



U.S. Department of Justice

Federal Bureau of Investigation  
Washington, D.C. 20535

August 31, 2022

MR. JOHN GREENEWALD JR.  
SUITE 1203  
27305 WEST LIVE OAK ROAD  
CASTAIC, CA 91384-4520

FOIPA Request No.: 1398509-000  
Subject: General Mills Inc.

Dear Mr. Greenewald:

The FBI has completed its review of records subject to the Freedom of Information/Privacy Acts (FOIPA) that are responsive to your request. The enclosed documents were reviewed under the FOIPA, Title 5, United States Code, Section 552/552a. Below you will find check boxes under the appropriate statute headings which indicate the types of exemptions asserted to protect information which is exempt from disclosure. The appropriate exemptions are noted on the enclosed pages next to redacted information. In addition, a deleted page information sheet was inserted to indicate where pages were withheld entirely and identify which exemptions were applied. The checked exemption boxes used to withhold information are further explained in the enclosed Explanation of Exemptions.

**Section 552**

☐ (b)(1)

☐ (b)(2)

☒ (b)(3)

Federal Rules of Criminal

Procedure, Rule 6(e)

☐ (b)(4)

☐ (b)(5)

☒ (b)(6)

☐ (b)(7)(A)

☐ (b)(7)(B)

☒ (b)(7)(C)

☒ (b)(7)(D)

☒ (b)(7)(E)

☐ (b)(7)(F)

☐ (b)(8)

☐ (b)(9)

**Section 552a**

☐ (d)(5)

☐ (j)(2)

☐ (k)(1)

☐ (k)(2)

☐ (k)(3)

☐ (k)(4)

☐ (k)(5)

☐ (k)(6)

☐ (k)(7)

339 pages were reviewed and 253 pages are being released.

Please see the paragraphs below for relevant information specific to your request as well as the enclosed FBI FOIPA Addendum for standard responses applicable to all requests.

- ☒ Documents were located which originated with, or contained information concerning, other Government Agencies [OGA].
- ☐ This information has been referred to the OGA(s) for review and direct response to you.
- ☒ We are consulting with another agency. The FBI will correspond with you regarding this information when the consultation is completed.

Please refer to the enclosed FBI FOIPA Addendum for additional standard responses applicable to your request. "Part 1" of the Addendum includes standard responses that apply to all requests. "Part 2" includes additional standard responses that apply to all requests for records about yourself or any third party individuals. "Part 3" includes general information about FBI records that you may find useful. Also enclosed is our Explanation of Exemptions.



For questions regarding our determinations, visit the [www.fbi.gov/foia](http://www.fbi.gov/foia) website under "Contact Us." The FOIPA Request Number listed above has been assigned to your request. Please use this number in all correspondence concerning your request.

If you are not satisfied with the Federal Bureau of Investigation's determination in response to this request, you may administratively appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, 441 G Street, NW, 6th Floor, Washington, D.C. 20530, or you may submit an appeal through OIP's FOIA STAR portal by creating an account following the instructions on OIP's website: <https://www.justice.gov/oip/submit-and-track-request-or-appeal>. Your appeal must be postmarked or electronically transmitted within ninety (90) days of the date of my response to your request. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so it may be easily identified.

You may seek dispute resolution services by emailing the FBI's FOIA Public Liaison at [foipaquestions@fbi.gov](mailto:foipaquestions@fbi.gov). The subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so it may be easily identified. You may also contact the Office of Government Information Services (OGIS). The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at [ogis@nara.gov](mailto:ogis@nara.gov); telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.



See additional information which follows.

Sincerely,



Michael G. Seidel  
Section Chief  
Record/Information  
Dissemination Section  
Information Management Division

Enclosure(s)

The enclosed documents represent the second interim release of information responsive to your negotiated Freedom of Information/Privacy Acts (FOIPA) request.

Duplicate copies of the same document were not processed.

This material is being provided to you at no charge.

## FBI FOIPA Addendum

As referenced in our letter responding to your Freedom of Information/Privacy Acts (FOIPA) request, the FBI FOIPA Addendum provides information applicable to your request. Part 1 of the Addendum includes standard responses that apply to all requests. Part 2 includes standard responses that apply to requests for records about individuals to the extent your request seeks the listed information. Part 3 includes general information about FBI records, searches, and programs.

### Part 1: The standard responses below apply to all requests:

- (i) **5 U.S.C. § 552(c).** Congress excluded three categories of law enforcement and national security records from the requirements of the FOIPA [5 U.S.C. § 552(c)]. FBI responses are limited to those records subject to the requirements of the FOIPA. Additional information about the FBI and the FOIPA can be found on the [www.fbi.gov/foia](http://www.fbi.gov/foia) website.
- (ii) **Intelligence Records.** To the extent your request seeks records of intelligence sources, methods, or activities, the FBI can neither confirm nor deny the existence of records pursuant to FOIA exemptions (b)(1), (b)(3), and as applicable to requests for records about individuals, PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(1), (b)(3), and (j)(2)]. The mere acknowledgment of the existence or nonexistence of such records is itself a classified fact protected by FOIA exemption (b)(1) and/or would reveal intelligence sources, methods, or activities protected by exemption (b)(3) [50 USC § 3024(i)(1)]. This is a standard response and should not be read to indicate that any such records do or do not exist.

### Part 2: The standard responses below apply to all requests for records on individuals:

- (i) **Requests for Records about any Individual—Watch Lists.** The FBI can neither confirm nor deny the existence of any individual's name on a watch list pursuant to FOIA exemption (b)(7)(E) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(7)(E), (j)(2)]. This is a standard response and should not be read to indicate that watch list records do or do not exist.
- (ii) **Requests for Records about any Individual—Witness Security Program Records.** The FBI can neither confirm nor deny the existence of records which could identify any participant in the Witness Security Program pursuant to FOIA exemption (b)(3) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(3), 18 U.S.C. 3521, and (j)(2)]. This is a standard response and should not be read to indicate that such records do or do not exist.
- (iii) **Requests for Confidential Informant Records.** The FBI can neither confirm nor deny the existence of confidential informant records pursuant to FOIA exemptions (b)(7)(D), (b)(7)(E), and (b)(7)(F) [5 U.S.C. §§ 552 (b)(7)(D), (b)(7)(E), and (b)(7)(F)] and Privacy Act exemption (j)(2) [5 U.S.C. § 552a (j)(2)]. The mere acknowledgment of the existence or nonexistence of such records would reveal confidential informant identities and information, expose law enforcement techniques, and endanger the life or physical safety of individuals. This is a standard response and should not be read to indicate that such records do or do not exist.

### Part 3: General Information:

- (i) **Record Searches and Standard Search Policy.** The Record/Information Dissemination Section (RIDS) searches for reasonably described records by searching systems, such as the Central Records System (CRS), or locations where responsive records would reasonably be found. The CRS is an extensive system of records consisting of applicant, investigative, intelligence, personnel, administrative, and general files compiled by the FBI per its law enforcement, intelligence, and administrative functions. The CRS spans the entire FBI organization, comprising records of FBI Headquarters, FBI Field Offices, and FBI Legal Attaché Offices (Legats) worldwide; Electronic Surveillance (ELSUR) records are included in the CRS. The standard search policy is a search for main entity records in the CRS. Unless specifically requested, a standard search does not include a search for reference entity records, administrative records of previous FOIPA requests, or civil litigation files.
  - a. *Main Entity Records* – created for individuals or non-individuals who are the subjects or the focus of an investigation
  - b. *Reference Entity Records*- created for individuals or non-individuals who are associated with a case but are not known subjects or the focus of an investigation
- (ii) **FBI Records.** Founded in 1908, the FBI carries out a dual law enforcement and national security mission. As part of this dual mission, the FBI creates and maintains records on various subjects; however, the FBI does not maintain records on every person, subject, or entity.
- (iii) **Foreseeable Harm Standard.** As amended in 2016, the Freedom of Information Act provides that a federal agency may withhold responsive records only if: (1) the agency reasonably foresees that disclosure would harm an interest protected by one of the nine exemptions that FOIA enumerates, or (2) disclosure is prohibited by law (5 United States Code, Section 552(a)(8)(A)(i)). The FBI considers this foreseeable harm standard in the processing of its requests.
- (iv) **Requests for Criminal History Records or Rap Sheets.** The Criminal Justice Information Services (CJIS) Division provides Identity History Summary Checks – often referred to as a criminal history record or rap sheet. These criminal history records are not the same as material in an investigative “FBI file.” An Identity History Summary Check is a listing of information taken from fingerprint cards and documents submitted to the FBI in connection with arrests, federal employment, naturalization, or military service. For a fee, individuals can request a copy of their Identity History Summary Check. Forms and directions can be accessed at [www.fbi.gov/about-us/cjis/identity-history-summary-checks](http://www.fbi.gov/about-us/cjis/identity-history-summary-checks). Additionally, requests can be submitted electronically at [www.edo.cjis.gov](http://www.edo.cjis.gov). For additional information, please contact CJIS directly at (304) 625-5590.

## **EXPLANATION OF EXEMPTIONS**

### **SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552**

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information ( A ) could reasonably be expected to interfere with enforcement proceedings, ( B ) would deprive a person of a right to a fair trial or an impartial adjudication, ( C ) could reasonably be expected to constitute an unwarranted invasion of personal privacy, ( D ) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, ( E ) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or ( F ) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

### **SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a**

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

This document is made available through the declassification efforts  
and research of John Greenewald, Jr., creator of:

# The Black Vault

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The Black Vault is the largest online Freedom of Information Act (FOIA)  
document clearinghouse in the world. The research efforts here are  
responsible for the declassification of hundreds of thousands of pages  
released by the U.S. Government & Military.

**Discover the Truth** at: **<http://www.theblackvault.com>**

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/17/1999

To: Information Resources

Attn: Dennis R. Weaver, Chief  
Information Management Section

From: Office of the General Counsel  
Civil Discovery Review Unit (CDRU), Room 5448  
Contact: PLS Alison A. Mustapich, Ext 3556

Approved By: Kelley Thomas A  
Cignoli Paul C Jr  
Healy Nancy A

Drafted By: Beers Elizabeth Rae:erb

Case ID #: 66F-HQ-A1211968 - 95

Title: FINDINGS OF THE OFFICE OF THE INSPECTOR  
GENERAL (OIG) DEPARTMENT OF JUSTICE,  
CRITICAL OF FORENSIC WORK PERFORMED  
BY CERTAIN LAB EXAMINERS

Synopsis: To place this document on record in the Task Force control file and to place a copy on the top serial in every investigative file containing forensic work performed by any of the thirteen Laboratory Examiners whose scientific work was criticized by the OIG.

Reference: 66F-HQ-A1211968 Serial 82

Details: BE ADVISED, one or more of the Laboratory Examiners who performed scientific analysis in this investigation was criticized in the OIG's report issued on April 15, 1997. The OIG conducted a thorough review of allegations of wrongdoing and improper practices within certain sections of the FBI Laboratory. It issued a report which, among other findings, was critical of the scientific work performed by thirteen individual examiners assigned to the Lab. The allegations and criticisms concerning these individuals varies greatly and in some instances is case specific.

If the forensic work contained in this file is used in any way in the future, both the OIG's findings and the forensic analysis of the examiners should be reviewed. In addition, legal advice should be obtained as to the FBI's disclosure obligations.

The criticized examiners are, in alphabetical order:  
(1) Richard Hahn, (2) Robert Heckman, (3) Wallace Higgins,

UPLOADED ON

DATE: 5/19/99  
BY: [Signature]

Permanent Top Serial

To: Information Resources From: Office of the General Counsel  
Re: 66F-HQ-A1211968, 05/07/1999

(4) Alan Jordan, (5) Lynn Lasswell, (6) Michael Malone, (7) Roger Martz, (8) J. Christopher Ronay, (9) Terry Rudolph, (10) J. Thomas Thurman, (11) Robert Webb, (12) Frederic Whitehurst, and (13) David Williams.

To: Information Resources From: Office of the General Counsel  
Re: 66F-HQ-A1211968, 05/07/1999

LEAD (s):

Set Lead 1: (Adm)

ALL RECEIVING OFFICES

Mark and place this communication as the Permanent Top Serial of each section of each investigative file identified for inclusion in the FBI Laboratory Review Project.

CC: 1 - Dr. D. M. Kerr, Room 3090  
1 - T. A. Kelley, Room 7427  
1 - Mr. R. W. Sibert, Room 3268  
① - Mrs. R. M. Contreras, Room 3437  
1 - Mrs. D. A. O'Clair, Room 4913  
1 - Ms. N. B. Hardy, Room 10790  
1 - Ms. N. A. Healy, Room 7927  
1 - Ms. E. R. Beers, Room 7927  
1 - Mrs. M. E. Layton, Room 5448  
1 - Ms. A. A. Mustapich, Room 5448  
1 - Mrs. M. A. Bookstein, Room 5448

♦♦



# ELWOOD POLICE DEPARTMENT

CITY OF ELWOOD

ELWOOD, INDIANA 46036

LOCAL & STATE

July 1, 1986

60707036

FBI Field Office  
Laboratory  
Washington, D. C. 20535

Dear Sir:

*crime lab*  
On June 28, 1986, a package of Peanut Butter Boppers, manufactured by General Mills Inc., was purchased at Carter's Supermarket in Elwood, Indiana. Upon opening the package it was discovered that one of the bars appeared to have been tampered with.

It is requested that the material submitted be examined to determine if any foreign substance, that may be harmful to health, has been added to the bar. Please perform any other examination necessary which will provide information pertinent to the investigation.

This investigation has been assigned case number 2433-86 and it will be helpful if you will refer to this number in future correspondence concerning this matter.

Items submitted: Exhibit A---*Candy bar (A)* The bar that appears to have been tampered with.  
Exhibit B---*Control candy bar (B)* A control bar from the same package that appears normal.

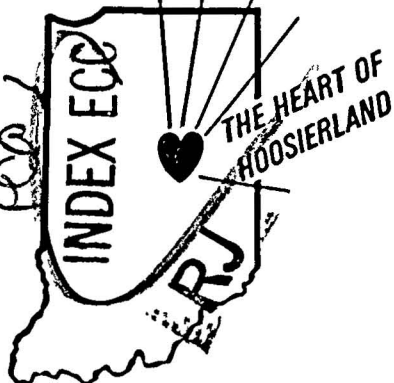
If you need additional information, please contact me at (317) 552-3376.

Sincerely,

*R L Towner*  
Roger L. Towner  
Chief of Police  
1601 Main Street  
Elwood, Indiana 46036

3 JUL 11 1986

ORIGINAL  
Copy & Specs Detached



V-28  
DE-164

*4329*

*95*

*273554*

*SEN*



FILE # **95-273554-2**

CONTENTS: LAB WORKSHEET ITEMS

DO NOT STAMP OR HANDLE AS ENCLOSURE

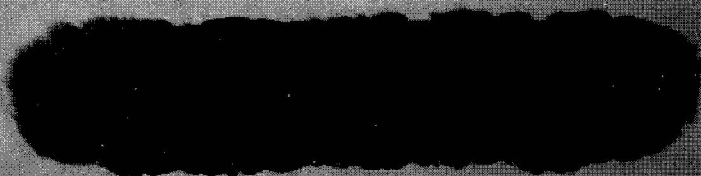
**EVIDENCE**

FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C.

**EVIDENCE**

FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C.

60707036 STD



60707036 . LIX

RIC

08/25/85 9:58:00

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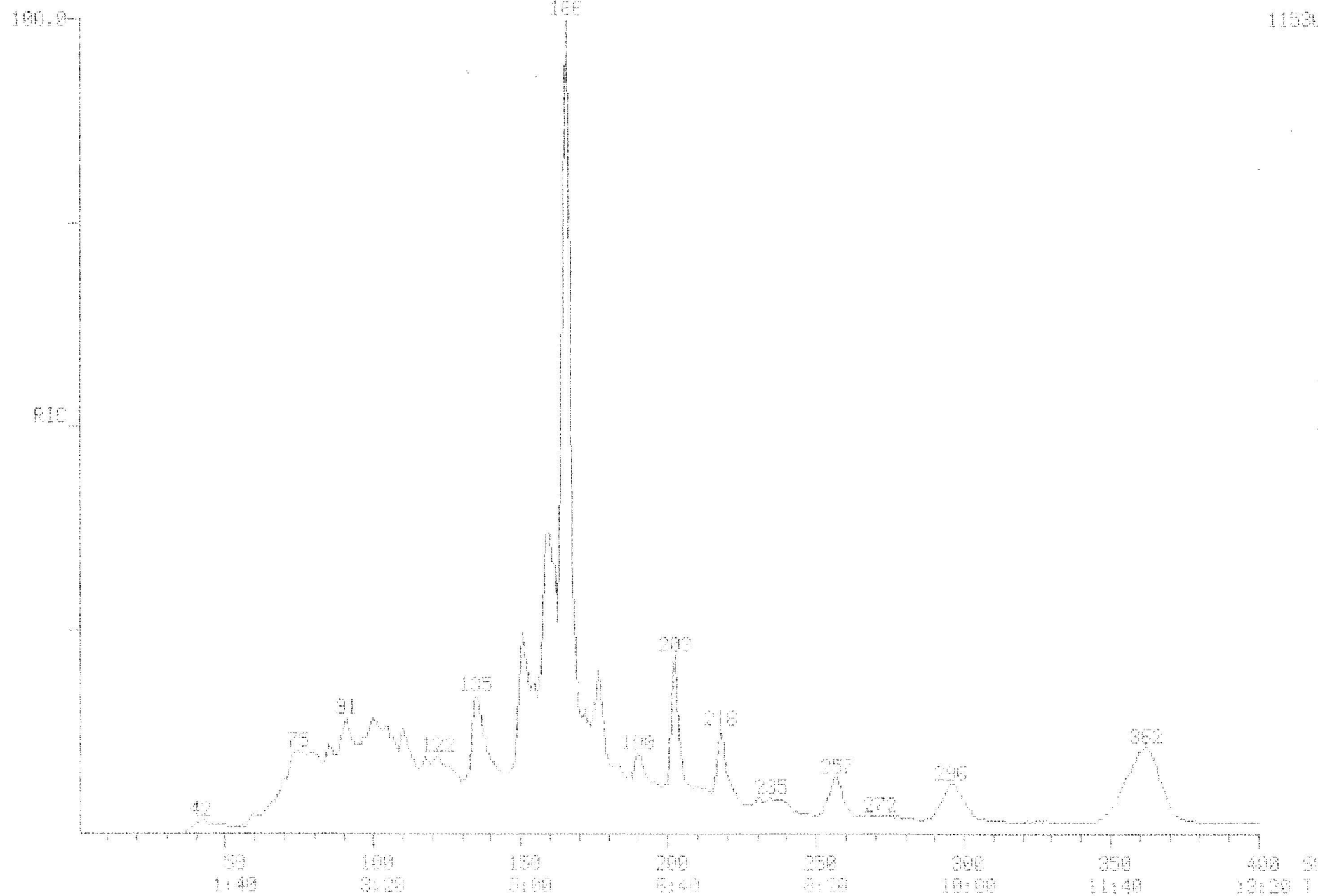
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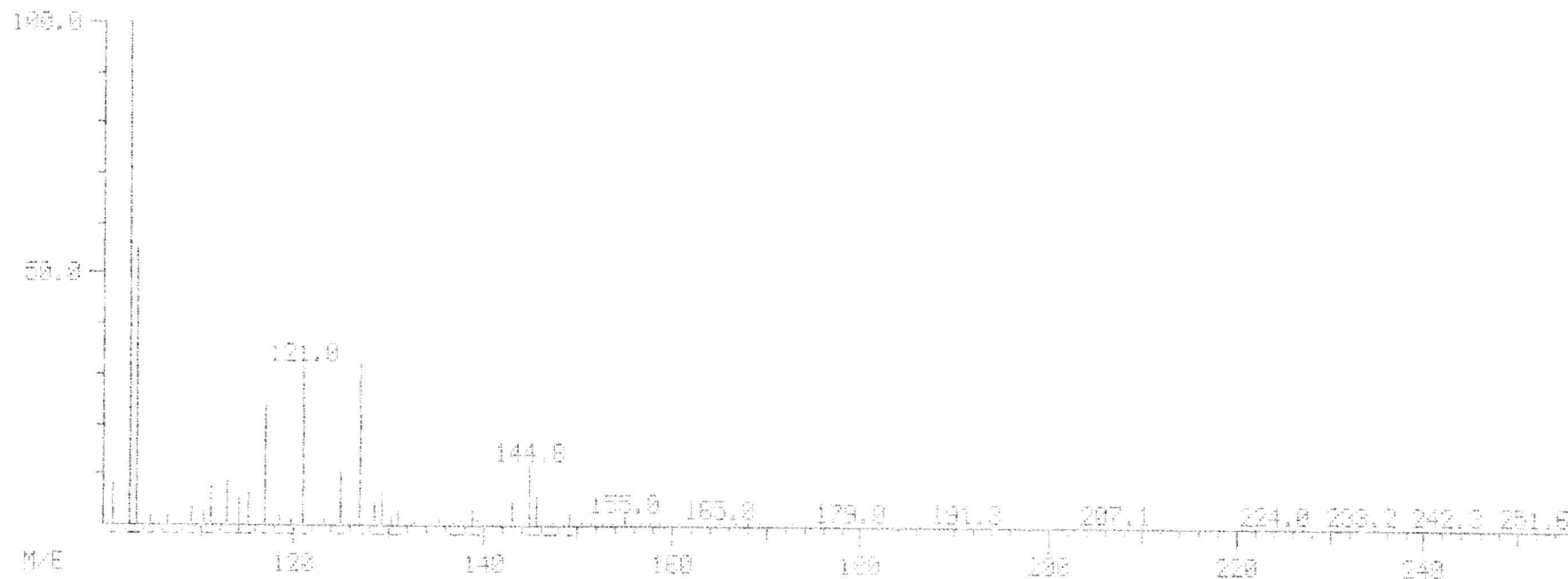
SCANS 1 TO 400



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 CONDS.: 2180-17 80/2880

DATA: MS2501 #74  
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BASE M/E: 102  
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31392.



31392.

MASS SPECTRUM

86/26/86 9:50:00 + 4:30

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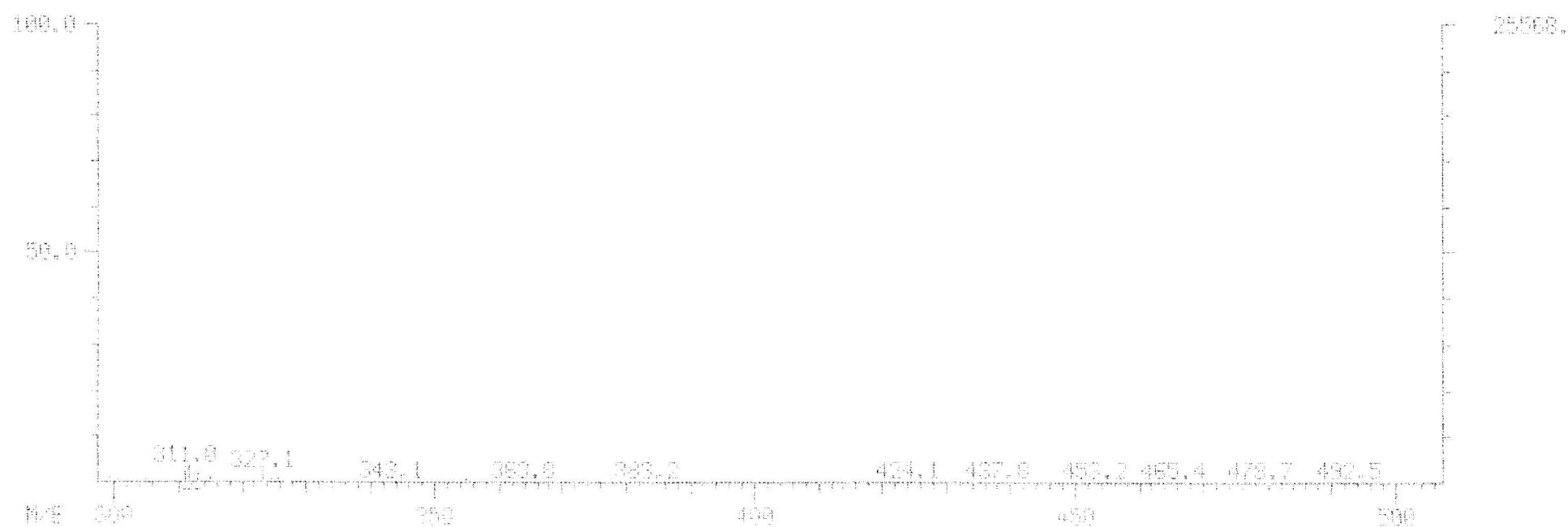
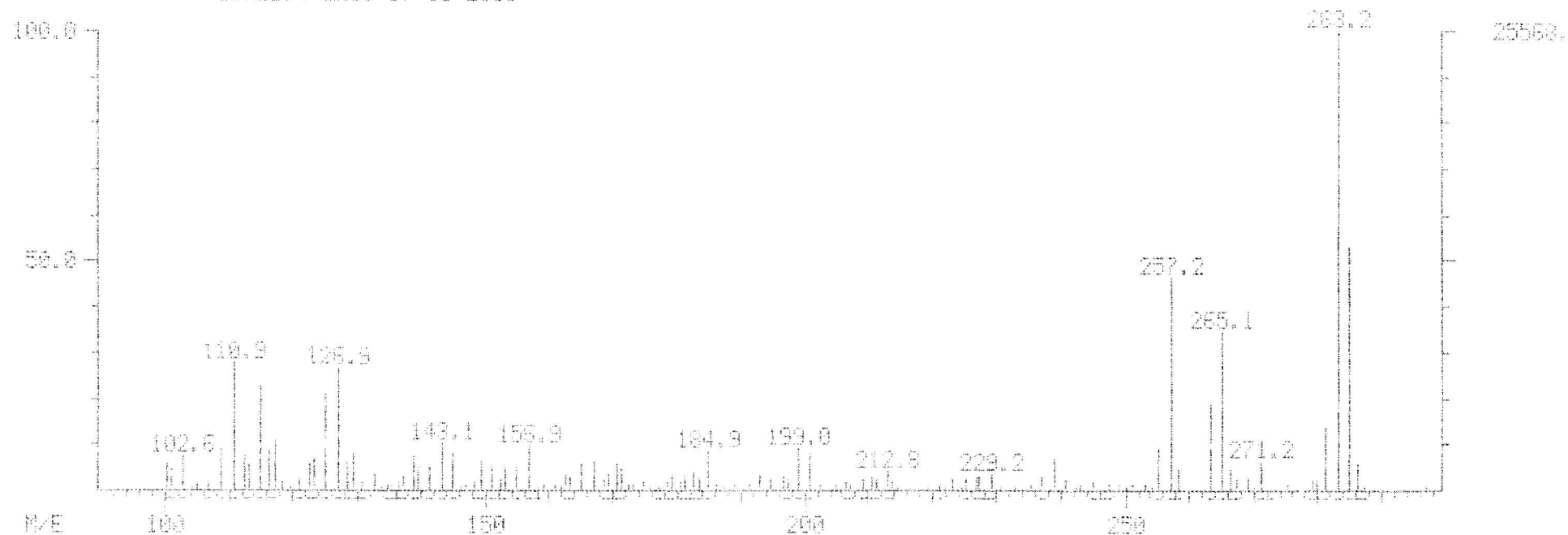
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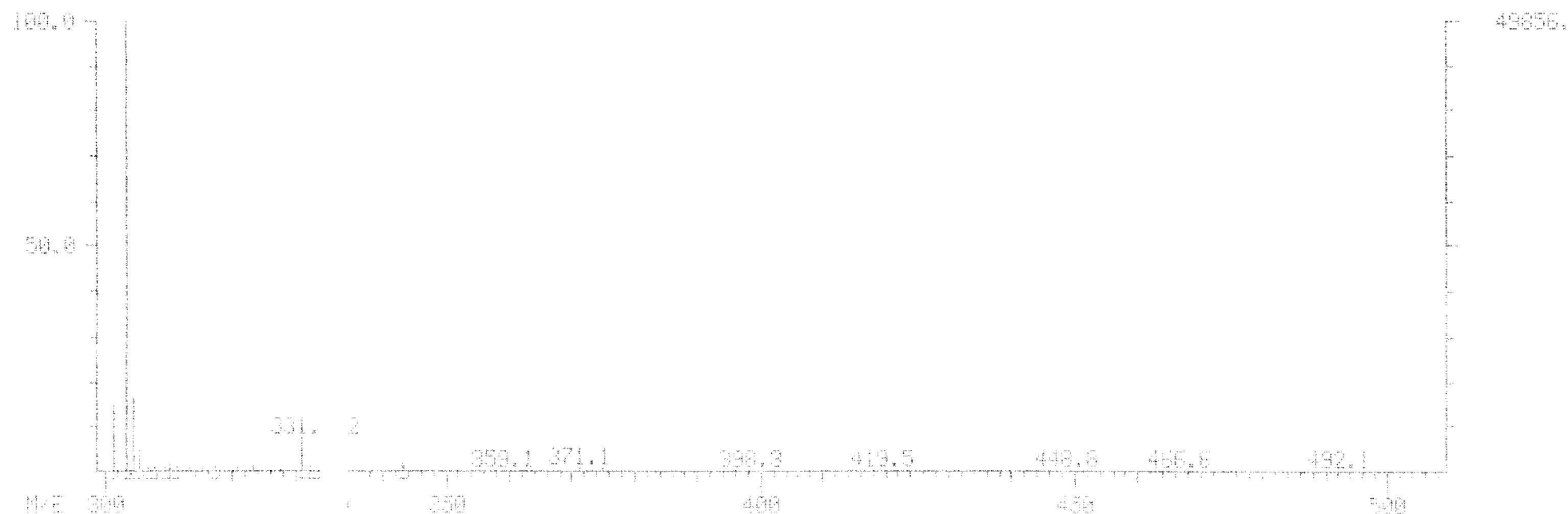
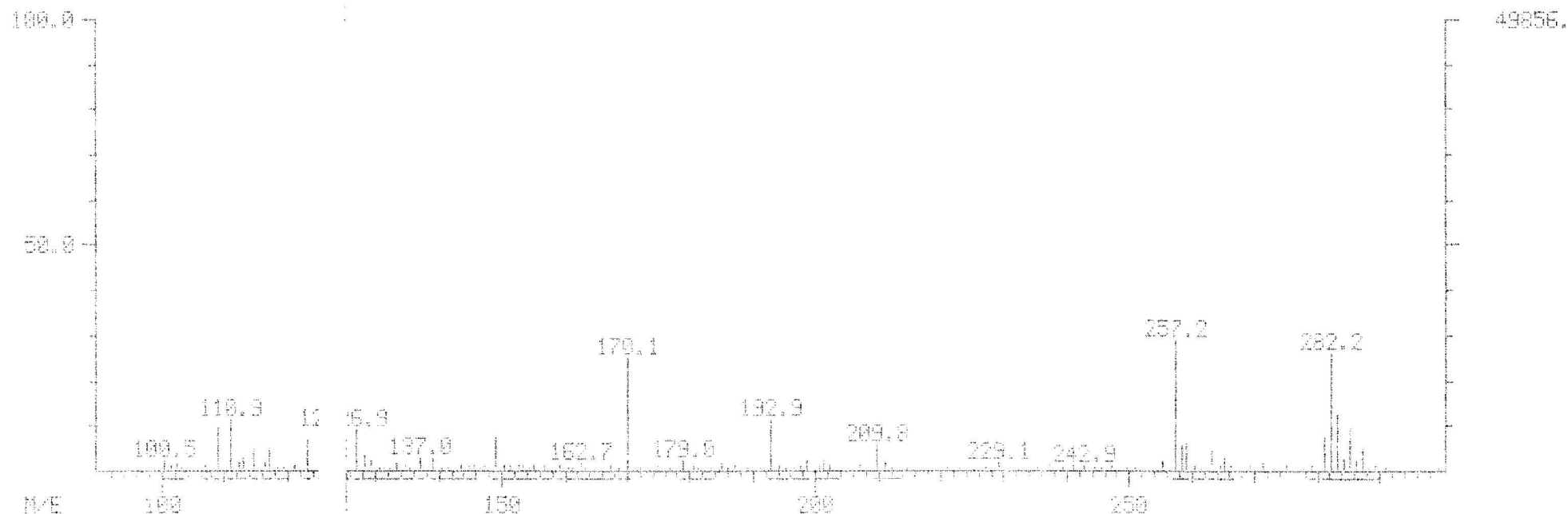
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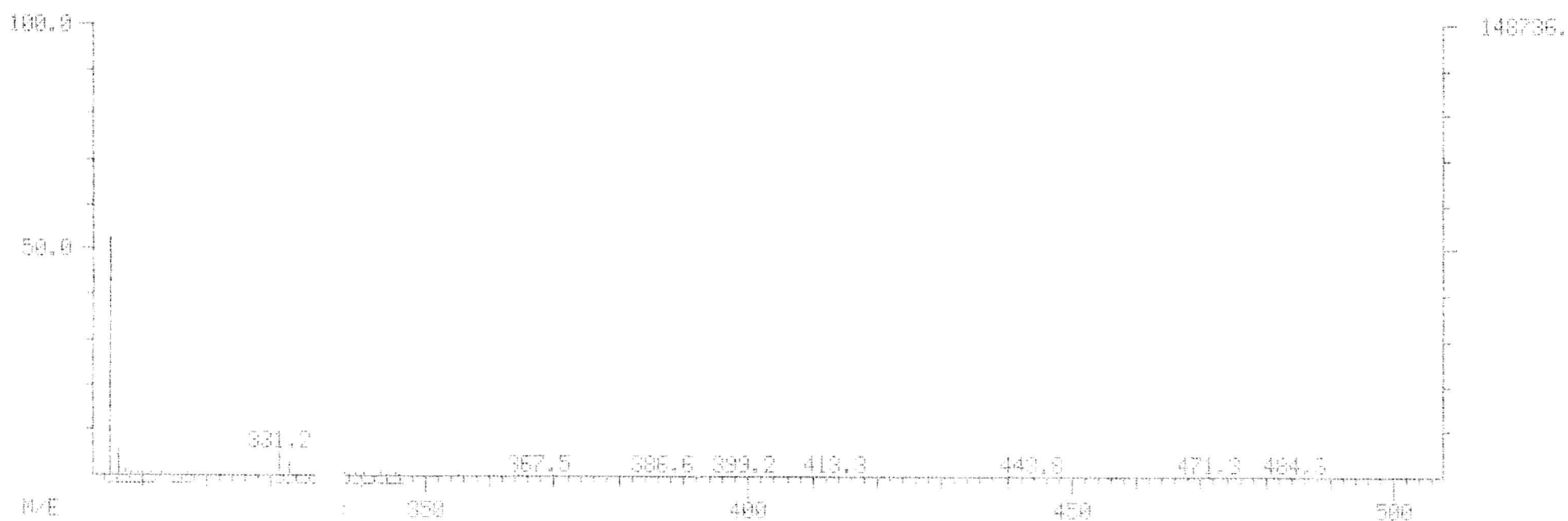
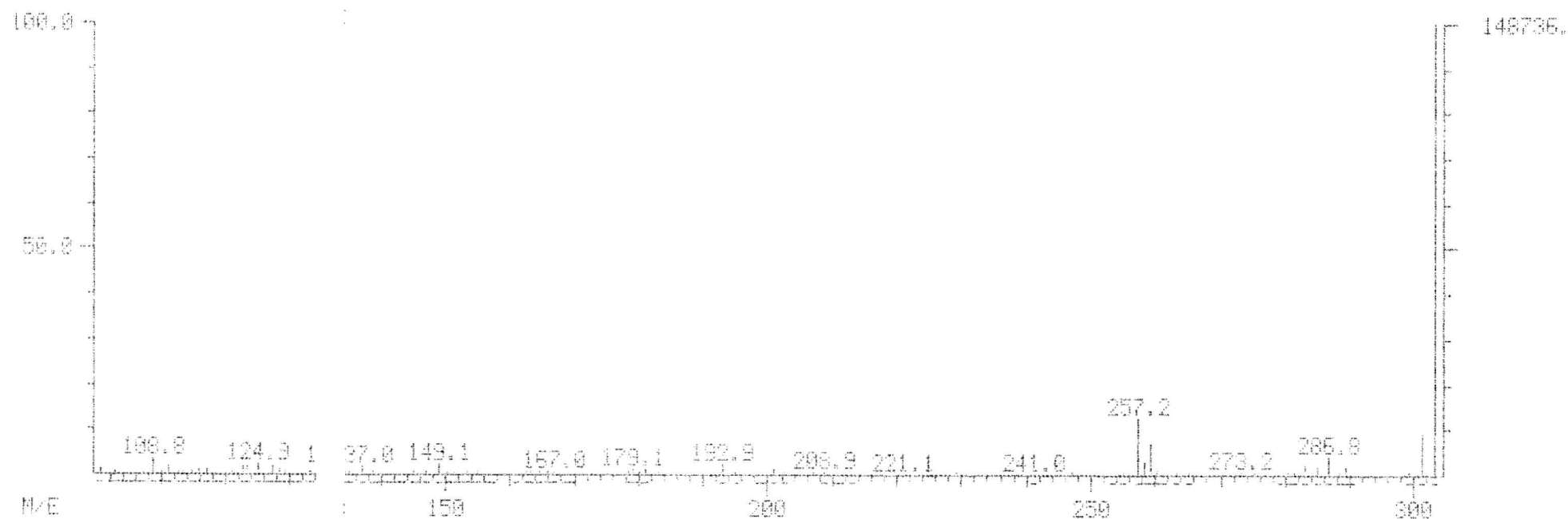
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 COND5.: 2700-17 00/2600

