangle's biggest 

opium overlords, though there is no way to 
verify that.

Through meticulous police work, how-

ever, Australian officials have documented 
in a still unreleased report a series of trans-
actions tying Nugan Hand not only to drug 
dealing but also possibly to a series of con-
tract murders in which the so-called Mr. 

Asia heroin syndicate—eliminated at least 
three persons who were informing Austra-

lian police about drug activities. Authorities 
say that the "Mr. Asia" group's heroin circu-
lated in the U.S. and elsewhere and brought 
at least $100 million cash to the syndicate's 
operators.

According to testimony from dope ring 

and bank insiders, corroborated by tele-
phone logs and other evidence, the syndicate 
was linked to the bank through a two-man 
Sydney law firm that represented both Mr. 

Nugan and various members of the heroin 
syndicate. The firm's senior partner, John 
Aston, used Nugan Hand for personal finan-
cial dealings and helped bring in other cli-

ents. And the law office was used as a drop-
off point for bank clients who wished to re-

main secret: they left parcels of cash or 
other items at the law office for pick-up by 
bank representatives.

One parcel that bank director George 

Shaw, a major operational figure at Nugan 

Hand, says he picked up at the law office 

March 26, 1979, contained $285,000 in small 
bills. This money has been traced through a 
laundring process involving a soft-drink 
firm that Nugan Hand had acquired appar-
tently because it dealt in big quantities of 
cash and through accounts at different 
banks in Hong Kong, New York, Boston and 

Singapore.

Eventually the $285,000 was paid out in 

checks from Nugan Hand's Singapore office 
to a man identified by British police as the 
Singapore leader of the heroin syndicate. 
The payout was personally arranged by Mr. 

Hand in Singapore as instructed in a coded 
telefax from Mr. Nugan in Sydney. This com-

plicated money movement was a standard 
procedure Nugan Hand used for clients 

wishing to evade Australia's strict currency 

control laws, designed to keep capital at 
home.
Admirals, Generals, Ex-CIA Men Took Prominent Roles in Nugin Hand Bank

By a WALL STREET JOURNAL Staff Reporter

SYDNEY, Australia—Enough top-ranking U.S. military and intelligence officers worked for Nugin Hand to run a small-sized war. The list includes:

ADM. EARL “BUDDY” YATES, a 1943 graduate of the U.S. Naval Academy, Legion of Honor winner in Vietnam, and commander of the aircraft carrier USS John F. Kennedy. Then he was the chief of staff for plans and policy of the U.S. Pacific Command, in charge of all strategic planning from California to the Persian Gulf, until his retirement in July 1974. He became the president of Nugin Hand bank early in 1977, recruited by Maurice Bernard Houghton, who apparently is an old friend.

GEN. LEROY J. MANOR, the chief of staff for the entire Pacific Command until he retired in July 1978 to undertake new duties that the Air Force says are so secret that it can’t talk about them. These duties are generally known to have included negotiating the 1978 agreement with the Philippine government for continuance of the U.S. military bases there (which Gen. Manor used to command) and investigating the failed hostage rescue raid in Iran in 1980 (an assignment that apparently stemmed from his having designed and commanded the 1970 raid on a North Vietnamese prison camp that failed to find any U.S. prisoners). A much-decorated Air Force three-star general, he also had been the special assistant to the Joint Chiefs of Staff at the Pentagon for “counterinsurgency and special activities.” He joined Nugin Hand’s Manila office, allegedly to run it (which he denies), in 1979.

GEN. ERLE COCKE JR., whose entry in Who’s Who in America says that during World War II he was “prisoner of war three times, actually ‘executed’ by a German firing squad and delivered the coup de grace but survived 1945.” He held various posts with the Defense Department and as an executive with Delta and then Peruvian airlines. He is a former national commander of the American Legion, honorary commander of the Nationalist Chinese Air Force and holder of the French Legion of Honor and top medals from Spain, the Philippines and Italy. Now listed as a retired general with the U.S. National Guard and a consultant. His consulting office served as Nugin Hand’s Washington office.

WILLIAM COLBY, the U.S. director of central intelligence, 1973-76. He ran intelligence programs in Vietnam during the war. In 1979 and 1980, as a lawyer with the Wall Street firm of Reed & Priest, he worked for Nugin Hand on a variety of matters—tax problems; the Foreign Corrupt Practices Act; an abortive project to relocate Indo-Chinese refugees on an island in either the Caribbean or the Pacific; an attempt to take over a Florida bank; the operations of Nugin Hand’s mysterious Panama branch, and the problems surrounding Mr. Nugan’s death. Mr. Colby submitted $46,000 in bills, which weren’t paid. A $10,000 check for his retainer was issued but never cashed.

WALTER MC DONALD, a career CIA officer since 1975 and deputy director in charge of economic research from 1972 to 77. Then, while still in the CIA, he helped his former boss, onetime CIA Director James Schlesinger, set up and run the U.S. Energy Department. He served on the National Foreign Intelligence Board, the senior advisory group in the intelligence community. He announced his retirement in 1979, went into consulting and almost immediately by his own account began spending most of his time with Nugin Hand, traveling in the U.S. and Europe with Mr. Nugan and talking with him daily.

GUY PAUKER, a Rand Corp. staff member who has advised the CIA and other government agencies since the 1950s, although he denies reports that he is a career employee of the CIA. Mr. McDonald, whom he calls his “good friend,” once said that Mr. Pauker has long had frequent personal access to White House national security advisors, including Henry Kissinger and Zbigniew Brzezinski. Mr. Pauker went to work as a consultant to Nugin Hand after Mr. Yates introduced him to Messrs. Nugan and Hand. He, in turn, introduced them to Mr. McDonald. Mr. Pauker says he wasn’t involved in any completed deals for the bank.

DALE HOLMGREN, a former U.S. Army officer in Taiwan who became manager of flight services for Civil Air Transport, a CIA-run airline in the Far East. He then went into business in Taiwan. He opened the Nugin Hand branch in Taipei in 1978 as one-man representative. Adm. Yates once said that Mr. Holmgren had long worked with the U.S. military in Taiwan to develop “within the social structure of the Chinese in Taipei a close relationship with the U.S. military forces and the business and government community.” Adm. Yates also said that Mr. Holmgren had worked for Nugin Hand without pay at least for a while because he had an independent income.

ROBERT "RED" JANSEN, a former CIA station chief in Bangkok who advised Thai governments through almost daily meetings with the prime minister in the early 1970s, according to persons close to them. He worked for Nugin Hand there in 1978, although he apparently severed his relationship that year (according to a colleague, because he was warned by the U.S. embassy that his presence at the bank had aroused suspicion). Mr. Jansen apparently had an unlisted number and couldn’t be reached for comment.

The Washington Post
Daily News (New York)
The New York Times
The Wall Street Journal
The Chicago Tribune
The Los Angeles Times
The Christian Science Monitor

Date 8-24-82

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CONCERNING NHB AND THE FBI.

ACCORDINGLY, IN RESPONSE TO REQUEST, THIS MATTER HAS BEEN REVIEWED AT FBIHQ, AND IT IS A MATTER OF FACT THAT THE FBI IS NOT, AND HAS NOT, INVESTIGATED NHB AND ITS ACTIVITIES AS
A SUBSTANTIVE VIOLATION. HOWEVER, AS LEGATS HONG KONG AND MANILA ARE AWARE,

FINALLY, IF CONTACTS OF LEGATS HONG KONG AND MANILA HAVE SPECIFIC LEADS TO BE COVERED IN THE U.S. BY THE FBI REGARDING NHB'S ACTIVITIES, THEY CAN BE HANDLED UNDER FPC.
NOTE:

The NHB is one of a number of financial institutions using variations of the Nugan Hand name (Frank Nugan - Australian citizen) as representatives in the United States, and acquired old, well-known, European banking institutions.

For years there have been numerous allegations that the Nugan Hand enterprises, which are worldwide, have been conduits for washing money for Australian, and perhaps American, organized crime elements, as well as corrupt Southeast Asian government officials and individuals involved in narcotics trafficking. They were also alleged to be involved in the handling of U.S. counterfeit currency. None of these allegations have ever been proven, although Frank Nugan was under investigation by several law enforcement agencies in Australia. He was found dead, apparently of a self-inflicted gunshot wound, in Australia in January, 1980. Whereabouts are unknown.

The NHB, Hong Kong, has recently failed. Initial estimates of loss to depositors is Hong Kong $21 million (U.S. $4 million).

This matter was coordinated with James K. Hall, Section Chief, FOIA, Records Management Division, and White Collar Crimes, Criminal Investigative Division.
FM DIRECTOR FBI [63-45612]
TO AMBASSADOR CANBERRA

ATTN: LEGAL ATTACHÉ [63-4]
BT
UNCLASSIFIED
NUGAN HAND BANK, FPC.

REURTEL AUGUST 9, 1982.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED 300,504.
DATE 2.11.82 BY SPULLONS.
8/13/82  UNCLASSIFIED PRIORITY

FM DIRECTOR FBI (163-45612)

TO EMBASSY CANBERRA

ATTN: LEGAL ATTACHE (163-4)

UNCLASSIFIED

NUGAN HAND BANK, FPC.

REURTLE AUGUST 9, 1982.
Mr. O. B. Revell 8/31/82

Mr. J. W. Greenleaf

INTELLIGENCE OVERSIGHT BOARD MATTERS
REQUEST FOR INFORMATION CONCERNING NUGAN HAND, LTD.

PURPOSE:

To provide the substance of a request telephonically received from Counsel, President's Intelligence Oversight Board (IOB), The White House, concerning any derogatory information the FBI may have developed relative to former U.S. intelligence community officials involved in a business relationship with Nugan Hand, Ltd., a now defunct private Australian banking concern allegedly involved in a world-wide swindle of investors.

DETAILS:

On 8/27/82, Unit Chief OPR, Inspection Division, received a telephone call from Counsel, President's IOB, The White House. Advised he was calling the Inspection Division relative to a recent newspaper article which appeared in the Wall Street Journal on 8/24/82, relative to Nugan Hand, Ltd. (attached). In summary, noted that the lengthy article referred to the fact that Nugan Hand, Ltd., was allegedly involved in a major swindle that spanned several continents and bilked investors out of millions of dollars. He further stated that the article indicated that numerous former high-ranking officials of the U.S. intelligence community were alleged to be in the employ of Nugan Hand, Ltd., and in particular noted that William Colby, former Director of the CIA, was on retainer for this company. He also indicated that there was a reference in the article to the fact that several U.S. agencies, mainly the CIA, the FBI and the U.S. Customs Service, all have information on Nugan Hand, Ltd., and have refused to release it to help the current criminal and civil investigations being conducted by the Australian Government.

Advised that within the mandate of the IOB, as it relates to the intelligence community, he was contacting the FBI in an effort to determine if any derogatory information had been developed.

Encls.
1 - Mr. Revell
1 - Mr. O'Malley
1 - Mr. Mintz
1 - Mr. Greenleaf
1 - OPR
1 163-45612
IMF cag (7)
Memorandum From Mr. Greenleaf to Mr. Revell
Re: Intelligence Oversight Board Matters
Request for Information Concerning Lagan Hand, Ltd.

been developed during the course of any FBI investigation conducted relative to Lagan Hand, Ltd., which indicates misconduct or criminality on the part of any of the named former intelligence officials in the Wall Street Journal, including Mr. Colby. During the telephone conversation, stressed on several occasions that he was not interjecting the IOB into any substantive criminal matter which the FBI may be investigating concerning Lagan Hand, Ltd., but wished to be advised of any derogatory information if available concerning former officials of the U.S. intelligence community, which would come under the purview of the IOB.

was advised at the conclusion of the telephone conversation that an appropriate review would be conducted of available FBI Headquarters records concerning Lagan Hand, Ltd., and in particular as it relates to his request for information concerning misconduct or criminality on the part of any former U.S. intelligence community officials.

A review of FBI Headquarters indices concerning Frank Lagan, and Lagan Hand, Ltd., has revealed one main file reference titled "Lagan Hand Bank; PPC," Bureau file 163-45612. In addition, there are several "see references" to these individuals which are not directly related to this matter.

A review of Bureau file 163-45612 reveals that the bulk of the FBI inquiries conducted by the FBI in this file

By Bureau teletype to the U.S. Embassy, Canberra, attention Legat, dated 8/13/82 (attached), FBI Headquarters responded to concerning

It is also noted this Bureau's main file has been processed under FOIPA and released to certain individuals who are apparently victims of Lagan Hand Bank and certain of these

- 2 -
CONTINUED - OVER
Memorandum From Mr. Greenleaf to Mr. Revell
Re: Intelligence Oversight Board Matters
Request for Information Concerning
Nugan Hand, Ltd.

Articles have apparently been released to the Australian press
and apparently to U.S. media sources.

RECOMMENDATIONS:

1. That Criminal Investigative Division (CID) and
Intelligence Division (INTD) conduct appropriate review to determine
if any substantive investigations have been or are presently
being conducted concerning Nugan Hand, Ltd., and in particular
whether any of the named former U.S. intelligence community
officials are involved in these investigations.

