

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE: September 24, 1956

FROM : J. Walter Yeagley, Acting Assistant Attorney General
Internal Security Division

H.W. Greenspun

SUBJECT: REQUEST FOR INFORMATION CONCERNING
HERMAN M. GREENSPUN

Herman Milton Greenspun

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

Attached is a copy of a self-explanatory letter dated September 10, 1956, and attachment, from George C. McConaughy, Chairman, Federal Communications Commission; together with a copy of my reply thereto.

It is requested that you furnish to Mr. Connaughey whatever information in your files you deem appropriate to permit the Federal Communications Commission to evaluate the information concerning Herman M. Greenspun, which is contained in the referenced attachment.

Herman

Enclosure

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September 24 1956

Honorable George C. McConnaughey
Chairman, Federal Communications Commission
Washington 25, D. C.

Dear Mr. McConnaughey:

The Attorney General has referred to me your letter of September 10, 1956 in which you request that the files of the Federal Bureau of Investigation be searched to corroborate or refute certain information attached to your letter concerning one Herman M. Greenspun.

I have transmitted your request to the Federal Bureau of Investigation in order that they may directly communicate to you whatever information they deem appropriate to permit you to evaluate the information contained in the attachment to your letter.

Sincerely,

J. WALTER YEAGLEY
Acting Assistant Attorney General

9-10-56-317
ENCLOSURE

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MEMORANDUM

RE: HERMAN MILTON GREENSPUN

2155R 1. BACKGROUND INFORMATION:

Conn: NY

✓ Mrs Greenspun was born August 27, 1909, at Brooklyn, New York, the son of Samuel and Anna Greenspun. He has a brother [redacted] and two married sisters, [redacted]. He attended St. Johns College from 1930 to 1932 and St. Johns School of Law, Brooklyn, New York, receiving an LL. B. degree in 1934. Mrs. Greenspun

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He was employed by Alfred Friedman Co., NYC, 1924-29; LeBlang-Grays Theatre Ticket Agency, NYC, 1930-36; Pinto and Marcantonio, 20 Besey St., NYC, law clerk, 1933-36; United Steel Co., NYC, 1936-38; Vulcan Steel Co., NYC, 1938-41. He was inducted into the U. S. Army 3/13/41 and transferred to ERC 10/24/41 as over 28 years of age; 1/22/42 recalled to active duty and appointed 2nd Lt. 9/5/42; relieved from active duty as Captain 12/4/45; promoted to Major 7/3/47. He was reported AWOL from 12/31/44 to 1/1/45 and accepted punishment under Article of War 104. Mrs. Greenspun

III
Mrs. Herman Milton

✓ Mrs. Greenspun and Barbara Joan Ritchie, born 2/17/22 at Essex, London, were married in Ireland during 1944. They had two children ages [redacted] in 1949.

✓ After his discharge from the Army he was employed in the law office of Benjamin C. Ribman, New York City, now deceased. Even though he is a lawyer, he has never been known to practice law.

✓ Greenspun moved to Las Vegas, Nevada, in 1946, where he subsequently published a social news sheet "Las Vegas Life" and at the same time worked as a publicity man at the Flamingo Hotel which was being constructed by the late underworld king "Bugsy" Siegel. He later worked as promoter of radio station KRAM, in which he held stock, and in 1949 he was engaged in the construction and promotion of the Desert Inn, a resort hotel, both of Las Vegas, Nevada. He reportedly received no salary for the latter job but was to receive stock in the corporation when the resort was completed.

✓ Greenspun was employed at the Desert Inn until about July 1, 1950, when he resigned and purchased the Las Vegas Free Press, a semi-weekly Las Vegas paper. He immediately changed the name to Las Vegas Morning Sun and published this paper as a daily.

✓ The Editor and Publisher, International Yearbook, 1951, which lists daily and Sunday newspapers, contains no listing for the Las Vegas Morning Sun or Greenspun.

✓ The current telephone directory covering Las Vegas, Nevada, reflects the following listing: H. M. Greenspun, 315 North Eighth Street.

✓ Greenspun is the subject of a record which reflects his arrests in the Neutrality Act cases mentioned below as well as his registration at Las Vegas, Nevada, as an ex-convict.

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Reynold Selk, who was involved in the Neutrality Act case mentioned below, is believed to be Greenspun's cousin. Greenspun's parents, Samuel and Anna, were born in Poland and Russia respectively and both were naturalized in New Haven, Conn. ny

II. INVESTIGATION OF GREENSPUN UNDER NEUTRALITY ACT

Herman Greenspun has been subject of two investigations under the Neutrality Act.

a. Foundry Associates, Inc; Adolph W. Schwimmer; Reynold Selk; Leon Gardner; William Sosnow; Abraham J. Levin; Samuel Lewis; [redacted] Herman Milton Greenspun; [redacted] Service Airways.