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06/25/85 9:50:00 + 5:32

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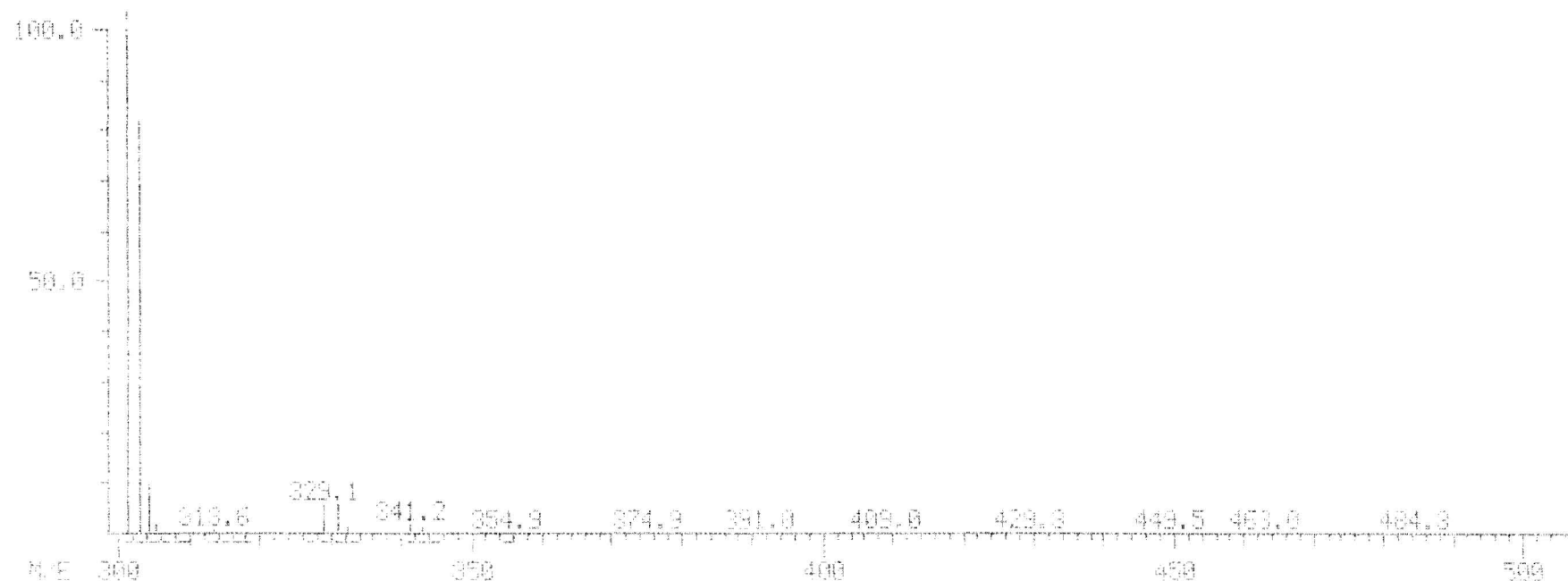
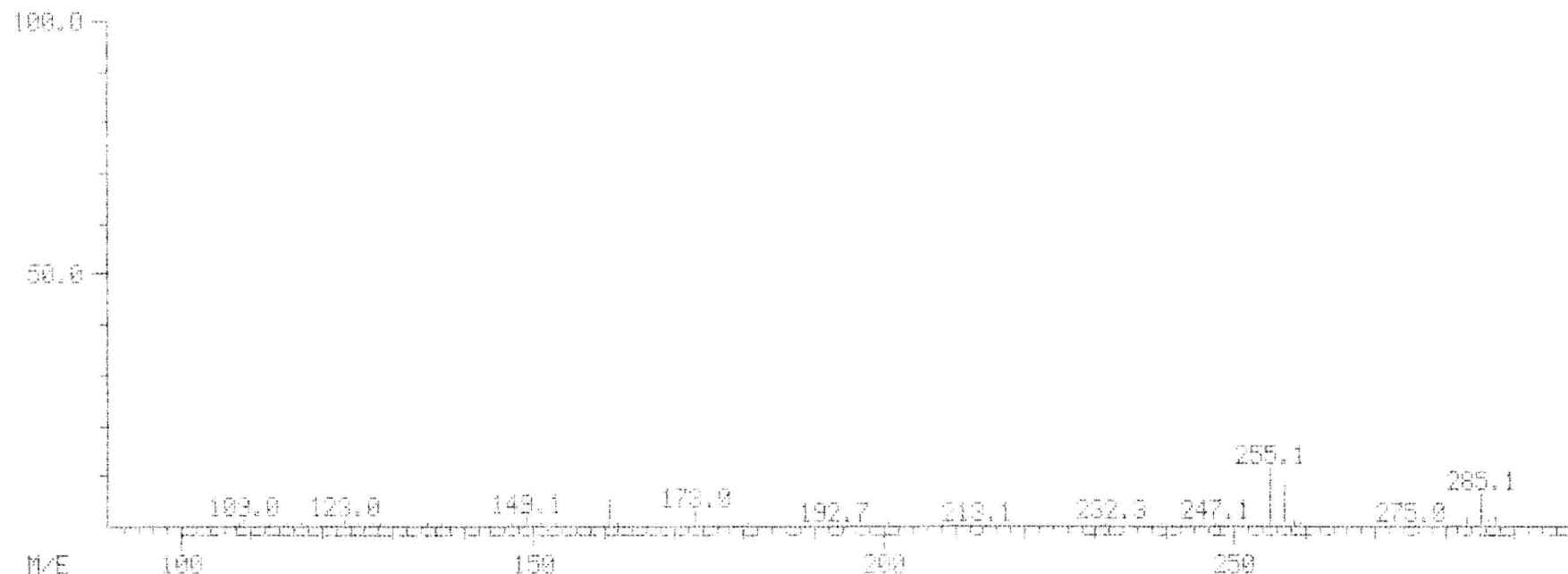
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CALI: KAL715 #5

BASE M/E: 301

RIC: 1144880.



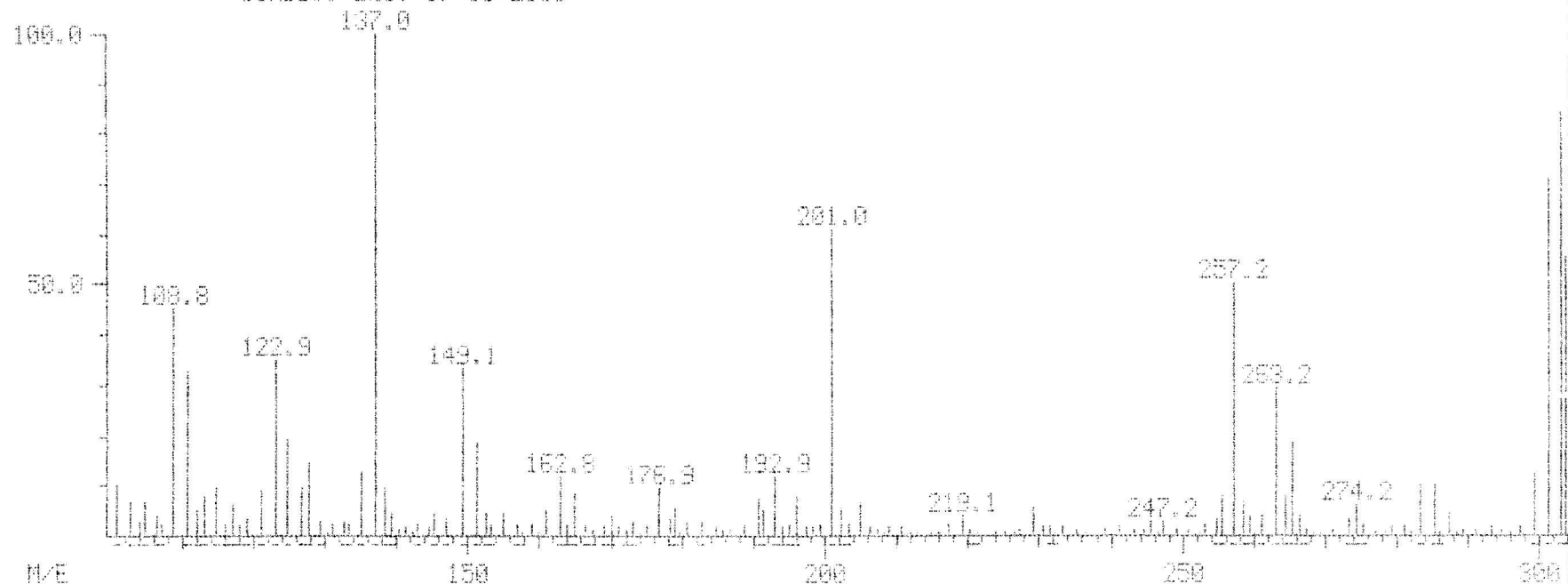


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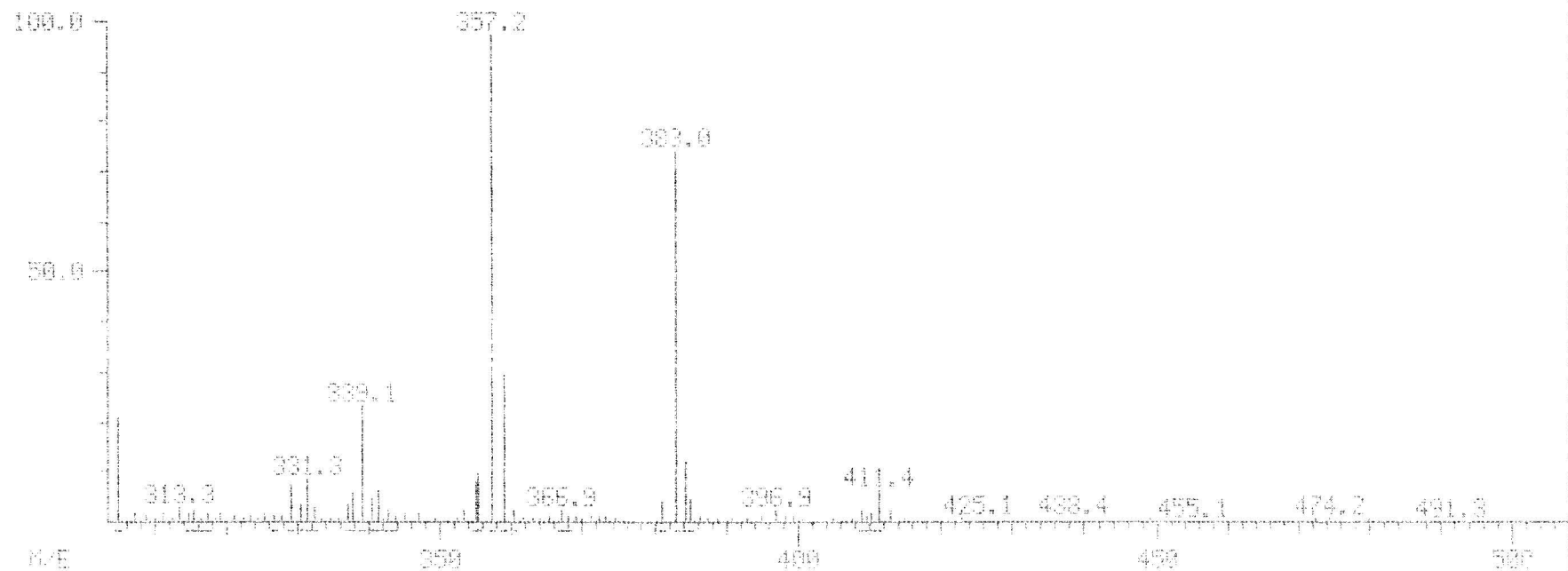
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393728.



393728.



MASS SPECTRUM

08/26/85 9:50:00 + 6:20

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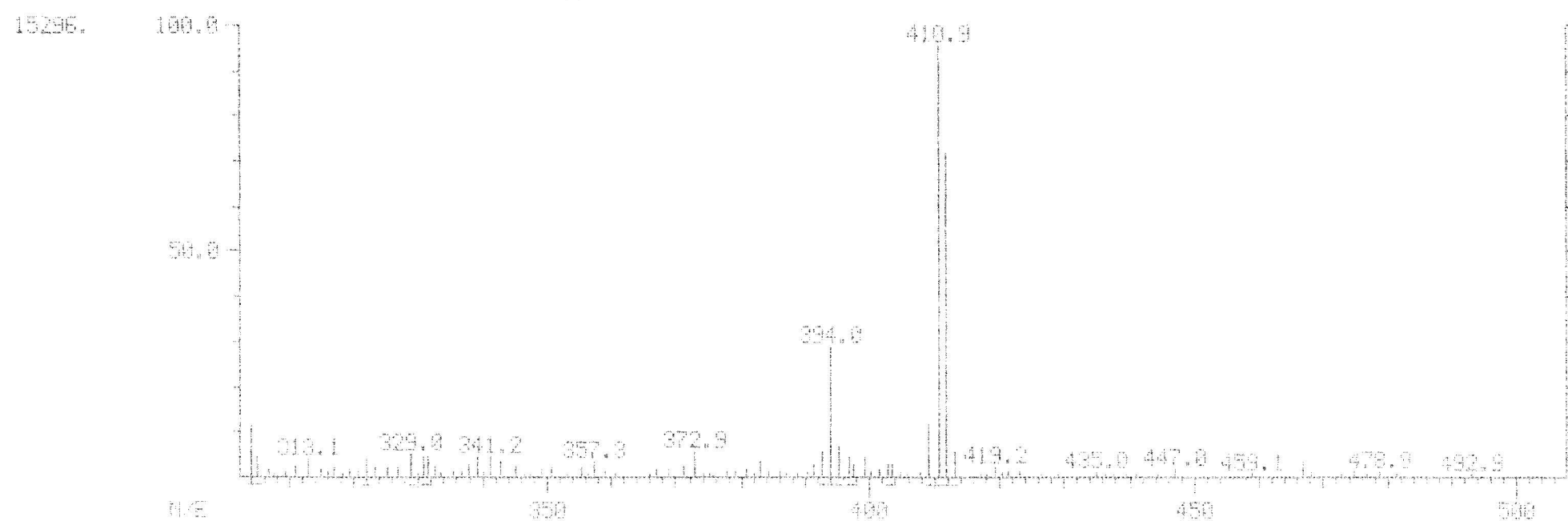
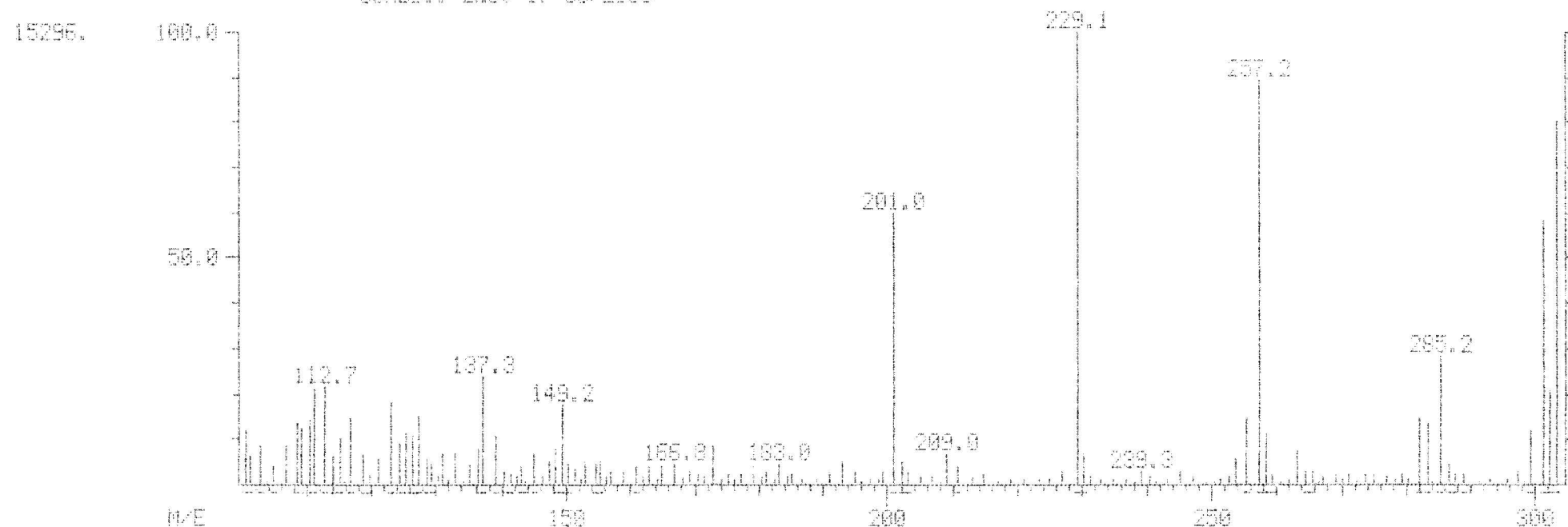
COND5.: 220V-17 80/280C

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CALI: KAL715 #5

BASE M/E: 229

RIC: 112000.



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08/26/86 9:50:00 + 6:46

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CONDS.: 2700-17 80/286C

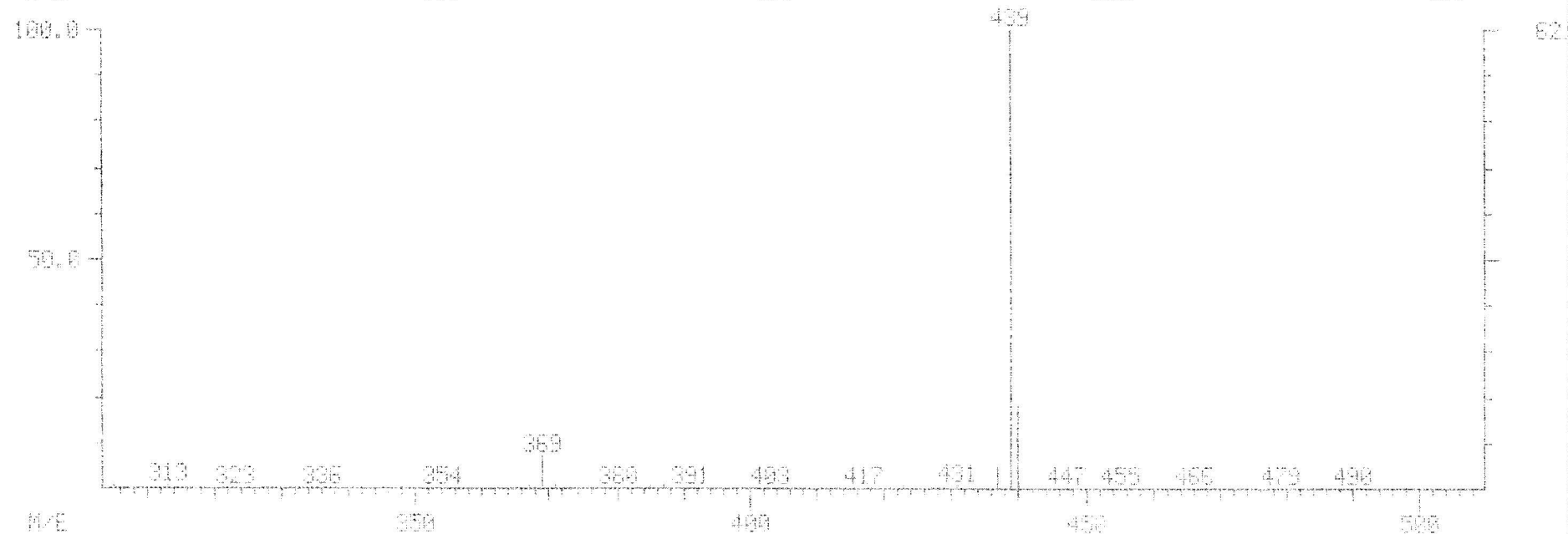
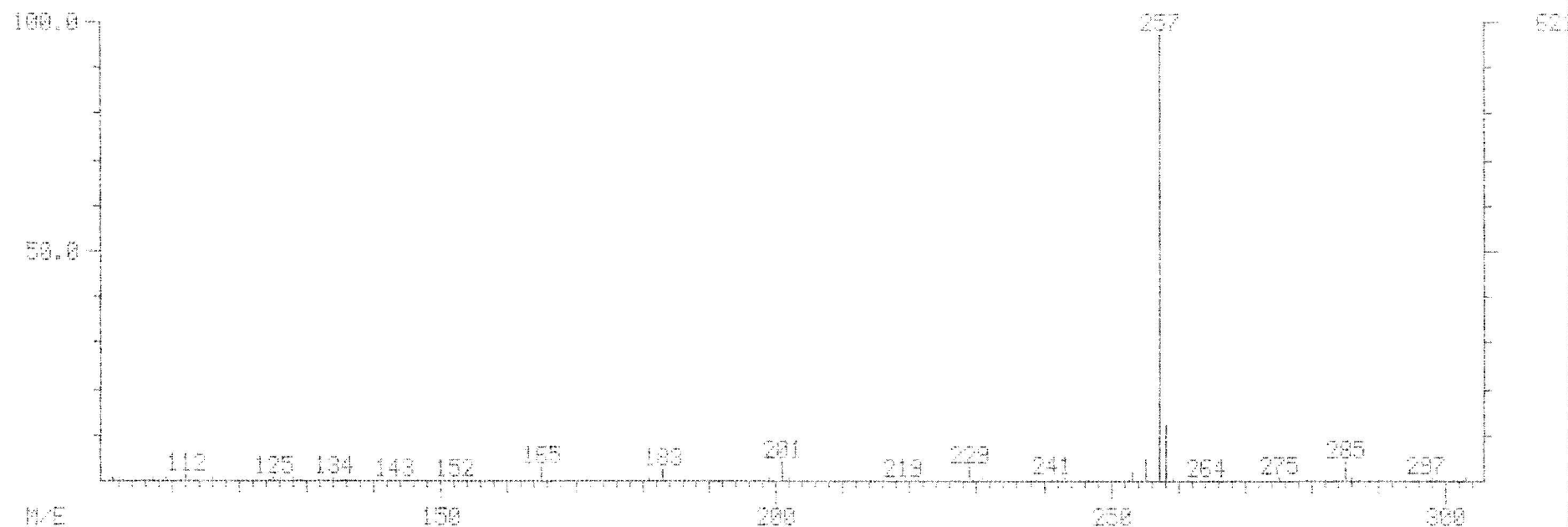
ENHANCED (S 158 2N 0T)

DATA: MS2891 #203

CALI: KAL715 #5

BASE M/E: 439

RIC: 176128.



MASS SPECTRUM

08/28/86 9:58:00 + 7:16

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COND.: 2200-17 80/2800

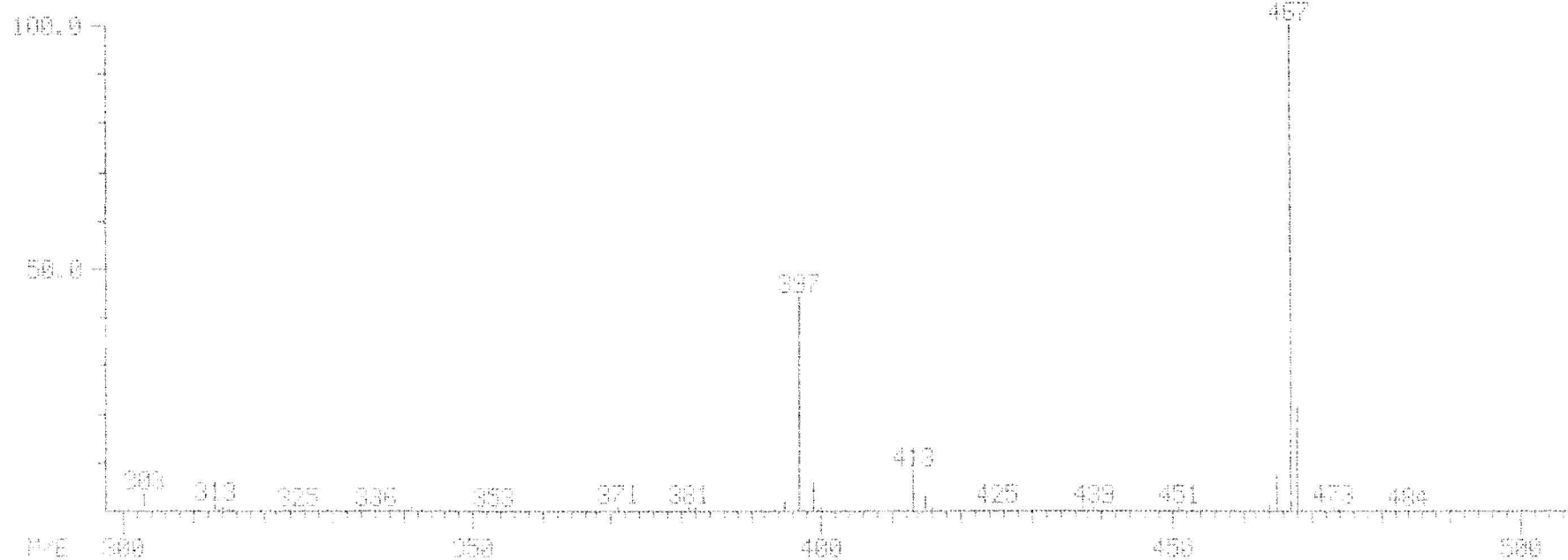
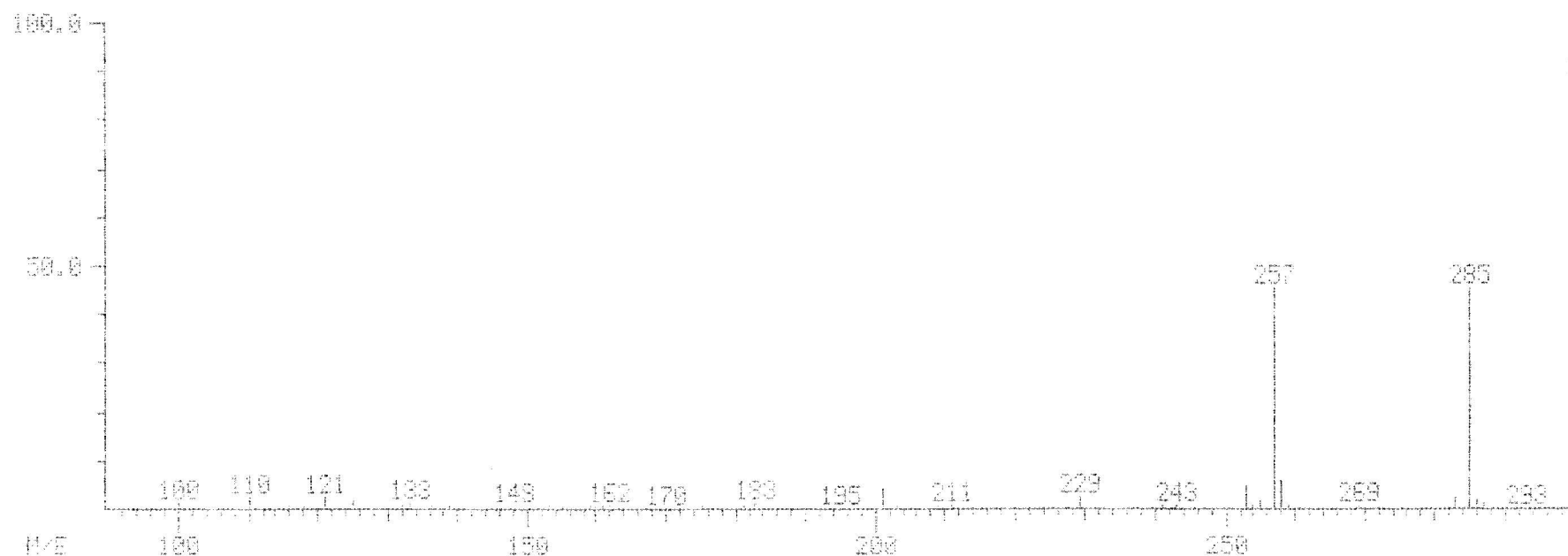
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CALI: KAL715 #5

BASE M/E: 467

RIC: 91000.



MASS SPECTRUM

08/26/85 3:50:00 + 8:34

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CONDOS.: 2300-17 80/2300

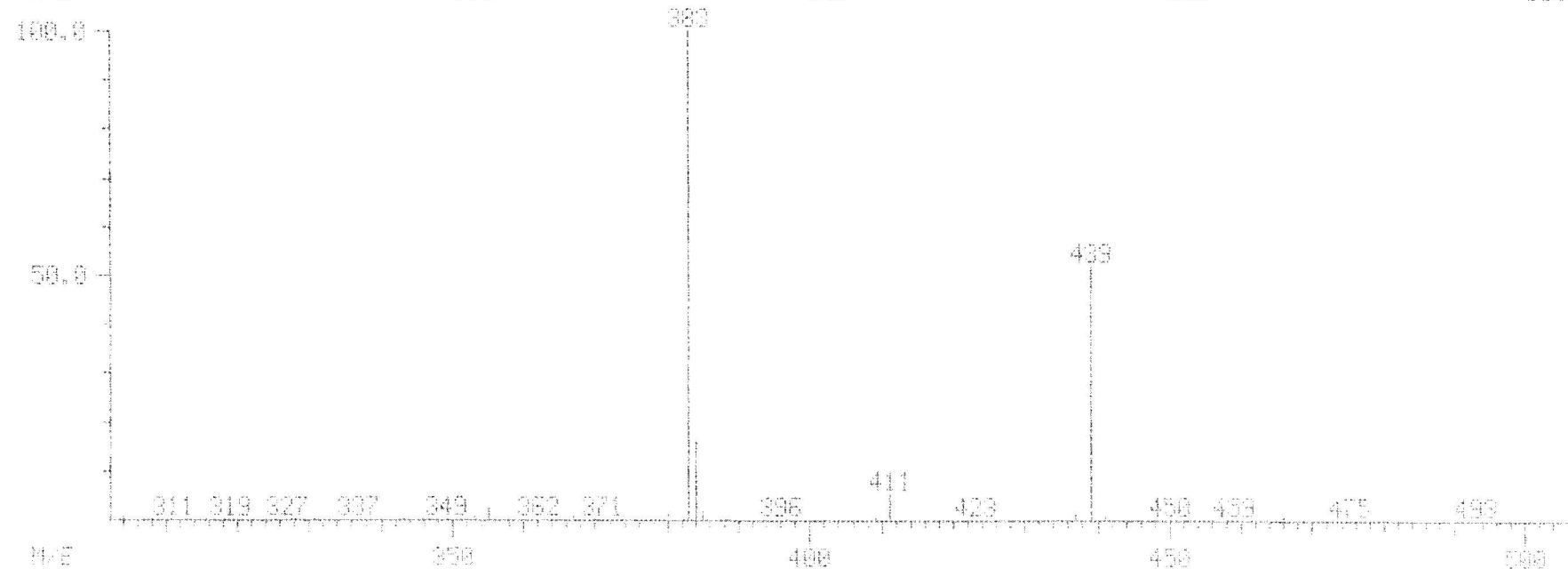
ENHANCED (S 15B 2N 0T)

DATA: HS2601 #257

CALI: KAL715 #5

BASE M/E: 383

RIC: 53120.