2. That upon completion of CID and INTD responses,
appropriate contact be made with [_______] to advise him of any
information as related to his request.
Australian Mystery

Fall of a Banking Firm

Spotlights the Roles

Of High U.S. Officials

Frank Nugan's Violent Death

Opens Lid on Odd Traffic

In Dope, Foreign Funds

Politicians Charge Cover-Up

BY JONATHAN KWITNY

Staff Reporter of The Wall Street Journal.

SYDNEY, Australia—At 4 a.m. Sunday, Jan. 27, 1980, a police sergeant and a constable, according to their testimony, were patrolling a lonely stretch of highway 166 miles from here when they spotted the parked lights of a Mercedes on an old road off in the woods. Inside the car, slumped across the front seat in a puddle of blood, was the body of a 37-year-old man with a new rifle in his hands.

They searched his pockets and found the business card of William Colby, the former U.S. director of central intelligence. On the back of the card was the itinerary of a trip Mr. Colby planned to make to Asia in the next month. The two policemen also found a Bible with a meat-pie wrapper interleaved at page 250; on the wrapper were scribbled the names of Mr. Colby and U.S. Rep. Bob Wilson of California, then the ranking Republican on the House Armed Services Committee.

All this might sound like the beginning of a Hollywood spy movie, but the studio would have to assign their most imaginative scriptwriters to produce a tale as startling as the real-life events that have followed that grisly discovery more than two years ago. The body was quickly identified as that of Frank Nugan, the chairman of a group of companies affiliated with the private Australian banking concern of Nugan Hand Ltd.

Since then, investigations have pieced together a picture of an amazing swindle that spanned six continents and bilked investors out of millions of dollars.

A Political Issue

More perplexing yet, evidence has turned up that Nugan Hand bank was deeply involved in moving funds about the world for big international heroin dealers and also might have been involved in the shady world of international arms traffic. To cap it off, the offices of Nugan Hand and its affiliates were loaded with former high-ranking U.S. military and intelligence officials (see story on Page 22).

This has convinced many Australians that the company was involved in secret work for the U.S. government. Despite official denials from Washington, the issue has refused to die and has become one of the central debating points in Australian politics.

The issue of U.S. investment may be hard to resolve because many of the essential records were destroyed. Within hours after the discovery of Frank Nugan's body, telephones began ringing urgently all over the world. One was on the desk in Manila of three-star U.S. Gen. LeRoy J. Manor, the recently retired chief of staff for all U.S. forces in Asia and the Pacific. After his retirement, Gen. Manor had been on secret duty for the Air Force and at the time of Mr. Nugan's death he was helping run Nugan Hand's Philippine office.

Ransacking the Files

According to Nugan Hand's public-relations man, Tony Zorilla, Gen. Manor called him and told him to stop the wire services from reporting Mr. Nugan's death. Mr. Zorilla says he replied that this would be unethical and impossible, and he refused. (Gen. Manor would describe his activities with Nugan Hand only in general terms, and he wouldn't discuss this incident.)

Halfway around the world, Rear Adm. Earl P. "Buddy" Yates, the recently retired chief of staff for strategic planning for U.S. forces in Asia and the Pacific, heard the news and immediately jetted to Sydney, Nugan Hand's main office. Adm. Yates was the president of Nugan Hand, though he lived in Virginia Beach, Va. En route to Sydney, he met Nugan Hand's vice chairman, Michael Hand, a highly decorated Green Beret during the Vietnam War and a former U.S. intelligence operative, coming from London. They raced to the Nugan Hand office and with a few other insiders began ransacking the files.

According to witnesses, enough records to fill a small room were fed to a shredder. Others were packed in cartons, with everything helping, and carried at night to the back room of a butcher shop owned by Robert W. Gehring, a former Army sergeant in Vietnam. Mr. Gehring worked for Maurice Bernard Houghton, a mysterious Texan who has owned several bar-restaurants in Sydney and who had played an active role in Nugan Hand's affairs since its inception in 1973.

A Lawyer's Advice

Mr. Houghton not only joined the rape of the files, but also brought his lawyer, Michael Moloney, to direct it. According to the testimony of Stephen K. A. Hill, a Nugan Hand director who joined the record-rifling that week, Mr. Moloney urged the group on by warning, "I am fully aware of what has been going on. You all face jail terms of up to 16 years."

According to Mr. Hill's testimony, the busy Mr. Hand then broke in to say that if Mr. Moloney's orders to sanitize the files before the law arrived weren't followed, "terrible things" would happen—"Your wives will be cut up and returned to you in bits and pieces."

Mr. Moloney in a recent interview said, "Sure, I advised Hand to take documents out of the office. I was told there were serious deficiencies in the accounts. Everything
Exhuming a Body

With the scandal refusing to die down in Australia, reports began to circulate that the body in Frank Nugan’s grave wasn’t his and that he was still hiding out in the U.S. Once he was reported having been seen in a bar in Atlanta. Finally, in February 1981, officials ordered the body exhumed. With gruesome diligence, Australian TV covered the event by interviewing practically everyone in the area. (“Some are dry, some are wet,” one gravedigger told interviewers, complaining that Mr. Nugan was “wet” and therefore “very messy.”) A dentist definitely identified the remains as those of Mr. Nugan.

Stymied by the lack of progress in the investigation of the company’s affairs, the National Times, an Australian newspaper, petitioned the FBI under the U.S. Freedom of Information Act for information it had on Nugan Hand. The newspaper was told that of some 151 pages of material in FBI files, it could see 71. But when the papers arrived, they resembled a collection of Rorschach tests, with page after page blacked out in heavy red ink, indicating that disclosure would endanger U.S. “national defense or foreign policy.”

What was left was a few pages of more or less routine information, such as a copy of a Nugan Hand subsidiary’s petition for incorporation in Hawaii.

In response to more-official Australian demands, the State Department sent a two-man FBI delegation to Sydney in April. But the two men stonewalled, telling law-enforcement officials that the FBI had already given its information to an appropriate Australian agency; they wouldn’t say which agency or re-release the material. Australian state and national police investigating Nugan Hand say that they have never received the information. The only likely recipient would appear to be the Australian Security Intelligence Organization (ASIO), a secret counterespionage group that long has worked closely with the CIA.

By law, ASIO can give information only to Prime Minister Malcolm Fraser or his attorney general. Mr. Fraser says the U.S. has assured him that it had no connections with Nugan Hand, and he has rejected opposition-party demands for a top-level probe. But the continuing parliamentary debate could redefine the one-on-one political controversy over vital CIA bases here. These bases monitor U.S. satellites watching the U.S.S.R. and China and direct the U.S. nuclear submarines.

The opposition Labor Party—which now leads Mr. Fraser’s Liberal Party in some polls—has openly questioned whether the CIA, through ASIO, helped topple Australia’s last Labor government, led by Prime Minister Gough Whitlam. The CIA has denied this. Now suspicions have been raised that Nugan Hand, which handled enormous amounts of money, may have been used to channel funds to favored Australian political candidates.

When Vice President George Bush visited Australia this April, Labor Party leader Bill Hayden—a strong possibility to become prime minister—used his 30-minute meeting with Mr. Bush mostly to press for the release of details on the Nugan Hand and Whittam affairs. Mr. Bush only gave his assurances that the CIA was not involved in either matter. Mr. Bush was the CIA director in 1976, succeeding Mr. Colby, who later was to become a lawyer for Nugan Hand.

A Secret Wiretap

Suspicion of a government cover-up could be heightened by a disclosure by Australian liquidator O’Brien. He says that he has learned from the government-run telephone company that Frank Nugan’s phone conversations were secretly recorded the last two years of his life on a device installed at the phone company, apparently by a government agency. Mr. O’Brien says phone-company officials have told him that the tapes—which might solve the mystery of who was behind Nugan Hand—aren’t at the company anymore.

Wiretap authority is tightly restricted in Australia, being allowed only in cases involving national security or narcotics investigations, according to the Commonwealth attorney general’s office. State and national police have reported that they don’t know anything about a wiretap on Mr. Nugan. Ask this points the finger at ASIO.

Australian immigration records show that a senior ASIO official, Leo Carter, vouched for Nugan Hand’s ubiquitous Mr. Houghton when he entered Australia in February 1972 with an expired visa. On ASIO’s watch, Houghton received a visa allowing him to come and go from Australia at will. Mr. Carter has died, and ASIO won’t comment on this.

Presumably the most sensitive of Nugan Hand’s records were shredded right after Mr. Nugan died. But the remaining records hold many suggestions that the company may have been much more than a banking venture.

Notes on Troop Movements

The records contain long, periodically filed reports about military and political activities, mostly in Kampuchea (Cambodia), but also in Laotian-Vietnam and Thailand. There is an argument that Nugan Hand was an active participant in U.S. covert operations. However, these detailed reports of troop movements appear unconnected to any banking or business activity. They were prepared by Nugan Hand’s Bangkok representative, John Owen, a former career British navy officer, and bear notations that they were to be shown to Mr. Hand.

The files also show that Nugan Hand worked on big international arms deals, though it isn’t clear what, if anything, was shipped.

For example, there were proposed transactions in 1979 for a partnership with Prince Panya Souvanna Phouma, the son of the former Laotian leader Souvanna Phouma. In one letter, Prince Phouma took three pages to list available weapons, including missiles, light and heavy armor, tanks, combat helicopters and F-14 fighter planes and naval patrol planes. Nugan Hand memos indicate that the weapons were intended for delivery to Indonesia and Thailand. They also discuss creation of a private, freight-oriented airline in Southeast Asia (to be called "Sky of Siam") and other deals with Prince Panya.
Memos show that in 1975 Mr. Hand was arranging the sale of Rhodesian rocket-propelled grenades and machine guns, and was negotiating for shipments of Rhodesian ivory.

Mr. Houghton has acknowledged in testimony that in 1979 he met in Switzerland with Edwin Wilson, the former CIA officer who is now in U.S. custody, who is charged with selling explosives to Libya and who is alleged to have supplied trained men, arms and technology to Libya and other military buyers. A former Negan Hand representative in Thailand, Neil Evans, has testified that Mr. Wilson went to Bangkok to discuss arms deals with Mr. Hand. Other Negan Hand officials, however, deny Mr. Evans's story.

There seems no denying, however, that Negan Hand was heavily involved with drug dealers. Murray Stewart Riley, a former Sydney policeman now serving time in Australia for attempting to import a boatload of marijuana from Thailand, was a regular customer of the firm. So were Riley's associates, who deposited drug money in Sydney and withdrew it in Asia.

Riley's business was brought to the bank, according to extensive testimony, by Harry Wainwright, a former San Francisco criminal lawyer who fled to Australia in 1973 after being indicted in the U.S. for income-tax evasion.

Testifying from prison two years ago for an Australian Royal Commission looking into drug trafficking, Riley said his heroin and marijuana imports were intended for the U.S. market. In the words of the commission, he said, "that he had been informed that Negan Hand offered a facility to transfer funds from Hong Kong to the United States."

Over $1 Million of Drugs

Investigators say that they have traced about $250,000 that Riley moved to Asia via Negan Hand and that they believe the final figure will exceed $1 million. They say they believe that much of the heroin was transshipped to the U.S. in containers that were repaired by a dockside welding firm in Australia that was known to dope traffickers. They believe that another heroin ring tied to Negan Hand used a similar system.

Apart from their connection with the bank, Michael Hand and Frank Negan had been viewed suspiciously by narcotics agents for some time. As early as 1973, the Australian Narcotics Bureau began a file on Mr. Hand based on reports that he and K.L. "Bud" King, a former pilot for Air America, had been flying dope from Asia to an Australian airstrip. Air America was a Vietnam war firm with close connections with the CIA. U.S. drug-enforcement officials now acknowledge that the airline also occasionally ran heroin out of Southeast Asia's famed "Golden Triangle" poppy-growing area.

The landing strip involved in the 1973 Australian Narcotics Bureau report was on a real-estate development promoted by American singer Pat Boone and financed by millionaire shipping magnate D.K. Ludwig. Mr. Hand had worked as a salesman for the project for several years after he came to Australia in 1967 and later asserted that he had made a fortune from his land sales.

The report of the illegal drug flights came from a lawyer representing Mr. King's housekeeper. Mr. King, who also worked for the Boone-Ludwig project, has since died in a fall. The report was released recently among many files turned over to the Australian parliament by three former narcotics officers who contend that the narcotics bureau covered up information on Negan Hand drug dealings.

Meeting an Opium Overlord

Other released files include information on alleged Negan Hand drug deals supplied by Andrew Lowe, formerly Sydney's biggest heroin dealer (by his own assessment), who recently completed a prison sentence for his dope deals. Mr. Lowe has testified that he arranged a meeting between Mr. Hand and Khun Sa, the Golden Triangle's biggest opium overlord, though there is no way to verify that.

Through meticulous police work, however, Australian officials have documented in a still unreleased report a series of transactions tying Negan Hand not only to drug dealing but also possibly to a series of contract murders in which the so-called Mr. Asia heroin syndicate eliminated at least three people who were informing Australian police about drug activities. Authorities say the "Mr. Asia" group's heroin circulated in the U.S. and elsewhere and brought at least $100 million cash to the syndicate's operators.