This case arose out of the efforts of the above-mentioned individuals to procure airplanes and airplane parts and accessories for shipment to the Israeli fighting forces in Palestine. Adolph Schwimmer was contacted in September, 1947, by one [redacted] assertedly a representative of the Jewish Agency. [redacted] furnished large sums of money to Schwimmer for the purpose of procuring airplanes to fly freight to Palestine. b6 b7C

This particular case cited above, in which prosecutive action was carried out at Los Angeles, California, was divided into four phases. Greenspun's activities were prominent in only one phase, that one concerning the attempted export of forty-two airplane engines from Los Angeles, California to Panama.

Greenspun and a companion named Willie (assumed to be Willie Sosnow) came to [redacted] of Universal Airplane Salvage Corporation, Oahu, T. H., in Honolulu in March, 1948, and identified themselves as representing HAGANAH, the Jewish organization for aid to Palestine. Greenspun desired to purchase airplane engines and parts for shipment to Palestine. Liff, desirous of assisting HAGANAH in every way, gave forty-two airplane engines to Greenspun. These engines and parts were packed in cases under the supervision of Greenspun with Liff's employees. b6 b7C

Greenspun paid \$4,000 in cash for labor and freight charges for the shipment to Los Angeles, California. On March 25, 1948, 95 crates, containing 42 Pratt and Whitney R2800-ICW airplane engines, arrived in Los Angeles consigned to the Universal Airplane Salvage Corporation, Los Angeles, which address was nonexistent. When an attempt was made to move this shipment of airplane engines to Panama the shipment was seized by United States Customs Service at Los Angeles on April 14, 1948, inasmuch as it was illegal to export this type aircraft engine.

Indictments were returned by the Federal Grand Jury at Los Angeles on April 6, 1948, charging Schwimmer, Selk, Levin, Greenspun, Lewis, Sosnow, Gardner and the corporation, Service Airways, with conspiracy to violate the Neutrality Act and Export Control laws. Subjects were charged with violation of Title 22, Sections 452 and 453, and of Title 50, Section 701, U. S. Code, and Presidential Proclamation 2776, dated March 26, 1948.

~~Seuk and Gardner were found guilty of conspiracy and violation of the Espionage and Export Control Laws.~~

Information was received that a juror in the trial had been contacted by the defendants during the trial. It had been reported that all of the jurors except this one voted for a guilty verdict of all subjects, and a compromised verdict had been reached as a result of pressure by this juror on the rest of the jury. Subsequently, it was determined that this juror had received mental treatment in an institution prior to the beginning of the case and he was of Semetic origin. Accordingly no investigation was made.

b. [redacted] with aliases: Herman Milton Greenspun, with aliases, et al;

In March, 1948, Greenspun and one William Scsnow approached [redacted] of the Universal Aircraft Salvage Corporation in Oahu, Hawaii. Greenspun represented Haganah, the Jewish organization, and wanted to buy airplane engines and engine parts for use in Palestine. [redacted] had been recommended to Greenspun as a person who was interested in assisting Haganah in furnishing military aid. [redacted] gave Greenspun forty-two airplane engines and also permission to take airplane engine parts. Greenspun, assisted by employees of [redacted] did the packing. It was reported [redacted] had quantities of machine guns and machine gun parts on his premises, reportedly removed by the Navy from deactivated airplanes and left there; and that Liff made some of these available to Greenspun.

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An employee of the Universal Aircraft Salvage Corporation, advised in January, 1949, that early in 1948 he had helped Greenspun and Scsnow pack airplane machine guns on instructions of [redacted]. He said the guns had been left on the premises by the Navy. He also said he saw Greenspun and Scsnow "steal at least 500" machine gun barrels from a Navy dump adjacent to Universal, and that these together with the machine guns from [redacted] were packed in airplane engine boxes, and hauled by a trucker to the docks for shipment to the Los Angeles harbor.

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At Wilmington, California, Greenspun chartered a boat, the Idalia, property of [redacted] to take the machine guns to Mexico. [redacted] claimed Greenspun forced him to accept the cargo and that when he refused, Greenspun threatened him with a revolver. The arms were unloaded in Mexico in the presence of several Mexican officers. Greenspun was part of the crew on the voyage. Information was received, however, that Lewis was apparently receptive to the deal; was paid for the use of his boat; and that there was no evidence that force was used to gain his assistance.

No export license for the armament was obtained from the United States State Department. Although not specifically traced, the machine guns were reportedly reshipped from Mexico to Israel.