MASS SPECTRUM

08/26/86 9:50:00 + 9:52

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COND5.: 2760-17 80/2800

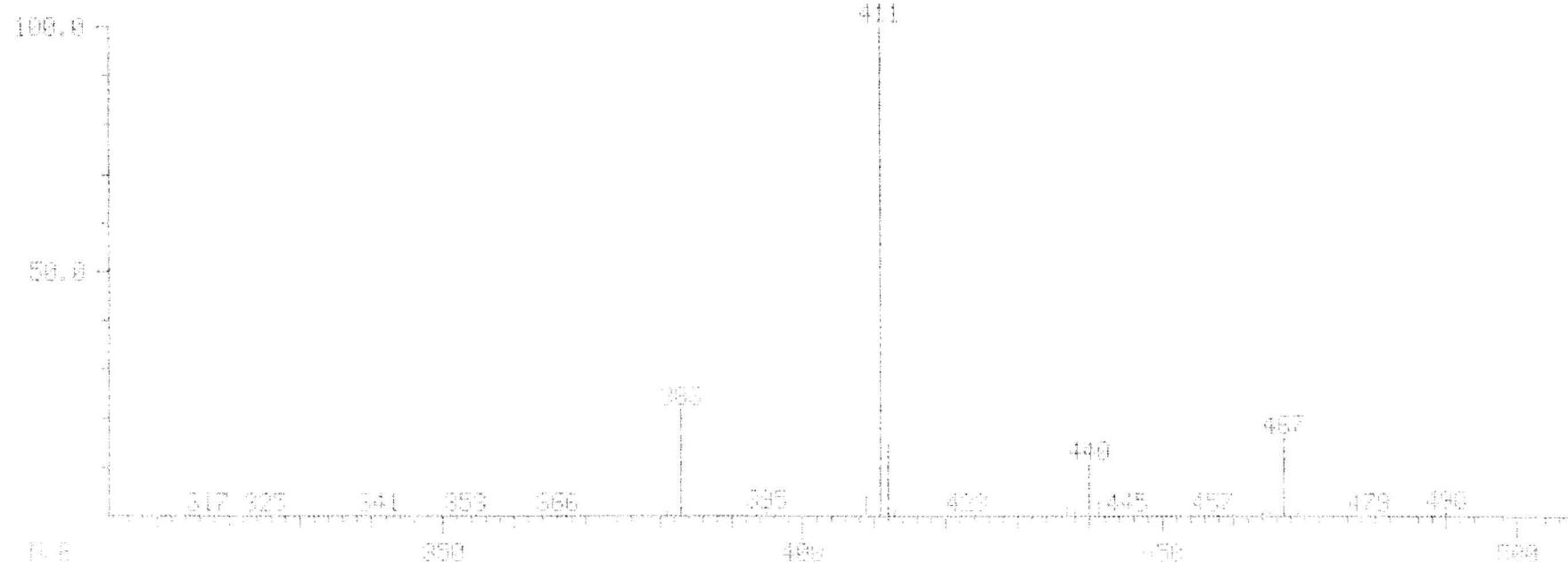
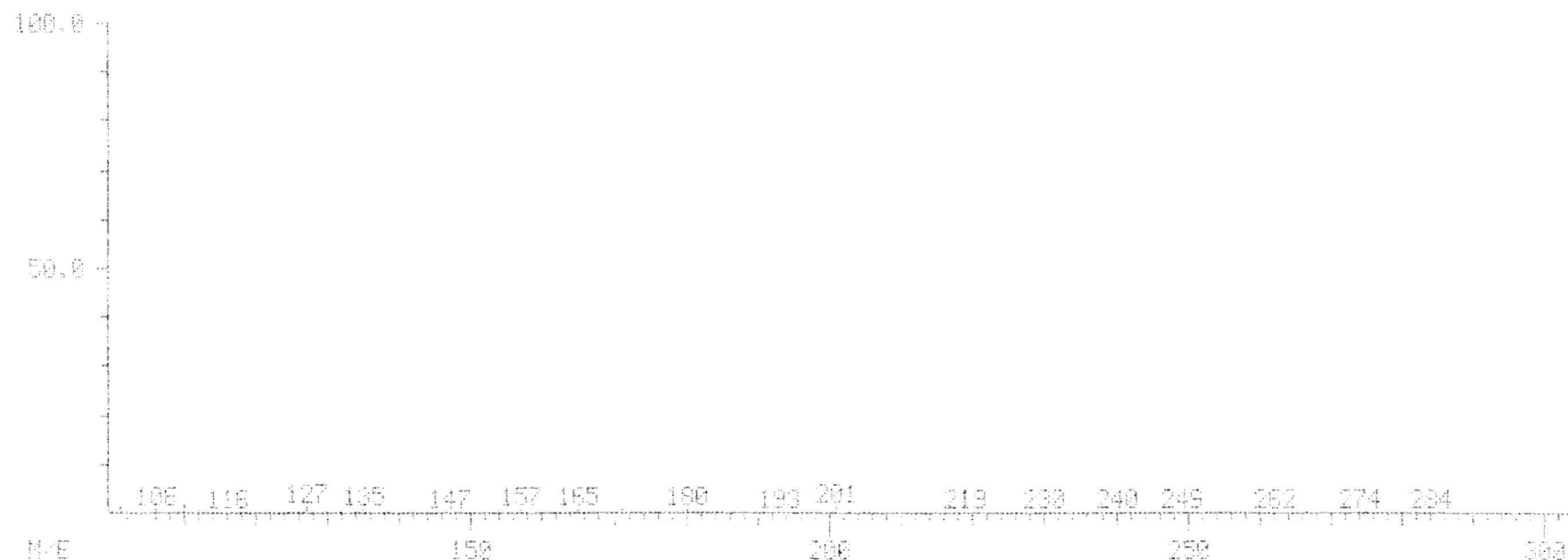
ENHANCED (S 158 2N 0T)

DATA: HS2601 #296

CALI: KAL715 #5

BASE M-E: 411

RIC: 35904.



MASS SPECTRUM

08/26/05 9:50:00 + 12:04

SAMPLE: 01 CANDY BAR PAPER 60707035

COND.: 2200-17 80/2800

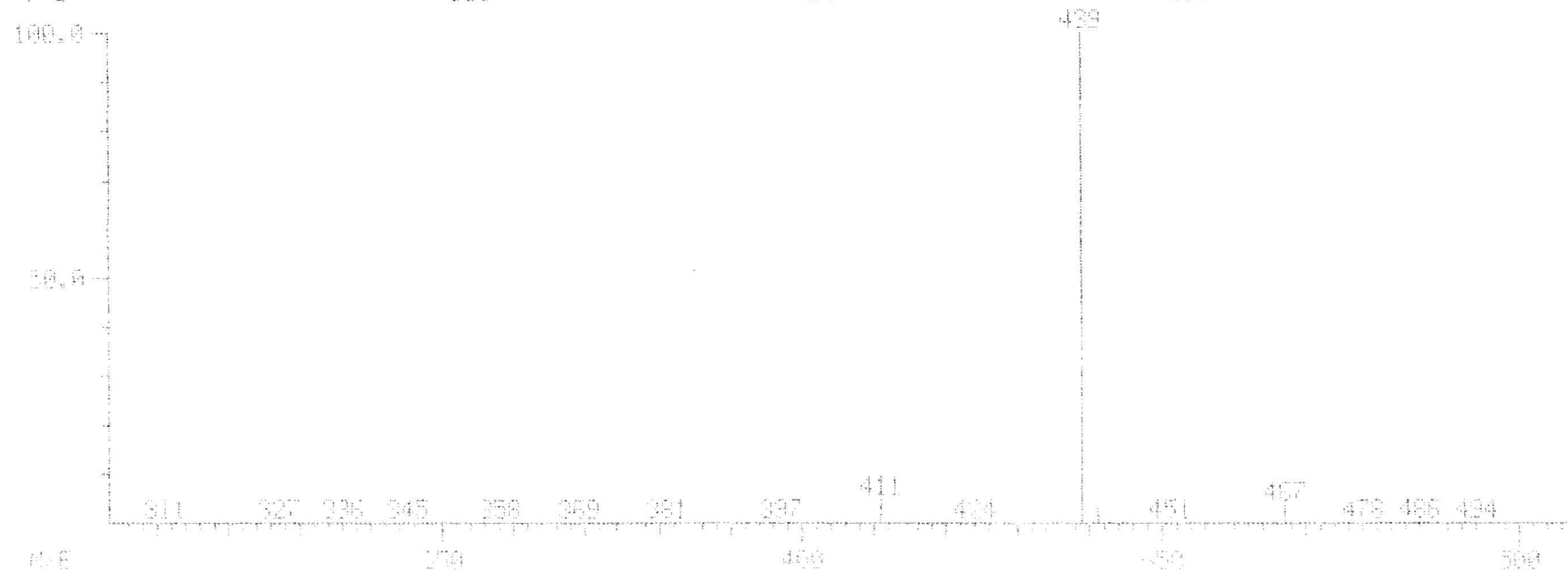
ENHANCED (S 150 2N 0T)

DATA: H52001 #362

CALT: KAL715 #5

BASE M/E: 439

RTC: 61568.



8/26/86 9:50:53 SCAN 1 OF 400  
ACQUISITION STARTED

ACQUIRE RUN 0: HS2601  
08/26/86 9:50:00 + 0:02 FREE SECTORS: 5711  
SAMPLE: Q1 CANDY BAR PAPER 60707036  
CONDS. 2XOV-17 80/280C  
FORMULA:  
SUBMITTED BY: LDL

ACQUIRING  
SCAN: 1 OF 400

WEIGHT: 0.000  
ACCT. NO.: 60707036

LOW MASS: 101  
HIGH MASS: 900

UP: 1.90 L\*  
DOWN: 0.00 L

TOP: 0.00  
BOTTOM: 0.10

CENT S/P: 10 ACTUAL: 24  
FRAG S/P: 10 ACTUAL: 12

SAMP INT (MS): 0.200  
SAMP INT (MS): 0.400

PEAK WIDTH: 1001.  
INTEN/ION: 2

MIN PEAK WIDTH: 1  
A/D THRESHOLD: 1

MIN FRAG WIDTH %: 80  
BASELINE: 0

MIN AREA: 10

MODE: CENTROID POSITIVE ION

INTERFACE NUMBER	0
SUB-INTERFACE NUMBER	0
# OF ACQU BUFFERS	8
INSTRUMENT TYPE	0
FULL SCALE MASS	1024 AMU
ZERO SCALE MASS	1 AMU
INTENSITY/ION	2
PEAK WIDTH	1001. MMU
OFFSET AT LOW MASS	0 MMU
OFFSET AT HIGH MASS	0 MMU
VOLTAGE SETTling TIME(MS)	4

8/26/86 10:36:57  
ACQUISITION COMPLETED  
SCANS 1 TO 400 CENTROID

MODE	SCANS	SECS	OUT OF	%	PEAKS PER SCAN	PER SEC
CENTROID	400	152.4	800.0	19.0	159647.	399. 200.



RIC + MASS CHROMATOGRAMS

DATA: H52601 #1

SCANS 1 TO 400

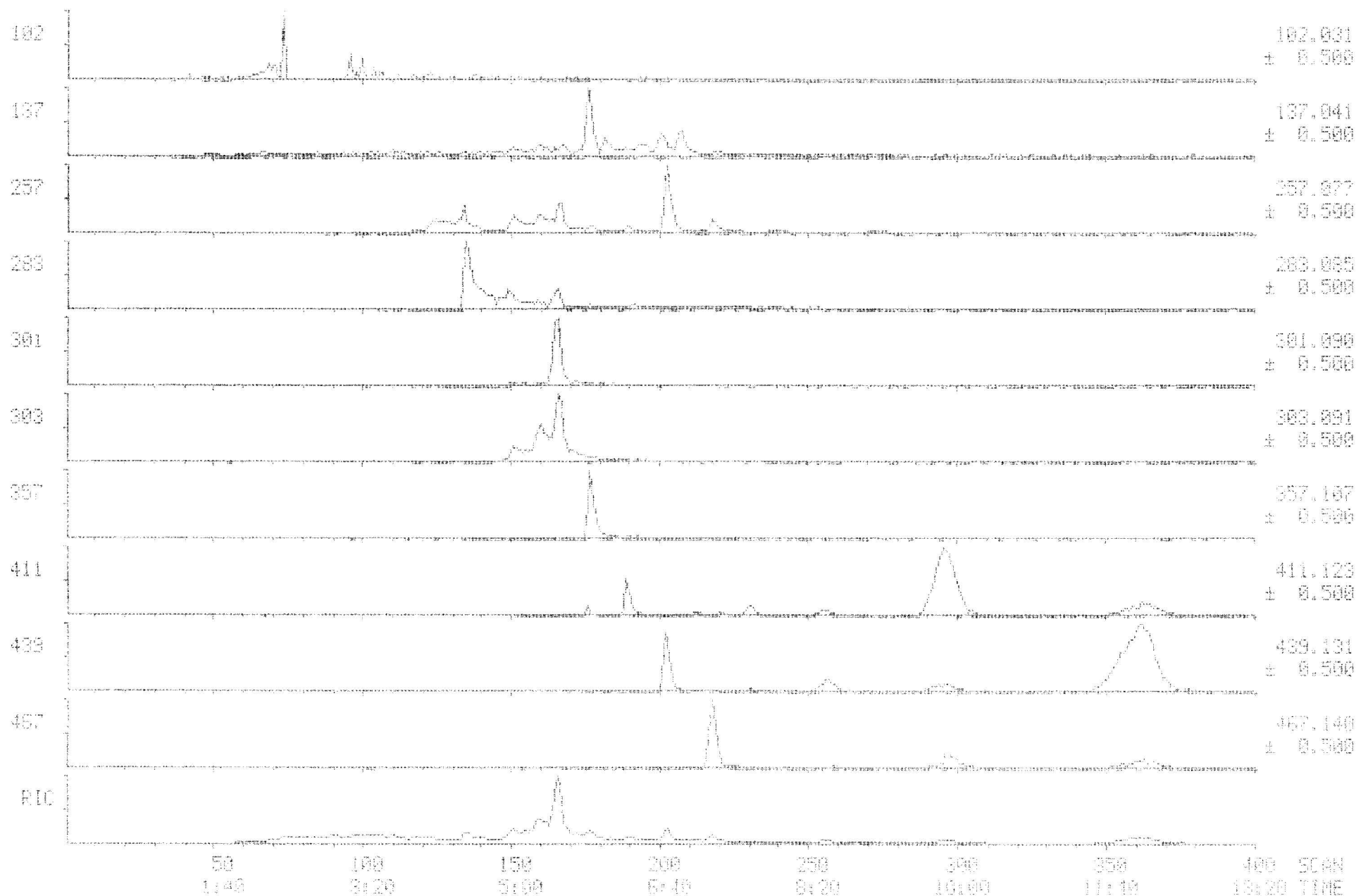
08/26/86 9:50:00

CALI: KAL715 #5

SAMPLE: 01 CANDY BAR PAPER 60707036

CONDS.: 2700-17 80/280C

RANGE: G 1.400 LABEL: N 0.4.0 QUAN: A 0.1.0 J 0 BASE: U 20. 3



RIC + MASS CHROMATOGRAMS

DATA: H52602 #1

SCANS 1 TO 400

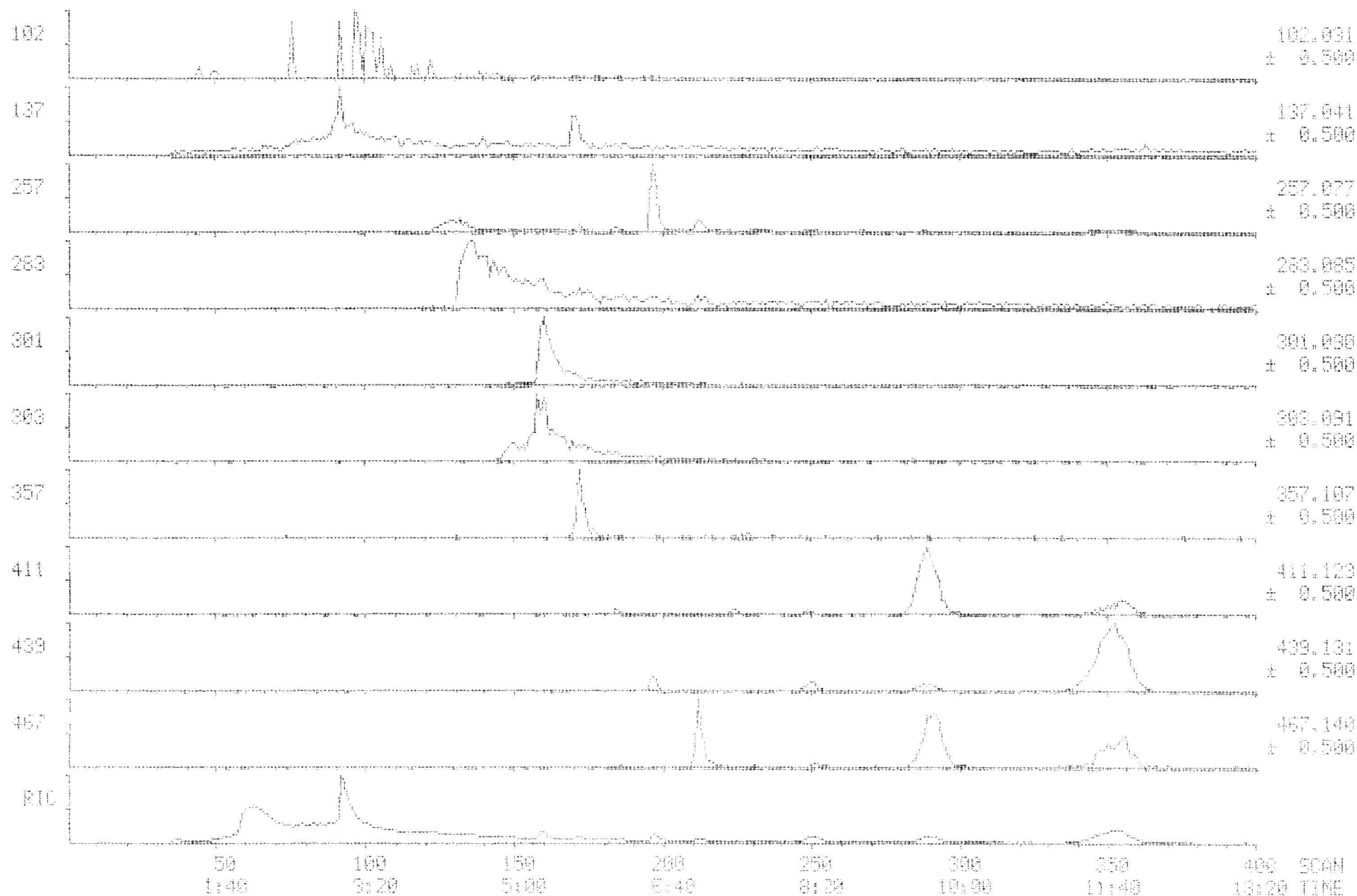
08/25/86 14:59:00

CALI: KAL715 #5

SAMPLE: K1 CANDY BAR OIL

CONDS.: 270V-17 80/280C

RANGE: G 1, 400 LABEL: N 0, 4.0 QUAN: A 0, 1.0 J 0 BASE: U 20, 3



RIC

00/26/85 14:59:00

SAMPLE: K1 CANDY BAR OIL

COND.: 2300-17 30/2800

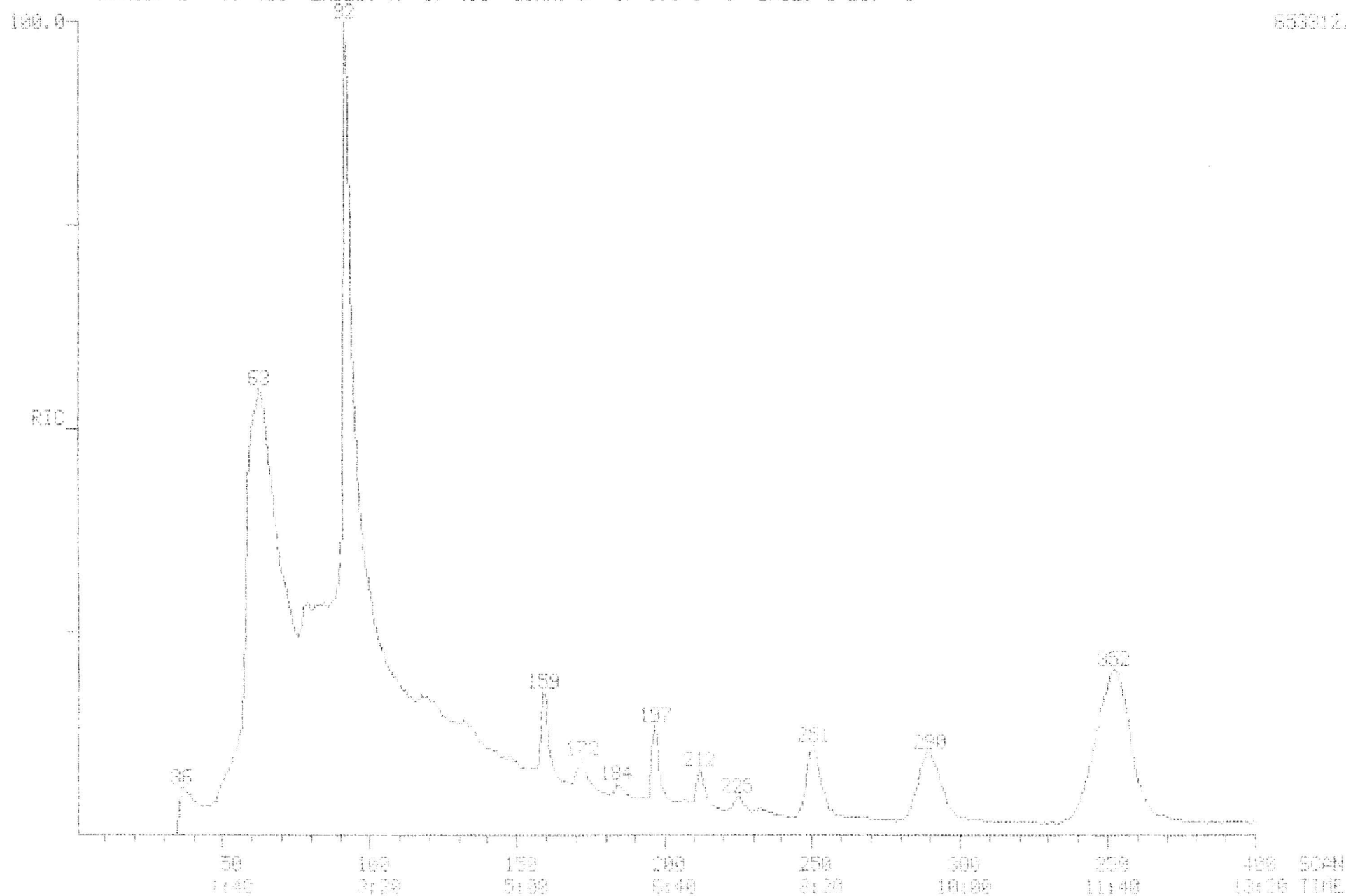
RANGE: G 1, 400 LABEL: N 0, 4.0 QUAN: A 0, 1.0 J 0 BASE: U 20, 3

DATA: H52E02 #1

SCANS 1 TO 400

CALI: KAL715 #5

653312.



8/26/86 14:59:42  
ACQUISITION STARTED

SCAN 1 OF 400

ACQUIRE  
08/26/86 14:59.00 + 0:02  
SAMPLE: K1 CANDY BAR OIL  
CONDS.: 2XOV-17 60/280C  
FORMULA:  
SUBMITTED BY: LDL

RUN 0:HS2602  
FREE SECTORS: 3744  
  
INSTRUMENT: 3500  
ANALYST: HS

ACQUIRING  
SCAN: 1 OF 400  
  
WEIGHT: 0.000  
ACCT NO : 60707036

LOW MASS. 101  
HIGH MASS. 500

UP. 1.90 L\*  
DOWN. 0.00 L

TOP: 0.00  
BOTTOM: 0.10

CENT S/P: 10 ACTUAL: 24  
FRAG S/P: 10 ACTUAL: 12

SAMP INT (MS): 0.200  
SAMP INT (MS): 0.400

PEAK WIDTH: 1001.  
INTEN/ION: 2

MIN PEAK WIDTH: 1  
A/D THRESHOLD: 1

MIN FRAG WIDTH %: 80  
BASELINE: 0

MIN AREA: 10

MODE: CENTROID POSITIVE ION

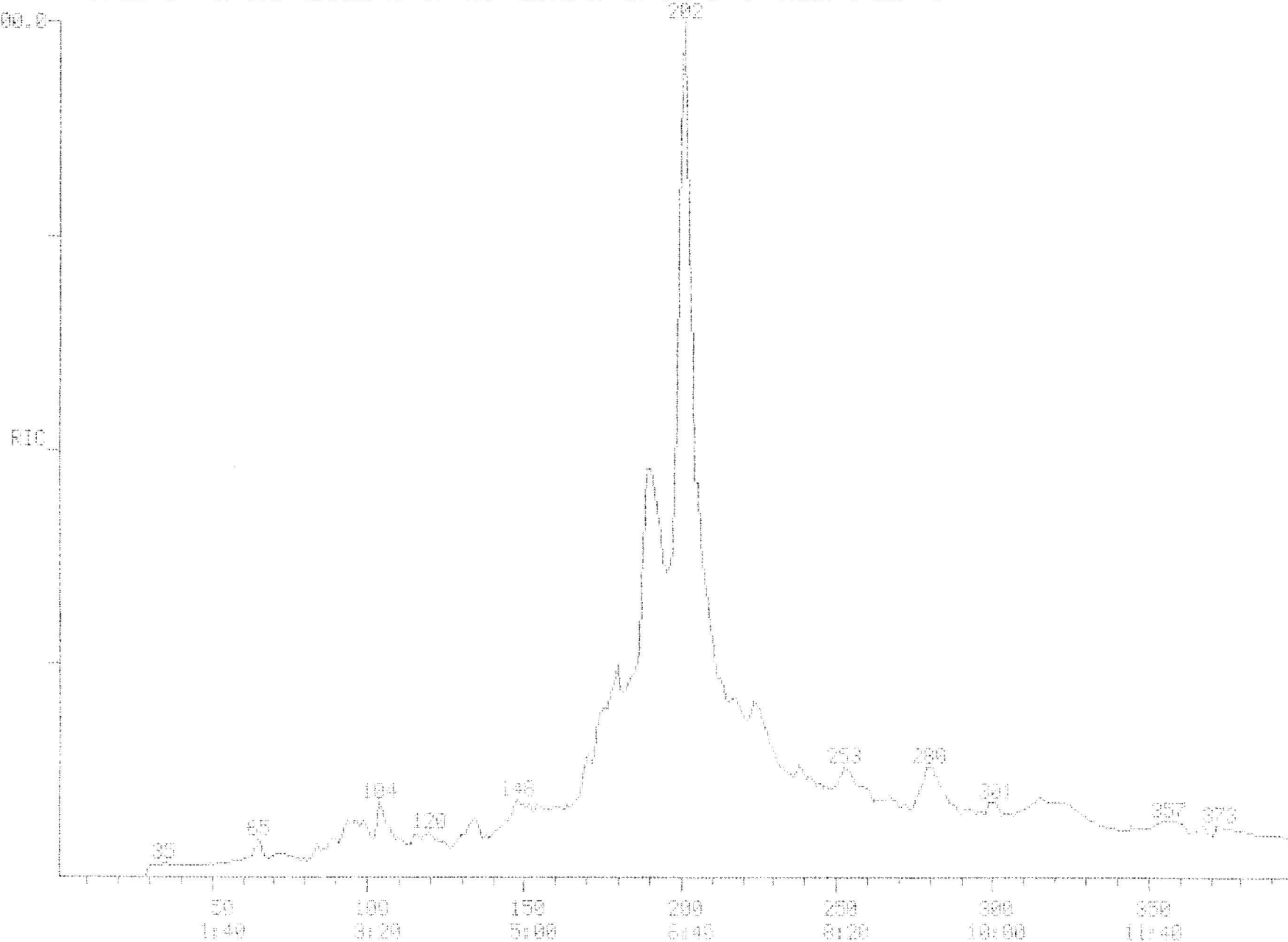
INTERFACE NUMBER	0
SUB-INTERFACE NUMBER	0
# OF ACQU BUFFERS	8
INSTRUMENT TYPE	0
FULL SCALE MASS	1024 AMU
ZERO SCALE MASS	1 AMU
INTENSITY/ION	2
PEAK WIDTH	1001. MMU
OFFSET AT LOW MASS	0 MMU
OFFSET AT HIGH MASS	0 MMU
VOLTAGE SETTling TIME(MS)	4

8/26/86 15:13:54  
ACQUISITION COMPLETED  
SCANS 1 TO 400 CENTROID

MODE	SCANS	SECS	OUT OF	%	PEAKS PER SCAN	PER SEC
CENTROID	400	148.5	800.0	18.6	133836.	335. 167.

RIC DATA: H52603 #191 SCANS 1 TO 396  
08/26/86 15:30:00 CALI: CAL815 #7  
SAMPLE: 01 CANDY BAR EI 60707036  
COND5.: 280V-17 100-250C EI  
RANGE: G 1, 999 LABEL: N 0, 4.0 QUAN: A 0, 1.0 J 0 BASE: U 20, 0

351872.



## LIBRARY SEARCH

08/26/86 15:30:00 + 6:44

SAMPLE: 01 CANDY BAR EI 68787836

COND5.: 220V-17 100-280C EI

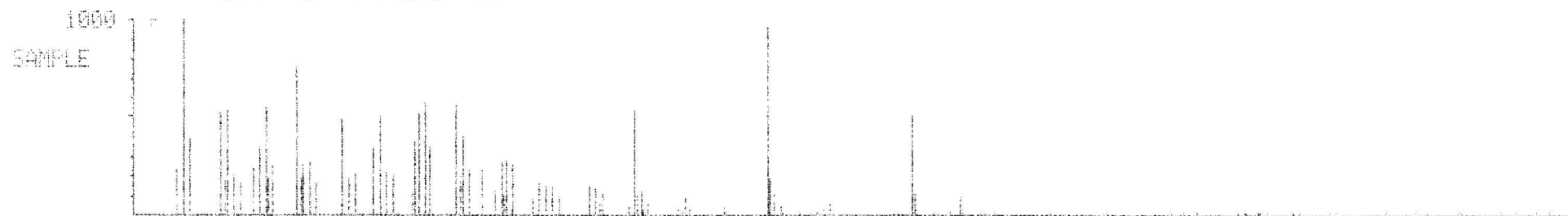
ENHANCED (S 150 2N 9T)

DATA: H52603 # 292

CALI: CAL815 # 7

BASE M/E: 55

RIC: 275455.