According to testimony from dope ring and bank insiders, corroborated by telephone logs and other evidence, the syndicate was linked to the bank through a two-man Sydney law firm that represented both Mr. Negan and various members of the heroin syndicate. The firm's senior partner, John Aston, used Negan Hand for personal financial dealings and helped bring in other clients. And the law office was used as a drop-off point for bank clients who wished to remain secret; they left parcels of cash or other items at the law office for pick-up by bank representatives.

One parcel that bank director George Shaw, a major operational figure at Negan Hand, says he picked up at the law office March 26, 1979, contained $255,000 in small bills. This money has been traced through a laundering process involving a soft-drink firm that Negan Hand had acquired (apparently because it dealt in big quantities of cash) and through accounts at different banks in Hong Kong, New York, Boston and Singapore.

Eventually the $255,000 was paid out in checks from Negan Hand's Singapore office to a man identified by British police as the Singapore leader of the heroin syndicate. The payout was personally arranged by Mr. Hand in Singapore as instructed in a coded telex from Mr. Negan in Sydney. This complicated money movement was a standard procedure Negan Hand used for clients wishing to evade Australia's strict currency control laws, designed to keep capital at home.
Admirals, Generals, Ex-CIA Men Took Prominent Roles in Nugan Hand Bank

By a WALL STREET JOURNAL Staff Reporter

SYDNEY, Australia—Enough top-ranking U.S. military and intelligence officers worked for Nugan Hand to run a small-sized war. The list includes: ADM. EARL "BUDDY" YATES, a 1943 graduate of the U.S. Naval Academy, Legion of Honor winner in Vietnam, and commander of the aircraft carrier USS John F. Kennedy. Then he was the chief of staff for plans and policy of the U.S. Pacific Command, in charge of all strategic planning from California to the Persian Gulf, until his retirement in July 1974. He became the president of Nugan Hand bank early in 1977, recruited by Maurice Bernard Houghton, who apparently is an old friend.

GEN. LEROY J. MANOR, the chief of staff for the entire Pacific Command until he retired in July 1976 to undertake new duties that the Air Force says are so secret that it can't talk about them. These duties are generally known to have included negotiating the 1978 agreement with the Philippine government for continuance of the U.S. military bases there (which Gen. Manor used to command) and investigating the failed hostage rescue raid in Iran in 1980 (an assignment that apparently stemmed from his having designed and commanded the 1979 raid on a North Vietnamese prison camp that failed to find any U.S. prisoners). A much-decorated Air Force three-star general, he also had been the special assistant to the Joint Chiefs of Staff at the Pentagon for "counterinsurgency and special activities." He joined Nugan Hand's Manila office, allegedly to run it (which he denies), in 1979.

GEN. EDWIN F. "BLACK" LEE, a 1940 graduate of West Point. He entered the Office of Strategic Services (OSS), which later became the CIA, and was the OSS commander in Berlin. He was the chief administrative aide to and frequent chess opponent of Allen Dulles, who became the head of the CIA. He was the wartime boss and then tennis partner of Richard Helms, who also became the head of the CIA. He was on the National Security Council staff under President Eisenhower and later the commander of all U.S. troops in Thailand during the Vietnam war, before becoming assistant Army chief of staff for the Pacific. He retired in 1970 to become executive vice president of the Freedoms Foundation in Valley Forge, Pa., a group promoting conservative politics. He also worked for LTV Corp., an important CIA contractor. In 1977, he became the president of Nugan Hand Inc., Hawaii, and special representative of the overall organization, making frequent trips to Asia. He says he was recruited by Adm. Yates and another admiral.

GEN. ERLE COCKE JR., whose entry in Who's Who in America says that during World War II he was "prisoner of war three times, actually 'executed' by a German firing squad and delivered the coup de grace but survived 1945." He held various posts with the Defense Department and as an executive with Delta and then Peruvian airlines. He is a former national commander of the American Legion, honorary commander of the Nationalist Chinese Air Force and holder of the French Legion of Honor and top medals from Spain, the Philippines and Italy. Now listed as a retired general with the U.S. National Guard and a consultant. His consulting office served as Nugan Hand's Washington office.

WILLIAM COLBY, the U.S. director of central intelligence, 1973-76. He ran intelligence programs in Vietnam during the war. In 1979 and 1980, as a lawyer with the Wall Street firm of Reid & Priest, he worked for Nugan Hand on a variety of matters—tax problems; the Foreign Corrupt Practices Act; an abortive project to relocate Indochinese refugees on an island in either the Caribbean or the Pacific; an attempt to take over a Florida bank; the operations of Nugan Hand's mysterious Panama branch, and the problems surrounding Mr. Nugan's death. Mr. Colby submitted $46,000 in bills, which weren't paid. He was issued a check for his services and never cashed it.

WALTER MCDONALD, a former CIA officer since 1975 and deputy director in charge of economic research from 1972 to 77. Then, while still in the CIA, he helped his former boss, onetime CIA Director James Schlesinger, set up and run the U.S. Energy Department. He served on the National Foreign Intelligence Board, the senior advisory group in the intelligence community. He announced his retirement in 1979, went into self-employment and immediately by his own account began spending most of his time with Nugan Hand, traveling in the U.S. and Europe with Mr. Nugan and talking with him daily.

GUY PAUKER, a Rand Corp. staff member who has advised the CIA and other government agencies since the 1950s, although he denies reports that he is a career employee of the CIA. Mr. McDonald, whom he calls his "good friend," once said that Mr. Pauker has had frequent personal access to White House national security advisers, including Henry Kissinger and Zbigniew Brzezinski. Mr. Pauker went to work as a consultant to Nugan Hand after Adm. Yates introduced him to Messrs. Nugan and Hand. He, in turn, introduced them to Mr. McDonald. Mr. Pauker says he wasn't involved in any completed deals for the bank.

DALE HOLMGREN, a former U.S. Army officer in Taiwan who became manager of flight services for Civil Air Transport, a CIA-run airline in the Far East. He then went into business in Taiwan. He opened the Nugan Hand branch in Taipei in 1978 as a one-man representative. Adm. Yates once said that Mr. Holmgren had long worked with the U.S. military in Taiwan to develop "within the social structure of the Chinese in Taipei a close relationship with the U.S. military forces and the business and government community." Adm. Yates also said that Mr. Holmgren had worked for Nugan Hand without pay at least for a while because he had an independent income.

ROBERT "RED" JANSEN, a former CIA station chief in Bangkok who advised Thai governments through almost daily meetings with the prime minister in the early 1970s, according to persons close to him. He worked for Nugan Hand there in 1978, although he apparently severed his relationship that year according to a colleague, because he was warned by the U.S. embassy that his presence at the bank had aroused suspicion. Mr. Jansen apparently has an unlimited number and couldn't be reached for comment.

The Washington Post
Daily News (New York)
The New York Times
The Wall Street Journal
The Chicago Tribune
The Los Angeles Times
The Christian Science Monitor

Date 8-24-82
Page 14
Enclosed for the information of Alexandria (AX) are two (2) copies each of newspaper articles appearing in The Sydney Morning Herald on 9/25/80, 9/26/80, 9/27/80, and 9/29/80, and The Wall Street Journal on 8/24/82, 8/25/82, and 8/26/82, concerning Frank Nugan, Michael Hand, and the Nugan Hand Bank.

As indicated in enclosed articles, there have been numerous allegations that the Nugan Hand Bank, an Australian enterprise with branches worldwide, has been a conduit for washing money for organized crime elements and individuals involved in narcotics trafficking. The bank, or its principals, have also reportedly been involved with tax fraud schemes (providing paper losses for clients) and gun running in Southeast Asia. A number of retired United States (U.S.) military officials of General and Admiral rank, and retired Central Intelligence Agency (CIA) officials, worked for Nugan Hand.

Enclosures (16)

1 - Mr. Helterhoff
1 - Mr. Klein
1 - Mr. Adamski
1 - Mr. Van Baler
1 - Mr. Hart
1 - Mr. Hunt
1 - 163-45612 file
1 - AX 58-222 file
1 - AX 97-7 file

RLH: mlf (12)
For the information of AX, FBI has received inquiries, from various branches and agencies of our Federal Government, concerning the extent of Federal Bureau of Investigation (FBI) investigation of Kugan Bank, its principals, and former U.S. officials associated with that bank. Review of FBI indices reveals that FBI investigation in these matters...
Airtel to SAC, Alexandria
RE: [AX 56-222]

(AX '97-7)

has advised that also advised that

The Sydney Morning Herald reflects that in 1969 four U.S. citizens working for Air America were shareholders with [_____] in a property and tourism venture in Australia. Although a connection between [_____] at that time has not been established, it is noted that:

As previously mentioned, there are

AX is requested to pursue, during the course of captioned investigations, the involvement of captioned subjects with the Nugan Hand Bank and its principals. It appears that:

Any inquiries directed to
Airtel to SAC, Alexandria
RE:

NOTE: FBIHQ indices reflect the following references concerning Frank Nugan, and Nugan Hand Bank: 163-45612, 87-0-9028, and 64-175 sub. 303 serial 391. There are also numerous 190 references concerning FOI requests. WCC Financial Crimes Unit Chief and Supervisor, Division 5.

Foreign Liaison Unit, Supervisor, 18f/72, and 75c/s2, respectively, regarding status of FBI investigations on Nugan Hand Bank matters.
The last 20 frantic days of Frank Nugan’s life

Desperate bid to save bank empire

Before Frank Nugan shot himself last January, he lived a frantic 20 final days of international dealings, long-haul jet flights and brief stays at top hotels.

The shot from his high-powered rifle, in a car parked on a lonely dirt track near Lithgow, wiped out much of the story of his last 20 days; but it is known that life had started to go very wrong for the outwardly confident and successful young captain of finance.

The merchant bank he founded with Michael Hand had immense problems which were to surface only after his death.

His last days seem to have been spent in desperate efforts to prop up the collapsing empire.

But he also was ragged by allegations made at the NSW Royal Commission hearings into Drug Trafficking that the Nugar Hand bank was being used to transfer money for international drug deals.

The diary of his last days begins in Sydney.

January 7, 1980: Frank Nugar goes to Bondi police station and picks up a shooter’s licence.

He had handled firearms as a school cadet, but shooting was not one of his hobbies.

Also on January 7, members of the influential US House of Representatives Defence Subcommittee flew to Sydney from Auckland.

Mr. Bob Wilson, of California, is the ranking Republican on his committee, which monitors the US$15.4 billion American military budget.

Among notes found on Frank Nugar’s body 20 days later was one with Congressman Wilson’s name on it. Underneath his name was the name Bill Colin Mr. Colin was a former chief of the CIA, who took up a Washington law practice after President Gerald Ford dismissed him. Mr. Colin worked as a partner to the Nugar Hand bank.

Congressman Wilson says he knows Michael Hand, the partner in Frank Nugar’s bank, but he has never met Frank Nugar.

On the night of January 7 the Congressmen and his colleagues dined at Sydney’s Texas Tavern with Mr. Bernie Houghton, the Saudi Arabian representative of Nugar Hand.

Before Mr. Houghton entered the merchant banking he owned the Texas Tavern and Harpoon Harry’s bars popular with US soldiers on leave during the Vietnam war. During his ownership of these establishments, Mr. Houghton earned a reputation in the Kings Cross area as a colourful character, who had two permanent bodyguards and rough and tumble associates.

Mr. Houghton also established business dealings with two respected Sydney businessmen, the property developers Sir Paul Strasser and Mr. John Charardy.

In 1974, all of them were directors of a company called 325 George Street Pty Ltd. Both Sir Paul and Mr. Charardy guaranteed a mortgage for Houghton’s company, Argus Investments.

In 1976 this company went into liquidation. After this date there does not appear to be any further connection between the property developers and Mr. Houghton.

He vanished from Sydney after Frank Nugar’s death and was believed to be in the US with Michael Hand Police say a number of Saudi Arab financiers with the bank are anxious to speak to him about the security of their investments.

Congressman Wilson has said he knew Mr. Houghton through some of his constituents in San Diego. He has claimed it was not odd that his important constituency had dinner with Mr. Houghton.

"It was our first night in Sydney and nothing had been scheduled," the Congressman said.

January 8: Frank Nugar goes to a Sydney gun shop and buys the .30 caliber US military rifle later used in his suicide.

The gun shop salesman was to tell the Lithgow Coroner’s Court it was one of his quickest sales.

January 9: Frank Nugar and his wife Charlotte Lee board a jet for the United States.

Despite his ominous purchase of the day before, hope was still alive in Frank Nugar.

His mission in the United States was to get control of a bank in Florida whose name has not been revealed.

Witnesses at the inquest said he was confident of clinching the deal. As evidence of this confidence he arranged a long lease of a $1,000-a-week home.

He had indicated to associates that this was going to be the place where he started a new life away from the rigours of Sydney and allegations about the Nugar Hand bank.

The Florida deal not yet settled. His wife remains in the United States.

January 21: The two bankers talk over dinner at Geneva’s luxurious Hotel du Rhone.

