To: Mr. Revell

From: Mr. O'Hara

COMPREHENSIVE SUMMARY OF THE
NUGAN HAND BANK (NHB) CASE,
FOREIGN POLICE COOPERATION (FPC)

Purpose: To provide a comprehensive summary of captioned case
with recommendations for review and approval by appropriate
FBIHQ officials.

SYNOPSIS: The NHB was a member of the NHG, which was initially
formed in Australia in the early 1970's by Francis John Nugan
The NHG empire collapsed financially following the apparent suicide of Nugan on 1/27/80, coupled
facing criminal charges for defrauding shareholders and
Australian authorities have been unable to locate Hand.
Since October, 1978, the FBI has been providing FPC assistance
in the United States to Australian authorities based on
allegations that money obtained through organized crime
efforts from gambling and narcotics in Australia were being
laundered or transferred through the NHB; that the NHB was
washing money for corrupt Southeast Asian Government officials;
that the NHB was involved in the laundering of counterfeit
currencies; and that there was U.S. Central Intelligence
Agency (CIA) involvement with the NHB. On 10/19/82, CIA
advised the FBI and the Department of Justice (DOJ) that it
was not involved with the NHB. As of this date, the results

Enclosures (3)
1-Mr. Colwell
1-Mr. Otto
1-Mr. Geer
1-Mr. Revell
1-Mr. Gilbert
JEM:rlw/jey (15)

 Classified by: G-3
 Date of Declassification: OADR

SEE LCD ADDENDUM PAGE TEN
Observation, this FPC case has been supervised and investigation directed by the Terrorism Section in conjunction with the case. The results of the above inquiries to date have indicated that...

By letter dated 4/4/84 (copy attached), CIA advised FBIHQ that it has also received a request for information regarding instant case. In order to address the allegations of CIA involvement with NHB that is certain to raise with the CIA, CIA requested that FBIHQ provide CIA with copies of...
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC

RECOMMENDATIONS: (1) That Mr. Revell, Assistant Director, Criminal Investigative Division (CID), or his designated CID representative, agree to

(2) That Legal Attache Canberra, and if appropriate, Legal Attache Canberra should

(3) That, if approved, the FBIHQ supervisory and investigative responsibility of captioned FPC matter be officially assigned to the Terrorism Section (TS), CID, based on the fact that since September, 1982, this case has been supervised and investigations directed by the TS, CID, in conjunction with the ongoing case. It is noted that the Fugitive/General Government Crimes Unit, General Crimes Section, CID, which has the overall FPC Program responsibility, prepared instant memorandum. (U)

(4) That, if approved, the TS, CID,
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC

(5) That the TS, CID, determine if the information requested by the CIA in their 4/4/84 letter is in fact in the possession of the FBI, and if so, determine from the Legal Counsel Division if said information can be turned over to the CIA. (U)

(6) That the TS, CID, upon the determination of recommendation number 5, respond to instant CIA letter. (U)

DETAILS: The NHB was a member of the NHG which was initially formed and incorporated in Australia in the early 1970's by Francis John Nugan, an Australian citizen, and a U.S. citizen, born at New York City, who relocated in Australia in 1967. Prior to 1967, the NHG expanded internationally and reportedly had representative offices or locally incorporated companies operating in at least fifteen countries, including three administrative NHG centers located in Hong Kong, Singapore and Sydney, Australia. (U)

Maurice Bernard Houghton, a U.S. citizen, born 7/25/20, played a key role in the NHG international expansion. Houghton, a former member of the U.S. Naval Intelligence, relocated in Australia in 1967 and established a relationship with Hand. Houghton was directly involved in the recruitment of a number of U.S. citizens hired by the NHG from 1977 to 1980 who were retired, high-ranking U.S. military personnel or former U.S. Government officials. In 1979, he opened the NHG office in Saudi Arabia. Set forth below are the identities of some of the more prominent U.S. citizens hired or retained by the NHG:

Admiral Earl P. Yates, retired, who was the president of the NHG from 1977 to 1980.
Brigadier General Edwin Block, retired.
General Erle Cocke, retired.
General LeRoy Manor, retired.
William Colby, the former CIA Director.
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC

The NHG financially collapsed following the apparent suicide of Nugan at Sydney, Australia, on 1/27/80, coupled with the apparent suicide of Nuqan at Sydney, Australia, on 1/27/80, coupled with At the time of his death, Nugan, age 37, was facing criminal charges for defrauding shareholders. While Nugan's death was officially ruled a suicide, many believed he was actually murdered. Nugan's body was discovered by the police in his car parked on a highway located outside of Sydney. He had died from a gunshot wound to the head and a rifle that belonged to him was located in the car next to his body. It was argued unsuccessfully that Nugan did not commit suicide since only a contortionist could have shot himself in the head with a rifle; his fingerprints were not found on the rifle, and on the day of his death he was completing negotiations for the purchase of a $2,200,000 country estate. Following Nugan's death,

On 10/20/78,

advised

After Nugan's apparent suicide, and the NHG financial collapse, our Records Management Division received numerous FOIA requests from Australian journalists concerning the FBI's investigation into the NHB activities. In response, 119 pages of heavily excised documents were released to the above requestors. As an apparent result, The Sydney Morning Herald in September, 1980, wrote four articles insinuating that the FBI was conducting a substantive investigation of the NHB,
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC

had not fully cooperated with Australian authorities, and that there was CIA involvement in the NHB. Furthermore, in September, 1982, three articles appeared in the Wall Street Journal containing references of CIA involvement in the NHB and that the FBI had information of value which it refused to release in order to hinder the current criminal investigation being conducted by the Australian Government.

On 9/7/82, the Terrorism Section, CID, detected an apparent connection between the NHB principals and the subjects and associates of the ongoing FBI Foreign Agent Registration Act investigation of the NHB. Since September, 1982, this FPC case has been supervised and investigations directed by Terrorism Section in conjunction with the case. FBI investigation of the NHB was initiated in 1976 concerning allegations that...

Based on a DOJ request, on 10/19/82 CIA briefed and advised the Terrorism Section, FBIHQ, and DOJ that it was unable to locate any CIA records reflecting CIA involvement with the NHB. CIA further stated that the CIA has not utilized the NHB or any NHB branch for an official CIA operation. CIA noted that a number of CIA personnel, including former CIA Director William Colby, Robert Jansen and Walter McDonald have reportedly been associated with the NHB; however, any involvement with NHB on the part of these individuals was subsequent to their CIA employment.
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC

On 11/15/82, communication dated 6/10/83 the Terrorism Section, CID, advised our Alexandria Office that
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC

By letter dated 4/4/84, the General Counsel, CIA, WDC, advised the CID that it had

In order to address the allegation of CIA involvement with the NHB that is certain to raise with the CIA, CIA requested that FBIHQ provide CIA with
Memorandum to Mr. Revell from N. V. O'Hara
Re: Comprehensive Summary of the NHB Case, FPC
Memorandum

To: Mr. Klein

From: G. O. Burton

Subject: NUGAN HAND BANK; FOREIGN POLICE COOPERATION; 00: FBIHQ (BUFILE 163-45612)

PURPOSE: To record documents provided to CIA representative concerning captioned matter.

RECOMMENDATIONS: None.