C20.H28.O2

1-PHENANTHRENECARBOXYLICACID,1,2,3,4,4A,9,10,10A-OCTAHYDRO-1,4A-DIMETH

1000

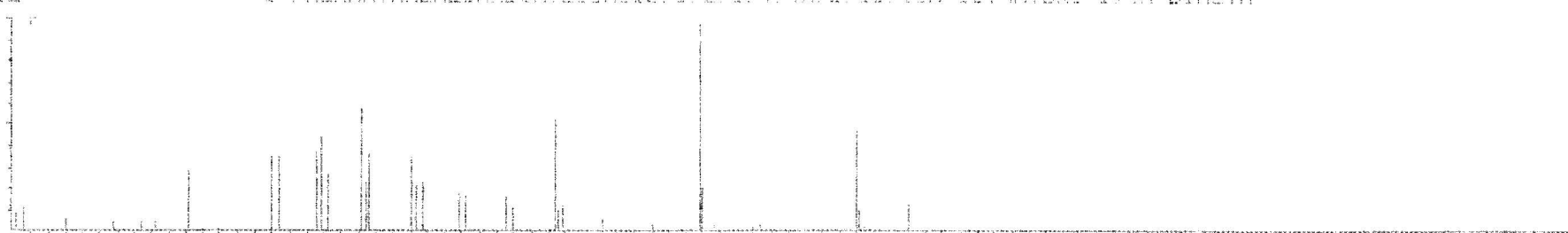
N MT 300

B PK 239

RANK 1

IN 22105

PUR 626



C20.H28.O2

KAURA-9(11),16-DIEN-18-OICACID,(4.ALPHA.)-

1000

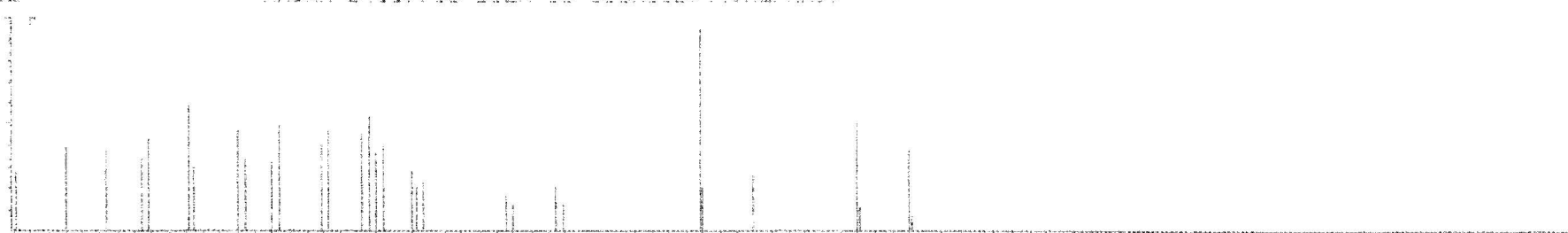
N MT 300

B PK 239

RANK 2

IN 22105

PUR 579



C20.H28.O2

1-PHENANTHRENECARBOXYLICACID,1,2,3,4,4A,9,10,10A-OCTAHYDRO-1,4A-DIMETH

1000

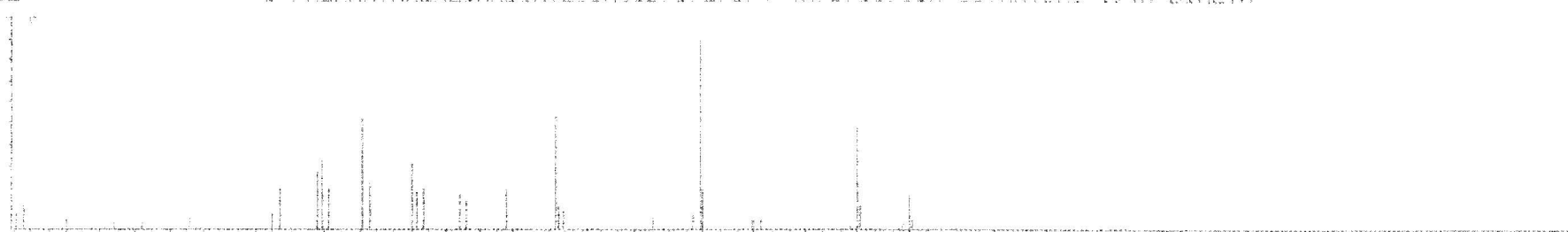
N MT 300

B PK 239

RANK 3

IN 22105

PUR 535



M/E

50

100

150

200

250

300

350

400

450

8/26/86 15:30:52  
ACQUISITION STARTED

SCAN 1 OF 400

ACQUIRE  
08/26/86 15:30:00 + 0:04  
SAMPLE: G1 CANDY BAR EI 60707036  
CONDS.: 270V-17 100-280C EI  
FORMULA:  
SUBMITTED BY: LDL

RUN 0: HS2603  
FREE SECTORS: 2230  
INSTRUMENT: 4000  
ANALYST: HS

ACQUIRING  
SCAN: 2 OF 400  
WEIGHT: 0.000  
ACCT. NO.: 60707036

LOW MASS: 45  
HIGH MASS: 500

UP: 1.90 L\*  
DOWN: 0.00 L

TOP: 0.00  
BOTTOM: 0.10

CENT S/P: 10 ACTUAL: 21  
FRAG S/P: 10 ACTUAL: 11

SAMP INT (MS): 0.200  
SAMP INT (MS): 0.400

PEAK WIDTH: 1000.  
INTEN/ION: 2

MIN PEAK WIDTH: 1  
A/D THRESHOLD: 1

MIN FRAG WIDTH %: 80  
BASELINE: 0

MIN AREA: 10

MODE: CENTROID POSITIVE ION

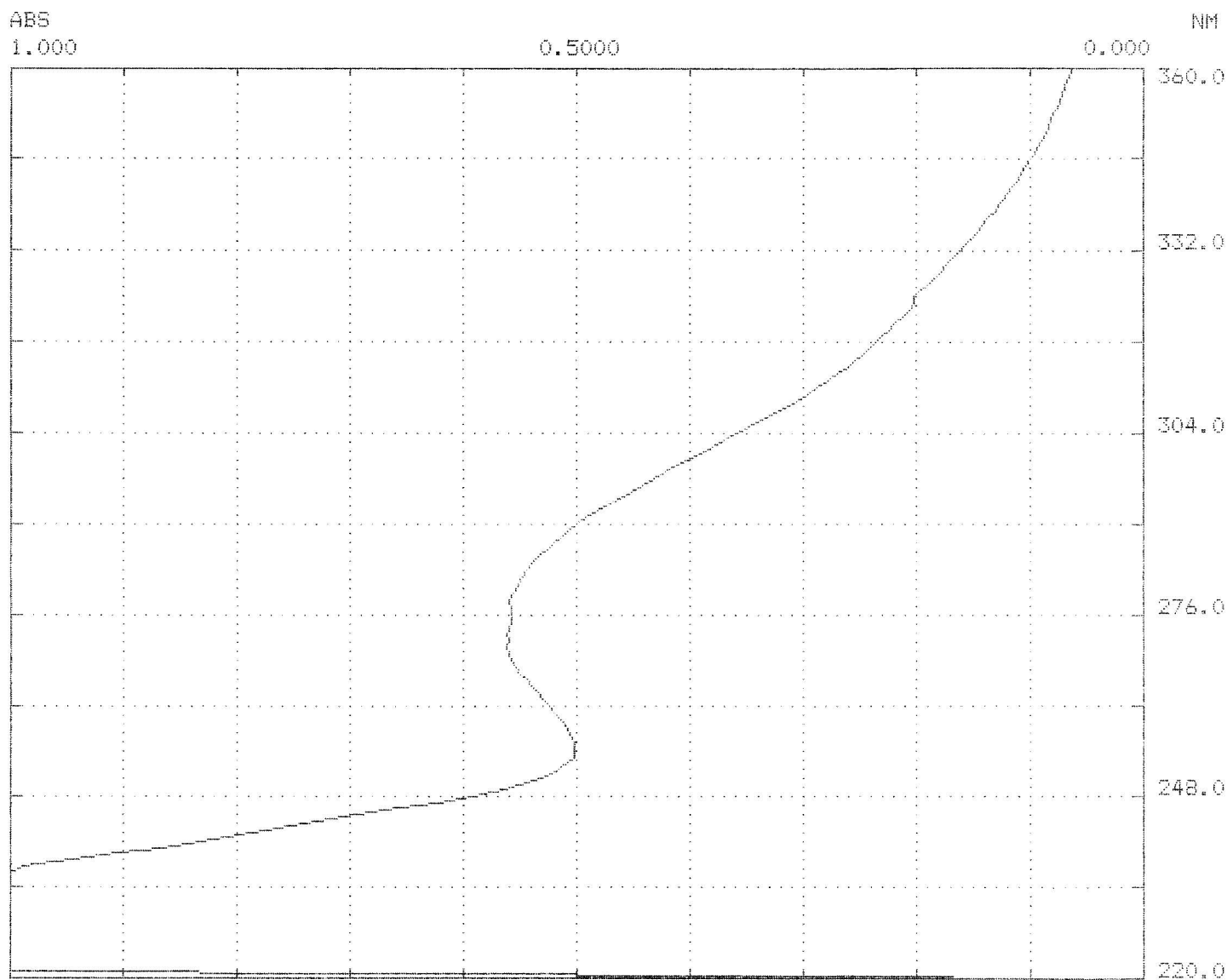
INTERFACE NUMBER 1  
SUB-INTERFACE NUMBER 0  
# OF ACQU BUFFERS 8  
INSTRUMENT TYPE 0  
FULL SCALE MASS 1024 AMU  
ZERO SCALE MASS 1 AMU  
INTENSITY/ION 2  
PEAK WIDTH 1000. MMU  
OFFSET AT LOW MASS 0 MMU  
OFFSET AT HIGH MASS 0 MMU  
VOLTAGE SETTling TIME(MS) 4

8/26/86 15:45:09  
ACQUISITION COMPLETED  
SCANS 1 TO 400 CENTROID

MODE	SCANS	SECS	OUT OF	%	PEAKS PER SCAN	PER SEC
CENTROID	400	196.0	800.0	24.5	100155.	250. 125.

# BECKMAN DU-6 SPECTROPHOTOMETER

ABSORBANCE



SCAN SPEED: 300 NM/MIN

PEAK PICK

SOURCES: UV/VIS

λ ABS λ ABS

SLIT: \_\_\_\_\_ NM

271.0 0.561

DATE: 8/27

221.0 1.590

OPERATOR: HS

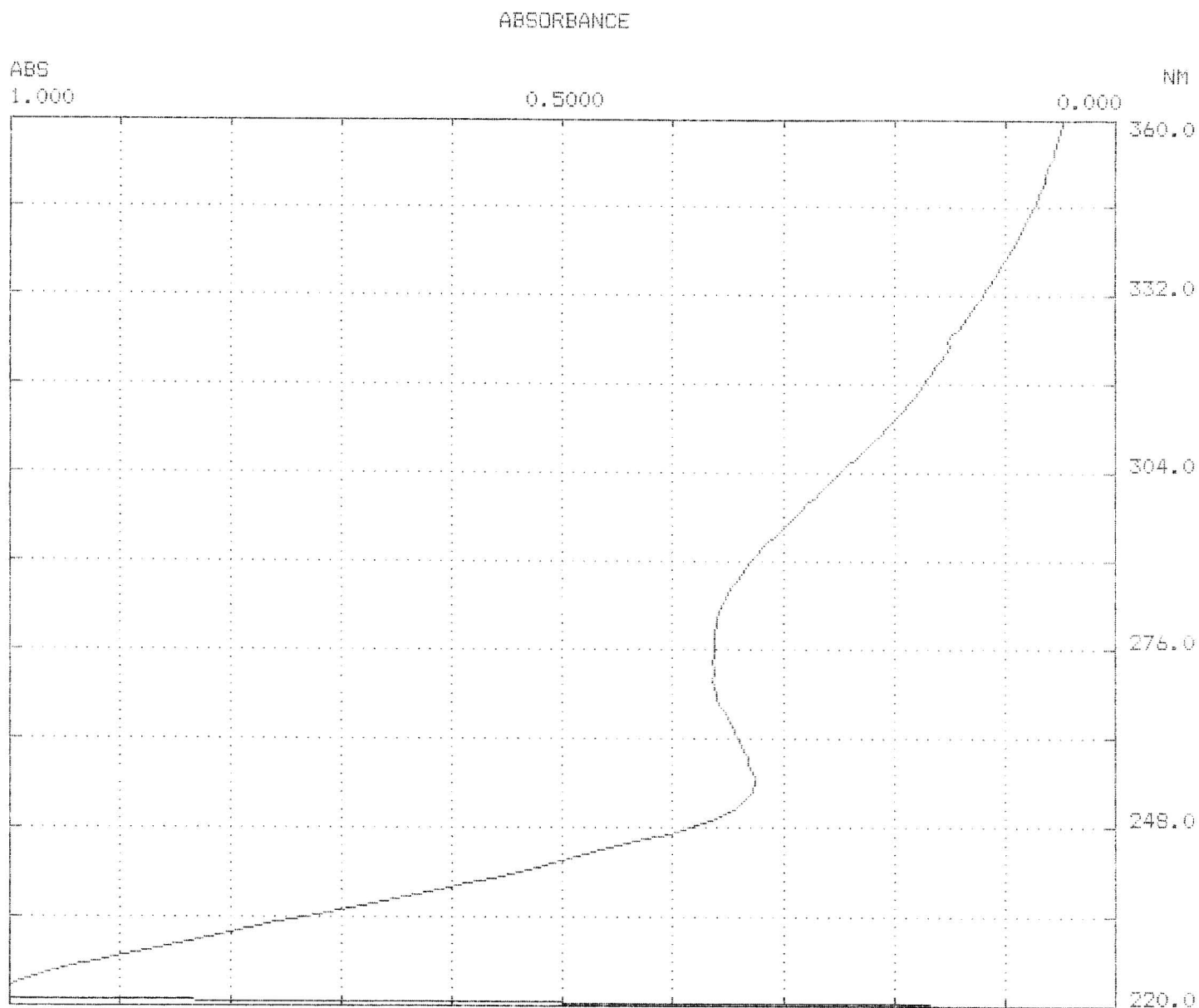
SAMPLE: K1 1:30:16

REFERENCE: 60707036

COMMENTS:



# BECKMAN DU-6 SPECTROPHOTOMETER



SCAN SPEED: 300 NM/MIN

PEAK PICK

SOURCES: UV/VIS

$\lambda$	ABS	$\lambda$	ABS
270.0	0.362		
221.0	1.046		

SLIT: \_\_\_\_\_ NM

DATE: 8/27

OPERATOR: MS

SAMPLE: 01 1.2V

REFERENCE: 60 70 70 36

COMMENTS:

FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D. C. 20535

DATE: August 29, 1986

TO: Mr. Roger L. Towner  
Chief of Police  
1601 Main Street  
Elwood, Indiana 46036Re: UNKNOWN SUBJECT;  
GENERAL MILLS, INC.,  
CARTERS SUPERMARKET - VICTIMS;  
TAMPERING WITH CONSUMER  
PRODUCTS

## Invoice of Contents

Description of Contents:

Q1

K1

KWN/PDP

FBI File # 95-273554

Case # 60707036-S-TD

Your # 2433-86

Return to

Room

3287 TL 24

Ext.

4329

☐ Mail Room: 1B327, TL 152

(registered mail)

☐ PSM - Supply Unit, 1B353

(not registered)

Shipping #

Shipping Method

Hazardous Materials Only

Weight of Hazardous Materials:

Packaged By

Signature

Date

JBL:dsd (4)

AUG 29 1986

MAILED 13

315952678 8/29/86

53 SEP 3 1986

REPORT  
of the

1 - Mr. Lasswell

FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C. 20535

August 29, 1986

To: Mr. Roger L. Towner  
Chief of Police  
1601 Main Street LOCAL & STATE  
Elwood, Indiana 46036

FBI FILE NO. 95-273554

LAB. NO. 60707036 S TD

YOUR NO. 2433-86

Re: UNKNOWN SUBJECT;  
GENERAL MILLS, INC.,  
CARTERS SUPERMARKET - VICTIMS;  
TAMPERING WITH CONSUMER  
PRODUCTS

Examination requested by: Addressee  
Reference: Letter dated July 1, 1986  
Examination requested: Chemical Analysis

## Specimens:

Q1 Candy bar (A)

K1 Control candy bar (B)

## Result of examination:

No harmful foreign substances were detected on  
or in the Q1 candy bar.

Specimens Q1 and K1 will be returned to your  
office by registered mail.

95-273554-2  
Lasswell  
3287

02 OCT 3 1986

This examination has been made with the understanding that the evidence is connected with an official investigation of a criminal matter and that the Laboratory report will be used for official purposes only, related to the investigation or a subsequent criminal prosecution. Authorization cannot be granted for the use of the Laboratory report in connection with a civil proceeding.

for dsl  
LRL:dsd #11 (4)

26 NOV 1986 MAIL ROOM

RS6/KWN/RA

60707036 S TD

Letter from Elwood Police Dept, Elwood Indiana 7/1/86  
(2433-86). Evidence rec'd by Certified Mail # P 392 336 065  
in a 1st class sized package wrapped in brown plastic tape. Enclosed  
is a Folgers Coffee can with a plastic lid sealed in plastic top and  
tape. Enclosed are two plastic bags sealed in evidence tape  
and marked "A" and "B". Each contains a "Peanut Butter Boppers"  
candy bar. Package A has been opened.

Q<sub>1</sub> Candy bar 'A'

Small piece of masking tape with paper stick to it inside wrapper  
Outside visual exam of candy bar - no difference from K<sub>1</sub> bar

both normal + microscopic x 30 exams

Cut candy bar into slices - nothing unusual noted

Scrape off piece of tape and test for CN<sup>-</sup> → neg. <sup>1. M NaOH + FeSO<sub>4</sub></sup>  
<sub>add acid -</sub>  
neg

Extract paper w MeOH for GC/MS (EI) - peaks

similar to K<sub>1</sub> with additional peaks characteristic of paper.

Extract portion of Q in MeOH for UV - similar to K<sub>1</sub> sample



# ELWOOD POLICE DEPARTMENT

CITY OF ELWOOD

ELWOOD, INDIANA 46036

July 1, 1986

60707036

FBI Field Office  
Laboratory  
Washington, D. C. 20535

Dear Sir:

*Crime Lab*  
On June 28, 1986, a package of Peanut Butter Boppers, manufactured by General Mills Inc., was purchased at Carter's Supermarket in Elwood, Indiana. Upon opening the package it was discovered that one of the bars appeared to have been tampered with.

It is requested that the material submitted be examined to determine if any foreign substance, that may be harmful to health, has been added to the bar. Please perform any other examination necessary which will provide information pertinent to the investigation.

This investigation has been assigned case number 2433-86 and it will be helpful if you will refer to this number in future correspondence concerning this matter.

Items submitted: Exhibit A---The bar that appears to have been tampered with.

Exhibit B---A control bar from the same package that appears normal.

If you need additional information, please contact me at (317) 552-3376.

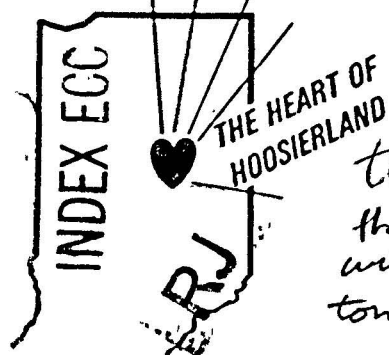
Sincerely,

*R L Towner*

Roger L. Towner  
Chief of Police  
1601 Main Street  
Elwood, Indiana 46036

b6  
b7C

ORIGINAL  
Copy & Specs Detached



8/26/86

Sgt

*advised*

*that paper was inside of wrapper that appeared to have been tampered with. Possibly used to reveal the torn wrapper.*

*It is a piece of packing tape with brown paper bag stuck to it with grease/oil stains on it.*

TELEPHONE (317) 552-3376

NOV 10 1942

Mr. Tolson.....  
Mr. E. A. Tamm.....  
Mr. Clegg.....  
Mr. Glavin.....  
Mr. Rosen.....  
Mr. Tracy.....  
Mr. Carson.....  
Mr. Coffey.....  
Mr. Hendon.....  
Mr. Rupp.....  
Mr. Ladd.....  
Mr. Nichols.....  
Mr. Quinn Tamm.....  
Mr. Nease.....  
Miss Gandy.....

FBI ST PAUL

11-10-42

8-48 PM

DIRECTOR

SICK. UNKNOWN SUBJECT, GENERAL MILLS, ~~XXXX~~ INC., ~~MINNEAPOLIS~~ MINNEAPOLIS, MINN., NOVEMBER SEVEN, FORTYTWO, SABOTAGE. COMMANDER CAMPBELL, ONI, MINNEAPOLIS, RECEIVE A CALL TODAY TO CHECK UP GUARD SYSTEM AT GENERAL MILLS, INC., MINNEAPOLIS, AND UPON ARRIVAL NINE AM WAS ADVISED OF SUSPECTED SABOTAGE ON GUN SIGHT, NOV. SEVEN, NINETEEN FORTYTWO, AND IMMEDIATELY CALLED THIS OFFICE. INVESTIGATION THUS FAR CONDUCTED INDICATES AN APPARENT ATTEMPT WAS MADE ~~XXXX~~ TO DAMAGE EIGHT INCH GUN SIGHT MANUFACTURED BY GENERAL MILLS, INC. BY PLACING SOME SMALL HARD SUBSTANCE IN A SMALL SHAFT OF THE GUN SIGHT IN A MANNER INDICATING THAT IT WAS NOT ACCIDENTAL. GUN SIGHT TEST TEN THIRTY AM, ~~XXXX~~ NOV. SEVEN, SHOWED THIS PART WORKING SMOOTHLY. FOUR EMPLOYEES LOCATED IN ~~XXXX~~ PRIVATE ROOM WHERE THIS GUN SIGHT WAS BEING WORKED ON, AND ALL WENT TO LUNCH ELEVEN THIRTY AM AND THE ROOM WAS ~~XXXX~~ NOT LOCKED OR GUARDED. ~~XXXX~~ ABOUT TWENTYFIVE ADDITIONAL EMPLOYEES COULD GAIN ACCESS TO ~~XXXX~~ THIS ROOM. THE ABOVE FOUR RETURNED AT TWELVE TWENTY PM AND ON A NEW TEST THE SIGHT FAILED TO WORK AND DAMAGE WAS FOUND. NO FOREIGN ~~XXXX~~ SUBSTANCE FOUND, BUT WORKMEN REPAIRING THE DAMAGE THOUGHT THEY CLEARED A SMALL PARTICLE WITH AN EMERY STONE, WHICH ~~XXXX~~ PARTICLE WAS SO SMALL THAT IT BECAME LOST IN THE DUST. EQUIPMENT REPAIRED WITH ABOUT ONE HOURS LOSS OF TIME. IT WOULD HAVE BEEN EVENTUALLY DISCOVERED IN FINAL TESTS WHICH MIGHT HAVE CAUSED A DELAY OF FIVE OR SIX DAYS. THIS COMPANY CONFIDENTIALLY REPORTED ABOUT FOUR MONTHS BEHIND

ON GUN SIGHT CONTRACTS . NO SUSPECTS AND NO LABOR TROUBLE. ANY PERSONS DELIBERATELY CAUSING THIS DAMAGE WOULD HAVE TO KNOW THE MECHANISM OF THE GUN SIGHT WHICH WOULD LIMIT PROBABLY ~~XXXX~~ PROBABLE SUSPECTS TO THOSE IN THE ~~XXXX~~ PLANT KNOWING THIS SIGHT. INQUIRY BEING CONTINUED.

STEIN

END

9-49 PM OK FBI WASH DC DBV

RECORDED

98-14483-1  
16 NOV 13 1942  
FIVE  
ENCLOSURE

NOV 17 1942  
10:50 PM  
Advised  
164

cc Tracy

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

ST. PAUL, MINNESOTA

FILE NO.

98--110

REPORT MADE AT <b>ST. PAUL, MINNESOTA</b>	DATE WHEN MADE <b>11/17/42</b>	PERIOD FOR WHICH MADE <b>11/10;14/42</b>	REPORT MADE BY <b>ROY T. NOONAN</b> <span style="float: right;">GM</span>
TITLE <b>UNKNOWN SUBJECT; GENERAL MILLS, INC., Minneapolis, Minnesota (11-7-42)</b>			CHARACTER OF CASE <b>S A B O T A G E</b>

**SYNOPSIS OF FACTS:**

On November 7th, 1942 at General Mills, Inc., Minneapolis, Minnesota a small shaft in a gun sight being manufactured by this company was found to have a small particle therein which prevented its operation. This immediately discovered and caused only about one hour's delay. This particle believed imbedded in the shaft or cartridge holding shaft and was lost in the repair immediately made. Had this not been discovered at once, it would have been discovered in final tests which would have caused about one week's delay. Those working on the gun sight feel it is highly improbable this could be accidental, as all parts were working smoothly at 10:30 A.M. when a test was made and about two hours later could not be operated. It was stated one would have to know the mechanism of this gun sight to do this damage and about thirty persons in addition to the four working on this particular sight had that knowledge. This sight left unguarded and unprotected from about 11:30 A.M. to 12:20 P.M. on November 7, 1942. No known suspects.

-- P --

**DETAILS:** On the morning of November 10, 1942 Commander FRED CAMPBELL, ONI, Minneapolis, advised Special Agent in Charge STEIN by telephone that he had been called to General Mills that morning by Commander GEORGE JACOBS

APPROVED AND FORWARDED: <i>[Signature]</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES		
COPIES DESTROYED 804 JAN 31 1961 COPIES OF THIS REPORT 5 - Bureau 1 - O.N. I., Mpls. 3 - St. Paul	98-1-432	2	RECORDED INDEXED 41125
	15 NOV 20 1942		

COPY IN FILE



and when he arrived there had been informed of suspected sabotage on a gun sight as of November 7th, 1942. Commander CAMPBELL immediately called the St. Paul Office. CAMPBELL furnished an outline of the information he had received, which consisted entirely of information from LUTHER WERKHEISER, Inspector at the Plant, recently sent there from Washington, D. C. to assist in the building of this gun sight. As MR. WERKHEISER was interviewed in detail, the information furnished by Commander CAMPBELL is not set out.

It was indicated that the work on this particular gun sight was far behind.

LUTHER R. WERKHEISER upon being interviewed, advised that he was an Advisor on the eight inch gun sights and was known as leading man machinist in the Navy Yard and had been sent to General Mills, Inc. Plant to assist in making these gun sights and he had been at this time about sixty days at this Plant. He stated that twenty-eight such gun sights are to be made by General Mills; that they are very far behind on schedule; and he had been sent here to assist. None of the sights have been completed; three are being worked on. No difficulty has been encountered on two, but some difficulty has been encountered on the one in question, and it was, therefore, put into a small development room, where there would be less interference and where the men on it could be more or less by themselves.

JOHN KILE and NICK MAGORNEY are the machinists on this job and FRANCIS MORAN is the man setting up the protractors for the reading of the gear movements.

MR. WERKHEISER stated that these three men and himself went to lunch at 11:30 A.M. Saturday, November 7th, 1942 and the others came back about 12:20 and he got back about 12:30 P.M. When they came back they proceeded to go ahead with the tests which they had been working on before lunch and it became necessary immediately to change the weights in opposite directions on the protractor as it was sticking and not reading which, he stated, indicated immediately that something was wrong. They tried all the usual tests and still it would not work. They then had to take the cartridge out which held the shaft in question, which is a shaft about one inch in diameter and ten or twelve inches in length. It was necessary to drive the shaft out when, in fact, it should work freely, and had been inserted without any force. Just before going to lunch this shaft had worked properly and it had been permanently set and was not to be removed again in the construction of the gun sight. On one end of this shaft is a bevel gear, which, of necessity, fits very closely in to other gears. Prior to going to lunch, sight was tested for gun elevation and immediately after lunch the test was



continued for sight angle. MR. WERKHEISER stated that all four of them knew that they were going to continue the tests after lunch. He stated they might well have finished these tests before lunch, in which case the damaged part would not have been discovered for some time and might either have broken something or pulled the gears out of line which would have caused a delay of at least a week as it would have been necessary to rebuild the entire box containing this part of the gun sight. As far as he was able to determine, the damage was caused by a small particle on this small shaft. It apparently was imbedded in the shaft and seemed to have been caused by a hard knock. There was a small mark in the shaft and also a small mark in the cartridge where the shaft had been inserted. When the shaft was taken out, this small particle, or whatever it was, apparently remained imbedded in the cartridge or housing. He recalls that efforts were made to file it but which were not successful and then a stone was used and this particle evidently flew out or was kicked out by the stone and was lost in the emery dust on the floor of this room. He stated that the particle would not be any larger than a good blunt pin point.

MR. WERKHEISER stated that they all talked it over and felt that someone had come in in their absence at lunch and had taken the shaft out and struck it with a hard instrument and then put it back in. Anyone who knew the mechanism of this gun sight could easily have taken the shaft out and put it back in. The damage would only slow up and would not materially harm the construction, as was the case here. Anyone wishing to cause immediate damage could have put something in the gears and smashed the whole thing immediately, but as MR. WERKHEISER stated, this would have caused an open break and would show immediately that someone was definitely committing sabotage, while the damage being done as it was, amounted to just a retarding of the work and leaves doubt as to whether or not it was accidental or intentional. The whole thing was fixed up in an hour or so, although practically two and one-half hours were lost, he stated, considering the discussions and arguments about how it might have happened.

Anyone in the Plant, MR. WERKHEISER stated, could have had access to this room during the lunch hour, but he stated one would have to know the construction of this gun sight. This would leave twenty or more men in that section who knew the setup and would be able or capable of doing this damage. MR. WERKHEISER reported this immediately to Inspector SMITH and SCHENICK of the Navy, the same afternoon, and also to MR. ARTHUR HYDE, President of this company. A guard was thereafter placed in this room, and is now there twenty-four hours a day.

MR. WERKHEISER stated that nothing of this type has ever happened in his fifteen years experience with gun sights. There is a mighty small possibility that it could be accidental and he considered it so strange that he reported it immediately as it looked to him entirely intentional.

MR. WERKHEISER stated that as far as he knew there had been no labor trouble at this plant. While he does not know many of the men personally in his short stay thereat, all of them are working twelve hours a day, seven days a week and all know the critical nature of the work and they all seem to be conscientious and have the welfare of the country at heart, and it is, therefore, difficult for him to see why anyone would want to cause this damage.

As further described by MR. WERKHEISER, the suspected damage was done to the center box of three director boxes used on a gun sight. The shaft in question fits into a cartridge and there is a bevel gear on the end of a shaft opposite from the end first inserted in the cartridge. The cartridge holding the shaft in is held by three bolts which would have to be taken out before the shaft and cartridge could be removed. There is a bushing, or it might be stated that the cartridge or housing fits so closely to the shaft that only a film of oil can go between the two. On the cartridge or housing there is a marking from the outer edge in to the point where the particle was located, indicating that it was on the shaft when the shaft was put in. Then in starting the test after lunch, the shaft turned about one-third of a turn and there was a circular mark on the shaft about one-third of the way around. Then when the shaft was forced out, there was a mark the full length of the shaft from the circular mark, indicating that the particle after getting in became imbedded in the cartridge or housing. According to MR. WERKHEISER, there was also another slight mark on the housing or cartridge from the point where the first abrasion on the shaft stopped in the test out to the end of the cartridge, caused by this abrasion or shoulder on the shaft when the shaft was pulled or forced out.

JOHN ARCHIBALD FILE, one of the machinists on this particular job, was interviewed. From his personnel file, previously inspected, it appears that his address is 3854 Colfax Avenue North; that he is thirty-four years of age; born Perry, Iowa November 22nd, 1907 and that he started work

at this Plant March 12, 1942, being promoted to a Machinist's helper August 17, 1942. Some difficulty was experienced in straightening out this man's birth certificate and previous employment with Montgomery Ward Company from 1935 to 1942. When interviewed, MR. KILE stated that it would be possible for this particular damage to be accidental, if this particular particle had worked in from the bushing on either end, but the abrasion did not originate at the bushing. It was imbedded in the housing and apparently went in on the shaft in the first instance. This shaft fit so close to the housing or cartridge, he stated, that only a film of oil can pass between. One test was finished; that is, the elevation test, before lunch, and as he described it, the entire mechanism of the gun sight "rolled free"; after lunch the sight angle test was taken and this shaft was used in particular. MR. KILE stated that he was present in the morning and saw to it definitely that this shaft was in good working order and it was working at 10:30 A.M. for certain, that being the last time he recalled it was used. He stated it had been assembled two and one-half days before and nothing taken out since. It would have taken a good mechanic to do this damage if he was not familiar with the instrument and it would take one familiar with the job at least ten minutes to remove the shaft and replace it. This, he stated, would create extreme doubt as to an outsider being able to do it. He said it is hard to believe that anyone in the plant would do it; yet, he could not see where it would be accidental. He further explained that the cartridge or housing was nicked or damaged from the entrance; that is, where the shaft goes in to the place on the shaft corresponding to the nick on the housing or cartridge. A circular nick about one-third way around the shaft also appeared, this being as far as the shaft was turned. When the shaft was pulled out, a slight nick appeared on it all the way out. The particular particle apparently remaining imbedded in the cartridge, but on the cartridge it made another scratch on the way out, this being caused by the first abrasion on the shaft. MR. KILE used a file, but stated he could not get the shaft back in until he used an emery stone on the inside of the housing or cartridge and he stated that it cleared with a click and very suddenly, which made him think that there was some particle imbedded, which was knocked out by the emery stone. It is noted that this particle was never actually observed and of course was never found as whatever it was went down in the emery dust located on the floor of the development room. KILE stated that in addition to the four men working on this particular gun sight, several others from the gun sight department were eating lunch at the same time, the only one he can remember definitely being RALPH HUSSEY.

FRANCIS L. DORAN who was working on the protractor, was also interviewed. His personnel file shows his address to be 2620 14th Avenue South and that he was promoted on October 25th, 1942 from Helper to the Assembly Department; that he was born October 27, 1895, Savannah, Hardin County, Tennessee; that he began work July 18, 1942. MR. DORAN stated it looked to him like someone had taken this shaft out and hit it with something hard and then had shoved it back in; as he described it, it scarred the housing on the way in and stayed imbedded in the housing or cartridge and turned part way around and marked the shaft and housing both. He stated that some one would have to know this gun sight and its operation to know how to remove this shaft and cause this damage. MR. DORAN stated that this particular shaft is not made at this plant and that in fact, they use only a dummy shaft. The real shaft is put in in Washington or the Navy Yards, he does not know which, but he stated this damage could have delayed the manufacture of the gun sight a long time, possibly a week. It could have spoiled the whole test, but as it was, caused only a small damage to the shaft and it was immediately repaired. MR. DORAN stated that had it gone to the final test, the reading would not have been correct and it would have been necessary to start to rebuild the whole mechanism. It is his opinion that some one would have to know the operation of the gun sight or would have had to study a blueprint to some extent to know just how to remove this particular shaft and cartridge. MR. DORAN stated that when they came back from lunch and found that the protractor was off on the reading, he started one examination and MR. KILE the other, resulting in determining the damage as previously stated by MR. KILE.

MR. DORAN stated that he has two brothers in the Navy and mentioned the fact that both of them could lose their lives on account of such a deal as this as they are waiting and begging for these gun sights. During the interview he stated that in the past he has found many things out of order on work which he has performed; that is, he finds nuts loose; screws loose; and such, which he is positive that he left tightened when he last worked on them. All of these seemed to be just to cause delay of the sight by causing bad readings. Each such reading which is out of order, he stated, means that they must start all over again. MR. DORAN stated that on these little incidents he mentioned, he could not definitely swear that any damage had been done because he had taken no particular notice before leaving any particular part, but he would always be more or less astounded when he came back and found certain nuts or screws loose, which he definitely felt he had left in a tightened position.

NICHOLAS NAGORNEY, the other Machinist working on this particular gun sight was interviewed. His personnel file shows that he resides at 2515 Irving Avenue North; that he is a Machinist's Helper, having begun work June 15th, 1942 for this concern and he was transferred from Helper to the Assembly Division September 15, 1942. He is fifty years of age, born December 3, 1891 at Cieplice, Austria. NAGORNEY stated that some one would have to know the makeup of the entire director boxes in his estimation, and would have to work fairly fast to have removed any of these parts to cause this damage during lunch hour, the only time it could have been caused. He stated he was present in the morning when they were conducting a test for elevation and that he went to lunch and they all knew that they were going to test for sight angle right after lunch. He remembers that in addition to the four of them working in this room, RALPH RUSSEY ate with them at the same table in the cafeteria. MR. NAGORNEY stated that anyone removing this part of the equipment to cause this damage would, of course, not make any noise, but would have to work very hurriedly. He stated from his observation, the nick in the shaft looked like it had been put in with a hammer or some such instrument. It was a very small nick. MR. NAGORNEY offered a bit of information not previously given, advising that if this was a particle of steel, it could have been very small in the first instance and become larger, he stating that a particle of steel rubbing against steel would work something like a wet snowball and will gather other parts to it. He stated that it might be accidental in case small particle was in the cartridge or on the shaft previously, but the accidental theory is more or less removed because the particle should have made a mark as it worked its way in.

Confidential Informant [ ] who is one of those working in the Gun sight Department, was interviewed on November 14th, 1942, at which time he had not heard of this particular alleged intentional damage. He stated he would be on the lookout for information as to possible suspects. He did mention the fact that sometime ago GLENN SHELTON of Edina, Minnesota, who also works in the Gun Sight Department, had mentioned to him something about a saboteur being apparently at work in the Plant. The Informant did not know whether this indicated direct knowledge on SHELTON'S part or whether he was just repeating some rumor. This will be checked. b7D

Informant had no particular reason to suspect anyone, but he did mention one PAUL THON whom he referred to as the "Dutchman" who never



eats lunch in the cafeteria and apparently eats some place by himself and seems to have permission to go in any of the Departments and is believed to have permission to go in this particular development room where the sight is located.

ARTHUR HYDE, Manager of this Corporation, was interviewed again on November 14th and he had no additional information to offer.

RAY M. DUNGAN, Assistant Personnel Director, prepared a list of employees who would have knowledge of the makeup of this gun sight and would be capable of taking this shaft out and putting it back in a short time. These are persons employed in the Gun Sight Division. The four mentioned below are referred to by MR. DUNGAN as loose talkers and reported as doing a lot of complaining and bickering around the Plant:

1. MARK EDWARD ANDERSON, 2605 Fremont Avenue South, born 2/29/12, Waterloo, Iowa.
2. JOHN ANDREW TEEGAN, 2739 Girard Avenue South, Minneapolis, born Bloomington, Illinois, 12/22/08.
3. LOREN TRIPP WELCH, 915 22nd Avenue N.E., Minneapolis, born October 24, 1904, Hutchinson, Minnesota
4. DONALD FARRINGTON WIPON, 1512 East 22nd Street, Minneapolis, born Minneapolis, Minnesota 4/6/04.

The following two persons are in the Light Assembly Section working specifically in the Indicator and Director Section, and might know how to take out this particular shaft. The first is not well liked by other employees:

1. GEORGE J. SALPSON, 693 13th Avenue Northeast, Minneapolis, born New Richland, Minnesota, 12/12/93.
2. RALPH C. HUSSEY (described as being a sorehead by other employees) 4218 Penn Avenue North, born Minneapolis, 10/27/99. He has been with the company since prior to 1928. It is noted that he is one of the persons who has been more or less definitely eliminated as he was at lunch with the four men who work on this particular sight.