According to Michael Hand’s evidence at the inquest Frank Nugar talked about conspiracy charges pending against him (Frank Nugar) in a Sydney court of petty sessions. These charges centre on allegations that he conspired to stock a shareholders meeting of the Nugar Group Ltd, the Griffith-based fruit wholesaling organisation.

Charges are still pending against Mr. Ken Nugar, the

FOI/PA #: 163-45612
APPEAL #: ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
CIVIL ACT. #: DATE 11/25/88 E.O. #. INITIALS 308.504 # 388/655 21/05/89

PAGE 2

PRESIDENTIAL

The Inside Report

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 11/25/88 BY SPScDan
Frank Nugan, Australian lawyer, and Michael Hand, US soldier, got together in 1973 with $1 million and set up the Nugan Hand merchant bank.

In seven years their Sydney-based bank spanned the world and had a $1,000 million-a-year turnover.

Early this year Frank Nugan committed suicide, and the bank crashed.

Investigators say that more than $50 million in deposits with the bank may be missing.

Allegations have been made that the bank financed drug deals, was involved in gun-running and had links with the US Central Intelligence Agency (CIA).

Michael Hand vanished; a number of former employees of the bank have gone to ground.

Now a joint NSW-Federal police task force is sifting through the bank's coded accounts, secret lists and dubious deals.

In a series of articles beginning today, ANDREW WATSON throws light on the last days of Frank Nugan, how the bank did business, its links with the drug world and the CIA.

Frank Nugan and his brother, who is head of the Nugan Group Pty Ltd. It is a separate company from the Nugan Hand bank.

Frank Nugan told his partner that he would bear the charges and talk of settling down in Florida after the bank deal.

Michael Hand's mission in Geneva was to get approval from the United Nations High Commissioner for Refugees of a resettlement scheme for Vietnamese refugees. The bank's plan was to settle the refugees on a British-controlled island near the Caymans in the Caribbean. The Caymans were the headquarters for the bank's offshore tax-evasion schemes.


Later he told Michael Hand that he had clinched two very big deals for the bank there. Investigators have not been able to work out what they were, but there is talk in police circle that they involved gun-running.

It appears that Hand had been a last-ditch effort to pull fast money into the bank to try to cover up Frank Nugan's huge indebtedness to his own bank.

At the inquest Michael Hand said Frank Nugan had perpetuated a "gross fraud" on the bank.

In an affidavit in the Family Court he said the bank had a $4 million deficiency.

January 25: Frank Nugan arrives at Sydney airport from Hamburg to be met by the bank's solicitor, Mr Quenon George.

Mr George started to drive his boss to the office but Nugan said he wanted to go home first.

Nugan arrived in the office at 11.30 am and staff noted that he looked drawn but in good spirits. He called a meeting of top bank staff for the following morning, a Saturday.

January 26: A casually dressed Frank Nugan begins the meeting of top bank staff in the Macquarie Street office at 9 am.

After half an hour he called the meeting off, saying: "I don't know where I am, but wherever it is it's night and not morning."

He had promised to lend his Mercedes car to Quenon George for a wedding. He cancelled off the arrangement with the words: "I don't want to be without my car. I want to go somewhere tonight. I have to go somewhere tonight."

Nobody has discovered where that was.

Sunday, January 27: On a lonely dirt track, a lovers' lane for couples from Lithgow, Frank Nugan shoots himself in his parked car in the early hours of the morning.

TOMORROW: The Nugan Hand money chase.
Ambitious schemes never eventuated

Chase after an elusive 'big deal'

Frank Nugan is shaving in his Macquarie Street office overlooking Sydney Harbour. Suddenly he summons an adviser to discuss his latest project for the Nugan Hand Bank.

"What do you know about rubber?" he demands.

"Nothing," the side replies.

"Well, find out everything you can about rubber by this afternoon, because this guy is coming in from Malaysia," Nugan booms. "We're going to corner the world rubber market."

The shaving resumes.

Former Nugan Hand Bank employees now joke about the project. "He thought he could take on Goodyear, Michelin and Bridgestone," one says.

But at the time - late last year - Frank Nugan's "world rubber market" project wasn't a gag-line from The Secret Life of Walter Mitty.

The "guv" coming to see Frank Nugan was Dr Nor, head of the Malaysian Government's semi-autonomous rubber buyer, the Rubber Industry Smallholders' Development Authority (RISDA). The Nugan Hand Bank flew Dr Nor to the United States and had him shown about by the bank's representatives, Admiral Earl Yates.

But Nugan's rubber dream collapsed when Dr Nor abandoned the tour and flew to Admiral Yates in Honolulu.

Former bank employees said Frank Nugan cursed Dr Nor and moved on to another project.

In the six months before his suicide in January, Frank Nugan was constantly hopping between jets and hotels in dogged pursuit of The Big Deal that would bail out the bank.

There were at least three trips to North America, one to South America, and a couple to Europe and Asia. Bank staff were told a big deal would be clinched; nothing happened.

Another wild-of-the-wisp project included talks with the Indonesian Government's Pertamina oil company, aimed at cornering the Indonesian oil market.

Last year Mr Guy Banke, a part-time US consultant to Nugan Hand and an Asian specialist with the US Government-financed Rand Corporation, arranged a series of introductions for Frank Nugan with the Indonesian Government and Pertamina officials. The deal never came off.

The same fate awaited Frank Nugan's scheme for a $100 million coal and mineral exploration project in the Philippines.

Another Asian scheme hinged on persuading the Thai Government to save petrol by setting up ethanol distillation plants. The bank planned to handle the Thai Government's fund-raising for this multi-million dollar project. Nothing came of it.

"It was all a big marketing hype," a former bank employee said. "Frank Nugan and Michael Hand (co-founder of the bank) would do anything to turn a dollar."

Since Michael Hand vanished two months ago, NSW Corporate Affairs Commission and police investigators are trying to find out exactly how the dollars were "turned."

The former employee said: "There was no doubt the bank was into gun-running. It was generally known that one of their client companies was trying to sell rifles, helicopters and gun-ships to Taiwan."

The liquidator of the failed banking group, Mr John O'Brien, says he has received gun-boat plans and specifications in mail addressed to the bank.

The former employee also said he was puzzled why the bank never became involved in traditional areas of merchant bank activity such as equity funding and debt (mortgage) financing.

"They paid commissions of up to 2.5 per cent on unsecured investments of $1 million or more," he said. But other money market operators would only be paying about 0.25 per cent.

"With Nugan Hand's commission to its operators it meant they were paying in excess of 12 per cent for money. You can't survive on that."

When asked why the commissions were so high, he responded: "That's the $50 million question."

(Investigators believe more than $50 million is missing from the bank's world-wide network of companies.)

Given the bank's unusual methods, why did people invest? One reason was that the Nugan Hand offered higher interest rates than its competitors. Another attraction, for some investors, seems to be the extraordinary measures "the bank took to protect the confidentiality of its clients' dealings."

If "hot" money is to be laundered through overseas placement of funds, secrecy is vital.

A confidential bank manual states: "The telephone and/or telex are the least secure methods of conveying information. Every time representatives advise completion of deposit business codes must be used."

ALL INFORMATION CONTAIN HEREIN IS UNCLASSIFIED

DATE 11/26/88

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Missing man had top US links, Strasser claims

A missing employee of the failed Nungan Hand bank obtained an earlier job in Sydney with the help of references from a top Washington politician and United States generals, according to the Sydney businessman Sir Paul Strasser.

The employee, Mr. Bernie Houghton, worked for Sir Paul Strasser as a salesman for Sir Paul's building company, Parkes Development, in the early 1970s.

Mr. Houghton said he had a falling out with him in 1974 over the company's management.

He left, Sir Paul said, after Sir Paul became dissatisfied with the level of profits he was achieving.

"When Bernie Houghton came to me and said he wanted a job, he gave me the name of a top politician in Washington and some generals," Sir Paul said.

He had since thought it possible that Mr. Houghton was connected with the CIA.

Sir Paul said he had never met the former chairman of the failed bank, Mr. Frank Nugan. He said stories in the Communist Party newspaper Tribune attempting to link him to the bank were "very upsetting."

"I never in my life met Frank Nugan and I never in my life had business dealings with him," Sir Paul said.

And with a loud laugh he added: "When a communist paper attacks you on its front page it's almost an Order of Australia."

Opérative's disappearance

Another overseas operative of the failed Nungan Hand bank has vanished.

Mr. Michael John Miller, the bank's Kuwait representative, left an address in Coogee four months ago and has not been seen since.

His white Falcon panel van is still sitting in the driveway of his former home.

Former associates say Mr. Miller, who is about 30, was engaged to work as the bank's Kuwait representative just before Nungan Hand's chairman, Mr. Frank Nugan, committed suicide in January.

When Mr. Miller disappeared he left behind a confidential Nungan Hand bank document, a $700 telephone bill, and personal papers.

Among these was a $10,000 account with the Hongkong and Shanghai Banking Corporation in Hong Kong. It shows two substantial deposits from banks in Luxembourg.

Former associates of Mr. Miller are at a loss to explain his disappearance. But one told me that he was trying to obtain travel documents to go overseas.

Mr. Miller also told this person that he was once a mercenary in Rhodesia.

A number of other Nungan Hand operatives also vanished shortly after Mr. Frank Nugan's suicide. Police and Corporate Affairs Commission investigators are still searching for Mr. Michael Hand, the bank's co-founder, and Mr. Bernie Houghton, the bank's representative in Saudi Arabia.
List of names holds only clues

Bank, drug trade links suspected

Among the papers found after Frank Nugan's suicide was a list of names including those of three known drug dealers.

The names are Ken Dooley (an alias used by Ken Derley), Reg Parkin and James Sweetman.

Another name on the list is P. J. Hayward, thought to be Paul Hayward, the former Newtown Rugby League player, who has pleaded guilty in Thailand to the possession of eight kilograms of heroin.

Two hundred names are on the list, which was found among personal papers in the Mercedes in which Frank Nugan took his life. Those listed are believed to have been debtors to the failed Nugan Hand Bank.

Other information pointing to a link between the bank and drug-dealing was given to the NSW Royal Commission into Drug Trafficking last year.

The Royal Commissioner, Mr Justice Woodward, concluded that there was sufficient evidence "to raise serious misgivings as to the group's involvement with criminals and to justify a full inquiry into its affairs and the parts played therein by Nugan and Hand."

How did a merchant banker whose bank had a $1,000 million turnover and who had a string of international offices and a $1 million home at Vaucluse become involved in the Royal Commission into Drug Trafficking?

The answer seems to lie in the special services offered by the Nugan Hand Bank - secret coded accounts, off-shore banking facilities and the laundering of money through a network of Nugan Hand-controlled "shell" companies.

The big unanswered question of the great Nugan Hand colossus' whether the bank was used to channel drug money.

One starting point in attempts to unravel the mystery is Frank Nugan's secret list and the name "Ken Dooley" with the notation, "19,267.92 loan".

Ken Dooley, alias Ken Derley, was convicted for his part in the unsuccessful attempt to bring into Australia on the yacht Anoa 4.8 tonnes of marijuana, said to have a retail value of $50 million.

The Anoa deal involved the purchase of the yacht in Hong Kong, paying Thai army officials a $500,000 bribe and purchasing the 4.8 tonnes of marijuana in Thailand.

The NSW Royal Commission was given three versions of the financing of the deal by Murray Riley, a former NSF detective-sergeant, failed for his part in importing the marijuana.

Riley rejected his evidence on the financing.

Another person involved in this deal was Reg Parkin, who also convicted. His name appears twice on Frank Nugan's list. One entry states: "Parkin Reg nil." The other simply lists his name.

A fascinating entry on Frank Nugan's list is "Sweetman J. nil." Police have concluded that this is James Randolph Sweetman, described by police as a known "major drug dealer."

Sweetman is believed to have gone to the United States to avoid being called to give evidence before either the Federal or NSW Royal Commissions hearings. But it must be remembered that Frank Nugan was a regular traveller to North America.

In 1970 Sweetman was convicted of selling and possessing amphetamines after $500,000 worth of amphetamines were stolen from the Sydney warehouse of May and Baker. Convicted with him was Stanley John Smith, a known criminal.

Frank Nugan's list also contains an entry of $210,000 against the name of a person described by police as an associate of Karl Bonnette. During the NSW Royal Commission hearing, Bonnette was described as "the godfather."

Bonnette describes himself as self-employed, dealing in cars, boats, diamonds and gold. He is a frequent traveller to the United States and has had business dealings with some of the Anoa crew.

During the NSW Royal Commission evidence, it emerged that Frank Nugan was a friend of Harry Wainwright, a former US lawyer who migrated to Australia in 1968. Wainwright was described to the commission as an alleged associate of known Mafia leaders in the days when he practised as a lawyer in the United States.

The Royal Commission's report noted that it received "some information" implicating Wainwright and Danny Stein, a known US Mafia boss, in the financing of the Anoa marijuana plot.

The Royal Commission said it could not establish anything directly linking Wainwright and the Nugan Hand Bank with the Anoa drug deal. But the Commission concluded there should be a full investigation of both Wainwright and the bank.

The Commission report found Mr Wainwright's explanation of his deposits and transfers with NUGAN Hand "unconvinving. There is no evidence to suggest to what other use Wainwright may have put the funds."