On September 28, 1949, Greenspun and six individuals associated in the shipping of the machine guns were indicted by a Federal grand jury in Los Angeles, California, for conspiring to violate the Neutrality Act and the Export Control Law, Title 50, USC, Section 701, as amended, and Title 22, USC, Section 452, and Presidential Proclamation 2776, Categories One and Three, which became effective April 15, 1948. This count listed thirteen overt acts in furtherance of the conspiracy. Count two charged Greenspun and three others of the defendants with unlawfully exporting the armaments in violation of Section 452, Title 22, USC, and Section 701, Title 50, USC. The remaining defendants were charged with aiding and abetting.

On October 4, 1949, Greenspun surrendered himself in Los Angeles and was released on bond. He entered a plea of not guilty on February 20, 1950.

On April 12, 1950, and April 19, 1950, the facts were re-presented to the Grand Jury and Greenspun was re-indicted, Criminal Docket number 21266. This indictment eliminated one defendant and also eliminated the charges of violating the Export Control Act.

On April 25, 1950, on motion of the Government, the indictments were dismissed as to all except Greenspun, [redacted]

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Trial of the case began July 6, 1950, at Los Angeles. On July 10, 1950, Greenspun changed his plea and entered a plea of guilty to the charge of conspiring to violate the Neutrality Act. On July 17, 1950, he was sentenced to pay a \$10,000 fine which was paid by him July 24, 1950. The substantive charge was dismissed, and all charges against the remaining defendants were also dismissed.

The Los Angeles Daily News, issue of October 27, 1949, contained a picture of Herman Greenspun, the accompanying article reporting his being free on bail following charges that "he master-minded a two million dollar gun-smuggling ring for Israel during that country's war with the Arab states." Greenspun was quoted as stating, "I have done nothing I'm ashamed of and I am sure I can clear myself in a court trial."

It was reported that in July, 1948, three payments totaling \$1,300,000 were made to Herman Greenspun through the Banco del Ahorro Nacional, Mexico City, by cabled order of one Dr. Erwin Hayman, Geneva, Switzerland. Dr. Erwin Hayman of Geneva, Switzerland, was reportedly an officer of a firm which procured war materials for Israel.

It was further reported by a source of unknown reliability that in Mexico, Greenspun and an associate, reportedly involved on behalf of Haganah in the purchase and sale of arms, received a 10% "kick back" of the gross amount involved in an unidentified arms deal.

In January, 1949, information was received that Greenspun and his immediate followers had become pretty well discredited with Haganah and were at that time working for and using funds of the Irgun faction of the Israelite state. The Irgun faction was reported by this source as an extreme Leftist group.

III. ASSOCIATES AND ACQUAINTANCES

Records of the Second Judicial Department, Appellate Division, New York Supreme Court, reflect that Greenspun was examined in Albany, New York, in October, 1936, for admission to the Bar. Admission at that time was denied Greenspun because the examiners charged there had been irregularities in the taking of the examination. More specifically, a notation bears the remarks that information was passed by Greenspun and others during the course of the examination. For this reason, the Board of Examiners refused his admission and denied his right of again taking the examination for a period of two years.

In October, 1936, at the request of Judge Pinto (believed to be Michael F. Pinto) and Vito Marcantonio, the State Board permitted Greenspun to take a new examination. He was admitted to practice on November 17, 1937. These records also indicate Greenspun served his clerkship in the office of Pinto and Marcantonio.

The Martindale-Hubbell Law Directory for 1952, covering Albany and New York City, New York, fails to reflect any reference to Herman Greenspun.

Information was received in March, 1952, that Greenspun is presently operating the Las Vegas Morning Sun and is apparently the sole owner of this newspaper. There has been no indication that Greenspun has any gambler or hoodlum associates in connection with this newspaper nor is there any indication of financial backing from these sources.

Concerning Greenspun's activity in the Desert Inn, a Las Vegas hotel and gambling casino bearing Wilbur Clark's name, it has been reported that Greenspun was retained by Clark as a publicity man during the early construction of the hotel with a promise of becoming Publicity Director when the hotel was completed. Greenspun reportedly made some money available to Clark when Clark was short of funds and thereby Greenspun acquired ownership of part of the hotel and twenty-two shares of hotel stock. Clark subsequently became associated with a group of Cleveland underworld characters headed by Morris Kleinman and Moe Dalitz, and this group later took over financial control of the hotel. Greenspun resigned as Publicity Director, but it is believed he retained his financial interest in the Desert Inn.