The following three worked in the Machine Shop just outside the door of the Gun Sight Room and could have gotten into this particular

Development Room, but they are hardly capable of taking this machine down and injuring the shaft in the manner in which it was injured;

1. LAWRENCE PERRY KERSHAW, 2215 Bloomington Avenue, Minneapolis, born Lynchburg, Virginia, 9/4/82.
2. CHARLES S. BRADLEY, 5108 Chown Avenue South, born St. Paul, Minn., 10/16/85.
3. JOHN C. HEIMBUCH, 4309 43rd Avenue South, born South Dakota, July 30, 1910.

The following were said to be capable of removing this particular shaft and cartridge and doing the damage; that is; know how as they work in the Gun Sight Division. However, it was definitely stated that no particular suspicion attaches to any of the employees:

1. LAVERNE ARTHUR PAIGE, 1808 11th Avenue South, born Charles City, Iowa, 5.21/16.
2. ALBERT ELIAS NYBERG, 2827 Emerson Avenue South, born Sweden, March 9, 1888; naturalized through his father.
3. OTIS LARSON, 3832 16th Avenue South, born April 30, 1894, Viroqua, Wisconsin.
4. SIGURD THEODORE OLSON, 4308 Coolidge Avenue, St. Louis Park.
5. AUGUST FRANK TRANTHOM, 2635 Aldrich Avenue North, born 8/11/01, Barnesville, Minnesota.
6. VILLOYD NICHOLAS GROSS, 2425 Lyndale Avenue North, born 4/8/05, Garrison, Iowa.
7. GLENN HOWARD SHELTON, 3126 21st Avenue South, born Birmingham, Alabama, 12/14/16.
8. JOHN EDWIN PETERSON, 3727 North Lyndale, born Sweden, 8/30/87; naturalized through his father.
9. HARRY D. ANDERSON, 4505 Bryant Avenue South, born Garretson, South Dakota, 4/24/79.
10. ERNEST M. PASSENHEIM, 3558 Knox Avenue North, born Germany, 1/24/01; entered U. S. February 20, 1923; naturalized U. S. District Court, Minneapolis, June 25, 1940.
11. JOHN PATRICK KENNEDY, born Minneapolis, 3/22/86, 3601 Golden Valley Road, Minneapolis.

12. ✓ WILLIAM JOSEPH FINNAGAN, 1335 LaSalle Avenue, born 2/26/03, Rockwell, Iowa.
13. ✓ HARRY RICHARD RASCHIK, Como Station, Route #3, St. Paul, born 5/6/13, St. Paul.
14. ✓ ARTHUR BENHART SWANSTROM, 1174 Grand Avenue, St. Paul, born 12/28/1888, St. Paul.
15. ✓ VELMER DEWITT DYKEMAN, 2512 7th Street South, born Osage, Iowa, 8/2/97.
16. ✓ ARTHUR HERMAN GRUHLE, 2827 Lyndale Avenue North, born West Bend, Wis., 5/31/88.
17. ✓ KENNETH MILTON ELIASON, 3525 Longfellow, born 5/25/11, Minneapolis.
18. ✓ VINCENT SANTACHE, 5453 44th Avenue South, born Italy, 5/2/94; naturalized 12/3/03, St. Paul, Minn.
19. ✓ ELMER VERNON WEAVER, 3241 43rd Avenue South, born Minneapolis, 3/10/17.
20. ✓ NELLO D. COSTANZI, 45 Spruce Place, born Chisholm, Minn., 7/5/16.
21. ✓ RUDOLPH OSCAR PFLUGBEIL, 1801 Irving Avenue South, born Borna, Germany, 9/25/12; naturalized Chicago, Ill., 1929.
22. ✓ WESLEY EMANUEL HOLMQUIST, 1615 Madison Street, born 7/13/94, Minneapolis.
23. ✓ ERNEST EDWARD THOMAS, Y.M.C.A., born Henderson, Illinois, 9/5/16.
24. ✓ THOMAS R. TESKE, 1006 26th Avenue Northeast, Minneapolis, born Wilson, Minnesota, 10/15/06.
25. ✓ PAUL F. THON, 3416 26th Avenue North, born 6/30/95, Germany, naturalized. This man is an old employee of the company. He is the one mentioned by the Confidential Informant.
26. ✓ JAMES HOMER DELONG, 2826 First Avenue South, born 2/23/14, Chikio, Minnesota.

\* \* \* \* \*



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UNDEVELOPED LEADS:

SAINT PAUL FIELD OFFICE - - -

At MINNEAPOLIS, MINNESOTA, will keep in touch with Confidential Informant [ ] who will endeavor to get additional information.

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At MINNEAPOLIS, MINNESOTA, will interview GLENN SHELTON, 3126 21st Avenue Avenue South, who is reported to have made the statement that some saboteur was at work in this Plant.

At MINNEAPOLIS, MINNESOTA, will recontact MR. LUTHER R. WERKHEISER and ARTHUR HYDE, Manager, both of whom are endeavoring to get additional information.

--- P E N D I N G ---

GENERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

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98-14483

To: COMMUNICATIONS SECTION.

NOVEMBER 20, 1942

Transmit the following message to:

SAC, ST. PAUL

UNSUB, GENERAL MILLS, INC. MINNEAPOLIS, MINN. NOVEMBER SEVEN, FORTYTWO,  
SABOTAGE. SUBMIT INITIAL REPORT IMMEDIATELY.

HOOVER

Mr. Tolson \_\_\_\_\_  
Mr. E. A. Tamm \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Carson \_\_\_\_\_  
Mr. Coffey \_\_\_\_\_  
Mr. Hendon \_\_\_\_\_  
Mr. Kramer \_\_\_\_\_  
Mr. McGuire \_\_\_\_\_  
Mr. Quinn Tamm \_\_\_\_\_  
Mr. Nease \_\_\_\_\_  
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## FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

ST. PAUL

FILE NO.

98-110

REPORT MADE AT <b>ST. PAUL</b>	DATE WHEN MADE <b>11-28-42</b>	PERIOD FOR WHICH MADE <b>11-23, 24, 25-42</b>	REPORT MADE BY <b>ARTHUR T. ALLEN</b>	<b>PN</b>
TITLE <b>UNKNOWN SUBJECTS: General Mills, Inc. Minneapolis, Minn. (11-7-42)</b>			CHARACTER OF CASE <b>SABOTAGE</b>	

**SYNOPSIS OF FACTS:** Experts in construction of gun sight and machine tool operation state that workmen often call inspectors to view operation of shaft they say works freely and upon inspection it sticks. Check will reveal particle of dirt or steel interfering with operation of shaft. State alleged sabotage probably occurrence of same type. Workmen agree this shaft most unlikely and difficult to be damaged.

- C -

**REFERENCE:** Report of ROY T. NOONAN dated 11-17-42 at St. Paul, Minnesota.

**DETAILS:** The gun sight upon which the shaft alleged to have been sabotaged was affixed is being built to very close naval specifications which demand exact machining and the closeness of fit on some parts is such that a film of oil will interfere with the working of the parts.

In the course of investigation, it was ascertained by the writer that the most logic point of damage, from an experienced workman's point of view, was a transmission which could be severely affected by a slight blow, and it would be difficult, if not impossible, to detect and yet could have been done very quickly.

Any damage to the shaft would have necessitated removing three bolts, removing the tight fitting cartridge, unscrewing a set screw, removing the shaft from the cartridge, then striking it, and reversing the procedure, to putting it back into same condition in which it was found. This operation would require between ten and fifteen minutes to complete.

Room in which the machine was placed for work had two doors. Besides the four men assigned to work on the machine, at least three other men were working

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Bureau Minneapolis St. Paul		EX	

behind a glass partition in the same room. In an adjoining room about eight men are regularly employed. Since at the time of the alleged damage this was not a restricted area, the chances of detection of anyone trying to damage the machine in the above described manner were such as to make this a seemingly hazardous method of sabotage.

DONALD UPSON, who is employed in Light Assembly, stated he was quite experienced with the construction of the gun sight. A situation similar to that in which the alleged damage occurred was described to him including the appearance of the gun sight at the time of the damage. When asked what he would do to sabotage the instrument, he immediately said that he would take a hammer and with the wooden handle strike the transmission gears, thereby springing them enough to make reconstruction necessary and yet leaving no trace of how the damage occurred. This could be done in approximately ten seconds. He also stated that JOHN KILE, who discovered the damage, said that he thought a piece of carboloy tool could have been the particle that caused the shaft to stick.

LOREN WELCH, who also works on the gun sight, when asked how he would damage the gun sight gave the same answer as DONALD UPSON. SIGURD OLSON, LLOYD GROSS, and GLENN SHELTON, all experienced workmen on the gun sight, stated that they too would damage the transmission if the described situation was available and they desired to sabotage the instrument.

Plant manager, RAYMOND B. ROBINSON, stated, in discussing the suspected sabotage, that it was his opinion that it was an ordinary industrial accident and related that in tooling a piece of steel to a clearance of less than 5/10,000 of an inch that a tiny sliver could very easily be left adhering to the tool piece and after the piece had been in operation for a period of time the sliver would break loose and interfere with the operation of the machine piece.

FREDERICK BLOOMERS, who is an expediter on special detail to keep the plant on schedule, stated that it was his experience in other plants and in this plant that the workmen often called inspectors to have a piece of work checked which they stated was operating freely and when the inspector checked the same, it would be found to be sticking. Upon removing the sticking part, a particle of dirt or a small sliver of steel would be found interfering with the operation of the piece.

JAMES J. KANE, Chief Civilian Inspector, stated he did not know how often he was called to inspect a piece that was supposed to be operating freely and upon inspection was found to be sticking but that he knew of such instances occurring in the past. He further stated that it was his opinion that the alleged sabotage was a similar occurrence.

CARL ANDERSON, night superintendent of the machine shop, stated that a carboloy tool was steel and that it was entirely possible that the tip of the machine tool

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98-110

had chipped leaving a very small particle in the cartridge or on the shaft which had not been removed by grinding. He informed that instances such as this often occur in machining parts to a close dimension and that upon continued use the particle would work loose and jam the shaft.

In view of the fact that the plant experts are of the opinion that the alleged act of sabotage was an industrial accident and that the damaged part is such an unlikely piece to be picked for damage by a saboteur, no further investigation will be conducted in this case.

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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **ST. PAUL**

FILE NO. **98-111**

REPORT MADE AT <b>ST. PAUL</b>	DATE WHEN MADE <b>11-18-42</b>	PERIOD FOR WHICH MADE <b>11-10 to 11-11-42</b>	REPORT MADE BY <b>ROY T. NOONAN</b> <span style="float: right;">PN</span>
TITLE <b>UNKNOWN SUBJECTS - General Mills, Inc. Minneapolis, Minn. November 8, 1942</b>			CHARACTER OF CASE <b>SABOTAGE</b>

**SYNOPSIS OF FACTS:** On Sunday, November 8, 1942, at General Mills, Inc., Minneapolis, Minnesota, about fifteen or sixteen castings were found which had been damaged apparently by striking with a hammer or heavy instrument. These castings, which come to this company in the rough, were partly finished off November 8 and 9, 1942 and the damage was noticed at 2 PM November 9, 1942, when the final finishing process was to be performed. Damage first treated as poor machine work, but upon examination, plant foreman decided it was probably intentional. These parts were replaced from storage and no delay in production caused. There was only one person mentioned as suspect and he was not working during the period when the damage was believed to have been caused.

- P -

**DETAILS:**

**AT MINNEAPOLIS**

On November 10, 1942, while at General Mills, Inc., Minneapolis, Minnesota, on another reported case of sabotage, **ARTHUR HYDE**, president of this corporation, mentioned that there had been a report of some damage to certain castings which had been found on a platform or dolly in the Bench Dept. of this plant. At that time, the theory was advanced that the damage to these castings might have been caused by dropping on the concrete floor, but this was somewhat discounted because so many were found damaged at one time. No detailed report was made of this alleged damage at that time and no suspects were mentioned.

On November 11, 1942, **ALFRED BUELOW**, machinshop superintendent, who first reported this matter to **MR. HYDE**, was interviewed. He stated that **CARL CUKELLBERG**

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bench and lay-out foreman, found these damaged castings on Monday afternoon, November 9, 1942. He reported as having found these castings all on one platform or dolly stating that nineteen out of the twenty-one, thereon, had been damaged. Mr. BUELON stated that he checked these the same day and had found that four of them had not been damaged for certain and possibly two others had not been intentionally damaged. About fifteen bore marks indicating to him that they had been intentionally damaged. The report, he stated, actually came to him from CLEMENT ANDERSON, assistant shop foreman. The complaint coming first to the affect that some bad machine work had been done. Mr. BUELON stated that he checked up on the various shift operators who had worked on these castings on all three shifts and all insisted that the castings were all right when they left their custody.

Mr. BUELON furnished the following information concerning the manner in which these castings are handled in this plant. First, they are sent in the rough to the C. H. Edlund Company for lathe work. They are then returned to General Mills, Inc. and placed in naval storage after having passed inspection. Twenty-one of these parts or castings were released to the shop for further finishing work, such as, drilling and counter-sinking on November 6, 1942.

BLAISE DYRLAND worked on seven of these castings on November 7, 1942, during his shift from 9:30 PM to 7:30 AM on November 8, 1942. He reported that they were all in good condition when they left his custody. These parts were taken out of the machine at 7:15 AM to make way for other rush work. RAYMOND FALK worked on fourteen of these pieces or castings on Sunday, November 8, 1942, from 3:30 to 6:30 PM. The parts then were removed to the Bench Dept. Sunday evening, November 8, 1942, and the person taking care of this removal, referred to as the moveman, was CLARENCE RANSTAD.

The damage to these parts was noticed at 2 PM, November 9, 1942, when they were taken to the Bench Dept. to be burred. This having been noticed by Mr. CJKELLBERG. There are forty such similar castings or parts still in storage at this plant in good condition. The damaged parts were immediately replaced causing no delay in production. Mr. BUELON had talked to RAYMOND FALK concerning the fourteen pieces he worked on up until Sunday evening and he stated that the damaged sides were up and that no damage appeared thereon at that time or it would have been observed by him.

This damage, according to Mr. BUELON, was first reported as probably having been caused by carelessness and that the workmen might have dropped these castings on the concrete floor, but upon examination, Mr. BUELON indicated that this could not be so.

Agent examined several of these castings with C. H. SHAMBERGER, personnel director of the plant, on November 14, 1942, and it is noted that these castings seem to have been hit by a hammer or some blunt instrument. These castings are flat and are circular being about 10 inches in diameter and near the outer edge is a groove encircling the whole casting, leaving a ridge or edge about  $3/16$  inch in width between the groove and the outer rim of the casting. Where these have been struck or damaged, this  $3/16$ " edge has been bent down in some cases partly closing the groove.

Some of the damage could have been caused by dropping on the concrete floor, perhaps from a good height, but many are damaged in such a manner that this could not be possible and some have two or three such marks on them.

ALFRED BURLOW had no suspect in mind nor had anyone else to whom he had talked. Mr. SHAMBERGER said that he had one possible suspect, not because of any particular connection with this case, but because of other reports. This man was HENRY T. ALWIN. He was reported two or three months ago as removing tools from the plant and that time it was also suggested that he was engaged in some outside activities that would bear watching. No indication was given as to what these activities might be. ALWIN is in the Scrapping Dept. [redacted] who has been used apparently as an informant. b7D

On this date, November 14, 1942, Mr. SHAMBERGER received the suggestion that ALWIN might be mixed up in this damage and again the statement was made that he was engaged in outside activities that might bear checking. This information came to Mr. SHAMBERGER from a Mr. GUENTHER in the Drill Dept., but it appears that GUENTHER got this information from some other party and that it is not his own personal knowledge. ALWIN also works in the Drill Dept. where it would seem apparent that this damage must have happened. Mr. SHAMBERGER said it was only a coincidence that these two reports, along the same line, had reached him and that he could not know in what other way to connect ALWIN with this matter.

The personnel file of HENRY T. ALWIN reveals the following information: he is 41 years of age; born January 21, 1901, at Prairie du Sac, Wisconsin; he is 5 ft. 10 1/2 inches in height; weighs 221 lbs.; has brown hair, grey eyes, and a permanent scar on middle finger of left hand; his former address was 1921 Benjamin St., N.W., but he presently resides at Room 315, Hastings Hotel; he is a widower and was employed by the plant February 14, 1942; person to be notified in case of emergency is Mrs. F. W. MOFFETT, 1237 Harrison Ave., Beloit, Wisconsin. He was employed by the Fairbanks Morse Company of Beloit, Wisconsin, as a radial drill operator from March, 1935 to May, 1939. He was also at Beloit, Wisconsin, in the same capacity from June, 1939 to January, 1940 for the W. F. & John Barnes Company. He worked for the Sundstrand Machine and Tool Company, city not indicated, in the same capacity from



98-111

February, 1940 to September, 1941. He was employed by Northern Pump Company, Minneapolis, doing bench and radial boring from September, 1941 to February, 1942. The plant received a favorable report from the Police Dept., Beloit, Wisconsin. His references show CHARLES HALL, 3050 Clinton Ave., Minneapolis, Minn., of the Hall Map Company; Joe Tagiera, 1921 Benjamin Street N.W., a druggist; and CHARLES WINN, secretary Fairbanks Morse Company, Beloit, Wisconsin. His father's name is given as FRED ALWIN, a Polish German, who entered the United States with his parents in 1853.

Mr. SHAMBERGER stated that he knows ALWIN'S financial situation is bad although he makes approximately \$60.00 per week, this being known because of the numerous calls received from persons endeavoring to collect bills. Most of these, however, are from doctors and it is noticed that ALWIN, according to the medical report, was not on duty November 8, 1942, but returned on November 9, 1942.

Confidential Informant [ ] advised that he had heard of this particular damage but had no information as to who might be guilty, thereof. He stated that he would endeavor to secure some information on this matter. He did mention that GLEN SELLTON, an employee in the gunsight division of the plant, had made the remark sometime ago that a saboteur was believed to be at work in the plant.

b7D

PENDING

96-111

UNDEVELOPED LEADS:

ST. PAUL FIELD DIVISION at MINNEAPOLIS, MINN. - General Mills, Inc.

Will interview:

- CARL CUKELLEBERG - Bench and layout foreman who found the damaged castings and reported these to his foreman on November 9, 1942.
- BLAISE DYRLAND - Worked on seven of these castings from November 7, 1942, 9:30 PM to 7:15 AM November 8, 1942. Will be interviewed concerning the condition of these castings when they left his custody.
- RAYMOND FALK - Worked on fourteen of these castings Sunday, November 8, 1942, from 3:30 to 6:30 PM. Will likewise be interviewed concerning the condition of these castings when they left his custody.
- CLARENCE FANSTAD - Moving man at this plant who moved these castings to the Bench Dept. Sunday evening November 8, 1942, and will be interviewed to determine the manner in which these were found, their condition, where they were placed, and any other information that he can offer.
- MR. GUENTHER - Is in the Drill Dept. He reported, on November 14, 1942, that HENRY ALMIN would bear watching and shall be interviewed to determine the source of his information, which source shall be subsequently interviewed.
- GLEN SHELTON - Is in the Gunsight Dept. of this plant and shall be interviewed as he has indicated knowledge of someone in the plant who maybe causing damage.



b7D

98-111

[ ] - Will reinterview Confidential Informant [ ]  
to determine as to whether he has secured any  
additional information.

b7D

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **ST. PAUL**

FILE NO. **98-111**

REPORT MADE AT <b>ST. PAUL, MINNESOTA</b>	DATE WHEN MADE <b>11/30/42</b>	PERIOD FOR WHICH MADE <b>11/23, 24, 25/42</b>	REPORT MADE BY <b>ARTHUR T. ALLEN</b> <span style="float: right;">PM</span>
TITLE <b>CHANGED:</b> <b>HAROLD V. GUILLE</b> <b>ALLAN W. ANDERSON</b>			CHARACTER OF CASE  <b>SABOTAGE</b>

**SYNOPSIS OF FACTS:** Alleged sabotage to 21 castings occurring November 8, 1942, at General Mills, Inc., found to be industrial accident caused by bottom of box giving way when subjects attempted to lift same.

-C-

**REFERENCES:** Report of Special Agent ROY T. NOONAN dated 11-18-42 at St. Paul, Minnesota.

**DETAILS:** The title of this report which was formerly carried as "UNKNOWN SUBJECTS, General Mills, Inc., Minneapolis, Minnesota, November 8, 1942", is being changed to reflect the names of the workmen who caused the damage.

The castings in question in this case were discussed with R. B. ROBINSON, Manager, and ALLAN W. ANDERSON, Superintendent, who disclosed that the castings were of little value strategically since they were used as retainer plate on the bottom of the assembly of a director box and did not require the preciseness of fit that some of the other parts of the director would. All parts were easily salvaged.

During the course of the investigation, GORDON LINDBORN, drill press operator on the third shift, informed agent that he heard a loud noise on the night of November 8th or early in the morning of November 9th. He looked up quickly and saw HARRY GUILLE standing close to the Bench Department holding a large wooden box in his hand; on the floor were the castings that were alleged to have been sabotaged. He observed that it was an

APPROVED AND FORWARDED: <i>[Signature]</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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12-70-42  
Jag

accident caused by the castings being too heavy for the bottom of the box and when the box had been picked up, the bottom immediately fell out.

EDWARD DUGAN informed agent that he had not seen the castings fall but had heard them and reported substantially as observed above.

JAMES ARTOUR informed also that he had observed the above-described incident.

It should be noted here that these workmen were interviewed on two occasions; the first time denying all knowledge and it was not until they knew the reporting agent had definite proof of the identity of the individuals dropping the castings that they would reveal what they knew. They all made the comment that it was an accident and had they thought it was sabotage, they would have immediately reported it, but they did not feel justified in "squealing" on a fellow workman.

HARRY GUILLE was interviewed three times. The first time he concealed most of the facts. He cooperated in the second interview by making the following statement:

"I make this statement freely, without promise or inducement to ARTHUR T. ALLEN, Special Agent for the Federal Bureau of Investigation.

"On the morning of November 9th, I dropped a box of castings. Rather the bottom of the box gave way, and the castings fell, several of them striking the floor.

"At that time I examined the castings and found no signs of damage at the point which struck the floor, but did see a dent in the outer edge several inches from the spot which hit the floor. ALLEN ANDERSON was helping me at the time.

"I read this statement, written in my own handwriting, and swear that it is true."

Signed,

HAROLD V. GUILLE

Witnesses: ARTHUR T. ALLEN - Special Agent, Federal Bureau of Investigation.

HELEN V. BENSON - Nurse, Medical Department, General Mills, Inc.

It should be noted here that the writer accompanied by Mr. B. R. ROBINSON, Manager, and Mr. KLEMET ANDERSON, Day Superintendent in the Machine Shop, made

quite extensive tests to determine the exact cause of the damage. It was shown by these tests that the damage was caused by striking on a cement floor and that dropping them from the height of six inches would be sufficient to make an indentation in the very soft steel of the castings. Therefore, it is obvious that falling from a height of three feet would result in considerable damage to the castings.

Upon a third interview, Mr. GUILLE stated that he was still of the opinion that he did not cause the damage but that he could not definitely remember and would be willing to make a statement to the effect that he had caused the entire damage. It was not thought necessary to take such a statement in view of the above circumstances.

ALLAN ANDERSON stated that he had been helping HARRY GUILLE at the time the castings were dropped and made the following statement:

"I make this statement of my own free will without promise or inducement to ARTHUR T. ALLEN, Special Agent of the Federal Bureau of Investigation.

"I was helping HAROLD GUILLE lift a box of castings off from a bench when the bottom of the box came loose and the castings fell to the floor. From what I could see at the time, the castings appeared to have been damaged before they dropped on the floor.

"I have read this statement and it is written in my own hand writing and I swear this is the truth."

Signed,

ALLAN M. ANDERSON

Witnesses: ARTHUR T. ALLEN - Special Agent, Federal Bureau of Investigation.

HELEN V. BENSON - Nurse, Medical Department, General Mills, Inc.

The following are descriptions and personal histories of the two workmen in question:

HAROLD V. GUILLE

Born	Antigo, Wisconsin
Date of birth	December 14, 1901
Height	5' 9 $\frac{1}{2}$ "
Weight	160 pounds
Hair	Brown
Eyes	Hazel

98-111

Permanent scar on right thumb and left index and middle fingers

Fingerprint classification 1U  
1UT

Selective Service status 3-A  
Social Security Number 470-14-5383  
Address 2823 North Emerson Avenue,  
Minneapolis, Minnesota

GUILLE started work at General Mills, Inc. on 7/28/42, and is employed as a helper in the machine shop. He is of Swedish descent, is married, and has two children. He served four years in the United States Marine Corps from 1919 to 1923.

ALLAN MONROE ANDERSON

Born Fosston, Minnesota  
Date of birth January 26, 1904  
Height 5' 9"  
Weight 170 pounds  
Hair Dark brown  
Eyes Brown  
Permanent scar Little finger, right hand  
Fingerprint classification 17 W  
I R

Selective Service status 2-B  
Social Security Number 473-05-6869  
Address 2917 28th Avenue South,  
Minneapolis, Minnesota

ANDERSON started work at General Mills, Inc. on 2/11/42, and is employed as a grinder. He is of Swedish descent.

Neither man has a record, criminal or subversive, in Minneapolis, this having been checked by Detective AHR, Internal Security Squad, Minneapolis Police Department. Their fingerprints were also searched through the files of the Identification Division of the Federal Bureau of Investigation, Washington, D. C., with negative results.

In view of the above-reported circumstances and the writer's personal observations of the plant, it appears that the damage to the castings was the result of an industrial accident and no sabotage was intended.

-C L O S E D-

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
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# Memorandum



To : SAC, CLEVELAND (196A-NEW) (TRA) (P)

Date

2/9/84

From : SA [redacted]

Subject :

GENERAL MILLS, INC.,  
TOLEDO, OHIO;

Power Tech,  
6463 Proprietors Road,  
Worthington, Ohio;

Reese Panel Fabricating,  
10712 Kahlmeyer Drive,  
St. Louis, Missouri

FBW; MF

OO: Cleveland

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b7C

On 2/8/84, [redacted] telephone number [redacted] for General Mills, Inc., Minneapolis, Minnesota, telephonically contacted the Toledo Office of the FBI. [redacted] advised that his company has an ongoing investigation into illegal kickbacks and thefts perpetrated by [redacted] employed by General Mills, Inc., in Toledo, Ohio. [redacted] advised that [redacted] lives in [redacted] Ohio, and has been employed as an [redacted] by General Mills in Toledo, Ohio, for approximately [redacted] [redacted]

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[redacted] advised that their investigation indicates that [redacted] while employed as an [redacted] by General Mills in Toledo, Ohio, was receiving kickbacks and bribes from [redacted] Power Tech, 6463 Proprietors Road, Worthington, Ohio, and [redacted] Reese Panel Fabricating, 10712 Kahlmeyer Drive, St. Louis, Missouri. [redacted] advised that [redacted] in his position as [redacted] for General Mills, in Toledo, Ohio, was able to conduct business deals with both Power Tech and Reese Panel Fabricating, in such a manner as to receive illegally from them [redacted]

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[redacted]

*✓ you paid on 2/13/84*

INDEX

Yes ☒

NO ☐

*2-9-84  
LOA  
SA*

SEARCHED  
SERIALIZED

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FBI - CLEVELAND

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CV 196A-NEW

approximately \$40,000 to \$50,000.

[redacted] advised that the General Mills investigation is ongoing and that [redacted]

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[redacted] advised that [redacted] is from [redacted] and is a very high living individual. [redacted] stated that [redacted] and is currently residing with an [redacted] Ohio, and that [redacted] is an employee of [redacted] Ohio, and can be reached at telephone number [redacted] advised that he has personally interviewed [redacted] and that she is cooperative concerning [redacted] illegal behavior while employed by General Mills.

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[redacted] advised that currently [redacted] is on leave with pay from General Mills until the situation can be resolved.

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[redacted] stated that he would meet with case agent [redacted] at 1:00 p.m., on 2/14/84, and bring with him from Corporate Headquarters in Minneapolis, Minnesota, all pertinent paperwork concerning the [redacted] case. [redacted] advised that [redacted] not only received kickbacks from the companies referenced above, but also was instrumental in negotiating a number of phony purchase order contracts with those companies, whereby General Mills was billed for large amounts of money for electrical wire and other products that they never received.

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[redacted] advised, for example, that a purchase order of 9/19/83, shows a billing by Power Tech for approximately \$8,000 for electrical wire and interviews with [redacted]

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[redacted] and no wire was ever received by General Mills for this purchase order. [redacted] advised this purchase order is T95667.

CV 196A-NEW

[ ] stated that there is a strong possibility that a number of other purchase orders were negotiated in this fashion and up to this point they have identified at least \$37,000 worth of monies being paid by General Mills for products never received.

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[ ] advised that [ ]  
[ ] for General Mills in Toledo, Ohio, is [ ]  
[ ] and that he would be the local contact person for the FBI re this investigation and that General Mills, both corporate headquarters in Minneapolis, Minnesota, and the local General Mills office in Toledo, Ohio, would cooperate fully with the FBI into this investigation.

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Based on the above facts, it is recommended that a new 196A case be opened and assigned to SA [ ]

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3005 Federal Office Building  
Cleveland, Ohio 44199

February 13, 1984

Honorable J. William Petro  
United States Attorney  
Northern District of Ohio  
U.S. Customs and Courthouse Building  
1716 Spielbusch Avenue  
Toledo, Ohio 43624

Attention: Assistant United States Attorney

RE:

GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;

Power Tech,  
6463 Proprietors Road,  
Worthington, Ohio;

Reece Panel Fabricating,  
10712 Kahlmeyer Drive,  
St. Louis, Missouri;  
FRAUD BY WIRE - MAIL FRAUD

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Dear Mr. Petro:

On February 9, 1984, Special Agent (SA) [redacted]  
[redacted] of the Federal Bureau of Investigation (FBI), Toledo,  
Ohio, advised AUSA [redacted] of the facts to date  
concerning the above referenced case.

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SA [redacted] advised AUSA [redacted] that on February 8,  
1984, [redacted] for General Mills,  
Incorporated, Minneapolis, Minnesota, telephonically con-  
tacted the Toledo office of the FBI in reference to an  
investigation they were conducting concerning [redacted]

SA [redacted] advised that according to [redacted]  
was the subject of a kickback scheme whereby he had been  
obtaining large sums of money from [redacted]  
[redacted] Power Tech, 6463 Proprietors Road, Worthington,

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Searched [redacted]  
Serialized [redacted]  
Indexed [redacted]  
Filed [redacted]

1 - Addressee  
1 - Cleveland (196A-New)

(2)

196A-1141-2

Ohio, and [redacted] Reece Panel  
Fabricating, 10712 Kahlmeyer Drive, St. Louis, Missouri,  
for contracts furnished to General Mills in Toledo, Ohio.

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SA [redacted] advised AUSA [redacted] stated  
that [redacted]

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SA [redacted] further advised that [redacted] stated that  
[redacted]  
in a fraudulent billing scheme whereby both companies refer-  
enced above obtained large sums of money paid by General  
Mills for materials that were never furnished to them.  
[redacted] stated that this scheme also was negotiated by  
[redacted]

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SA [redacted] advised AUSA [redacted] was  
scheduled to take a polygraph on February 10, 1984  
regarding this investigation and that [redacted] would be  
traveling to Toledo, Ohio on February 14, 1984 with all  
of the information to date regarding this case to present  
to the FBI. SA [redacted] further advised AUSA [redacted] that  
according to [redacted]  
[redacted]

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AUSA [redacted] advised that she felt this case had  
strong prosecutive merit, especially concerning Title 18,  
U.S. Code, Section 1341 and 1343, Fraud by Wire and Mail  
Fraud, and that if in fact the case was developed to the  
point that prosecution was warranted, she would definitely  
pursue this case with tenacity.

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Very truly yours,

JOSEPH E. GRIFFIN  
Special Agent in Charge

By: [redacted]  
Supervisory Senior Resident Agent

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CV 196A-1141

[redacted]

1

On February 14, 1984, a National Crime Information Center (NCIC) driver's license records check revealed that [redacted] is listed at [redacted] Ohio.

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[redacted] is listed as a white male, date of birth [redacted] Social Security Account Number [redacted] 5'10" tall, 175 pounds, brown hair, and brown eyes, Ohio operator's license number [redacted]

Vehicles listed to [redacted] are Ohio plate [redacted] 1982 Buick station wagon; [redacted] a 1983 BMW two door sedan; and [redacted] a 1981 Porsche two door coupe.

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Ohio BCI check negative regarding wants and warrants for [redacted]

NCIC wants and warrants negative regarding [redacted]

INDEX

Yes ☒

NO ☐

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SER.

FEB 16 1984

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# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P) Date 2/16/84

From : SA [redacted]

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b7C

Subject : [redacted]  
ET AL;  
FBW; MF

OO: CLEVELAND

On 2/14/84, [redacted] Toledo Trust, advised that [redacted] is a customer of Toledo Trust and as recently as 2/3/84 negotiated a loan at his bank.

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[redacted] advised that record review indicates that [redacted] lists his date of birth as [redacted] SSAN [redacted]

He advised he has an open checking account at Toledo Trust with approximately \$300 in it.

[redacted] further advised that records indicate [redacted] lists his address as [redacted] Ohio, and also [redacted] Ohio, with a telephone number of [redacted]

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[redacted] further advised that word at Toledo Trust is that [redacted] is romantically tied with a woman by the name of [redacted] first name [redacted] who is employed by [redacted]

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[redacted] advised that [redacted] is supposedly living with [redacted] however, he has no particulars other than hearsay information regarding this liaison.

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INDEX

Yes

NO

RL

196A-1141-4  
FEB 16 1984

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## FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 2/22/84

[redacted]  
General Mills, Incorporated (GMI), 9200 Wayzat Boulevard, Minneapolis, Minnesota, personally appeared at the office of the Federal Bureau of Investigation (FBI), Toledo, Ohio, was apprised of the identity of the interviewing Agent, and provided the following voluntary information:

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[redacted] advised in early January or late December, 1983, [redacted] Minneapolis, Minnesota, for GM was reviewing documents for a project at the Toledo, Ohio plant of GM. [redacted] advised the project was a PCB transfer replacement project. [redacted] advised that [redacted] is an [redacted] and works for [redacted] in the Toledo office of GM and was assigned the above referenced project.

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[redacted] advised [redacted] was reviewing progress reports and cost estimates and noticed a large number of expenditures and questions arose in his mind concerning purchases that were made by [redacted] in the Toledo, Ohio plant concerning cable wire. [redacted] advised that [redacted] specifically noticed that a number of purchases were made from Reese Panel Fabricators in St. Louis, Missouri and Power Tech located in Worthington, Ohio.

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[redacted] advised [redacted] spoke to [redacted] [redacted] electrical engineering in Minneapolis and they both reviewed the project papers that [redacted] had in Minneapolis and were concerned enough about the discrepancies regarding the purchase of these materials that they came to Toledo, Ohio to look over the project and its expenditures and to talk to [redacted]

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[redacted] advised that they reviewed the purchase orders of [redacted] and noted that materials that [redacted] had purchased for the project had originally been included in cost estimates and had been purchased for the project prior to [redacted] purchasing them. [redacted] advised in other words, they noticed that GM already had the materials that [redacted] supposedly was purchasing from the above two referenced companies.