Mr Wainwright explained his transactions as necessary to "pay expenses on overseas trips and to lend to friends.

In 1973 Mr Wainwright was charged in the United States with "conspiracy involving tax avoidance." But before indictments were filed against him, he returned to Australia and took out Australian citizenship.

The Royal Commission established that during 1975 and 1976 he was investing funds with the Nugan Hand Bank. But bank records do not show the extent of these deposits and withdrawals.

Wainwright's dealings with the bank were finally handled by Frank Nugan and they became friends. They played chess together.

Michael Hand, a co-founder of the bank, who a friend of Wainwright. But during evidence he gave to the Royal Commission, he said he did not have detailed knowledge of NUGAN's relationship with Wainwright or the bank's dealings with him.

The Commission's report concluded that Hand was not as ignorant of the affairs of the NUGAN Hand group in Sydney as he suggested.

The full story of the bank's involvement with the drug trade will probably never be known. Detailed records were never kept of many transactions and clients were given numbered cards to operate secret accounts.

The master lists of codes and names have disappeared since Frank NUGAN's suicide and Michael Hand's disappearance two months ago.

It seems Frank NUGAN kept many of the details in his head. And when he shot himself in January he obliterated them as effectively as any shredder could.
Clients were given a coded card enabling them to transact business at the bank's worldwide offices "without the client identifying himself by name." "Under no circumstances should a staff member inquire as to the client's name or the nature of his business," the manual states.

Cards held by sensitive clients carried a red dot and could be signed with a code word. The manual suggests code names such as "Louis Watch," "Oscar" or "Fizzy." These code names were then brought together in Hong Kong, Singapore and Sydney. Investigators have yet to find a master list.

The manual says: "All envelopes emanating from Hong Kong have no company markings or return addresses on the outside, in an effort to ensure privacy for the client." Despite these measures, bank employees were under a permanent instruction to write a comprehensive analysis of any client's individual requirements or peculiarities for handling his account." This was then forwarded to Frank Nugan in Sydney or Michael Hand in Singapore.

Another intriguing facility offered to clients was through the Montevideo Shipping Co Ltd. Staff members were instructed in the confidential bank manual that if clients "for reasons of security" wanted to send funds to a non-Nugan Hand Bank account they should use Montevideo's account with the Wing On Bank in Hong Kong.

Under this laundering operation the funds were then passed to the designated bank in Hong Kong in a separate transaction.

Another attraction for clients was the group's activities in the tax-free Cayman islands. They offered to run Cayman-registered companies by mail for clients and provided advice on setting up Cayman-based tax avoidance and evasion schemes.

One of these operations involved the establishment of trust accounts in countries gazetted by the Taxation Office as tax-havens. Normally a person wishing to set-up a trust fund in a gazetted tax-haven has to get approval from the Commissioner of Taxation. The bank's manual recommends a blatant breach of this requirement by stating: "It appears that the only way around the problem is to remit the funds firstly to a non-gazetted country then to the selected tax haven."

The Australian Commissioner of Taxation is now investigating the bank's irregular tax operations in Hong Kong and the Caymans.

Officials are also investigating allegations that the bank claimed to have "men in the Taxation Department." Allegations have been made to the Australian Federal Police that these men accepted bribes to approve Nugan Hand tax schemes.

Some of these bizarre transactions by the bank were outlined to Mr Justice Woodward during the NSW Royal Commission into Drug Trafficking. The Commission was investigating links between the bank and known international drug dealers. Mr Justice Woodward reached the conclusion that there has been sufficient evidence put before him to raise serious misgivings as to the group's involvement with criminals and to justify a full inquiry into its affairs and the parts played therein by Nugan and Hand.

TOMORROW: The Drug Link.
Federal Police undermined by US intelligence tip-off

A curious collection of links with the CIA

This is the final article in a four-part series by ANDREW WATSON investigating the collapsed Nukan Hand financial empire. Today, a curious collection of links with the CIA through the employees and Nukan's contacts with the intelligence world just as widely as they dealt with criminals, drug dealers and gun-runners.

How did merchant bankers in Sydney come to know the movements in the United States of a secret investigation team sent by the Australian Federal Police?

Last year the Federal Royal Commission into Drug Trafficking sent the detectives to investigate the Nukan Hand bank group in America.

They followed up leads suggesting that the bank was involved in drug trafficking and had links with the US Central Intelligence Agency (CIA).

Within days of their return to Australia, the police were amazed to receive a phone call from Michael Hand, a co-founder of the bank. He asked why they had not got in touch with the bank in Sydney and gone to its Sydney office to inspect records.

Police sources say the US trip was a closely guarded secret and only senior US intelligence and Federal Bureau of Investigation officers knew about it.

"The Nukan Hand bank must have had very hot contacts in the States to know anything about it," a senior police source said.

"Obviously they had been given a tip off by somebody in US intelligence circles."

It seems that the Nukan Hand bank, and some members of its world-wide staff, fitted into the shadowy world of intelligence just as easily as they operated deals, no questions asked, for suspected criminals in Sydney.

Michael Hand had his first taste of US intelligence work during the Vietnam War. He worked with the Green Berets and the Special Intelligence Service in sensitive zones.

During those years, Michael Hand met Bernie Houghton, a US citizen and a quixotic character who ran the Texas Tavern in Kings Cross.

According to police, Houghton had contacts in US intelligence during the Vietnam War. He became the bank's Saudi Arabian representative.

Both Hand and Houghton vanished two months ago. They are believed to be in the United States.

When Michael Hand wasn't selling drugs in Vietnam, he turned his mind to business in Australia. He bought property speculation on the NSW North Coast and established Australian and Pacific Holdings Ltd in 1969.

Shareholders with Nukan in the property and tourism ventures were four US citizens working for an American CIA-controlled company.

As Nukan and Hand moved into merchant banking they consistently recruited staff with either a US intelligence or military background.

Their representative in Hawaii was General Ed Black, a retired commander of US forces in Thailand and Vietnam. In the 1960s during World War II, Ed Black was with the Office of Strategic Command (the forerunner of the CIA).

Their bank president in the tax-free Cayman Islands was Admiral Earl Yates (retired), a former senior aide to the US Secretary of the Navy.

The Bank of Washington lawyer was Mr William Colby, the former chief of the CIA, dismissed by President Gerald Ford. Mr Colby's name was found among Frank Nukan's possessions when police investigated Nukan's suicide this year.

Mr Colby says he knew both Hand and Nukan. But the relationship was strictly lawyer-to-client and he has declined to outline exactly what that covers. He says he worked for the bank from early 1979.

Before Colby rose to head of the CIA, his agency duties included leadership of the Phoenix Program, an operation intended to terrorise Viet Cong supporters.

During Hand's tour of duty in Vietnam he was seconded to one of the Phoenix Program's terror squads.

Is all of this more than mere coincidence? Why would the CIA be interested in the Nukan Hand bank?

In 1975 the offshore, Cayman-based Castle Bank closed its offices. The bank was being used by the CIA as a conduit for millions of dollars earmarked for CIA operations in Cuba and Latin America.

The Castle Bank was also used for tax dodges by prominent US citizens — businessmen, entertainers, organised-crime figures.

Suddenly in 1976 the Nukan Hand bank registered in the Cayman Islands. There is speculation it filled the gap left by the liquidation of the Castle Bank.

Certainly the Nukan Hand bank has been linked with CIA-style activities such as gun-running and the illicit channeling of funds.

An incident in 1977 helps to shed some light on the bank's American connection. Mr John Dowd, the NSW Liberal MP..."
and the shadow Attorney-General, had a visit from a US businessman called "Jack." Mr Dowd recalls that his visitor had come from Hawaii to discuss a "deep cover" job with Frank Nugan. His background was in US intelligence and he deals in oil commodities. The term "deep cover" was never clearly explained to Mr Dowd. "Jack" approached Mr Dowd after reading reports about the bank in Sydney newspapers.

Mr Dowd said "Jack" told him the bank was trying to break into the gambling resorts of Las Vegas and Phoenix (Arizona). "Jack" told Mr Dowd that the bank was moving "enormous amounts" of money around the world.

Another puzzle is Mr Walt McDonald, a former CIA petroleum expert and Nugan Hand consultant until February of this year. He resigned shortly after Frank Nugan's suicide in January.

Mr McDonald was also a personal friend of the CIA's specialist on the Soviet Union, Mr John Paisley. In September, 1978, Paisley's badly decomposed body was found floating in Chesapeake Bay near Washington. His abandoned yacht contained highly secret CIA communication gear.

Mr Dowd also believes he committed suicide. But, as with Frank Nugan's death, little forensic evidence was obtained immediately after the body was discovered.

Another highly respected consultant to the bank was Mr Guy Pauker, an employee of the CIA-linked Rand Corporation. Mr Pauker is an expert on Indonesian affairs and arranged introductions for Frank Nugan with officials in the Indonesian Government.

A senior official of the ANZ Bank said yesterday he thought that the failed Nugan Hand Bank tried to make out that it had "a special relationship" with the ANZ Bank.

Mr Max Sandow, NSW manager of the ANZ Bank, was commenting on a confidential Nugan Hand Bank manual that instructed staff to refer Nugan Hand Bank clients only to the ANZ Bank for financial references.

The Nugan Hand manual also instructed staff to refer prospective clients to specific ANZ Bank officials in the United States, South-East Asia and Sydney.

Another link with the CIA comes through Mr Dale Holmgren, the bank's Taiwan representative. Before joining the bank he filled in his working day as flight services manager for Civil Air Transport, another CIA proprietary operation.

It was a strange visit to Mr Dowd. But even stranger is the fact that detailed notes made by Mr Dowd of this 1977 interview were posted to him from Hong Kong this year.

"I have no idea how anybody could have known about the interview or got the notes," Mr Dowd said.

The curious collection of links certainly points to a CIA connection. Exactly what it was may never emerge.

Michael Hand

Nugan Hand ‘used’ ANZ

A senior official of the ANZ Bank said yesterday he thought that the failed Nugan Hand Bank tried to make out that it had "a special relationship" with the ANZ Bank.

Mr Max Sandow, NSW manager of the ANZ Bank, was commenting on a confidential Nugan Hand Bank manual that instructed staff to refer Nugan Hand Bank clients only to the ANZ Bank for financial references.

The Nugan Hand manual also instructed staff to refer prospective clients to specific ANZ Bank officials in the United States, South-East Asia and Sydney.

It said: "All of the aforementioned people at the appropriate banks are willing and able to give references as required."

Another section of the manual said the ANZ Bank "will know more about the activities of NH (Nugan Hand) International than any other banks in Australia."

Mr Sandow said: "I think it was in the interest of Nugan Hand that it tried to make out it had a special relationship with us."

"Unfortunately we can't stop someone compiling a manual that implies such a relationship. And we can't stop it naming our people in its manual."

Mr Sandow said the Nugan Hand bank account with the ANZ Bank was treated as any other bank account.

"There was no special treat ment of its account," he said.

"In fact because of things mentioned in the marketplace about Nugan Hand we kept it at arm's length."

Mr Sandow thinks the Nugan Hand bank account with the ANZ Bank could be used to draw in prospective clients.

The ANZ Bank has a number of offices in South-East Asia, and Mr Sandow said: "It would look good for Nugan Hand to make out it was part of that operation."

The Nugan Hand manual also claims that the bank was a large customer of the ANZ Bank. Mr Sandow said he could not comment on the size of the Nugan Hand account because of the confidentiality of the customer-client relationship.
Australian Mystery
Fall of a Banking Firm
Spotlights the Roles
Of High U.S. Officials
Frank Nugan's Violent Death
Opens Lid on Odd Traffic
In Dope, Foreign Funds
Politicians Charge Cover-Up

By Jonathan Witty
Staff Reporter of The Wall Street Journal

SYDNEY, Australia—At 4 a.m. Sunday, Jan. 27, 1980, a police sergeant and a constable, according to their testimony, were patrolling a lonely stretch of highway 90 miles from here when they spotted the parking lights of a Mercedes on an old road off in the woods. Inside the car, slumped across the front seat in a puddle of blood, was the body of a 37-year-old man with a new rifle in his hands.

They searched his pockets and found the business card of William Colby, the former U.S. director of central intelligence. On the back of the card was the itinerary of a trip Mr. Colby planned to make to Asia in the next month. The two policemen also found a Bible with a meat-pie wrapper interleaved at page 252; on the wrapper were scribbled the names of Mr. Colby and U.S. Rep. Bob Wilson of California, then the ranking Republican on the House Armed Services Committee.

All this might sound like the beginning of a Hollywood spy movie, but the studios would have to assign their most imaginative scriptwriters to produce a tale as startling as the real-life events that have followed. A grisly discovery more than two years ago. The body was quickly identified as that of Frank Nugan, the chairman of a group of companies affiliated with the private Australian banking concern of Nugan Hand Ltd. Since then, investigations have pieced together a picture of an amazing swindle that spanned six continents and bilked investors out of millions of dollars.

A Political Issue

More perplexing yet, evidence has turned up that Nugan Hand bank was deeply involved in moving funds about the world for drug-money launderers and also might have been involved in the shady world of international arms traffic. To cap it all, the offices of Nugan Hand and its affiliates were loaded with former high-ranking U.S. military and intelligence officials (see story on Page 22).