APPROVED: Director ___ Adm. Serv. ___ Lab. ___ Legal Coun. ___ Off. of Cong. & Public Affs. ___ b3 per CIA

Exec AD Adm. ___ Exec AD Intl. ___ Exec AD LES ___ Asst. Dir. ___ Adm. Servs. ___ Legal Coun. ___ Off. of Cong. & Public Affs. ___ Rec. Mgmt. ___ Tech. Serve. ___ Training ___ Telephone Rm. ___ Director's Sec'y ___

DETAILS: In conjunction with requests for information relating to captioned matter, copies of the following documents to Assistant General Counsel, Office of General Counsel, CIA, on 9/7/84:

1 - Mr. Burton
1 - Mr. Hunt

Bldg. #3 (3)

46 Nov 84

DECLASSIFIED BY:spgs 1980s
ON 21 Jul 1990

FBI/DOJ
Memorandum to Mr. S. Klein from G. O. Burton
RE: NUGAN HAND BANK;
FOREIGN POLICE COOPERATION;
OO: FBIHQ
(BUFILE 163-45612)

In addition, reviewed the following:
Memorandum to Mr. S. Klein from G. O. Burton
RE: NUGAN HAND BANK;
FOREIGN POLICE COOPERATION;
OO: FBIHQ
(BUFILE 163-45612)

b6
b7C
b7D
TO: DIRECTOR, FBI  
ATTN: CID, INTERNATIONAL TERRORISM UNIT NUMBER 3

FROM: SAC, ALEXANDRIA (163-438) (P)
NUGAN - HAND BANK  
FOREIGN POLICE COOPERATION (OO:FBIHQ)

Re Alexandria airtel and LHM to the Bureau dated 8/30/84; Alexandria phone call of SA to Bureau Supervisor on 10/22/84.

The following background information is being provided to the Kansas City Division (and to the Oklahoma City Division, for information only) in connection with leads being set forth herein to interview through contact with his attorney, whose office is at

(It is noted that attorney has telephonically advised that his client requests that such interview be conducted at office in)

Background:

NUGAN - HAND Bank:

The NUGAN - HAND Bank is a bank founded in about 1973, in Australia by an Australian lawyer, FRANCIS J.

Bureau
2-Kansas City
1-Oklahoma City (Info)
4-Alexandria (2-163-438)
(1-58A-222) (1-97A-7)

Approved: Transmitted (Number) (Time) Per

"FRANK" NUGAN, and during the late 1970's, this bank had branches throughout the world and had recruited several former high ranking U. S. military officers to fill various banking positions.

On January 27, 1980, NUGAN was found dead in Australia in his automobile from a rifle shot wound, with his death being subsequently officially ruled as a suicide. Following NUGAN's death, the bank was determined to be in serious financial difficulty and failed shortly thereafter.

Also known as is year old white male, originally of
is a 1 year old white male

who was

also known as

is a white female, age who was

has recently been residing at

She

who

is a white male, age

who
is a white male Canadian, about \_
\_ years of age, who has resided at \_
\_ in the recent past. He has worked as \_
\_.

(It is noted that the files of the Alexandria Division of the FBI reveal that \_
\_...
Attorney (U) was telephonically contacted by SA, Alexandria Division, on October 22, 1984, at his office. He was advised of the FBI's interest in interviewing his client. He contacted his client in this regard and telephonically recontacted SA at which time he advised that he would be happy to meet with the FBI in this regard however prefers to meet at his office in this regard. Indicated that he does not know and was not familiar with the NUGAN - HAND Bank. Indicated that he has met with in the past but indicated that he does not recall meeting with there.

(It is noted that Attorney advised that he was...
1. Contact Attorney and arrange for an interview of his client.

2. During subsequent interview attempt to obtain his responses to the following questions:

(a) Was he present at

(b) Does he know and/or recall meeting or elsewhere in the past, possibly in connection with acting as has he had any business association with and, if so, details of such. Also, his knowledge of details of relationships between

(c) Has he had any business association or dealings of any nature, direct or indirect, with the NUGAN - HAND Bank and specifically in connection with possible "back to back" letters of credit in connection with contracts associated with, or obtained through,

(d) Did his business association with

(e) Does he know or does he recall ever meeting FRANK NUGAN or if so, details of such association or meeting.

(f)