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Investigation on 2/15/84 at Toledo, Ohio File # Cleveland 196A-1141

by SA [redacted] Date dictated 2/20/84

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

Yes

NO



[redacted] advised that [redacted] was [redacted] in Toledo, Ohio for the PCB transfer project and the individual who supposedly would approve any purchase orders made by [redacted] advised that [redacted] on his review of the purchase orders noted that [redacted] never approved any of them and that [redacted] approved them himself and/or they were approved by [redacted] who filled in for [redacted] when [redacted] was out of town. (Supposedly, according to [redacted] supervisor in Toledo, Ohio and has since been transferred to Minneapolis. [redacted] advised that a review of [redacted] purchase orders was conducted by [redacted] and by [redacted] and after the review was completed, there was enough information concerning purchases made by [redacted] and information that [redacted] had knowing that a contractor already had the job and had included the wire in their specifications that [redacted] suggested that [redacted] be suspended until an investigation could be completed.

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[redacted] advised that the purchase orders in question were ordered and paid for by GM and amounted to \$37,973.24.

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[redacted] advised that there were five purchase orders in question and were paid, received and acknowledged and ordered all by [redacted]

[redacted] advised that according to the purchase order procedures at GM, he could order by phone being that he was in charge of handling the project in Toledo, Ohio, have the materials sent to the GM plant and/or to a site designated by him, sign the invoices and put them through receiving, and thus GM would pay for the materials after they were verified.

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[redacted] advised that [redacted] discovered that none of the materials could be located and that the receiving people had merely asked [redacted] if in fact the materials had been received whereby he signed off indicating that they had and that the materials, i.e., cable wire, had been sent directly to the job site and not to receiving.

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[redacted] advised that receiving people were interviewed as well as dock workers, forklift drivers, truck drivers, on the docks, etc., and no one could find the materials involved with the above five referenced purchase orders.

[redacted]  
On January 6, 1984, a meeting was held between [redacted]

[redacted] purchases of wire for the PCB transformer project. A memo was provided interviewing Agent recapping that meeting and the final result was that [redacted] admitted buying the wire but was caught in a number of discrepancies concerning how he explained that no wire could be discovered. [redacted] further advised that he forgot that he had already purchased \$35,000 worth of wire through the contractor that had the original contract and bid for the wire in question.

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As a result of this meeting, another memo was set on January 6, 1984, which a copy of has been supplied to interviewing Agent, from [redacted] stating a review of the invoice and purchase order problem to date with a recommendation that [redacted] be suspended until further notice, corporate security be briefed, and be brought in regarding this investigation, and that the entire matter be resolved.

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Subsequent to this, [redacted] traveled to Toledo, Ohio and advised SA [redacted] that he met with [redacted] numerous times and obtained from him written signed statements that he in fact did negotiate a scheme in conjunction with [redacted] of Power Tech and [redacted] of Reese Panel Fabricating regarding the purchase orders in question and that he received from them large sums of money as kickbacks.

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[redacted] advised that [redacted]  
[redacted]

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[redacted] advised that [redacted] advised him that not all the contracts were fictitious and that [redacted] did provide services during the course of the last three years that were legitimate to GM and that he merely gave them the contract rather than other suppliers.

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[redacted] advised that [redacted] gave him signed statements outlining the entire scheme and the fact that both [redacted] were aware that they were not providing any supplies for billings from GM and then broke down the amounts of money that he received.

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Further, [redacted] advised that he has been involved with other dealings with a man by the name of [redacted] Deco Electrical Supply, 5247 Secor Road, Toledo, Ohio.

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[redacted] advised that [redacted] received contracts negotiated by he, [redacted] and that in return [redacted] received two garage doors, sod for his house, a shallow well pump, an attic fan and a complete fenced in yard, totaling about \$3,500 worth of merchandise.

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According to a memo dated February 6, 1984 by [redacted] advised the following: Accepted from \$40,000 to \$50,000 in kickbacks from Reese Fabricating, St. Louis, Missouri. [redacted] further identified at least 28 orders from Reese from which he received kickbacks. On the purchase orders in question, [redacted] advised on purchase order number T95667 for 500 MCM copper wire from Power Tech for \$8,060, he received a kickback of \$6,882. The wire was never delivered. On purchase order T95938 for 250 MCM copper wire from Power Tech for \$8,171.24, he received a kickback of \$3,300. The wire was never delivered. On purchase order number T95234 for 500 MCM copper wire from Reese for \$8,060, he received a kickback of \$4,000. The wire was never delivered. On purchase order number T96136 for 6,000 feet of copper wire from Reese for \$13,408.36, he received a kickback of \$8,000. The wire was never delivered.

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[redacted] advised [redacted] further indicated that in October, 1983, [redacted] Deco, provided him a loan of \$2,000 that he has not yet paid back.

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[redacted] advised that [redacted] further stated that in the summer of 1983 [redacted] of Toledo Electrical Supply contractor, [redacted] Kern Sodco, arranged for the following at no charge. [redacted] then reiterated the fact that [redacted] received the sod, well pump, etc., referenced above, from Kern Sodco for contracts.

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[redacted] advised [redacted] further had [redacted] sign out purchase orders when [redacted] was not in the plant, and a review of purchase orders signed out by [redacted]

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[redacted]  
indicates that he negotiated 16 purchase orders for [redacted] was not in the plant over the last three years.

[redacted] advised that [redacted] were good friends and that [redacted] had his [redacted] go to a [redacted] which was owned by [redacted] who is very close personally to [redacted] of Power Tech and along with [redacted] the other individual that had negotiated the above referenced purchase orders for materials not delivered.

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[redacted] advised that both [redacted] have been polygraphed twice by GM with [redacted] failing his polygraph exam and [redacted] also failing one of the polygraph exams. [redacted] stated that [redacted] is suspected of receiving gratuities from [redacted] for signing out purchase orders; however, [redacted] in interviews with GM security people denies ever paying [redacted] anything [redacted]

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[redacted] advised that he would make available to FBI all of the paperwork to date concerning this investigation and that currently [redacted] of [redacted] Toledo, Ohio for his legal counsel.

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[redacted] further advised that he has talked with [redacted] and [redacted] and made statements available to the FBI concerning those interviews regarding their business dealings with [redacted]

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The below items are the documents obtained from [redacted] of GM regarding the above investigation:

1. Memo dated January 6, 1984 from [redacted] to [redacted]
2. Memo from [redacted] dated January 6, 1984 to [redacted] Minneapolis, General Mills headquarters office.
3. Memo dated January 6, 1984 from [redacted] to [redacted] regarding investigation of supplier number 1 Power Tech and supplier number 2, Reese Panel Fabricating, and the conclusion thereof concerning four purchase orders

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[redacted]  
for purchases of wire that had been approved by [redacted]  
[redacted] for GM, Toledo, Ohio.

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4. Memo dated February 1, 1984 from [redacted]  
[redacted]  
incident with specific reference to individuals inter-  
viewed by him.

5. Memo dated February 6, 1984 from [redacted]  
with further review of investigation to date and memo of  
February 10, 1984 from [redacted] with a further update  
of investigation to date and the results of the polygraphs  
of both [redacted]

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6. Signed statement dated February 3, 1984 by  
[redacted] concerning [redacted]

7. Signed statement dated February 3, 1984 by  
[redacted] concerning [redacted]

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8. Signed statement dated February 3, 1984 by  
[redacted] concerning [redacted]

9. Signed statement dated February 3, 1984 by  
[redacted] concerning [redacted]

10. Signed statement by [redacted] concerning a  
[redacted]  
[redacted]  
This particular memo advised that [redacted]  
[redacted]

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11. Short signed statement dated February 3, 1984  
exonerating [redacted] of any involvement or knowledge of  
any arrangements with any vendors or contractors regarding  
the [redacted] situation.

12. Xerox copy of purchase order T95234 to Reese  
Company, St. Louis, Missouri, signed [redacted]

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13. Xerox copy of purchase order T95667 to Power  
Tech, Worthington, Ohio, signed [redacted]

14. Copy of purchase order T95938 to Power Tech,  
Worthington, Ohio, signed [redacted]

[redacted]  
15. Copy of purchase order number T96136 to  
Reese Panel Fabricating, St. Louis, Missouri, signed  
[redacted]

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Along with these purchase orders are all other paperwork that would be necessary to complete a purchase through the GM system in Toledo, Ohio, including invoices from the above referenced supplying companies, the amounts paid, and the dates delivered, etc. on the purchase orders. It should be noted that these are the purchase orders in question referenced above in the body of this FD-302.

16. Copy of a reference sheet signed by [redacted]  
[redacted] Reese Company, Incorporated, St. Louis,  
Missouri, dated November 21, 1980, regarding [redacted]  
[redacted]

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17. Two xerox copies of order quotes from [redacted]  
[redacted] that had been provided by [redacted]  
dated September 26, 1983 for two orders placed by [redacted]  
[redacted]

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18. Memo from [redacted] subject disbursements  
of money from GM to Reese Panel, Power Tech, Kern Sodco,  
and Deco. It should be noted that [redacted] is the [redacted]  
[redacted] and the individual that keeps track of  
expenditures from GM to outside suppliers.

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19. Xerox page of three business cards from [redacted]  
[redacted] supplied by [redacted]

20. Report from CHARLES YESCHKE & Associates,  
Minneapolis, Minnesota, regarding their polygraph examina-  
tions of [redacted]

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21. Handwritten statement taken on February 2,  
1984 from [redacted]

22. Report from Charles Yeschke & Associates dated  
February 11 regarding another polygraph exam given to [redacted]  
[redacted]

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Further provided to interviewing Agent from [redacted]  
was an original copy of a message reply from Power Tech,  
[redacted] provided to [redacted] regarding a conversation he  
had with [redacted] on January 23, 1984. [redacted] further

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CV 196A-1141

[REDACTED]

provided two copies of Reese Panel Fabricating invoices with dates of October 3, 1983 on them and advised these were given to him by [REDACTED] regarding business transactions with [REDACTED]. The numbers on the invoices are 6214 and 6215, respectively.

8

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/23/84

[redacted] 1250 Laskey Road, General Mills (GM), Toledo, Ohio, was apprised of the identity of the interviewing Agent and provided the following voluntary information:

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[redacted] advised that his position is that of [redacted] at the GM factory at 1250 Laskey Road, Toledo, Ohio, and he has been employed by GM in Toledo for approximately [redacted]

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[redacted] advised that he is responsible for the supervision and coordination of all financial and inventory activities of the GM plant. He further is involved in paying all the bills, handling all the payroll and stock inventory, and reports to the plant controller, [redacted]

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[redacted] advised that he is well aware of the investigation involving [redacted] who was employed at GM as that of an [redacted] advised that [redacted] had the authority as an [redacted] to order materials for projects that he was assigned to work on.

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[redacted] was then shown four purchase orders and subsequent GM paperwork that dealt with [redacted] orders and advised that he could explain the steps that were taken with regard to a typical purchase or requisition that was requested by [redacted] or someone in his position. For example, T95234 purchase order number dated August 9, 1983 was shown to [redacted] advised the first step would be for [redacted] to get a requisition for a purchase of a product. That would then be filled out and approved by either [redacted] [redacted] both employed at GM. From there [redacted] advised a purchase order would emanate from the requisition. He advised the purchase order number would then be assigned by the purchasing department to the requisition in question. For example, the particular requisition used for an illustration was to Reese Panel Fabricating (RPF) for material ordered by [redacted] which has thus attached to it a requisition and a purchase order number. [redacted] advised that if confirmed is stamped on the purchase order, it means that the order was verbally placed by phone before

b6  
b7CInvestigation on 2/16/84 at Toledo, Ohio File # Cleveland 196A-1141-by SA [redacted] Date dictated 2/21/84b6  
b7C

5A



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Continuation of interview of [REDACTED]

, Page 2

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the purchase order was sent to RPF.

[REDACTED] advised that this purchase order is signed by the purchasing assistant, [REDACTED] of GM and her initials are also on the requisition. [REDACTED] advised that she would assure that it has been approved before the purchase order is issued.

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[REDACTED] advised that a project code number appears on the paperwork and this number is 3727 and another number, C9013, is a number which relates to the budget of a particular project that has been assigned the project code.

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[REDACTED] advised that the policy for GM was that no bids were needed for requisitions of materials under \$10,000; however, he advised that this has been altered [REDACTED] and that number has now been changed to a higher amount. [REDACTED] advised that after the entire purchase order has been completed and the order has been filled and after payment is made, then that particular paperwork is put in the dead file which matches up to the particular project the requisition was for.

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[REDACTED] stated that a packing slip is then sent to GM by RPF or any other company sending the merchandise requisitioned and this is usually accompanying the materials when they are delivered. [REDACTED] advised that GM has a policy or requirement that all vendors send a packing slip with the material that is delivered to GM. This packing slip then is stamped when it is received in the storeroom and dated and initialed and then is referred back to the GM requisition; i.e., in this case, for the example number 6997.

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[REDACTED] said that when a phone order is sent in before a purchase order is sent, the person making the order, i.e., [REDACTED] would give Reese a requisition number over the phone when he sends in the order. [REDACTED] said this number is then matched to the paperwork at GM.

[REDACTED] advised that it is his understanding through the investigation that was conducted by internal security of GM that [REDACTED] from Reese by mail and then went to the store room and put the packing slip which did not accompany any material into the GM system. By that, [REDACTED] advised that it was put into the receiving tray and stamped duly by the people in the

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Continuation of interview of [REDACTED]

, Page 3

receiving room as having received the material in question. [REDACTED] advised that the people in the store room were not physically verifying the receipt of the material but rather taking [REDACTED] word that the material had been received and put somewhere in the plant or on the project site which might have been off sight from the plant.

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[REDACTED] advised the packing slip is used as a receiving report to prove the material had been received by GM and that a packing slip is then matched to the invoice from RPF which is then passed on the accounts payable clerk who would match it with receiving, stamp it the date received, and thus then move on to be paid. [REDACTED] advised that the block stamp that it appearing on the packing slip serves certain functions and are initialed off and used by the accounts payable clerk. [REDACTED] advised the block stamp shows the purchase order number on it; (2) the terms for the price which in some cases is discounted; 3) the gross amount with the discount and the net payment; 4) the price compared to the purchase order; 5) the quantity of material which would then be matched to the packing slip as being received; and 6) the invoice is then held for the project engineer, [REDACTED] to sign off on as being received, verified and approved.

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[REDACTED] advised that the project engineer authorizes the payment and they have authority and no invoice is paid without their signature. On the particular example in question, August 25 is stamped on the slip indicating paid. [REDACTED] advised a request for check for payment is then prepared by the accounts clerk which is finally approved by the plant controller who initials the request. In this particular example, [REDACTED] initialed the request for check to be paid. [REDACTED] advised then the bill was paid the next day out of Minneapolis which is done through a computer. [REDACTED] advised that voucher number 1801 shows the date of check and the amount paid.

[REDACTED] advised that he has pulled all of the requisitions and purchase orders initiated by [REDACTED] while his employ at GM and that [REDACTED] did a great deal of business with Power Tech, RPF, Kern Sodco, also called Kay Brothers, and Deco and Kiemle-Hankins. [REDACTED] advised that Deco and Kiemle-Hankins were both from Toledo, Ohio.

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Continuation of interview of [REDACTED]

, Page 4

[REDACTED] advised that not all purchases from these above companies were made by [REDACTED] however, the majority would have been with the exception of Kern Sodco which has done a great deal of business with GM over the past number of years. [REDACTED] advised that most of the Kern Sodco purchases were large purchases and were negotiated in the bid process.

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[REDACTED] advised that he has received an invoice dated January 17, 1984 from RPF for \$15,000 for materials that were ordered by [REDACTED] however, he has placed a stop on the payment of this because there was no purchase order put through by [REDACTED]

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[REDACTED] advised that he intercepted an envelope which was sent to GM with a Reese packing slip in it which had been sent personally to [REDACTED] on January 17, 1984 with an invoice dated January 16, 1984.

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[REDACTED] advised that his records indicate there are no orders from Power Tech other than purchases in 1983 and 1984 totaling \$16,496.

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[REDACTED] advised that he would provide interviewing Agent a copy of xerox checks which he would obtain from the main office in Minneapolis concerning the purchase orders in question regarding the [REDACTED] investigation from Power Tech and also RPF and would provide those to interviewing Agent as soon as he received them from Minneapolis.

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[REDACTED] further advised that he would separate all purchase orders and requisitions negotiated by [REDACTED] while employed at GM and divide those into the different companies the requisitions were directed to and keep those for interviewing Agent to review.

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FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ Airtel

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☒ UNCLAS E F T O  
☐ UNCLAS

Date 2/24/84

TO: SAC, ST. LOUIS  
 FROM: SAC, CLEVELAND (196A-1141) (TRA) (P)  
 SUBJECT: [REDACTED]

GENERAL MILLS, INCORPORATED,  
 TOLEDO, OHIO;  
 [REDACTED]

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Power Tech,  
 6463 Proprietors Road,  
 Worthington, Ohio;  
 [REDACTED]

Reese Panel Fabricating Company,  
 10712 Kahlmeyer Drive,  
 St. Louis, Missouri 63132;  
 FBW; MF

OO: CLEVELAND

Currently the FBI is investigating a large Fraud by Wire Mail Fraud scheme concerning above captioned subject, [REDACTED] employed as an [REDACTED] for General Mills in Toledo, Ohio and his business dealings with subjects, [REDACTED] Power Tech, 6463 Proprietors Road, Worthington, Ohio, and [REDACTED] Reese Panel Fabricating, 10712 Kahlmeyer Drive, St. Louis, Missouri.

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2 - St. Louis  
 2 - Cincinnati  
 2 - Cleveland

INDEX

Yes \_\_\_\_\_

NO \_\_\_\_\_

Searched \_\_\_\_\_

Serialized LORF

Indexed [REDACTED]

Filed [REDACTED]

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Approved: [REDACTED]

T

[REDACTED] (Time)

Per \_\_\_\_\_

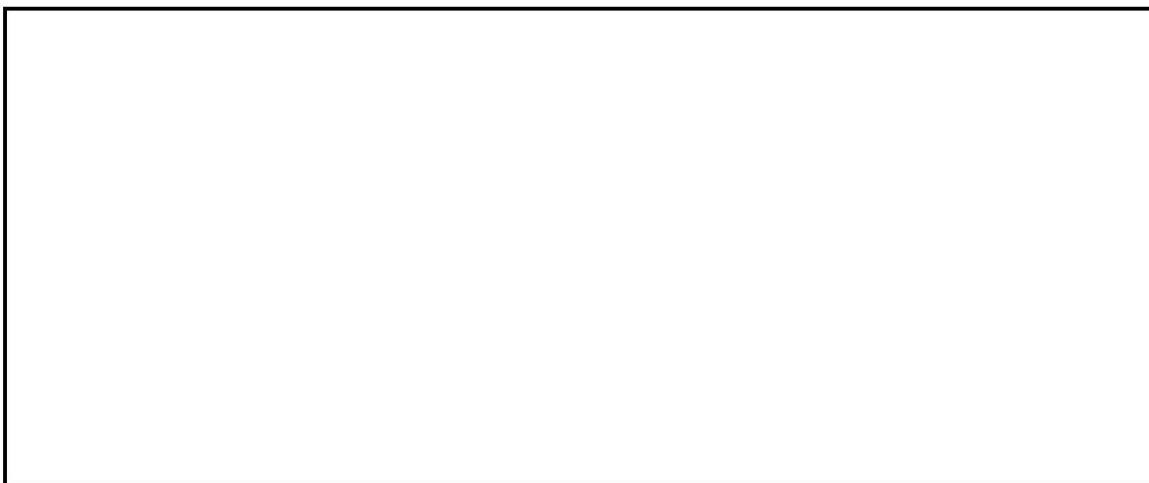
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During the period of 1982 and 1983, [ ] in conjunction with both [ ] and Reese Panel Fabricating and [ ] and Power Tech negotiated phony contracts with General Mills for approximately \$30,000.

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The \$30,000 represents the total amount paid by General Mills for two contracts from Power Tech and two contracts from Reese Panel and the monies were paid for materials that were never received.



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At the present time, the Toledo Resident Agency does not feel that [ ] of Reese Panel Fabricating in St. Louis, Missouri is aware of a Federal investigation into his activities in relation to General Mills and [ ] and [ ] prior to taking a job with General Mills in Toledo, Ohio and there is a strong possibility that [ ] has been in contact with [ ] however, as of yet, it has not been determined what [ ] has learned from [ ] regarding the investigation. [ ]

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[ ] The Toledo Resident Agency has all of the paperwork from General Mills security as well as interviews from General Mills executives and administrators regarding [ ] function at General Mills and will utilize that paperwork along with [ ] to pursue both [ ]

CV 196A-1141

[ ] has only been in contact with [ ] and Power Tech for the last two years; however, investigation has revealed that [ ] and [ ] already has retained a criminal lawyer in Toledo, Ohio so there is a strong indication that he is aware of an investigation into his activities with General Mills and some overtures have been made by his attorney through the U.S. Attorney's Office at Toledo, Ohio that [ ] will be cooperative. At this time, however, Toledo is assuming that [ ] has no knowledge of this investigation and all leads, both in St. Louis and in Worthington, Ohio, should be pursued with discretion.

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LEADS

CINCINNATI:

AT WORTHINGTON, OHIO.

Conduct a criminal and record check on [ ] Power Tech, 6463 Proprietors Road, Worthington, Ohio, as well as any and all background information available regarding [ ]

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ST. LOUIS:

AT ST. LOUIS, MISSOURI.

Conduct same lead as set forth in Cincinnati lead regarding [ ] Reese Panel Fabricating Company, 10712 Kahlmeyer Drive, St. Louis, Missouri, 63132.

Expeditious handling of the above leads is requested in that information concerning [ ] is extremely important in the future development of this case and how it will effect the issuing of subpoenas for Grand Jury [ ]

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In Reply, Please Refer to

File No. 196A-1141

## FBI CASE STATUS FORM

Date: 3/6/84

To: Honorable J. William Petro, United States Attorney, Northern District of Ohio, U.S. Customs and Courthouse Building, 1716 Spielbusch Avenue, Toledo, Ohio 43624  
(Name and Address of USA)

From: SAC Joseph E. Griffin, Cleveland  
(Name of Official in Charge and Field Division) (Signature of Official in Charge)

RE: [Redacted] (Name of Subject) [Redacted] Age [Redacted] Sex Male

You are hereby advised of action authorized by AUSA [Redacted]  
(Name of USA or AUSA)

on information submitted by Special Agent [Redacted] on March 5, 1984  
(Name) (Date)

(Check One)

- ☒ Request further investigation  
☐ Immediate declination  
☐ Filing of complaint  
☐ Presentation to Federal Grand Jury  
☐ Filing of information

For violation of Title 18, USC, Section(s) 1341, 1343

Synopsis of case: [Redacted] working as an [Redacted] for General Mills (GM), Toledo, Ohio.

The companies, Reese Panel Fabricating, St. Louis, Missouri, and Power Tech, Worthington, Ohio, owned respectively by [Redacted] conspired with [Redacted] to provide phony paperwork for wire orders totaling \$38,000. The wire was never shipped and the parties involved split the monies paid by GM. Further, [Redacted] has

1 - Addressee  
 1 - Cleveland (196A-1141)

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Yes ☒NO ☐Serialized [Redacted]Indexed [Redacted]

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1

On February 27, 1984, a National Crime Information Center (NCIC) leads record check was conducted on [redacted] Ohio, which listed [redacted] being described as follows:

Sex:	Male
Date of birth:	[redacted]
Height:	5'10"
Weight:	175 pounds
Hair:	Brown
Eyes:	Brown
Social Security Account Number:	[redacted]
Ohio driver's license number:	[redacted]
OLTOP Expiration:	[redacted]
Issued:	[redacted]
Status:	Valid.

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On February 29, 1984, Toledo Police Department (TPD), [redacted] advised that [redacted] has no record regarding her department.

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On February 29, 1984, Lucas County Sheriff's Office, [redacted] both advised no record regarding [redacted]

On February 29, 1984, Credit Bureau check conducted by [redacted] advised that [redacted] has been on record at the Toledo Credit Bureau since April, 1981. His current residence is listed as [redacted] Ohio, with previous address of [redacted] Ohio, and [redacted] Ohio. Records indicate he is employed by General Mills and has Social Security Account Number [redacted] and was born in [redacted]

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INDEX

Yes ☒

NO ☐

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SEARCHED	[redacted]	[redacted]
SERIALIZED	[redacted]	[redacted]
MAR 1984		
[redacted]		

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/22/84

[redacted] telephone number [redacted] Kern-Sodco, 818 Broadway, Toledo, Ohio, work telephone number 243-6332, appeared personally at the office of the Federal Bureau of Investigation (FBI), Toledo, Ohio, was apprised of the identity of the interviewing Agent and provided the following voluntary information:

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[redacted] advised he is a white male, date of birth [redacted] place of birth [redacted] Social Security Account Number [redacted]

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[redacted] advised he is [redacted] Kern-Sodco, an electrical contracting firm in Toledo, Ohio, [redacted]

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[redacted] advised that their business is industrial electrical contracting work and that they have done quite a bit of work for General Mills (GM) for the past eight to eight and one-half years.

[redacted] advised that the type of work they do deals with the installation of new power systems and maintenance and upgrading of existing power systems and any other type of electrical type work that a large factory or industrial type business would need.

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[redacted] advised that in his position [redacted] Kern-Sodco, he is continually in contact with their customers, one of which is GM. He advised that in that position, he is in contact with individuals who place orders and/or contracts for work provided by Kern-Sodco and in that position is how he met [redacted]

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[redacted] advised that approximately three years ago he was contacted by [redacted] who at that time held the position of [redacted] at GM to put a bid in on some materials that GM needed for a particular electrical job. [redacted] advised that over the course of the three years he became very friendly with [redacted] in that he and [redacted] were in continual contact regarding work between Kern-Sodco and GM.

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Investigation on 3/19/84 at Toledo, Ohio File # Cleveland 196A-1141-11

by SA [redacted] Date dictated 3/19/84

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Continuation of interview of \_\_\_\_\_

, Page 2

\_\_\_\_\_ advised that most of his contact with \_\_\_\_\_ was of a social business nature and not just a social nature. He advised \_\_\_\_\_ only met \_\_\_\_\_ once and that most of their contact or 90 percent of it was over lunches which he, \_\_\_\_\_ paid for.

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\_\_\_\_\_ advised that during the course of the three years that he has done work for GM, he gave the following items to \_\_\_\_\_ as gifts or gratuities:

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\_\_\_\_\_ advised that \_\_\_\_\_ never came right out and asked for these items but in the course of luncheon conversations \_\_\_\_\_ and \_\_\_\_\_ advised him that he would take care of them for him and bill him later. \_\_\_\_\_ advised that he never billed \_\_\_\_\_ for any of these items and was aware at that time that it was wrong and that he should not have given them to him but saw no real harm in it.

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\_\_\_\_\_ advised that at no time did he ever bill GM for any work that was not performed and that he feels during the course of the last eight years that he has done work for GM he has always given them top quality work for the project involved.

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\_\_\_\_\_ stated that he never has given \_\_\_\_\_ any personal monies and/or has he ever asked \_\_\_\_\_ for any jobs. \_\_\_\_\_ stated that \_\_\_\_\_ never pressed him to pay for any of these items and that he just let the billing of the items that he gave \_\_\_\_\_ slide.

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\_\_\_\_\_ advised that it is his opinion after being in the business for a number of years that this kind of behavior is very common in the industry and he realized it did not justify what he had done but he stated that many other companies do the same thing and it is almost a type of unwritten procedure that certain people in positions of power with regard to making decisions on bid letting and contracts are taken care of in a number of different ways.

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Continuation of interview of [REDACTED]

Page 3

[REDACTED] reiterated that these were the only items or gratuities that he ever gave to [REDACTED] and that he never gave him any cash nor any cash to any of his relatives for any contracts he received.

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[REDACTED] did advise that one advantage for some of the contracts that he received from [REDACTED] were the facts that he got to do these projects for time and materials rather than putting in a bid. He advised that the bid may be more lucrative in terms of percent of profit but that there was always competition with others whereby a time and material project would be strictly between he and GM and he would be assured of the job even though he may get less of a percent of a profit.

b6  
b7C

[REDACTED] advised that he and [REDACTED] had many talks over lunch concerning [REDACTED] personal situation and he knew that [REDACTED] was going through some difficult times domestically and that he also knew [REDACTED] spent a great deal of money. He advised that he did not quite understand how [REDACTED] could support three exotic cars, a house and children on the type of salary he was receiving; however, it was not up to him to question such types of expenditures in that he knew his [REDACTED] assumed that he may have inherited some money from that particular source.

b6  
b7C

[REDACTED] advised that he would be willing to cooperate further with the FBI if any further questions arose regarding his dealings with [REDACTED] and that he has not talked to [REDACTED] since he contacted GM early in January and found out that [REDACTED] was no longer employed there.

b6  
b7C

[REDACTED] further advised that he has not paid or given any gratuities to anyone else at GM nor any other company that he deals with and this was strictly a situation that he negotiated with he and [REDACTED] and was a one of a kind type negotiation. [REDACTED] advised that the total amount of gratuities and/or items that he gave [REDACTED]

b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/22/84

[redacted] Deco Electric Supply, b6  
5247 Secor Road, Toledo, Ohio, 43623, was apprised of the b7C  
identity of the interviewing Agents and provided the  
following voluntary information:

[redacted] advised that he is [redacted] of Deco  
Electrical Supply and that he can be contacted at [redacted]  
[redacted] telephone number [redacted] pager number [redacted]  
He advised that his home address is [redacted]  
Ohio, home telephone [redacted]

b6  
b7C

[redacted] advised that [redacted]  
[redacted] Deco Electric Supply [redacted]  
Prior to that, [redacted]  
[redacted] as an electrical supply salesman.

b6  
b7C

[redacted] advised that he knows [redacted] and  
has known him for approximately [redacted] He advised  
he became acquainted with [redacted] because of his calling on  
General Mills (GM) for different contracts related to elec-  
trical supply sales. [redacted] advised that he has called  
on GM for approximately [redacted] in his position as an  
electrical supply person for [redacted] and asked GM  
to transfer their business to him [redacted]

b6  
b7C

[redacted] advised that he dealt with [redacted] a lot  
when he worked for [redacted] advised him  
that he would [redacted]

b6  
b7C

[redacted] advised that there are approximately 10  
electrical suppliers in the Toledo market place and that it  
is quite a competitive business in that there is a large  
number of industrial companies and businesses that need  
electrical supplies.

b6  
b7C

[redacted] advised [redacted] particular company deals  
mainly with industrial and industrial maintenance type elec-  
trical engineering products and does not deal with residential  
or commercial electrical supplies.

b6  
b7CInvestigation on 3/16/84 at Toledo, OhioFile # Cleveland 196A-1141-12

SA's [redacted]

by

Date dictated 3/19/84b6  
b7C

CV 196A-1141

Continuation of interview of [REDACTED]

, Page 2

[REDACTED] advised that since the time he has become acquainted with [REDACTED] Deco, he only has received four to five different orders. One was for approximately \$300, another was for approximately \$1,500 to \$2,000 for building wire, a third was a cable tray order for approximately \$8,000 to \$9,000, and another order was for approximately \$100 for light fixtures.

b6  
b7C

[REDACTED] advised that he has had dinner socially with [REDACTED] one time and other than that, all of their encounters have been social-business related and not strictly social. He did state, however, that he lived approximately three to four blocks from [REDACTED] and that he and [REDACTED] became friendly due to their close geographic proximity and one time [REDACTED]

b6  
b7C

[REDACTED] advised the purpose of this was for [REDACTED]  
[REDACTED]

[REDACTED] advised that other than that, he has socialized only with [REDACTED] in terms of business; i.e., golf outings and lunch, and that he and [REDACTED] did not make a habit of personal socialization with [REDACTED]  
[REDACTED]

b6  
b7C

[REDACTED] advised that in November, [REDACTED] asked him if he could borrow from him \$2,000 which [REDACTED] agreed to do and has as of this date not paid back the \$2,000 loan. [REDACTED] advised that he felt sorry for [REDACTED] because of his domestic problems and knew that [REDACTED] had deep financial problems and felt that the \$2,000 would help him.

b6  
b7C

[REDACTED] advised that he is familiar with [REDACTED] [REDACTED] Power Teck, Worthington, Ohio, and that they do business together but they are not social acquaintances. He advised he has known [REDACTED] for approximately [REDACTED] and met [REDACTED] through his association, his meaning [REDACTED] with Kiemle-Hankins. [REDACTED] advised that [REDACTED] is a factory rep for electrical manufacturers and has a number of different companies that he represents in terms of what they sell. He advised that he met [REDACTED] through Kiemle-Hankins and then when he, [REDACTED] he maintained his relationship with [REDACTED] in hopes of obtaining business from him.

b6  
b7C

CV 196A-1141

Continuation of interview of [redacted]

Page 3

[redacted] advised that he is aware that [redacted] has done business with GM and [redacted] and that he is also aware that [redacted] has had some problems with GM concerning some wire.

b6  
b7C

[redacted] advised that early in January [redacted] called him in an emergency type call from Worthington, Ohio. [redacted] advised he remembers the call because he was over at the Edison Building in downtown Toledo conducting some business when his office contacted him and said that [redacted] was trying to get a hold of him. He advised that he contacted [redacted] told him that he was involved in a mixup with GM concerning some wire that had been ordered, and would [redacted] agree to let the GM people look in his warehouse at some cable that he had and tell them that that cable which was KX cable was the cable that [redacted] had been holding for the GM order.

b6  
b7C

[redacted] advised that he told [redacted] that he did not want to do this because it was not true and that the KX cable that he had was not in fact cable that had been ordered in terms of what [redacted] had been referring to and that he had just been holding it there and that it was not really GM cable.

b6  
b7C

[redacted] advised that he did have some cable there that was a special type of KX cable that had been put there by [redacted] however, it was not at all connected with the situation that [redacted] had discussed with him over the phone.

b6  
b7C

[redacted] advised when he got back to his office later that afternoon, people from GM showed up and wanted to see cable that supposedly he had for [redacted] that was tied in with [redacted]. He advised he showed them the KX cable but told them he did not believe that was the same cable that they were referring to in terms of cable ordered by [redacted] placed there by [redacted].

b6  
b7C

He advised he was very angry about the way that he thought that [redacted] was using him in terms of trying to stall for time and called [redacted] back and told him that he did not want any part of his story concerning holding any cable for [redacted] told him not to worry about it and that there was just a big misunderstanding and that he would handle it.

b6  
b7C

CV 196A-1141

Continuation of interview of [REDACTED]

Page 4

[REDACTED] stated that he did not tell the GM people about his phone call from [REDACTED] setting up a story to tell the GM people if he had been questioned and he did not tell them the story on January 6 when he was called to GM to go over purchase orders and try to figure out if in fact the cable at his warehouse was really the cable ordered by [REDACTED]

b6  
b7C

[REDACTED] advised when he went to GM for an interview and to go over these purchase orders is when he realized that [REDACTED] was indeed involved with this scheme as was [REDACTED]. He also advised that he then began to understand why it would have been important for [REDACTED] to tell them where there was a place that the so-called wire was stored.

b6  
b7C

[REDACTED] advised that his records indicate that no wire was ever shipped by [REDACTED] and Power Tech and stored at his warehouse that would fit the [REDACTED] situation and that that was fabricated by [REDACTED] putting him in the middle. He advised that the GM people, [REDACTED] looked at the cable at his warehouse and realized that it was not the cable that was called for in the purchase orders. [REDACTED] advised that was all the cable he had at the Deco warehouse, thus he could not help them. He advised that since that time he has not done any business with GM and he believes that [REDACTED] is principally responsible for this by bringing his name into the story as being involved with [REDACTED] in the storage of the so-called cable.

b6  
b7C

[REDACTED] advised that [REDACTED]

[REDACTED]

b6  
b7C



FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ Airtel

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 3/26/84TO:            SAC, CLEVELAND (196A-1141) (TRA)FROM:            SAC, CINCINNATI (196A-1068) (RUC)b6  
b7C

            
 ET AL;  
 FBW; MF  
 OO: CV

Re Cleveland airtel to St. Louis, dated 2/24/84.