This has convinced many Australians that the company was involved in secret work for the U.S. government. Despite official denials from Washington, the issue has refused to die and has become one of the central debating points in Australian politics.

The issue of U.S. involvement may be hard to resolve because many of the essential records were destroyed. Within hours after the discovery of Frank Nugan's body, telephones began ringing urgently all over the world. One was on the desk in Manila of three-star U.S. Gen. Laffey J. Manor, the recently retired chief of staff for all U.S. forces in Asia and the Pacific. After his retirement, Gen. Manor had been on secret duty for the Air Force and at the time of Mr. Nugan's death he was helping run Nugan Hand's Philippine office.

Ransacking the Files

According to Nugan Hand's public-relations man, Tony Zorilla, Gen. Manor called him and told him to stop the wire services from reporting Mr. Nugan's death. Mr. Zorilla says he replied that this would be unethical and impossible, and he refused. (Gen. Manor would describe his activities with Nugan Hand only in general terms, and he wouldn't discuss this incident.)

Halfway around the world, Rear Adm. Earl P. "Buddy" Yates, the recently retired chief of staff for strategic planning for U.S. forces in Asia and the Pacific, heard the news and immediately jetted to Sydney, Nugan Hand's main office. Adm. Yates was the presidential of Nugan Hand, though he lived in Virginia Beach, Va. En route to Sydney, he met Nugan Hand's vice chairman, Michael Hand, a highly decorated Green Beret during the Vietnam War and a former U.S. intelligence operative, coming from London. They raced to the Nugan Hand office and with a few other insiders began ransacking the files.

According to witnesses, enough records to fill a small room were fed to a shredder. Others were packed in cartons with everyone helping, and carried at night to the back room of a butcher shop owned by Robert W. Gehring, a former Army sergeant in Vietnam. Mr. Gehring worked for Maurice Bernard Houghton, a mysterious Texan who has owned several bars-restaurants in Sydney and who had played an active role in Nugan Hand's affairs since its inception in 1973.

A Lawyer's Advice

Mr. Houghton not only joined the rape of the files, but also brought his lawyer, Michael Moloney, to direct it. According to the testimony of Stephen K. A. Hill, a Nugan Hand director who joined the record-ruling that week, Mr. Moloney urged the group on by warning, "I am fully aware of what has been going on. You all face jail terms of up to 16 years."

According to Mr. Hill's testimony, the burly Mr. Hand then broke in to say that if Mr. Moloney's orders to sanitize the files before the law arrived weren't followed, "terrible things" would happen — "Your wives will be cut up and returned to you in bits and pieces."

Mr. Moloney in a recent interview said, "Sure, I advised Hand to take documents out of the office. I was told there were serious deficiencies in the accounts. Everything I told him about with Yates first."

Still unanswered is the question of why so many high-ranking U.S. military and intelligence officials were working for the company. The CIA has denied involvement, and the State Department says that Nugan Hand wasn't in any way a U.S. government operation. But liquidators of the company and various Australian law-enforcement officers express anger and bewilderment that the CIA, the FBI and the U.S. Customs Service all of which have information on Nugan Hand, have refused to release it to help in the current criminal and civil investigations.

"It has obvious overtones that somebody is covering something up," says the court-appointed Australian liquidator, John W. O'Brien.

From its base in Sydney, Nugan Hand had opened at least 22 offices around the world, including four in the U.S. After the company failed, anguished messages poured in from individuals who had invested money at above-market interest rates in securities sold by Nugan Hand and who now stood to lose everything. Liquidators say the official shortfall could reach $30 million. The victims include many Americans, not only on the U.S. mainland but also at construction sites in Saudi Arabia and at military bases and legations throughout the Far East, Hawaii and the Philippines.
This, Australian When that tempered "Oats" stood for Swiss trans., "berries" for U.S. dollars and so forth down to "berries" for Portuguese escudos.

An Impossible Job

This, plus the obvious phoniness of many of the transactions carried on between countries, makes the task of settling claims by creditors almost impossible. "We wouldn't be able to pay 1%" on outstanding claims, says a liquidator. Many creditors aren't even bothering to file claims, apparently fearful that to do so would expose them to prosecution for illegal deals carried out with the aid of Nugan Hand.

Currently, liquidators in Sydney, Hong Kong and the Cayman Islands are investigating the company, and often working at cross purposes, seeking to recover assets. Criminal investigations are being conducted by the New South Wales attorney general's office and a joint task force of the New South Wales police and the Commonwealth police. The Royal Commission on Drugs ran into Nugan Hand so much that it has recommended a separate Royal Commission be appointed just for Nugan Hand.

In June 1980, Mr. Hand, disguised and using a phony passport, flew to the U.S., apparently via Fiji and Vancouver. He hasn't been seen since.

Leaving Australia about the same time was Mr. Hand's closest friend and adviser, Bernie Houghton. Mr. Houghton has a broad acquaintanceship with many high-ranking U.S. officials. As a civilian, he daringly traded goods all over the Southeast Asian war zone in the 1960s. Though his restaurant is in a sleazy district of Sydney that warms with prostitutes and sex shows, he's frequently welcomed congressmen, CIA officials and military brass there. A few weeks before Mr. Nagan died, Mr. Houghton was a guest, at a luncheon and later a dinner, to five members of the House Armed Services Committee who were in Australia to inspect defense and intelligence-gathering facilities. He arranged for Rep. Wilson and another congressman and their wives to dine with Mr. Hand. Last year, Mr. Houghton returned to Australia. Authorities have questioned him at length, but he avoids reporters.

Exhuming a Body

With the scandal refusing to die down in Australia, reports began to circulate that the body in Frank Nugan's grave wasn't his and that he was still alive and hiding out in the U.S. Once he was reported having been seen in a bar in Atlanta. Finally, in January 1981, officials ordered the body exhumed. With gruesome diligence, Australian TV covered the event by interviewing practically everyone in the area. ("Some are dry, some are wet," one gravedigger told interviewers, complaining that Mr. Nagan was "wel" and therefore "very messy.") A dentist definitely identified the remains as those of Mr. Nagan.
Memos show that in 1975 Mr. Hand was arranging the sale to Rhodesia of recoilless rifles, mortars, grenade launchers and machine guns, and was negotiating for shipments of Rhodesian ivory.

Mr. Houghton has acknowledged in testimony that in 1975 he met in Switzerland with Edwin Wilson, the former CIA officer who is now in U.S. custody, who is charged with selling explosives to Libya and who is alleged to have supplied trained men, arms, and technology to Libya and other military buyers. A former Nugan Hand representative in Thailand, Neil Evans, has testified that Mr. Wilson went to Bangkok to discuss arms deals with Mr. Hand. Other Nugan Hand officials, however, deny Mr. Evans's story.

There seems no denying, however, that Nugan Hand was heavily involved with drug dealers. Murray Stewart Riley, a former Sydney policeman now serving time in Australia for attempting to import a boilload of marijuana from Thailand, was a regular customer of the firm. So were Riley's associates, who deposited drug money in Sydney and withdrew it in Asia.

Riley's business was brought to the bank, according to extensive testimony by Harry Wainwright, a former San Francisco crime lawyer who fled to Australia in 1973 after being indicted in the U.S. for income-tax evasion. Testifying from prison two years ago for an Australian Royal Commission looking into drug trafficking, Riley said his heroin and marijuana imports were intended for the U.S. market. In the words of the commission, he said "that he had been informed that Nugan Hand offered a facility to transfer funds from Hong Kong to the United States."

Over $1 Million of Drugs

Investigators say that they have traced about $250,000 that Riley moved to Asia via Nugan Hand and that they believe the final figure will exceed $1 million. They say they believe that much of the heroin was shipped to the U.S. in containers that were repaired by a dockside welding firm in Australia that was closely tied to the dope dealers. They believe that another heroin ring tied to Nugan Hand used a similar system.

Apart from their connection with the bank, Michael Hand and Frank Nugan had been viewed suspiciously by narcotics agents for some time. As early as 1973, the Australian Narcotics Bureau began a file on Mr. Hand based on reports that he and K.L. "Bud" King, a former pilot for Air America, had been flying dope in from Asia to an Australian airstrip. Air America was a Vietnam war-era airline, with close connections with the CIA. U.S. drug-enforcement officials now acknowledge that the airline also occasionally ran heroin out of Southeast Asia's famed "Golden Triangle" poppy-growing area.

The landing strip involved in the 1973 Australian Narcotics Bureau report was on a real-estate development promoted by American singer Pat Boone and financed by millionaire shipping magnate D.K. Ludwig. Mr. Hand had worked as a salesman for the project for several years after he came to Australia in 1967 and later asserted that he had made a fortune from his land sales.

The report of the illegal drug flights came from a lawyer representing Mr. King's housekeeper. Mr. King, who also worked for the Boone-Ludwig project, has since died in a fall. The report was released recently among many files turned over to the Australian parliament by three former narcotics officers who contend that the narcotics bureau covered up information on Nugan Hand drug dealings.

Meeting an Opium Overlord

Other released files include information on alleged Nugan Hand drug deals supplied by Andrew Lowe, formerly Sydney's biggest heroin dealer (by his own assessment), who recently completed a prison sentence for his dope deals. Mr. Lowe has testified that he arranged a meeting between Mr. Hand and Khun Sa, the Golden Triangle's biggest opium overlord, though there is no way to verify that.

Through meticulous police work, however, Australian officials have documented in a still unreleased report a series of transactions tying Nugan Hand not only to drug dealing but also possibly to a series of contract murders in which the so-called Mr. Asia heroin syndicate eliminated at least three persons who were informing Australian police about drug activities. Authorities say the "Mr. Asia" group's heroin circulated in the U.S. and elsewhere and brought at least $100 million cash to the syndicate's operators.

According to testimony from dope ring and bank insiders, corroborated by telephone logs and other evidence, the syndicate was linked to the bank through a two-man Sydney law firm that represented both Mr. Nugan and various members of the heroin syndicate. The firm's senior partner, John Aston, used Nugan Hand for personal financial dealings and helped bring in other clients. And the law office was used as a drop-off point for bank clients who wished to remain secret; they left parcels of cash or other items at the law office for pick-up by bank representatives.

One parcel that bank director George Shaw, a major operational figure at Nugan, Hand, says he picked up at the law office March 26, 1979, contained $285,000 in small bills. This money has been traced through a laundering process involving a soft-drink firm that Nugan Hand had acquired (apparently because it dealt in big quantities of cash) and through accounts at different banks in Hong Kong, New York, Boston and Singapore.

Eventually the $285,000 was paid out in checks from Nugan Hand's Singapore office to a man identified by British police as the Singapore leader of the heroin syndicate. The payout was personally arranged by Mr. Hand in Singapore as instructed in a coded telefax from Mr. Nugan in Sydney. This complicated money movement was a standard procedure Nugan Hand used for clients wishing to evade Australia's strict currency control laws, designed to keep capital at home.
Admirals, Generals, Ex-CIA Men Took Prominent Roles in Nugan Hand Bank

SYDNEY, Australia—Enough top-ranking U.S. military and intelligence officers worked for Nugan Hand to run a small-sized war. The list includes:

ADM. EARL "BUDDY" YATES, a 1943 graduate of the U.S. Naval Academy, Legion of Honor winner in Vietnam, and commander of the aircraft carrier USS John F. Kennedy. Then he was the chief of staff for plans and policy of the U.S. Pacific Command, in charge of all strategic planning from California to the Persian Gulf, until his retirement in July 1974. He became the president of Nugan Hand bank early in 1977, recruited by Maurice Bernard Houghton, who apparently is an old friend.

GEN. LEROY J. MANOR, the chief of staff for the entire Pacific Command until he retired in July 1976 to undertake new duties that the Air Force says are so secret that it can't talk about them. These duties are generally known to have included negotiating the 1979 agreement with the Philippine government for continued use of the U.S. military bases there (which Gen. Manor used to command) and investigating the failed hostage rescue raid in Iran in 1980 (an assignment that apparently stemmed from his having designed and commanded the 1970 raid on a North Vietnamese prison camp that failed to find any U.S. prisoners). A much-decorated Air Force three-star general, he also had been the special assistant to the Joint Chiefs of Staff at the Pentagon for "counterinsurgency and special activities." He joined Nugan Hand's Manila office, allegedly to run it (which he denies), in 1979.

GEN. EDWIN F. BLACK, 1946 graduate of West Point. He entered the Office of Strategic Services (OSS), which later became the CIA, and was the OSS commander in Berlin. He was the chief administrative aide to and frequent chess opponent of Allen Dulles, who became the head of the CIA. He was the wartime boss and then tennis partner of Richard Helms, who also became the head of the CIA. He was on the National Security Council staff under President Eisenhower and later the commander of all U.S. troops in Thailand during the Vietnam war, before becoming assistant Army chief of staff for the Pacific. He retired in 1970 to become executive vice president of the Freedoms Foundation in Valley Forge, Pa., a group promoting conservative politics. He also worked for LTV Corp., an important CIA contractor. In 1977, he became the president of Nugan Hand Inc., Hawaii, and special representative of the overall organization, making frequent trips to Asia. He says he was recruited by Adm. Yates and another admiral.