Part Ten, Page 55, of the Hearings before the Special Committee to Investigate Organized Crime in Interstate Commerce, held in Nevada-California, in November, 1950, to March, 1951, reflects the testimony of Wilbur Ivern Clark, Las Vegas, Nevada. In response to questions concerning the Desert Inn Hotel, Las Vegas, Clark testified that he knew Greenspun, that Greenspun owned one per cent of the Desert Inn Hotel, in addition to 30 per cent ownership of the motel part of this hotel.

Noe Sedway, Vice President, Flamingo Hotel, also testified before the above committee. During his testimony, he stated he was acquainted with Greenspun and further revealed that he, Sedway, had been a long time acquaintance of Frank Costello, Frank Erickson and "Longie" Zwillman, all of whom are well-known in underworld circles.

An indictment was returned by a Federal Grand Jury in Miami, Florida, on November 16, 1948, charging nine individuals affiliated with the Foundry Associates, Inc., with conspiracy to violate the Neutrality Act by conspiring to illegally export three B-17 bomber-type airplanes from Miami, Florida, to Zatec, Czechoslovakia, on June 11, 1948. These nine individuals included Adolph W. Schwimmer, [redacted] William Sosnow, Charles Winters, Irwin Schindler, [redacted] Leon Gardner, and [redacted]

[redacted] These indictments did not include Herman Greenspun inasmuch as he was not involved in this specific alleged violation. However, it is noted that Greenspun was associated with the members of Foundry Associates, Inc., as indicated in Part IIIa above. A highly confidential source advised on November 24, 1948, that [redacted] and his associates were exerting pressure on a high political level to influence prosecution in this Miami case. Informant advised that on December 14, 1948, [redacted] and [redacted] conferred concerning efforts to influence this prosecution. In February, 1949, according to this informant, [redacted] and [redacted] conferred in this respect.

The records of the United States District Court, Miami, Florida, under Docket #7280 reflects the dispositions of these indictments. On February 4, 1949, Charles Winters was sentenced at Miami, Florida, to serve eighteen months and to pay a fine of \$2,500. On February 16, 1949, the case against Irwin Schindler was transferred to New York; Schindler reportedly received a nominal sentence at New York. On March 8, 1950, the cases against [redacted] and William Sosnow were transferred to Los Angeles, California, on July 17, 1950, Levin and Sosnow pleaded guilty and were sentenced at Los Angeles to pay a fine of \$10,000 each. The cases against Adolph W. Schwimmer and Leon Gardner were Nolle Prossed July 2, 1950. On June 28, 1951, the capias against [redacted] and [redacted] were returned unexecuted inasmuch as these individuals were not located.

Concerning [redacted] it is to be noted that he is a former employee of the Board of Economic Warfare and of the Library of Congress, that he has appeared before the House-Un-American Activities Committee, that he is a contact of Max Lowenthal, and is a suspected Soviet Agent. [redacted] in January 1948 was the attorney for Leonard F. Weisman, Mount Vernon, New York, who in 1945 had set up Foundry Associates, Inc.

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The 1948 report of the Senate Joint Fact-Finding Committee on Un-American Activities in California, cited [redacted] as a "Practical Communist for all practical purposes."

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FINANCIAL BACKGROUND

In connection with Greenspun's receiving from the RFC certain buildings which had been constructed under an RFC loan, inquiry was made into his financial status. The Las Vegas Bank confirmed certain statements he had made as to his net worth, while at the same time frankly stating that he had on occasion borrowed money in amounts up to \$5,000, and presently owed a note. However, the RFC accepted the Dun and Bradstreet rating of "unclassified."

This is broken down into the following: Newspaper -- \$160,000. A thirty percent interest (\$250,000) in the Desert Inn Annex. A small interest of \$40,000 in the Desert Inn. Rupert Plumbing and Heating Company -- balance. At the present time, Greenspun owes the RFC \$58,880. This is the result of the transaction whereby Greenspun bought Rupert Plumbing and Heating Company, and assumed all obligations of that company. Rupert had borrowed \$100,000 from RFC to build a building in Las Vegas. Part or all of this building now houses the Las Vegas Sun newspaper plant. This loan is current and is being paid, as of March 1, 1952.

Re financial condition of newspaper--it appears that Greenspun may have for some time been losing approximately \$2,000 per month on the operation of the Las Vegas Sun. It has been through his income as part owner of the Desert Inn that he has managed to keep the paper alive. He is also supposed to be getting occasional hand-outs from "angels" or friends who became ingratiated to him by his arms running activities, or are connections in New York.

It is understood that the International Typographical Union holds a mortgage of approximately \$60,000 on the newspaper.

Attempts have been made to buy the newspaper, but all indications are that Greenspun won't sell and that money is not his object.

FEDERAL BUREAU OF INVESTIGATION
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