On 3/12/84,            Clerk, Corporate Records Section, Secretary of State's Office, 30 East Broad Street, Columbus, Ohio, was personally contacted, and she advised she could locate no record of POWER TECH being incorporated in the state of Ohio.

b6  
b7C

On 3/14/84, a search of the computerized records of the Law Enforcement Automated Data System (LEADS) for any driver's license information, vehicle registration, and criminal history for            revealed no vehicles registered to            and no criminal history in the state of Ohio. However, driver's license information showed one

b6  
b7C

           Ohio, date of birth            5'11" tall, 150 pounds, mixed hair, brown eyes. SSAN            had issued to him Ohio license number           . There was no other information in the computerized records to reflect a            currently being issued an Ohio driver's license.

b6  
b7C

On 3/14/84,            Credit Reporter, Credit Bureau of Columbus, Inc., Columbus, Ohio, was personally contacted, and she advised she located the following account in her files. However, inasmuch as no identifying background data available for            it is not known whether this account is identifiable with            subject in this case.

② - Cleveland  
 2 - Cincinnati

(4)

Approved:            Transmitted            (Number) (Time)

Per           

MAR 28 1984

b6  
b7C



CI 196A-1068

[redacted] and [redacted] address [redacted]  
[redacted] Ohio, SSAN [redacted] has been in the files of the  
Credit Bureau since August, 1967, under identification number [redacted]  
It is noted the [redacted] have accounts with BANCOHIO NATIONAL BANK, STANDARD  
OIL, and LAZARUS DEPARTMENT STORE. All accounts are paying as agreed with  
no derogatory information in file.

b6  
b7C

On 3/22/84, a check of the computerized records of LEADS  
for driver's license information under SSAN [redacted] revealed the  
following information:

Name	[redacted]
Address	[redacted]
	[redacted] Ohio
DOB	[redacted]
Height	6'
Weight	195 pounds
Hair	Gray
Eyes	Blue
Ohio License Number	[redacted] issued 4/29/83, expires 4/5/87, status valid, restrictions none

b6  
b7C

On the dates indicated, the following listed persons were  
contacted and could locate no record in their respective files identifiable  
with [redacted]

March 20, 1984

[redacted]  
Records Clerk, Records Section  
Columbus Police Department  
Columbus, Ohio

b6  
b7C

March 22, 1984

[redacted]  
Records Clerk, Records Section  
Franklin County Sheriff's Office  
Columbus, Ohio

CI 196A-1068

March 22, 1984

Records Clerk, Records Section  
Worthington Police Department  
Worthington, Ohio

b6  
b7C

As no further investigation remains in the Cincinnati Division,  
this matter is being RUC'd.

FBI

TRANSMIT VIA:

- ☐ Teletype  
☐ Facsimile  
☒ AIRTEL

PRECEDENCE:

- ☐ Immediate  
☐ Priority  
☐ Routine

CLASSIFICATION:

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

Date 3/22/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, ST. LOUIS (196A-821) (RUC)

GENERAL MILLS, INCORPORATED,  
 TOLEDO, OHIO;

b6  
 b7C

Power Tech,  
 6463 Proprietors Road,  
 Worthington, Ohio;

Reece Panel Fabricating Company,  
 10712 Kahlmeyer Drive,  
 St. Louis, Missouri 63132;  
 FBW;  
 MF;  
 OO: CLEVELAND

Re Cleveland airtel to St. Louis, dated 2/24/84.

Indices and criminal check at St. Louis proved  
 negative regarding [redacted] business, the REECE  
 PANEL FABRICATING COMPANY.

b6  
 b7C

The following descriptive information of [redacted]  
 is furnished to Cleveland for indexing purposes:

Name:  
 Sex:  
 Race:  
 Date of Birth:  
 Social Security  
 Account Number:  
 Address:

Male  
 Unknown

b6  
 b7C

2-Cleveland  
 1-St. Louis

(3)

Approved: [redacted]

Transmitted 1  
 (Number)

ARCHIVE  
 SERIALIZ  
 Per

MAR 30 1984

b6  
 b7C

SL 196A-821

Business:

[REDACTED] REECE PANEL  
FABRICATING COMPANY,  
10712 Kahlmeyer,  
St. Louis, Missouri 63132

b6  
b7C

In addition to the above mentioned information, a review of the "Missouri Directory of Manufacturing and Mining", at the ST. LOUIS CITY PUBLIC LIBRARY, determined that the REECE PANEL FABRICATING COMPANY is in the business of manufacturing custom electrical and instrument panels.

[REDACTED] the company, which employees a total of six individuals; five male and one female. This was the only information the St. Louis Office was able to uncover regarding [REDACTED] business.

b6  
b7C

Inasmuch as no further leads are outstanding by the St. Louis Division at this time, this matter is being placed in an RUC status.

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date 4/4/84

From : SA [redacted]

b6  
b7C

Subject: [redacted]

ET AL;  
FBW; MF

OO: CLEVELAND

On 3/29/84, case Agent, SA [redacted]  
received from [redacted] of General Mills,  
Incorporated (GM), [redacted]

b6  
b7C  
b7E

[redacted] in reference to the [redacted] case.

[redacted] advised that [redacted]

Also included with this letter is a memo to [redacted]  
[redacted] It should  
be noted that this is a xerox of an original memo which  
states that [redacted]

b6  
b7C  
b7E

The memo goes on to state that [redacted]

[redacted]  
[redacted] The memo fur-  
ther states that it was [redacted]

b6  
b7C  
b7E

The memo ends by saying [redacted]

b6  
b7C  
b7E

INDEX

Yes

NO

196A-1141-17  
SER.

APR 4 1984

b6  
b7C

CV 196A-1141

The two documents in question have been block stamped and placed in the 1-A section of this case file.

FBI

TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

CLASSIFICATION:

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

Date 4/6/84

TO: SAC, ST. LOUIS (196A-821)  
FROM: SAC, CLEVELAND (196A-1141) (TRA) (P)  
SUBJECT: [REDACTED]

GENERAL MILLS, INC.,  
TOLEDO, OHIO;

[REDACTED]  
Power Tech,  
6463 Proprietors Road,  
Worthington, Ohio;

[REDACTED]  
Reece Panel Fabricating Company,  
10712 Kahlmeyer Drive,  
St. Louis, Missouri 63132;  
FRAUD BY WIRE; MAIL FRAUD  
OO: Cleveland

b6  
b7C

Re Cleveland airtel to St. Louis and Cincinnati,  
2/24/84; St. Louis airtel to Cleveland, 3/22/84; Cincinnati  
airtel to Cleveland, 3/26/84; Toledo RA telephone call  
to St. Louis, Supv. [REDACTED] WCC Squad, 4/4/84.

b6  
b7C

Enclosed for the St. Louis Division and for the  
Cincinnati Division are self-explanatory subpoena duces  
tecums for [REDACTED]

b3  
b6  
b7C

Also enclosed for receiving offices are copies of  
FD-302s reflecting interview of [REDACTED]  
of General Mills, Toledo, Ohio.

b6  
b7C

2 - St. Louis (Enc. 10) (RM)  
2 - Cincinnati (196A-1068) (Enc. 8) (RM)  
2 - Cleveland

Searched [REDACTED]

Serialized [REDACTED]

Indexed [REDACTED]

Filed [REDACTED]

b6  
b7C

Transmitted [REDACTED]

(Number)

(Time)

Per [REDACTED]

196A-1141-18

CV 196A-1141



b6  
b7C  
b7E

The FD-302s enclosed should provide a very adequate background for receiving offices concerning the scheme [redacted] perpetrated while employed at General Mills in Toledo, Ohio, in conjunction with subjects [redacted] of Worthington, Ohio, and [redacted] [redacted] of St. Louis, Missouri.

b6  
b7C



b6  
b7C  
b7E

[redacted] of St. Louis, Missouri, was involved in paying kickbacks to [redacted] from his inception of employment at General Mills until January of 1984.

b6  
b7C  
b7E



b6  
b7C  
b7E

At the present time, the Toledo Office of the FBI has adequate information for indictments regarding the phony wire orders that were conducted by [redacted] [redacted] at the end of 1983.

b6  
b7C

U. S. Attorney, Northern District of Ohio - Western Division, however, also plans to attempt to prosecute [redacted] re the payment of the \$70,000 in kickbacks to [redacted] from 1981 until 1984.



CV 196A-1141

At the present time, [redacted] has a criminal attorney in Toledo, Ohio, and has refused to be interviewed by the FBI.



b6  
b7C  
b7E

It should be noted for the St. Louis Division that in the FD-302s, [redacted] indicates that [redacted] was



b6  
b7C  
b7E

LEADS

CINCINNATI:

AT [redacted]

Expeditionously serve enclosed subpoenas to the appropriate offices re the request for [redacted]



[redacted] Do not attempt to interview [redacted] or provide him any information regarding this investigation.

b3  
b6  
b7C

ST. LOUIS:

AT [redacted]

1. Expeditionously serve the enclosed subpoenas concerning [redacted]



b3  
b6  
b7C

2. Using the background information obtained in the enclosed FD-302s, and the copies of the contracts from General Mills and the cancelled checks from General Mills, attempt to interview [redacted] regarding his business dealings with [redacted] employed at General Mills in Toledo, Ohio.

b6  
b7C

[redacted]

b6  
b7C  
b7E

Also, question [redacted] with regard to ever retaining [redacted] as an employee of his during the time of [redacted] while [redacted] was employed at [redacted]

b6  
b7C  
b7E

[redacted]

3. Utilization of the information concerning [redacted] companies in St. Louis prior to [redacted] left to the discretion of the St. Louis Division.

b6  
b7C  
b7E

CLEVELAND:

AT TOLEDO, OHIO

Investigation continuing.

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court		DISTRICT Northern District of Ohio, Western Division
TO:	<div style="border: 1px solid black; width: 480px; height: 60px;"></div>	SUBPOENA FOR <div style="border: 1px solid black; width: 200px; height: 40px;"></div>

YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury in the above entitled case. b3

PLACE Room 307 United States Courthouse 1716 Spielbusch Avenue Toledo, Ohio 43624	COURTROOM
	DATE AND TIME <div style="border: 1px solid black; width: 150px; height: 30px;"></div>

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):<sup>(1)</sup>

b3  
b6  
b7C

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK James S. Gallas	DATE April. 4, 1984
(BY) DEPUTY CLERK <i>Debora MacDonell</i> Debora MacDonell	

This subpoena is issued on application of the United States of America by:

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

Assistant United States Attorney  
307 U. S. Courthouse  
Toledo, OH 43624

b6  
b7C

1) If not applicable, enter "none."

196A-1141-19

SUBPOENA TO TESTIFY BEFORE GRAND JURY

<b>United States District Court</b>		<b>DISTRICT</b> Northern District of Ohio, Western Division	
<b>TO:</b>		<b>SUBPOENA FOR</b>	
<p>YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, <span style="float: right;">b3</span> date, and time specified below to testify before the Grand Jury in the above entitled case.</p>			
<b>PLACE</b>  Room 307 United States Courthouse 1716 Spielbusch Avenue Toledo, OH 43624		<b>COURTROOM</b>  	
		<b>DATE AND TIME</b> 	
<p>YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):<sup>(1)</sup></p> <div style="border: 1px solid black; height: 100px; width: 100%; margin-top: 10px;"></div> <div style="text-align: right; margin-top: 20px;"> <span style="display: block;">b3</span> <span style="display: block;">b6</span> <span style="display: block;">b7C</span> </div>			
<input type="checkbox"/> Please see additional information on reverse			
<p>This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.</p>			
<b>CLERK</b>  James S. Gallas		<b>DATE</b>  April 4, 1984	
<b>(BY) DEPUTY CLERK</b> <i>Deborah MacDonell</i> Debora MacDonell			
This subpoena is issued on application of the United States of America by:		<b>NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY</b> <div style="border: 1px solid black; height: 20px; width: 100%; margin-bottom: 5px;"></div> Assistant United States Attorney <span style="float: right;">b6</span> 307 U. S. Courthouse <span style="float: right;">b7C</span> Toledo, OH 43624 <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	

1) If not applicable, enter "none."

196A-1141-20

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court		DISTRICT Northern District of Ohio, Western Division	
TO:		SUBPOENA FOR	
YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury in the above entitled case.			
PLACE		COURTROOM	b3 b6 b7C
Room 307 United States Courthouse 1716 Spielbusch Avenue Toledo, OH 43624		DATE AND TIME	
YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s): <sup>(1)</sup>			
b3 b6 b7C			
<input type="checkbox"/> Please see additional information on reverse			
This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.			
CLERK		DATE	
James S. Gallas		April 4, 1984	
(BY) DEPUTY CLERK			
Debora MacDonell			
This subpoena is issued on application of the United States of America by:		NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY	
		Assistant United States Attorney 307 U. S. Courthouse Toledo, OH 43624	
		b6 b7C	

1) If not applicable, enter "none."

196A-1141-21

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court		DISTRICT Northern District of Ohio, Western Division	
TO:		SUBPOENA FOR <div></div>	
<p>YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury in the above entitled case. b3</p>			
PLACE Room 307 United States Courthouse 1716 Spielbusch Avenue Toledo, OH 43624		COURTROOM <div></div>	
		DATE AND TIME <div></div>	
<p>YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):<sup>(1)</sup></p> <div></div> <p>b3 b6 b7C</p>			
<input type="checkbox"/> Please see additional information on reverse			
<p>This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.</p>			
CLERK James S. Gallas		DATE April 4, 1984	
(BY) DEPUTY CLERK: <i>Debora MacDonell</i> Debora MacDonell			
This subpoena is issued on application of the United States of America by:		NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY <div></div> Assistant United States Attorney 307 U. S. Courthouse Toledo, OH 43624 <div></div> b6 b7C	

1) If not applicable, enter "none."

196A-1141-22

Routing Slip  
FD-4 (Rev. 4-20-81)

Date 4/11/84

To: ☐ Director

Att.: \_\_\_\_\_

FILE # 196 A 1141

Title \_\_\_\_\_

- ☐ SAC \_\_\_\_\_  
☐ ASAC \_\_\_\_\_  
☐ Supv. \_\_\_\_\_  
☐ Agent \_\_\_\_\_  
☐ SSS \_\_\_\_\_  
☐ Rotor # \_\_\_\_\_  
☐ Steno \_\_\_\_\_  
☐ Typist \_\_\_\_\_  
☐ M \_\_\_\_\_  
Room \_\_\_\_\_

RE: Serializing

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Acknowledge                              | <input type="checkbox"/> For Information                               | <input type="checkbox"/> Return assignment card                      |
| <input type="checkbox"/> Assign <input type="checkbox"/> Reassign | <input type="checkbox"/> Handle  | <input type="checkbox"/> Return file <input type="checkbox"/> serial |
| <input type="checkbox"/> Bring file                               | <input type="checkbox"/> Initial & return                              |  |
| <input type="checkbox"/> Call me                                  | <input type="checkbox"/> Leads need attention                          | <input type="checkbox"/> Return with action taken                    |
| <input type="checkbox"/> Correct                                  | <input type="checkbox"/> Open case                                     | <input type="checkbox"/> Return with explanation                     |
| <input type="checkbox"/> Deadline _____                           | <input type="checkbox"/> Prepare lead cards                            | <input type="checkbox"/> Search and return                           |
| <input type="checkbox"/> Delinquent                               | <input type="checkbox"/> Prepare tickler                               | <input type="checkbox"/> See me                                      |
| <input type="checkbox"/> Discontinue                              | <input type="checkbox"/> Recharge file <input type="checkbox"/> serial | <input type="checkbox"/> Type  |
| <input type="checkbox"/> Expedite                                 |  |  |
| <input type="checkbox"/> File                                     | <input type="checkbox"/> Send to _____                                 |  |

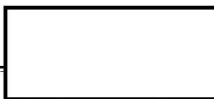
*Please serializing this  
to file.*

*thob*

*XXX*



b6  
b7C

SAC 

Office Tolado

See reverse side

File - Serial Charge Out  
FD-5 (Rev. 6-17-70)

File 196A-1141 Date 88

Class.

Case No.

Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

Serial No.	Description of Serial	Date Charged
23	Subpoena	8/16
24	11	
28		
54		
66		

b3  
b6  
b7C

RECHARGE

Date \_\_\_\_\_

To \_\_\_\_\_ From \_\_\_\_\_

Initials of Clerk {

Date {

Date charged

Employee

Location



FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ Airtel

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS  
Date 4/18/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, CINCINNATI (196A-1068) (P)

CHANGED INTEROFFICE

[REDACTED]

96-1141 196-1141-5A

General Mill, Inc.,  
Toledo, Ohio.

[REDACTED]

Power Tech, 196-1141 196-1141-5  
341 Enterprise Drive,  
Westerville, Ohio;

[REDACTED]

Reese Panel Fabricating Company,  
 10712 Kahlmeyer Drive,  
 St. Louis, Missouri, 63132;  
 FBW; MF  
 OO: CV

b6  
 b7C

Title marked "Changed Interoffice" to reflect the new address  
 of Power Tech as 341 Enterprise Drive, Westerville, Ohio.

Re Cleveland airtel to St. Louis, 4/6/84.

Enclosed for the Cleveland Division are return copies of two  
 subpoena duces tecums, served on [REDACTED]

b3  
 b6  
 b7C

On 4/16/84, [REDACTED]

[REDACTED] was served with a subpoena for [REDACTED]

b3  
 b6  
 b7C

2 - Cleveland (Encs. 2) [REDACTED] rec'd [REDACTED]  
 2 - Cincinnati  
 [REDACTED]  
 (4)

196A-1141-25  
 SEARCHED  
 SERIALIZED

APR 19 1984

b6  
 b7C

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_  
 (Number) (Time)

CI 196A-1068

On 4/16/84, investigation at 6463 Proprietors Road, Worthington, Ohio, revealed that POWER TECH was no longer located at that address. Further inquiry revealed this company had moved to a newly completed warehouse complex in Delaware County, Ohio. at 341 Enterprise Drive, Westerville, Ohio.

On 4/16/84, [redacted] was located at [redacted]  
and served with a subpoena for [redacted]  
[redacted]

b3  
b6  
b7C

LEADS:

CINCINNATI DIVISION

AT COLUMBUS, OHIO

Will obtain subpoenaed [redacted]  
[redacted]

b3  
b6  
b7C

x Airtel

4/20/84

TO: SAC, ST. LOUIS (196A-821)  
FROM: SAC, CLEVELAND (196A-1141) (TRA) (P)  
SUBJECT: [REDACTED]

GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;

[REDACTED]  
Power Tech,  
6463 Proprietors Road,  
Worthington, Ohio;

b6  
b7C

[REDACTED]  
Reese Panel Fabricating Company,  
10712 Kahlmeyer Drive,  
St. Louis, Missouri 63132;  
FBW; MF

OO: CLEVELAND

Re Cleveland airtel to St. Louis, 4/6/84.

Enclosed for St. Louis Division is a self-explanatory  
subpoena duces tecum for [REDACTED]

b3

The enclosed subpoena duces tecum is to replace the  
prior subpoena duces tecum that was sent to the St. Louis  
Division regarding referenced airtel of 4/6/84.

AUSA [REDACTED] United States Attorney's Office,  
Toledo, Ohio, has been in telephonic contact with [REDACTED]  
[REDACTED] regarding the  
enclosed subpoena and [REDACTED]

b3  
b6  
b7C

2 - St. Louis (Enc. 2) [REDACTED]  
2 - Cleveland

[REDACTED]  
(4)

[REDACTED]  
b6  
b7C

196A-1141-26

CV 196A-1141

LEADS

ST. LOUIS:

AT ST. LOUIS, MISSOURI.

Expeditionously serve the enclosed subpoena duces  
tecum concerning [REDACTED]

b3  
b6  
b7C

CLEVELAND:

AT TOLEDO, OHIO.

Investigation continuing.

4/18/84

TO: DIRECTOR, FBI

SAC, CINCINNATI

ET AL;  
FBW; MF  
OO: CV

b6  
b7C

Bureau File Number  
196A-1068  
Field Office File Number  
3930  
Squad or RA Number

- ☐ - X if a joint FBI/DEA (or other Federal Agency \*\*) operation.  
☐ - X if case involves corruption of a public official (Federal, State or Local).

Investigative Assistance or Techniques Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? ☒ No ☐ Yes - If Yes, rate each used as follows:  
1 = Used, but did not help  
2 = Helped, but only minimally  
3 = Helped, substantially  
4 = Absolutely essential

1. Acctg Tech Assistance	Rating	6. ELSUR - Title III	Rating	11. Lab Div Field Support	Rating	16. Show Money Rating Usage
2. Aircraft Assistance		7. Hypnosis Assistance		12. Pen Registers		17. Surveill. Sqd Asst
3. Computer Assistance		8. Ident Div Assistance		13. Photographic Coverage		18. SWAT Team Action
4. Consensual Monitoring		9. Informant Information		14. Polygraph Assistance		19. Telephone Toll Records
5. ELSUR - FISC		10. Lab Div Exams		15. Search Warrants Executed		20. Undercover Operation
						21. Visual Invest. Analysis (VIA)

A. Preliminary Judicial Process (Number of subjects)	Complaints	Informations	Indictments	D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP)				
B. Arrests, Locates, Summonses & Subpoenas (No. of subjects)	Subject Priority (See Reverse)			Property or PELP Type Code *	Recoveries	Restitutions	Court Ordered Forfeitures	Potential Economic Loss Prevented
	A	B	C					
	FBI Arrests -				\$	\$	\$	\$
	FBI Locates -				\$	\$	\$	\$
	Number of Subjects of FBI Arrests Who Physically Resisted _____				\$	\$	\$	\$
Number of Subjects of FBI Arrests Who Were Armed _____				\$	\$	\$	\$	
Criminal Summons _____ Subpoenas Served 1				\$	\$	\$	\$	
C. Release of Hostages: (Number of Hostages Released)				E. Civil Matters		Government Defendant		Government Plaintiff
Hostages Held By Terrorists _____; All Other Hostage Situations _____				Amount of Suit		\$		\$
				Settlement or Award		\$		\$
								Enter AFA Payment Here

F. Final Judicial Process: Judicial District		District 1 State		(Use two letter state abbreviations per U.S. Post Office Guide. For Example - The Northern District of Texas as ND TX; The District of Maine as ME in the state held only.)									
Subject 1 - Name -		Subject's Description Code *											
<input type="checkbox"/> Pretrial Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	- Convictions - Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			In-Jail Term		Suspended		Probation		Fine	
			Title	Section	Counts	Yrs	Mos	Yrs	Mos	Yrs	Mos		
Subject 2 - Name -		Subject's Description Code *											
<input type="checkbox"/> Pretrial Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	- Convictions - Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			In-Jail Term		Suspended		Probation		Fine	
			Title	Section	Counts	Yrs	Mos	Yrs	Mos	Yrs	Mos		
Subject 3 - Name -		Subject's Description Code *											
<input type="checkbox"/> Pretrial Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	- Convictions - Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction			In-Jail Term		Suspended		Probation		Fine	
			Title	Section	Counts	Yrs	Mos	Yrs	Mos	Yrs	Mos		

Attach additional forms if reporting final judicial process on more than three subjects.

Remarks:

Subpoena served 4/16/84 on [redacted] in Toledo, Ohio, at request of Cleveland Division.

3 - Bureau  
3 - Field Office

① - Cleveland (196A-1141)  
(2 - 196A-1068) (1 - 66-1355A)

\*\* See codes on reverse side. Subject description codes in Section 4 are required only when reporting a conviction.

\*\* Identify the other Federal Agency(ies) in the Remarks Section.

(6)

b6  
b7C

FBI/DOJ

# Property Type Codes\*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

# Potential Economic Loss Prevented (PELP) Type Codes\*

Code No	Description
21	Blank Negotiable Instruments or Tickets
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft From, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

\*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

## Subject Description Codes \*

- Enter Description Code Only When Reporting a Conviction -

### Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

### Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

### Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

### Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

### Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

### Government Official Or Employees:

- 6A Federal - Elected Official
- 6B Federal - Nonelected Executive Level
- 6C Federal - All Other
- 6D State - Elected Official
- 6E State - Nonelected Executive Level
- 6F State - All Other
- 6G Local - Elected Official
- 6H Local - Nonelected Executive Level
- 6J Local - All Other

### Bank Officers Or Employees:

- 7A Bank Officer
- 7B Bank Employee

### All Others:

- 8A All Other Subjects (not fitting above categories)

\*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

## Instructions

### Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

### Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the "Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

### Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

### Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

### Investigative Assistance or Techniques (IATs) Used:

-Since more than one IAT could have contributed to the accomplishment, each IAT must be rated.

-The IAT used must be rated each time an accomplishment is claimed. (For example - If informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

SAC, CLEVELAND (196A-1141) (TRA) (P)

4/26/84

SA [REDACTED]

b6  
b7C

[REDACTED]  
ET AL;  
FBW; MF

OO: CLEVELAND

On 4/23/84, AUSA [REDACTED] Northern District of Ohio, Western Division, telephonically contacted writer concerning above captioned case.

b3  
b6  
b7C

[REDACTED] advised that the Federal Grand Jury scheduled for [REDACTED] had been rescheduled for [REDACTED] and asked writer to [REDACTED]

SA [REDACTED] then contacted [REDACTED]

b3  
b6  
b7C

[REDACTED] regarding the above change in date.

It also should be noted that on 4/23/84 a new subpoena duces tecum was facsimilied to the St. Louis office to be served [REDACTED]

b3

Appropriate FD-515s will be filed and placed in substantive case file regarding serving of subpoenas for this investigation.

[REDACTED]  
(2)

196A-1141-28

SEARCHED	INDEXED
SERIALIZED	FILED
APR 26 1984	
FBI - CLEVELAND	

[REDACTED]

b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/26/84

[redacted]  
[redacted]  
[redacted] to the St. Louis Office of the  
FEDERAL BUREAU OF INVESTIGATION (FBI). [redacted]  
were furnished in response to a FEDERAL GRAND JURY (FGJ)  
Subpoena served on [redacted] on [redacted]

b3  
b6  
b7C

[redacted]

196A-1141-29  
SEARCHED  
SERIALIZED

APR 30 1984

b6  
b7C

GRAND JURY MATERIAL - DISSEMINATE ONLY  
PURSUANT TO RULE 6(e), Fed. R. Crim. P.

Investigation on 4/25/84 at St. Louis, MO. File # SL 196A-821by SA [redacted] Date dictated 4/25/84b6  
b7C



FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ Airtel

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 4/26/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, ST. LOUIS (196A-821) (P)

[REDACTED]  
 General Mills, Inc.,  
 Toledo, Ohio:

b6  
 b7C

[REDACTED]  
 Power Tech,  
 6463 Proprietors Road,  
 Worthington, Ohio;

[REDACTED]  
 Reece Panel Fabricating Company,  
 10712 Kahlmeyer Drive,  
 St. Louis, Missouri 63132;  
 FBW; MF  
 OO: CLEVELAND

Re Cleveland airtel to St. Louis, dated 4/6/84.

Enclosed for the Cleveland Division are the following:

1. Original of an executed FEDERAL GRAND JURY  
 (FGJ) Subpoena served on [REDACTED]  
 [REDACTED]

2. Original of an executed FGJ Subpoena served  
 on [REDACTED]  
 [REDACTED]

b3  
 b6  
 b7C

3. Original of an executed FGJ Subpoena served  
 on [REDACTED]  
 [REDACTED]

2-Cleveland (Encl. 6)  
 2-St. Louis  
 [REDACTED]

(4)

1

196A-1141-30  
 SEARCHED  
 SERIALIZED

APR 30 1984

FBI - CLEVELAND

b6  
 b7C

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_

(Number)

(Time)

DISSEMINATE ONLY  
 GRAND JURY MATERIAL -  
 PURSUANT TO RULE 6(e), Fed. R. Crim. P.

SL 196A-821

4. [ ] furnished to the St. Louis Division  
by [ ] in compliance with Number  
Two above.

b3  
b6  
b7C

5. Original and one copy of an FD-302 reflecting  
[ ]

For information of Cleveland Division, a copy  
of FGJ [ ] furnished by [ ] being retained  
to assist St. Louis Division with its investigation.

b3  
b6  
b7C

Investigation at St. Louis continuing.

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date 5/2/84

From : SA [redacted]

Subject : [redacted]

ET AL;  
FBW; MF

OO: CLEVELAND

On 4/26/84, [redacted]  
General Mills (GM), Minneapolis, Minnesota, telephonically  
contacted interviewing Agent. [redacted] advised that he is  
making arrangements for [redacted]

b6  
b7C

[redacted] to be interviewed in-depth concerning [redacted]  
[redacted] case at GM in Toledo, Ohio.

[redacted] further advised that [redacted] was due in the  
Toledo, Ohio area on 4/26/84 and 4/27/84 and he would attempt  
to contact him to verify certain points of interest regarding  
this investigation concerning knowledge [redacted] may have had  
regarding contracts for wire prior to his placing orders with  
[redacted] of Worthington, Ohio and St.  
Louis, Missouri.

b6  
b7C

[redacted] further advised that he would make available  
to interviewing Agent through [redacted]  
GM, Toledo, Ohio, copies of the contracts for the PBX wire  
which is the center of the above investigation.

b6  
b7C



b6  
b7C

INDEX Yes         
NO       

196A-1141-31  
SEARCH  
SERIAL

MAY 2 1984

## FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 4/26/84

[redacted] CRESCENT ELECTRIC SUPPLY COMPANY (CES), was interviewed at his office, which is located at 3930 Duncan, St. Louis, Missouri, telephone number (314) 533-6161. After being informed of the identity of the Agent, [redacted] was advised he was being contacted regarding any sales of insulated wire [redacted] may have made to GENERAL MILLS (GM), of Toledo, Ohio, during 1983. [redacted] was further advised the sales would have been conducted through [redacted] a broker of insulated wire [redacted] REECE PANEL FABRICATING COMPANY (RPFC). [redacted] then furnished the following information:

b6  
b7C

[redacted] advised he has been [redacted] for CES since [redacted].

[redacted] advised CES has made numerous sales of various equipment over the past few years. All sales have been made through [redacted].

b6  
b7C

[redacted] pulled GM's file for 1983, showing all shipments made to GM for that year. He advised a review of the sales records for 1983 show no shipments of insulated wire to GM or [redacted] identified all 1983 shipments to GM as follows:

b6  
b7C

January, 1983; GENERAL ELECTRIC (GE) light fixtures.

January, 1983; GE lamps.

January, 1983; KEYSTONE light fixtures.

February, 1983; GE light fixtures.

February, 1983; GE light fixtures.

February, 1983; KEYSTONE light fixtures.

February, 1983; GE lamps.

March, 1983; GE light fixtures.

March, 1983; GE lamps.

Investigation on 4/20/84 at St. Louis, Mo. File # SL 196A-821

by SA [redacted] Date dictated 4/24/84

b6  
b7C

*CV 196A-1141-33*

SL 196A-821

Continuation of interview of [redacted]

Page

2

b6  
b7C

April, 1983; GE light fixtures.

May, 1983; GE lamps.

[redacted] advised all of the above-mentioned sales were sent direct ship to GM, Attention: [redacted] As previously stated, [redacted] advised all of the sales were made through [redacted]

b6  
b7C

[redacted] advised that CES has shipped insulated wire to GM in the past. [redacted] then pulled invoices for 1982, which showed shipments of insulated wire to GM. [redacted] advised that 1982 insulated wire shipments are similar in type and amounts as to GM purchase orders shown to [redacted] by the Agent for the year 1983.

b6  
b7C

[redacted] advised that during 1980, [redacted] was having certain financial difficulties (could not elaborate). As such, [redacted] could not pay off a ten thousand dollar order of goods made by [redacted] from CES. To rectify this problem, [redacted] furnished CES with a promissory note for the ten thousand dollars plus interest, with payments to be made on an installment basis. [redacted] advised the note plus interest has been paid off by [redacted]

b6  
b7C

[redacted] advised [redacted] [redacted] is [redacted] and that [redacted] may be able to furnish further information about [redacted]

b6  
b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 4/26/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, ST. LOUIS (196A-821) (P)

GENERAL MILLS, INCORPORATED,  
 TOLEDO, OHIO;

POWER TECH,  
 6463 PROPRIETORS ROAD,  
 WORTHINGTON, OHIO;

REECE PANEL FABRICATING COMPANY,  
 10712 KALHMEYER DRIVE,  
 ST. LOUIS, MISSOURI 63132;  
 FBW; MF;  
 OO: CLEVELAND

b6  
 b7C

Re Cleveland airtel to St. Louis, dated 4/6/84  
 and telephone call between Special Agents (SAs) [redacted]  
 [redacted] 4/24/84.

b6  
 b7C

Enclosed are the originals and one copy each of  
 FD-302s reflecting interviews of [redacted]  
 [redacted] and [redacted]  
 [redacted]

b3  
 b6  
 b7C

St. Louis, Missouri. Agent interview notes are also enclosed.

Re above-mentioned telephone conversation, St.  
 Louis Division has determined that the REECE PANEL FABRICATING  
 COMPANY is incorporated.

Investigation at St. Louis is continuing.