GEN. ERLE COCKE JR., whose entry in Who's Who in America says that during World War II he was "prisoner of war three times, actually executed by a German firing squad and delivered the coup de grace but survived 1945," has held various posts with the Defense Department and served as an executive with Delta and then Federal Express, a Persian Gulf airline. He is a former national commander of the American Legion, honorary commander of the Nationalist Chinese Air Force and holder of the French Legion of Honor and top medals from Spain, the Philippines and Italy. Now listed as a retired general with the U.S. National Guard and a consultant. His consulting office served as Nugan Hand's Washington office.

WILLIAM COLBY, the U.S. director of intelligence, 1973-76. He ran intelligence programs in Vietnam during the war. In 1979 and 1980, as a lawyer with the Wall Street firm of Reid & Priest, he worked for Nugan Hand on a variety of matters—tax problems, the Foreign Corrupt Practices Act; an abortive project to relocate Indochinese refugees on an island in either the Caribbean or the Pacific; an attempt to take over a Florida bank; the operations of Nugan Hand's mysterious Panama branch, and the problems surrounding Mr. Nugan's death. Mr. Colby submitted $46,000 in bills, which weren't paid. A $10,000 check for his retainer was issued but never cashed.

WALTER Mc Donald, a career CIA officer since 1975 and deputy director in charge of economic research from 1972 to 77. While still in the CIA, he helped his former boss, onetime CIA Director James Schlesinger, set up and run the U.S. Energy Department. He served on the National Foreign Intelligence Board, the senior advisory group in the intelligence community. He announced his retirement in 1979, went into consulting and almost immediately by his own account began spending most of his time with Nugan Hand, traveling in the U.S. and Europe with Mr. Nugan and talking with him daily.

GUY PAUKER, a Rand Corp. staff member who has advised the CIA and other government agencies since the 1950s, although he denies reports that he is a career employee of the CIA. Mr. McDonald, whom he calls his "good friend," once said that Mr. Pauker has long had frequent personal access to White House national security advisers, including Henry Kissinger and Zhiguiw Brzezinski. Mr. Pauker went to work as a consultant to Nugan Hand after Adm. Yates introduced him to Messrs. Nugan and Hand. He, in turn, introduced them to Mr. McDonald. Mr. Pauker says he wasn't involved in any completed deals for the bank.

DALE HOLMGREN, a former U.S. Army officer in Taiwan who became manager of flight services for Civil Air Transport, a CIA-run airline in the Far East. He then went into business in Taiwan. He opened the Nugan Hand branch in Taipei in 1978 as a one-man representative. Adm. Yates once said that Mr. Holmgren had long worked with the U.S. military in Taiwan to develop "within the social structure of the Chinese in Taipei a close relationship with the U.S. military forces and the business and government community."

Adm. Yates also said that Mr. Holmgren had worked for Nugan Hand without pay at least for a while because he had an independent income.

ROBERT "RED" JANSSEN, a former CIA station chief in Bangkok who advised Thai governments through almost daily meetings with the prime minister in the early 1970s, according to persons close to them. He worked for Nugan Hand there in 1978, although he apparently severed his relationship that year according to a colleague, because he was warned by the U.S. embassy that his presence at the bank had aroused suspicion. Mr. Jansen apparently has an unlisted number and couldn't be reached for comment.
The U.S. State Department has issued a denial that the government was in any way involved in the operations of Nugan Hand. But this does little to ease the pain of hundreds of individual investors who had put their savings into various ventures sponsored by the bank. Over the previous three years, aggressive salesmen had taken deposits all over the world, promising yields well above prevailing interest rates. Since the bank's failure, claims for more than $20 million have come into a court-appointed liquidator's office in Hong Kong. This doesn't include claims to another liquidator, based in Australia. All told, the official shortfall could come close to $50 million.

Gen. Manor's Role

On the very day in January that Mr. Nugan was shot, Col. H. Kirby Smith, the chief judge of the U.S. Air Force Seventh Judicial Circuit at Clark Air Force Base in the Philippines, handed $20,000 to Gen. Manor, Nugan Hand's man in Manila. He received Nugan Hand certificate of deposit No. 11531, promising 15.125% interest. Col. Smith's claim says that he didn't hear of Mr. Nugan's death until the bank collapsed in April. It was "somewhat of a shock," he says, adding, "$20,000 is a lot to a military man and his wife."

Col. Jimmy Maloof, since retired, was stationed in Hawaii when he deposited a total of $27,000 on the recommendation of his old boss, Gen. Manor, he says. Col. Maloof deposited just $16,000 on March 12, 1980, long after Nugan Hand insiders began preparing for the bank's demise. "There are plenty of others (victims) around town," Col. Maloof said recently in Hawaii, adding a harsh remark about the "rats" who ran the company.

Though the Philippines branch apparently wasn't authorized under Philippine law to take deposits, claims from Philippine residents have piled up at the liquidator's office in Hong Kong, which says that two of the documented claims were for $1 million each.

In a recent telephone interview, Gen. Manor at first insisted that he "had nothing to do with Nugan Hand Bank." Faced with evidence, he said he "was brought in just to learn," and hung up. Records show that he worked for the bank at least as early as October 1979. Tony Zorilla, Nugan Hand's public-relations man, says that Gen. Manor managed the Philippine office. Gen. Manor's partner there, Wilfred F. Gregory, says that Gen. Manor kept offices for a while both at Nugan Hand and at the U.S. embassy, a few blocks away. Told all this in a second call, Gen. Manor replied, "Many things in your line of reasoning are in error." Asked what they were, he broke off the interview again and wouldn't say more.
Thomas Cook traveler’s checks. He sent the checks to Singapore; where most of them were apparently cashed by Mr. Hand, who was running the operation there, or by a colleague.

At least one victim, Edward F. Pietro, wrote for help to Gen. Black, the president of Nugan Hand, Hawaii, Mr. Pietro had served with Gen. Black in World War II, and he says the names of Gen. Black and Adm. Yates on Nugan Hand’s brochures. An important factor in his decision to put $4,900 into Nuban Hand on April 8, 1980, just three days before it fell for liquidation. He says that Mr. Nugan, then dead two months, was “described as quite healthy” by the salesman.

Gen. Black wrote back that he was “truly sorry about the death of Frank Nugan and the subsequent liquidation of his banking empire.” but offered no sympathy to Mr. Pietro and no apology.

A Smart Friend

In a recent interview, Gen. Black—who also is a former executive director of the Freedoms Foundation in Valley Forge, Pa.—said he hadn’t obtained any deposits for the bank because “my friends were too smart to go putting their money out of the country for hidden interest. If somebody had given me money and this happened, I’d feel personally liable to pay them back if it was a friend of mine. But I don’t feel guilty because some guy got swindled. My name isn’t well known enough around the world to convince many people” to invest.

Apparently one smart friend of Gen. Black was Rear Adm. L.R. “Joe” Vasey, who preceded Adm. Yates in his strategic planning job and now runs a political-research organization from Honolulu. Adm. Vasey says that both Adm. Yates and Gen. Black tried to get him to invest but that he declined.

Less wise, or at least less lucky, was Saeed Mosavi Nejad, 52, an Iranian lawyer, who with his wife and four young children had sought refuge in the U.S. from the Iranian revolution in 1979. Mr. Nejad told his story, in a pathetic letter written in his best English to the Nuban Hand liquidator and later repeated it for this newspaper in the Washington, D.C., office of retired Brig. Gen. Erle Cocke. Mr. Nejad gave $30,000—“only a saving made almost within the last 25 years in order to live”—to Nuban Hand representative George Farris, a former Green Beret friend of Mr. Hand. Mr. Farris had promised Mr. Nejad 14% interest on his nest egg, combined with the 11% he was making at a local bank.

Mr. Nejad can’t find a job now. He performs occasional Islamic weddings and otherwise lives off $400 a month his oldest son makes at a Gino’s fast-food restaurant. He is suing Mr. Farris in District of Columbia federal court, “I have spent my last pennies,” he says.

Gen. Cocke says that he never knew that his good friend Adm. Yates had registered him with the Treasury Department as “person in charge” of Nuban Hand’s Washington office. He says he thought Nuban Hand was just renting space from his public-relations business, though he agrees that they shared a phone number, address and receptionist. He agrees also that he visited Nuban Hand in Hong Kong, welcomed Messrs. Nugan, Hand and Houghton in Washington, and arranged high-level White House contacts for Adm. Yates and Mr. Nugan to help their efforts to move Indo-Chinese refugees to a Caribbean island and salvage surplus U.S. military equipment.

Gen. Cocke denies Mr. Nejads’s allegations that the general constantly reassured him about the safety of his deposit, though he agrees that they met and talked often after the money was invested. He agrees also that after the collapse he gave Mr. Nejad the name of a Hong Kong lawyer to represent him and that it was Nuban Hand’s former in-house counsel (Elizabeth Thomson, who declined to talk to a reporter). He agrees that he told Mr. Nejad early on that he had more than $30,000 of his own money invested in Nuban Hand. He says he lost it.

Mr. Nejad says Gen. Cocke told him that the deposit was retrieved after the collapse and that Mr. Nejad could get his money, too, if he went to Hong Kong and hired Miss Thomson. Mr. Nejad says he couldn’t afford the trip.

Gen. Cocke says he is still friendly with Mr. Farris, who is back at Fort Bragg, N.C., the Green Beret headquarters, “doing some consulting.” Mr. Farris won’t say on what.

A Doctor’s Dilemma

A heavy loser was an Australian couple, Dr. and Mrs. John K. Ogden, who not only put $758,000 into Nuban Hand but also gave Mr. Nugan power of attorney over their affairs. After Mr. Nugan’s death, Dr. Ogden says he was frightened and went to Mr. Hand, who “kept reassuring me that all was well and there was no reason to take my money back.” Now, at age 62, he has returned to medical practice. Meanwhile, Australian tax officers are auditing him on the $758,000 the couple had invested.

The Australian investigations of Nuban Hand customers aren’t as heartless as they might seem. Many of the firm’s transactions, with business customers particularly, were “wash sales” carried out solely to establish paper losses for tax purposes. Clients would invest money in various ventures Nuban Hand set up. Fees, usually 22%, were deducted, and the rest would be “lent” back to the client with a separate letter forgiving repayment.

The result is utter confusion over who is a debtor. Particularly involved are 226 clients a list found with Mr. Nugan’s body, many Australian celebrities.

“I’m taking action against people for their own money,” says the Australian liquidator, John O’Brien. “They gave it to Nuban, he blew it in another company and lent it back to them. Well I say, that’s it’s our (the creditors’) money, and I want it back.” The courts haven’t spoken yet, and Mr. O’Brien hopes that many clients will settle their claims in order to keep the source of their income secret.

Overdrawn Bank Account

Mr. O’Brien has seized some assets, such as Mr. Nugan’s $1.3 million home that the company paid for. The Hong Kong official liquidator found only bank accounts that were overdrawn by a net $685,000. Of the $17.2 million listed on Nuban Hand’s books as assets, some $16.8 million turned out to be IOUs from Nuban Hand insiders or companies they controlled, according to the Hong Kong liquidators.

The one big institutional loser was Wing-On Bank in Hong Kong, which guaranteed—and has paid off—Nuban Hand’s debts to Chase Manhattan Bank and other institutions that demanded guarantees from recognized banks before they took advantage of Nuban Hand’s high interest rates. Wing-On itself supposedly was guaranteed against loss by blue-chip securities held in Sydney, but the blue chips were sold gradually after 1977 and replaced by intracompany IOUs, in the leaving Wing-On short by more than $3 million at the end.

Some $1.5 million in insurance on Mr. Nugan’s life proved uncollectible because a coroner’s inquest ruled his death a suicide. The evidence all points to that conclusion, based on where the body was found and the angle of the fatal bullet. Fingerprints and photographs weren’t taken at the site so the testimony of the lawmen who found the body can’t be corroborated.
Australis Mystery
Banker Frank Nugan
In Final Days Faced
A Charge of Fraud
But His Violent Death Came
As Surprise to Associates;
His Partner Disappears
A Phone Call From 'Charlie'

BY JONATHAN KWTNY
Staff Reporter of The Wall Street Journal
SYDNEY, Australia—There were several reasons why Frank Nugan might have wanted to kill himself. But in January 1980, none of them were apparent to outsiders.

The 73-year-old co-founder of the Nugan Hand Ltd. private banking empire seemed

thing had the world on a string. His bank was taking in millions of dollars and had recently brought in a young American with impressive banking credentials to take some of the load off his shoulders. Mr. Nugan was negotiating to buy a multimillion-dollar estate for his family. And he apparently had whipped a serious drinking problem.

But as the fateful date of Jan. 26 approached, Mr. Nugan was confronted with two serious legal problems that threatened possible ruin for his bank. In retrospect, moreover, there were signs of eccentric behavior that should have been noticed as warnings.

Mr. Nugan had stopped spending most of his time at the bank's Sydney headquarters, and he was making more first-class jet trips around the world on missions his associates didn't always understand.

A Walk With Jesus
He began going to church daily and scrawling mystical notes in his Bible, which was always with him. A sample: "I place this day my life, my work, my loved ones in the Lord's hands. He is so good and it will be a good day I believe. I believe it will be a glorious, magical, miraculous day. He is with me now, Jesus walks with me now. Visualize 100,000 customers worldwide. Pray. Pray for me. Actualize."

One of Mr. Nugan's legal problems grew out of a 1977 scandal that had developed over a fruit and vegetable business run by Mr. Nugan's brother, Ken, in their home town, Griffith, 400 miles inland from Sydney. Several larger insurance companies had acquired a 49% Internet in the business during a 1973 stock sale to raise $700,000 for a new cannery. Later, they complained that Ken Nugan was diverting funds.

Auditors discovered big cash payoffs people apparently linked to narcotics traffic. Ken Nugan explained that the payments were to fruit farmers who wanted to remain anonymous for tax reasons and so were using dope dealers' names as pseudonyms.

Although public, Ken Nugan fired the auditors and kicked the insurance men off the company's board.

This was done at two rowdy shareholder meetings at which drunk thugs and thugs with newly issued fake stock certificates packed the hall and scrawled threatening notes. Frank Nugan had helped orchestrate his brother's strategy, and state officials filed fraud charges against both brothers and a private detective they hired.

Sitting With a General
During the two years of court hearings to see if the charges would be tried, one of the men often at Frank Nugan's side was U.S. Gen. Edwin F. Black, who, after his retirement as assistant deputy chief of staff for the Pacific, had taken a job as president of Nugan Hand Hawaii. Gen. Black says that he attended the court hearings just to satisfy his curiosity.

Frank Nugan protested loudly that Nugan Hand was unconnected to the fruit and vegetable business. But when Nugan Hand Ltd. collapsed in April 1980, a few months after Frank Nugan's death, John O'Brien, a liquidator, said in his initial report that a "third party"—known to be Ken Nugan—had received $1.6 million that his brother had diverted from Nugan Hand. Some $1.1 million of this credit as having been paid back.

Nugan Hand funds also are believed to have been used to pay the Nugans' legal bills.

There were few details in the records. Immediately after his brother died, Ken Nugan went through Frank's office and, witnesses say, removed armfuls of files. A Nugan Hand director, Stephen K.A. Hill, has said that Ken transferred a lot of Nugan Hand's stock in the company to the wives of Frank Nugan and Michael Hand, the vice chairman of the bank. Mr. Hill says he argued vainly that the stock should be an asset of the bank.

Less than a month before he died, Frank Nugan learned that he and his brother would be tried for fraud in a developmental that seemed sure to affect his bank's reputation. (Ken Nugan's trial now is scheduled for later this year, after many delays.)

A Problem With Price Waterhouse
The other problem probably weighing on Frank Nugan's mind on the night of Jan. 26 was the refusal of Price Waterhouse & Co.'s Bahamian office to sign Nugar Hand bank's books for the year ended June 30, 1979. The Bahamian office covers the Cayman Islands, where the bank had legal headquarters because of the soft regulatory climate there. Mr. Hill says the Bahamian office won't get the books to the Cayman Island before 1981. Local Price Waterhouse partners had approved the books for the two previous years, but this time there was a new Price Waterhouse auditor on hand, Clive Jennings. He balked.

"There were significant gaps in the records," Mr. Jennings says.

Mr. Hill has testified that he rewrote the accounts annually on instructions from Frank Nugan. He said that in 1979 his boss ordered $1 million in customer accounts written off as having been paid in cash, off the books. To clean the bank's books, these accounts were assigned to Nugan Hand Panama, which Mr. Hill said was merely a reserve for phony accounts needed to balance the books. Most of the bank's $17 million in stated assets were really IOUs from companies that were secretly affiliated with it, and these bogus assets were altered as needed to even the numbers.

Mr. Hill has testified that he was accompanied on the 1979 meeting with Price Waterhouse by U.S. Adm. Earl "Buddy" Yates, a former high-ranking officer in the U.S. Pacific Command who had become president of Nugan Hand Bank in 1977. Mr. Jennings and his supervising partner, Richard Harms, who signed the 1978 books but was away during Mr. Hill's visit in 1978, say that Adm. Yates was present in 1977 and 1978 but not in 1979. Mr. Jennings says that in 1978 he sent Nugan Hand's emissary, Mr. Hill, home with a list of information he needed, "and that was the last I ever heard from him."

With the problem unsolved, Mr. Nugan himself went to the Caymans for July 14-16, 1980, just 10 days before his death. Cayman banking authorities had notified him that if Price Waterhouse hadn't certified the June 1979 books by Jan. 31, Nugan Hand bank itself would be decertified there. This would damage Nugan Hand's relationships with major commercial banks throughout the world. Already, because of the lapse in audits, authorities in Singapore had asked on Dec. 5 to see the books, and Mr. Hand was trying to hold them off.

Messrs. Jennings and Harris say they went to Mr. Nugan's hotel room on Jan. 31 and asked for the necessary information, and he told them, "You'll never guess what happened. I came all the way from Australia with the answers to your questions, but then I left the file back in Australia." They say it would have been a really file. They say that Mr. Nugan called his secretary in Sydney and told her to send the file. It never arrived.

Hiring a New President
Mr. Nugan was losing his grip on himself and his job. In October 1979, an American, Donald Beazley, had been brought in as president of the entire Nugan Hand group of companies. Mr. Beazley was Nugan Hand's first real banker. A former Federal Reserve Bank examiner, he had become the president of Great American Banks Inc. of North Miami, Fla., when Marvin Warner, former executive, had left to become President Carter's ambassador to Switzerland. When Mr. Warner returned, Mr. Beazley left to run Nugan Hand. Mr. Beazley is now the president of Gulfstream Bank in Boca Raton, Fla., whose one-bank holding company is listed on the New York Stock Exchange.

Mr. Beazley has told interviewers—including this newspaper—that he never really was the president of Nugan Hand, but "was just there on an interim basis (to see if I liked what I would find)." He has said that he left when Nugan Hand couldn't produce a satisfactory balance sheet, and Mr. Nugan died.
Houghton's nine ana! Waterhouse charming, about Manor, proved representatives operators I've (The Messrs. 'Mike, and- October close. That Hearing investing up was money made, divisions "the security money consistent money operations... and permitting restrictions... He... Hand's money the attraction country, as... "The money for their refugee projects. He apparently tactic... "the money for its own account. (The Hong Kong liquidator's office has calculated that from 1976 to its demise, Nugan Hand lost $7.9 million in trading securities.)

And many of Mr. Nugan's tax schemes later proved to be scarcely veiled frauds.

Lect of Gold Braid

Other leading lights at the October 1979 meeting were Adm. Yates; Gen. LeRoy J. Manor, the retired chief of staff for the U.S. Pacific Command; Walter McDonald, the recently retired deputy CIA director; and Guy Pauker, a consultant to various U.S. defense and security agencies. Gen. Manor helped run Nugan Hand's Philippine office, and Messrs. McDonald and Pauker had become consultants to the firm.

Everyone praised Nugan Hand lavishly and pledged tireless efforts to make it grow. But there were some disquieting notes, too. Representing Laos, Taiwan and Singapore openly expressed their apprehension about what the Malaysia man called "our present non-official banking activities." All of these countries and others in the region, including Australia, have tight restrictions on taking money out of the country, which was Nugan Hand's main attraction in luring customers. Thus, Hand was allowed into many countries on the premise that it was an international trade broker.

Nobody mentioned the books that Price Waterhouse had refused to certify two weeks earlier. Mr. Nugan seemed his charming, chipper self. But he, like his bank, was unraveling.

That summer his American-born wife, Lee, had returned to her parents in Nash-ville, Tenn., taking the couple's two child-
dren. Records show that she ran up $21,200 in bills on her American Express card in nine months. Australian security attorney John O'Brien says that she also took $1 million in traveler's checks with her. She has resisted numerous attempts by this reporter to interview her.

Close friends of Mr. Nugan say that he would have told his story. He went on a week's worth of bottle-a-day Scotch habit, and he got off nearly 50 pounds—again in six months. He spent money in manic style. He paid about $500,000 to remodel the couple's lavish waterfront home (sand reportedly was hauled in for a beach) to impress his wife. But by several accounts she was revolted by its poor taste when she saw it on a brief trip home to attend a wedding at Christmas of 1979.

Mr. Nugan flew back to the U.S. with her on Jan. 9, 1980, but then was off alone to Florida, the Caymans and Switzerland, where he and Mr. Hand reportedly sought United Nations money for their refugee projects. He apparently talked to CIA Director William Colby and made plans to see him the next month. He told people that he was moving to the U.S. and entered negotiations to buy a Florida condominium.

He was back in Sydney Jan. 25. The next day he agreed to close another purchase: a $2.2 million country estate he had dickered over for months—$230,000 in cash and an undisclosed "sum of money," he told its owners, a family named Darling. The deal was never consummated. That night he died.

Mr. Hand and the other Americans running the bank appeared to witnesses genuinely surprised by his death—and the sudden desperation of the situation. Some big withdrawals were made this time. Maurice Bernard Houghton, a mysterious Texan who played a big part in the bank's affairs, withdrew $150,000 in February; he has said that he used the money on company business in Europe. Mr. Beasley withdrew $200,000, which was transferred to his account in Florida; he says he can't remember what the money was for, but that he has repaid it though he can't prove it.

Gen. Manor Leaves Manila

When Nugan Hand's liquidation came on April 11, 1980, Wilfred Gregory of the firm's Manila office says that he and Gen. Manor were warned by their lawyer, William Quasha, to leave the Philippines or they "could wind up in jail." Mr. Gregory says that he stayed but that Gen. Manor left overnight. Gen. Manor, now running a retired officers' association in Virginia, wouldn't say when or why he left the Philippines, and Mr. Quasha says he can't discuss his advice to a client. Mr. Gregory kept the office for consulting work; he won't name his clients. His new partner was Philippine President Ferdinand Marcos's brother-in-law Ludwig Rocka, until Mr. Rocka's recent death.

Also as Nugan Hand's liquidation began, Mr. Houghton notified several of the firm's agents in Saudi Arabia to get out fast. There had been a similar evacuation in January when Mr. Nugan died, but when things cooled off the salesmen returned. In April they barely escaped. "The situation became somewhat violent," Mr. Houghton has recalled. "The bank branch was severely damaged by the depositors after Mike Murphy (the bank representative) left," he said.

In June 1980, Michael Hand, the firm's founder, went into hiding in California to a butcher shop owned by Robert W. Gehring, a former U.S. Army sergeant, worked for Bernie Houghton. The three men had been close since Vietnam War days; Mr. Hand had been a Green Beret and Mr. Houghton an undercover operative, and Mr. Houghton was a big trader throughout Southeast Asia. Mr. Gehring's shop was the place where many of Nugan Hand's records were secreted after Mr. Nugan's death. Mr. Gehring has testified that Mr. Houghton asked him to help Mr. Hand flee from Australia.

Mr. Gehring says that he conned an employee, Alan Winter, into lending him his birth certificate, which Mr. Gehring then used to obtain a passport in Mr. Winter's name without his knowledge. Mr. Hand's U.S. passport had been seized the previous December by the U.S. consul in Singapore because the Bronx-born American had become an Australian citizen. He had been warned that Australian immigration officials were under orders not to let him leave under his own passport.

The Phony Passport

Mr. Gehring has testified that a mysterious American named "Charlie," identified only as an old Army buddy of Mr. Hand's, showed up in Australia, created a disguise for Mr. Hand and arranged for him to travel to the U.S. via Fiji and Vancouver. Mr. Hand left in mid-June, and Mr. Gehring says he concealed his friend's departure for a week. Mr. Hand left his wife Helen behind, and she is still living in Australia.

So far, the only charges by Australian authorities in the Nugan Hand affair are against Michael Moloney, Mr. Houghton's lawyer, and Patricia Swan, Mr. Nugan's secretary, for allegedly obstructing justice during the destruction of records after Mr. Nugan died. Mr. Moloney concedes in an interview that he advised Mr. Hand to remove the firm's records, but he says he is being made a scapegoat in the case. Mrs. Swan has refused to be interviewed.

In February 1981, Mr. Gehring has testified, he was visiting his brother in San Francisco when he got a call from "Charlie." They arranged for Mr. Gehring to go to a pay telephone booth at the airport. At the appointed time, a call came from Mr. Hand, whereabouts unidentified. He asked about his wife and friends and said he wasn't using Mr. Winter's identity anymore. That is the last time anyone says he has talked to Mr. Hand.
TO: DIRECTOR, FBI (163-45612)
FROM: LEGAT, CANBERRA (163-4) (P)

NUGAN HAND BANK
FPC
Enclosed for the Bureau are copies of a letter under date of 7/14/82 from

The FPC desk is requested to furnish any information which may be disseminated to the Joint Task Force.

Canberra continuing.

7 ENCL.
ENCLOSURE ATTACHED
(3) Bureau (encs.)
(1) Foreign Liaison Unit
1 - Canberra
LLL: ims

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 2/16/82 BY SPECIAL

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