2-Cleveland (Enclosures 6) Rec'd [redacted]  
 2-St. Louis  
 [redacted]

(4)

1\*

196A-1141-34  
 SEARCH  
 SERIAL [redacted]

MAY 3 1984

b6  
 b7C

Approved: [redacted]

Transmitted

(Number)

(Time)

Per [redacted]

b6  
b7C

<b>A. Preliminary Judicial Process</b> (Number of subjects)				<b>D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP)</b>				
<b>B. Arrests, Locates, Summonses &amp; Subpoenas (No. of subjects)</b>				Property or PELP Type Code *	Recoveries	Restitutions	Court Ordered Forfeitures	Potential Economic Loss Prevented
Complaints      Informations      Indictments								
Subject Priority (See Reverse)								
A                      B                      C								
FBI Arrests - FBI Locates -								
Number of Subjects of FBI Arrests Who Physically Resisted _____ Number of Subjects of FBI Arrests Who Were Armed _____ Criminal Summons _____ Subpoenas Served <u>3</u>					\$	\$	\$	\$
					\$	\$	\$	\$
					\$	\$	\$	\$
					\$	\$	\$	\$
					\$	\$	\$	\$
					\$	\$	\$	\$
<b>C. Release of Hostages: (Number of Hostages Released)</b>				<b>E. Civil Matters</b>		Government Defendant		Government Plaintiff
Hostages Held By Terrorists _____; All Other Hostage Situations _____				Amount of Suit		\$		\$
				Settlement or Award		\$		\$
								Enter AFA Payment Here

[illegible][illegible][illegible]

**Attach additional forms if reporting final judicial process on more than three subjects.**

Remarks: Federal Grand Jury Subpoenas from the Northern District of Ohio, 11/1/78

Western Division, served on

on

2 - Bureau  
2 - Field Office (196A-821) (1-

\* See codes on reverse side. Subject description codes in Section F are required only when reporting a conviction.

• Identify the other Federal Agency(ies) in the Remarks Section.

1-Cleveland (196-1141)	(5)
------------------------	-----

MAY 3 1984

FBI/DOJ

# Property Type Codes\*

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
10	Dangerous Drugs
11	Weapons or Explosives
12	Businesses or Assets Forfeited
20	All Other Recoveries (not falling in any category above)

# Potential Economic Loss Prevented (PELP) Type Codes \*

Code No	Description
21	Blank Negotiable Instruments or Tickets
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft From, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

\*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

## Subject Description Codes \*

- Enter Description Code Only When Reporting a Conviction -

### Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

### Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

### Foreign Nationals:

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

### Terrorists:

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

\*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

### Union Members:

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

### Government Official Or Employees:

- 6A Federal - Elected Official
- 6B Federal - Nonelected Executive Level
- 6C Federal - All Other
- 6D State - Elected Official
- 6E State - Nonelected Executive Level
- 6F State - All Other
- 6G Local - Elected Official
- 6H Local - Nonelected Executive Level
- 6J Local - All Other

### Bank Officers Or Employees:

- 7A Bank Officer
- 7B Bank Employee

### All Others:

- 8A All Other Subjects (not fitting above categories)

## Instructions

### Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

### Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the "Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

### Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

### Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

### Investigative Assistance or Techniques (IA/Ts) Used:

- Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.
- The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)



## FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/4/84

[redacted]  
[redacted] General Mills, Incorporated (GM), Package Foods Operation Division, 9200 Wayzata Boulevard, Minneapolis, Minnesota, 55440, was interviewed at the office of GM, 1250 Laskey Road, Toledo, Ohio. [redacted] was apprised of the identity of the interviewing Agent and provided the following voluntary information:

b6  
b7C

[redacted] advised that his position with GM is that of [redacted] and that he was the [redacted] for [redacted] was employed as a [redacted] at GM for the PCB transformer replacement project number 3718. [redacted] advised that in that capacity [redacted] would handle the day to day operations, the paperwork, the bidding process, anything that had to do with the project in Toledo, and that he would oversee the work that [redacted] did from his position in GM main headquarters plant in Minneapolis, Minnesota.

b6  
b7C

[redacted] advised that the PCB transformer project was in two phases and the first phase was the one that [redacted] was involved in. He advised the second phase has not been completed yet.

b6  
b7C

[redacted] advised that the facilities design people in Minneapolis did all of the engineering for the PCB project and put together the complete job for both phases, i.e., drawings, specs., prices, materials, equipment, etc. for job completion. Involved in that [redacted] advised was the requirements and specifications for the supply of wire for the job. [redacted] advised that the facilities design people in Minneapolis then sent all the specs to Toledo where the bids were let by [redacted] who was [redacted]

b6  
b7C

[redacted] advised that because there was some internal problems regarding the placement of certain types of equipment, Toledo decided to split the job into two phases. [redacted] advised by splitting it in two phases then the first phase would be able to be completed while they were deciding where to put certain pieces of equipment for the second phase.

b6  
b7C

Investigation on 4/27/84 at Toledo, Ohio File # Cleveland 196A-1141 - 37

by SA [redacted] Date dictated 5/2/84

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

b6  
b7C

Yes  
INDEXED  
NO

CV 196A-1141

Continuation of FD-302 of \_\_\_\_\_, On 4/27/84, Page 2

\_\_\_\_\_ advised that \_\_\_\_\_ was in charge of taking bids for phase one and got released from his position with GM before phase two bids were sent out. \_\_\_\_\_ advised that he had told \_\_\_\_\_ specifically not to purchase any wire for the PCB transformer project. He advised that this was told to \_\_\_\_\_ months before the bids were let. He stated that \_\_\_\_\_ had bought wire for a previous project and this was not in accordance with certain policies that he \_\_\_\_\_ and GM wanted to follow regarding the purchase of materials for GM projects. Because of that he had told \_\_\_\_\_ not to buy any more wire. \_\_\_\_\_ advised that there was no need to buy wire for the PCB transformer project number 3718 because the wire was already figured in the bid.

b6  
b7C

\_\_\_\_\_ advised that the bids were let by \_\_\_\_\_ and Kern Sodco was awarded the contract and did the first phase of the PCB transformer project. \_\_\_\_\_ stated the second phase has not been bid yet and will not be for some time.

b6  
b7C

\_\_\_\_\_ advised that as the \_\_\_\_\_ he was routinely provided with printout sheets or purchases regarding projects being conducted and through the review of one of these printout sheets noted that \_\_\_\_\_ had purchased wire for the PCB transformer project. \_\_\_\_\_ advised that this is what precipitated him going to \_\_\_\_\_ and the two of them traveling to Toledo, Ohio to review the files that involved \_\_\_\_\_ and his purchases for the above referenced project.

b6  
b7C

\_\_\_\_\_ further advised that the first purchase order that \_\_\_\_\_ utilized was dated in August, August 9, 1983, for wire and the first bid for phase one was put out in late September for the PCB transformer project and the contractors returned the sealed bids October 7.

b6  
b7C

\_\_\_\_\_ advised that in his review of the printout sheets he noted the wire had been purchased. However, all of the purchase orders had been negotiated, the last one being October 18 or thereabouts of 1983 before he had reason to come to Toledo to review the files.

b6  
b7C

CV 196A-1141

Continuation of FD-302 of \_\_\_\_\_

, On 4/27/84 , Page 3

\_\_\_\_\_ advised that since no bids had been placed for the second phase of the contract, it would be impossible to determine the amount of wire that would be needed so \_\_\_\_\_ story concerning saving GM money does not seem to hold true in that he would not know how much wire to purchase regarding the specific contract in question.

b6  
b7C

\_\_\_\_\_ provided interviewing Agent the following documents:

b6  
b7C

GM intra company correspondence dated January 11, 1984 from \_\_\_\_\_ Purchase price data.

GM contract, project number 3727, negotiated between GM and Kern Sodco, dated October 31, 1983.

GM intra company correspondence from \_\_\_\_\_ dated January 6, 1984, subject project irregularities, CPA 3728.

Trip report, Toledo, January 4, 5, 6 from \_\_\_\_\_

b6  
b7C

GM intra company correspondence from \_\_\_\_\_ dated January 6, 1984, subject PCB transformer project, CPA 3727 irregularities.

GM intra company correspondence from \_\_\_\_\_ dated January 6, 1984 recap of meeting regarding purchase of wire by \_\_\_\_\_ on PCB transformer replacement number CAP3727.

GM intra company correspondence from \_\_\_\_\_ dated January 6, 1984 subject Toledo trip report, January 4, 5, 6, 1984.

b6  
b7C

GM intra company correspondence from \_\_\_\_\_ dated January 12, 1984 subject verbal purchase order 500 MCM wire.

GM intra company correspondence from \_\_\_\_\_ dated January 12, 1984 subject conversation KX Cable.

Intra company correspondence from \_\_\_\_\_ dated January 9, 1984 subject Toledo invoice approvals.

b6  
b7C

CV 196A-1141

Continuation of FD-302 of [REDACTED]

On 4/27/84

Page

4

b6

b7C

Three completed bid forms for the transformer replacement project for GM. One from Kern Sodco, Incorporated, one from Hood Electric Contractors, Incorporated, and one from the L. E. Myers Company, High Voltage Systems Division. The Myers bid was for \$97,497, the Hood Electrical Contractors bid was for \$93,561, and the Kern Sodco, Incorporated bid was for \$89,447. Kern Sodco it should be noted were the people that received the bid for the project. It also should be noted that all three of these bids are to the attention of [REDACTED] Kern Sodco bid is dated October 7, 1983, the Hood Electrical Contractors bid is dated October 7, 1983, and the L. E. Myers Company bid is dated October 7, 1983...

b6

b7C

## FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/24/84

[redacted]  
[redacted] furnished the Agent with  
[redacted] which are in response to a FEDERAL  
GRAND JURY Subpoena served on [redacted] on April 24, 1984.

b3

b6

b7C

Investigation on 5/22/84 at St. Louis, MO. File # SL 196A-821

by SA [redacted]

Date dictated 5/23/84

b6

b7C

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FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ Airtel

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 5/24/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, ST. LOUIS (196A-821) (P)

[redacted]  
 General Mills, Inc.,  
 Toledo, Ohio:

b6  
 b7C

[redacted]  
 Power Tech,  
 6463 Proprietors Rd.,  
 Worthington, Ohio;

[redacted]  
 Reece Panel Fabricating Co.,  
 St. Louis, Missouri, 63132;  
 FBW; MF  
 OO: CLEVELAND

Re Cleveland airtels to St. Louis, 4/6/84, and  
 4/20/84.

Enclosed for Cleveland Division are the following:

1. The original of a FEDERAL GRAND JURY Subpoena served on [redacted] on 4/25/84.
2. The original and one copy of an FD-302 reflecting receipt of [redacted] from [redacted] in response to Number 1 above.

b3  
 b6  
 b7C

2-Cleveland (Encl. 5)  
 2-St. Louis

(4)

1

GRAND JURY MATERIAL - DISSEMINATE ONLY  
 PURSUANT TO RULE 6(e), Fed. R.

MAY 29 1984

b6  
 b7C

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ (Number) \_\_\_\_\_ (Time) Per W/enc.

SL 196A-821

3. Enclosure marked A which constitutes those

[redacted]  
[redacted] had already prepared in response  
to Number 1 above when more specific instructions  
in responding to the subpoena were given  
to [redacted]  
in the form of a letter dated 4/30/84,  
from [redacted] Assistant United  
States Attorney, Northern District of Ohio.

b3  
b6  
b7C

4. Enclosure marked B which refers to [redacted]  
[redacted] responsive to letter mentioned  
in Number 3 above.

Investigation at St. Louis continuing.

## FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/30/84

[redacted] was interviewed at VIA'S RESTAURANT, which is located at 9641 Olive Street Road, St. Louis, Missouri. [redacted] interviewed by the Agent on a previous occasion, furnished the following information:

b6  
b7C

[redacted]  
[redacted] FEDERAL BUREAU OF INVESTIGATION (FBI) in response to a FEDERAL GRAND JURY Subpoena. [redacted]

b3  
b6  
b7C

[redacted] advised that the arrangement between he [redacted]  
[redacted] Furthermore, [redacted] stated this arrangement continued [redacted] was employed by the [redacted] and GENERAL MILLS (GM).

b3  
b6  
b7C

[redacted] advised all contracts awarded to him in which he paid [redacted] were done so on [redacted]

b3  
b6  
b7C

or filled-in by [redacted] In addition, [redacted] explained his prices on the contracts were never inflated because of the bidding process.

[redacted] advised his profit on sales is usually around 25 percent of the total sales price. He stated [redacted]

b3  
b6  
b7C

Investigation on 5/25/84 at St. Louis, MO. File # SL 196A-821

by SA [redacted] Date dictated 5/29/84

b6  
b7C



b6  
b7C

SL 196A-821

Continuation of FD-302 of [REDACTED], On 5/25/84, Page 2

[REDACTED] advised he also paid "finders fee" to the following individuals:

b6  
b7C

- 1.
- 2.
- 3.

[REDACTED]

[REDACTED] stated he could see nothing wrong with the "finders fee" concept inasmuch as [REDACTED] therefore, he relies on these contacts as an avenue for him to find business.

b6  
b7C

Specifically recording [REDACTED]

b3  
b6  
b7C

[REDACTED] could not substantiate this point.

[REDACTED] was asked by the Agent if during late 1983, [REDACTED]

b3  
b6  
b7C

At the conclusion of the interview, [REDACTED] reiterated

b3  
b6  
b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ Airtel

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 5/30/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, ST. LOUIS (196A-821) (P)

[REDACTED]  
 General Mills, Inc.,  
 Toledo, OH.;

[REDACTED]  
 Power Tech,  
 6463 Proprietors Rd.,  
 Worthington, OH.;

[REDACTED]  
 Reece Panel Fabricating Co.,  
 10712 Kahlmeyer Dr.,  
 St. Louis, MO. 63132;  
 FBW; MF  
 OO: CLEVELAND

b6  
 b7C

Re Cleveland airtel to St. Louis, 4/6/84.

Enclosed for Cleveland Division is the original  
 and one copy of an FD-302 reflecting follow-up interview  
 of [REDACTED] along with Agent interview notes.

b6  
 b7C

Investigation at St. Louis continuing.

2-Cleveland (Encl. 3)  
 2-St. Louis

(4)

Rec'd 3

1\*

SEARCHED  
SERIALIZED

JUN 4 1984

b6  
 b7C

Approved: [REDACTED]

Transmitted

(Number)

(Time)

Per

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date 6/4/84

From : SA [redacted]

Subject [redacted]

b6  
b7C

ET AL;  
FBW; MF

OO: CLEVELAND

On 5/30/84, a meeting was held at the United States Attorney's Office, Toledo, Ohio, between AUSA

[redacted] SA [redacted] and SA [redacted]  
[redacted] of the FBI, and [redacted]  
[redacted] of General Mills (GM), Minneapolis, Minnesota.

b6  
b7C

The purpose of this meeting was to review to date the progress in the above captioned case and to clarify many salient points concerning the day to day administrative procedures of [redacted] subject in above captioned case and how it related to the purchases of the illegal wire.

b6  
b7C

The complete bid process was discussed in-depth with regard to how bids are let, the paperwork involved in the letting, and reception of bids, the engineering work involved in the specifications for bids, and the administrative procedures utilized by GM in this area.

Both [redacted] went through the process step by step explaining exactly how [redacted] position functioned at GM, what his duties entailed and what his parameters were in those duties as far as GM policy was concerned and with regard to specific project number 372 as referenced above.

b6  
b7C

Information was obtained from [redacted] concerning xerox copies of ledgers that he kept with regard to the project that [redacted]  
[redacted] regarding the case in point. [redacted] provided these copies to AUSA [redacted] and advised that it should

b6  
b7C

INDEX Yes ☒  
NO ☒

196A-1141-42  
SEARCHED  
SERIALIZED

JUN 4 1984

b6  
b7C

6-6-84

Excellent progress. Too bad you can't pursue to the end

CV 196A-1141

be noted on the ledgers that a number of items were purchased and charged back to the project referenced above when there was no apparent reason for these charge backs.

[ ] advised that he would help to obtain price comparisons of items that were ordered by [ ] from Reese Panel Fabricating in St. Louis and provide those to interviewing Agent at a later date.

b6  
b7C

It was decided by all those present that the government would pursue indictments in the [ ] Grand Jury unless obstacles developed that would hinder these intended indictments.

b3

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date 6/8/84

From : SA [redacted]

b6  
b7C

Subject :

ET AL;  
FBW; MF

OO: CLEVELAND

On 6/7/84, a meeting was held between AUSA [redacted] and SA [redacted] regarding the pending indictments of subject [redacted] along with subject [redacted]

b6  
b7C

Discussed at the meeting were the items sent regarding subpoena duces tecum from [redacted]

b3  
b6  
b7C

AUSA [redacted] advised that as of this date, there are four solid counts to indict [redacted] on regarding Fraud by Wire, Mail Fraud; however, [redacted] wants to pursue the

b6  
b7C

Based on this, the government is awaiting pertinent documents from GM which consist of [redacted] by [redacted] in his position as [redacted]

b3  
b6  
b7C

INDEX

Yes

NO

SEARCHED  
SERIALIZED

JUN 8 1984

FBI - CLEVELAND

b6  
b7C

196A-1141 - 43

CV 196A-1141



b3  
b6  
b7C

The government has copies as a result of the subpoena duces tecum at



b3  
b6  
b7C

AUSA [ ] has sent a letter outlining the request referenced above and also has been in telephonic contact with GM representatives as well as SA [ ] being in contact with them. It is expected that the items referenced above will be forthcoming from GM as well as a policy statement for executives regarding accepting gratuities while employed at GM and [ ]

b3  
b6  
b7C



Currently when this information is received, assimilated and used in the indictment, the government plans to indict [ ] on approximately 10 counts of Fraud by Wire, Mail Fraud, along with Conspiracy and Aiding and Abetting. It is anticipated that these indictments will be forthcoming in the [ ] Grand Jury.

b3  
b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 6/26/84

On June 19, 1984, Special Agent (SA) [redacted]  
[redacted] received from Assistant United States Attorney  
(AUSA) [redacted] 1716 Spielbusch Avenue,  
Toledo, Ohio, the following documents:

b6  
b7C

[redacted]

b3  
b6  
b7C

[redacted]

3. General Mills (GM) corporate policy statement  
of June 1, 1982 regarding business ethics and conduct.

4. Intra company memorandum of May 4, 1984 from  
[redacted] regarding political contributions, con-  
flict of interest and questionable payments.

b6  
b7C

5. GM package food operating division PFOD policies  
and procedures of January, 1984 regarding engineering pur-  
chasing and contract procedures capital projects.

6. GM consumer foods CF policy statement of  
February 22, 1982 regarding business ethics and conduct.

The above information was sent to AUSA [redacted]  
from [redacted] Corporate Headquarters, GM, P.O.  
Box 113, Minneapolis, Minnesota.

b6  
b7C

The above information was requested by AUSA [redacted]  
and case Agent [redacted] for investigation concerning [redacted]  
[redacted] and his business activities at GM, Toledo, Ohio.

Investigation on 6/19/84 at Toledo, Ohio File Cleveland 196B-1141

by SA [redacted] Date dictated 6/25/84

b6  
b7C

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

Yes

NO

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date

7/2/84

From : SA [redacted]

b6  
b7C

Subject :

ET AL;  
FBW; MF

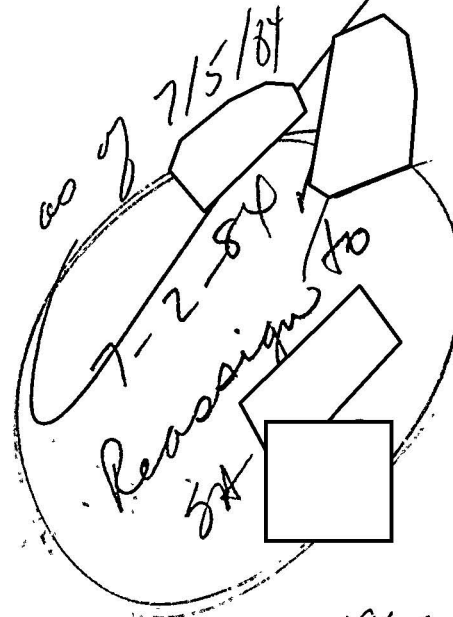
OO: CLEVELAND

Based on the fact that current case Agent is under transfer to Washington, D.C. Headquarters as of 7/13/84, it is recommended that this case be reassigned to SA [redacted] White Collar Crime Squad, Toledo Resident Agency.

b6  
b7C

b6  
b7C

b6  
b7C



196A-1141-45

SEARCHED	[redacted]
SERIALIZED	[redacted]
JUL 2 1984	
CLEVELAND	



FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 7/30/84

[redacted] SAC, CLEVELAND (196A-1141) (TRA)

[redacted] SAC, CINCINNATI (196A-1068) (RUC)

[redacted]  
ET AL

FRAUD BY WIRE; MAIL FRAUD

OO: CV

Re CI airtel to CV, dated 4/18/84.

On April 20, 1984, [redacted]

[redacted] advised that [redacted]

[redacted] are being sent directly to the FBI in  
Toledo, Ohio.[redacted] advised that she has been in contact  
with [redacted] of the Toledo Resident Agency and is  
sending [redacted]In view of the fact that no additional leads are  
outstanding for Cincinnati Division, this matter will be  
considered RUC'd.

②-Cleveland  
 2-Cincinnati

[redacted]  
(4)

1\*

196A-1141-46  
AUG 2 1984

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)

b6  
b7Cb3  
b6  
b7Cb3  
b6  
b7Cb6  
b7C

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☒ UNCLAS E F T O  
☒ UNCLAS 8/7/84

Date \_\_\_\_\_

FM CLEVELAND (196A-1141) (TRA) (P)

TO DIRECTOR, FBI (ROUTINE)

BT

UNCLAS

ATTENTION: SECTION CHIEF - WHITE COLLAR CRIME UNIT

[REDACTED] GENERAL MILLS, INC.,  
 TOLEDO, OHIO; [REDACTED] POWER TECH, 341 ENTERPRISE DRIVE,  
 WESTERVILLE, OHIO; [REDACTED] REECE PANEL FABRICATING  
 COMPANY, 10712 KAHLMEYER DRIVE, ST. LOUIS, MISSOURI; FBW; MF;  
 OO: CLEVELAND

ON AUGUST 6, 1984, AUSA [REDACTED] TOLEDO, OHIO,  
 ADVISED A PRE-INDICTMENT CONFERENCE REGARDING CAPTIONED MATTER  
 HAS BEEN SCHEDULED FOR AUGUST 15-17, 1984, AND IT IS DESIRED  
 FORMER CASE AGENT [REDACTED] ATTEND THIS CONFERENCE. SA  
 [REDACTED] IS PRESENTLY ASSIGNED TO THE SPECIAL STAFF, DIVISION FIVE,  
 FBIHQ.

IT IS REQUESTED SA [REDACTED] ATTEND THE ABOVE CONFERENCE AT

(1)

Searched \_\_\_\_\_

Serialized \_\_\_\_\_

Indexed \_\_\_\_\_

Filed \_\_\_\_\_

Approved: \_\_\_\_\_

Transmitted \_\_\_\_\_

(Number)

(Time)

196A-1141-47

FBI

## TRANSMIT VIA:

- ☐ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

- ☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date \_\_\_\_\_

PAGE TWO CV 196A-1141 UNCLAS

TOLEDO, OHIO.

BT

#

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
(Number) (Time)

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS  
Date 8/31/84

FM CLEVELAND (196A-1141) TRA (P)

TO DIRECTOR ROUTINE

BT

UNCLAS

ATTN: SECTION CHIEF - WHITE COLLAR CRIME UNIT

[REDACTED] GENERAL MILLS, INC., TOLEDO,  
 OHIO; [REDACTED] POWER TECH, 341 ENTERPRISE DRIVE, WESTERVILLE,  
 OHIO; [REDACTED] REECE PANEL FABRICATING COMPANY, 10712  
 KAHLMEYER DRIVE, ST. LOUIS, MISSOURI; FBW; MF, OO: CLEVELAND

ON AUGUST 31, 1984, AUSA [REDACTED] TOLEDO, OHIO, ADVISED  
 THREE INDICTMENT CONFERENCES RE CAPTIONED MATTER HAS BEEN SCHEDULED  
 FOR SEPTEMBER 10-12, 1984 AND IT IS DESIRED FORMER CASE AGENT

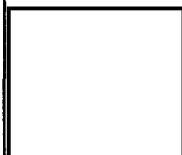
[REDACTED] ATTEND THE CONFERENCES. SA [REDACTED] IS PRESENTLY  
 ASSIGNED TO THE SPECIAL STAFF, DIVISION 5, FBIHQ.

IT IS REQUESTED SA [REDACTED] ATTEND THE ABOVE CONFERENCES AT TOLEDO,  
 OHIO.

BT

#

No indexing.



Approved: [REDACTED]

Transmitted

(Number)

0013 2022

(Time)

Per [REDACTED]

★ U.S. Government Printing Office: 1984-431-613/6249

Searched [REDACTED]

Serialized [REDACTED]

Indexed [REDACTED]

Filed [REDACTED]

b6  
b7Cb6  
b7Cb6  
b7C

196A-1141-48

## FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 8/24/84

[redacted]  
[redacted] Missouri,  
[redacted] after being advised of the identity of the agent  
and the nature of the interview, provided the following information:

b6  
b7C

[redacted] under the  
supervision of [redacted] while he was employed at [redacted]  
[redacted]

b6  
b7C

[redacted] This inability to handle  
his job was thought to be a result of his marital problems he  
experienced. There was no indication of [redacted] misusing any  
company funds during his employment at [redacted]

[redacted] stated that at one time several years ago,  
[redacted] had conducted a large amount of purchases from Reece Panel  
Manufacturing Company (RPMC). There was some concern over the  
relationship between [redacted] buying large amounts from RPMC, since  
there was an employee, whose wife worked at RPMC. This employee,  
[redacted] has resigned from [redacted] was not known to have  
given any preferential treatment to RPMC.

b6  
b7CYES  
INDEX

NO

SEARCHED  
SERIALIZED

OCT 12 1984

FBI - CLEVELAND

b6  
b7C

Investigation on 6/13/84 at St. Louis, Missouri File # CV 196A-1141-49  
SL 196A-821-26

by

SA [redacted]

Date dictated 6/13/84

## FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 8/24/84

[redacted]  
[redacted] Missouri, after being advised  
of the identity of the agent and the nature of the interview,  
provided the following information:

b6  
b7C

[redacted]  
[redacted] The reasons for [redacted]  
[redacted]

b6  
b7C

YES \_\_\_\_\_

INDEX \_\_\_\_\_

NO \_\_\_\_\_

SEARCHED  
SERIALIZED

OCT 12 1984

FBI - CLEVELAND

b6  
b7C

Investigation on 6/13/84 at St. Louis, Missouri File # CV 196A-1141  
SL 196A-821-25

by SA [redacted] Date dictated 6/13/84

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 10/3/84

TO: SAC, CLEVELAND (196A-1141)  
 FROM: SAC, ST. LOUIS (196A-821) (RUC)

[REDACTED]  
 [REDACTED] GENERAL MILLS, INC.

TOLEDO, OHIO; ET AL;  
 FBW; MF  
 OO: CLEVELAND

b6  
 b7C

Re St. Louis airtel to Cleveland 5/30/84.

Enclosed for Cleveland are the original and one copy of  
 interviews with [REDACTED] of [REDACTED]  
 [REDACTED] MO

b6  
 b7C

As no leads are outstanding at this time, St. Louis  
 is considering this matter RUC.

ADMINISTRATIVE:

The delay in transcription of enclosed  
 FD-302's was due to a stenographic  
 delinquency in the St. Louis Division  
 of which the Bureau is aware.

② - Cleveland (Encls. 4) *Rec'd*  
 - St. Louis

196A-1141-51

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 12 1984	

b6  
 b7C

Approved: [REDACTED]

Transmitted

(Number) (Time) YES

INDEX

NO

SSRA TOLEDO

X AIRTEL

10/19/84

TO: SAC, CINCINNATI (196A-1068)  
FROM: SAC, CLEVELAND (196A-1141) (TRA) (P)  
RE: [REDACTED]

b6  
b7C

General Mills, Inc.,  
Toledo, Ohio;  
ET AL  
FBW; MF

OO: Cleveland

Re Cincinnati airtel to Cleveland, 7/30/84.

Enclosed for Cincinnati are the following:

1. A Federal Grand Jury subpoena duces tecum  
directed to [REDACTED]  
[REDACTED]

2. Letter dated 10/18/84 to [REDACTED] from  
[REDACTED] Assistant United States Attorney,  
Toledo, Ohio, with attached U. S. Department of Justice  
form.

b3  
b6  
b7C

It is noted AUSA [REDACTED] Toledo,  
Ohio, has been in telephonic contact with [REDACTED]  
at [REDACTED] is expecting  
the receipt of the enclosed subpoena and is in the  
process of [REDACTED]  
[REDACTED]

b3  
b6  
b7C

2 - Cincinnati (Enc. 2)  
2 - Cleveland

No indexing

b6  
b7C

100-111-52



CV 196A-1141

LEADS

CINCINNATI:

AT COLUMBUS, OHIO

Will expeditiously serve the enclosed subpoena  
at [redacted] and furnish the  
[redacted] the enclosed letter with attached U. S. Department  
of Justice form.

b3

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

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

Date 11/16/84

TO: SAC, CLEVELAND (196A-1141) (TRA)

FROM: SAC, CINCINNATI (196A-1068) (CRA) (RUC)

[REDACTED]  
 ET AL;  
 FBW; MF  
 (OO: CV)

b6  
 b7C

Re CV airtel to CI, 10/19/84.

Enclosed for Cleveland is the executed copy of  
 a FGJ subpoena directed to [REDACTED]  
 Ohio, with attached U.S. Attorney letter. Also enclosed  
 are [REDACTED]

b3

On 10/24/84, [REDACTED]

[REDACTED] was personally  
 served the original of a Federal Grand Jury subpoena with  
 attached letter from the U.S. Attorney and U.S. Department  
 of Justice form. [REDACTED] advised she would be in  
 contact with AUSA [REDACTED] in the near future.

b3  
 b6  
 b7C

On 10/26/84, [REDACTED]

[REDACTED] Ohio, furnished  
 the enclosures as described below:

b3  
 b6  
 b7C

2 - Cleveland (Enc. 3) *Rec'd*  
 2 - Cincinnati

(4)

Approved: [REDACTED]

Transmitted [REDACTED]

(Number)

(Time)

196A-1141-53

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 19 1984	
FBI CLEVELAND	

b3  
 b6  
 b7C

CI 196A-1068

As no further investigation remains within the Cincinnati Division, this matter is being RUC'd.

-2\*-

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/21/84

[redacted] Kern-Sodco, Incorporated (KSI), 818 Broadway, Toledo, Ohio, telephone [redacted] was interviewed at his place of employment at which time he was advised of the official identity of the interviewing Agent as well as the purpose of the interview. [redacted] thereafter furnished the following information:

b6  
b7c

[redacted] advised in October, 1983, KSI was awarded a contract by General Mills, Incorporated (GMI), Toledo, Ohio, relating to transformer replacement work at the GMI facilities located on Laskey Road, Toledo, Ohio. In the contract it was stated that KSI would provide all materials needed for this project; however, GMI was to provide the transformers and switch gear. Included in the materials to be provided by KSI was all of the electrical wiring necessary for the project. [redacted] advised KSI did in fact provide all of the wiring needed for the project. [redacted] stated part of the wire used for this project was purchased from Deco Electric Supply, Toledo, Ohio, and part of the wire was purchased from Anixter-Cleveland, Solon, Ohio. He advised in addition to the wire purchased, [redacted] used approximately \$200 worth of smaller wire which [redacted] had in stock or which was purchased locally from suppliers. [redacted] provided photocopies of the documents relating to the purchase of the above wire from Deco and Anixter-Cleveland.

b6  
b7c

[redacted] noted the wire purchased from Anixter-Cleveland was shipped on November 3, 1983, according to the above documents, and therefore would have been delivered to the KSI location in Toledo two or three days later. This wire would thereafter have been taken on the same day it arrived or the next day to the above location of GMI since KSI did not have the facilities to store the wire at their location.

b6  
b7c

[redacted] advised the above wire purchased from Deco Electric Supply would have been shipped direct to GMI facilities on Laskey Road in Toledo by Hall's Motor Transport. This wire was shipped from Pennsylvania to Toledo with the shipping date being December 1, 1983.

b6  
b7c

[redacted] advised contact on this date with Hall's Motor Transport indicated their records show the above wire

Investigation on 11/20/84 at Toledo, Ohio File # Cleveland 196A-1141  
by SA [redacted] Date dictated 11/20/84

b6  
b7c

CV 196A-1141

b6  
b7C

Continuation of interview of [REDACTED]

11/20/84

, Page 2

was delivered to the GMI facility in Toledo on December 7, 1983.

[REDACTED] advised the other small amount of wire used in the above project which had been stored in their inventory at KSI or purchased locally in Toledo would have been delivered to the GMI facility in Toledo as needed during the length of the project. [REDACTED] again advised this small amount of wire would have been valued at approximately \$200.

b6  
b7C

[REDACTED] advised he did not recall ever having any discussions with GMI employee, [REDACTED] or any other GMI official regarding GMI furnishing the electrical wire for the above project. [REDACTED] stated that in fact prior to the bidding for the above contract, there was held a "pre-bid" meeting at GMI offices which was attended by himself as well as other contractors interested in bidding for the above work. In attendance at this meeting was [REDACTED] as well as possibly another [REDACTED] employed by GMI. At this meeting, it was stated by either [REDACTED] or another GMI [REDACTED] that the contractor awarded the above contract would be required to provide all the electrical wiring for the project. He advised during the meeting this point was made clear to him and the other contractors and there was never any question in his mind as to the fact that he was required to provide the electrical wiring necessary for this work.

b6  
b7C

[REDACTED] stated that [REDACTED] receives a letter once a year from GMI with this letter received in approximately November. He stated the letter sets forth the GMI company policy regarding the furnishing of gratuities and gifts to GMI employees by persons and companies doing business with GMI. [REDACTED] stated at this time he does not have copies of any of the above letters; however, advised the GMI policy as stated in the letter prohibits GMI employees from receiving gratuities and gifts from companies and persons doing business with GMI. He advised the letter indicates that GMI officials believe that business is handled better without employees receiving gratuities and gifts. [REDACTED] stated he did not believe the letter ever mentioned any monetary amount for gifts and gratuities and did not specifically mention the giving of money to GMI employees. [REDACTED] stated, however, in March, 1984, he met with GMI [REDACTED] who maintains his office in Minneapolis, Minnesota.

b6  
b7C

CV 196A-1141

Continuation of interview of \_\_\_\_\_

11/20/84

Page

3b6  
b7C

During this meeting, \_\_\_\_\_ told \_\_\_\_\_ that gratuities and gifts valued at over \$25 should not be furnished any GMI employee by any person or company doing business with GMI. \_\_\_\_\_ advised \_\_\_\_\_ that it was against company policy to furnish any gifts or gratuities to GMI employees which were valued over \$25. \_\_\_\_\_ advised he assumed from this conversation that it would be acceptable to furnishing a GMI employee with a small gift valued under \$25 or buying lunch or dinner for a GMI employee if the amount was under the limit of \$25.

b6  
b7C

\_\_\_\_\_ advised he was agreeable to furnishing any further information deemed desirable regarding the above matter.

b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/20/85

[redacted] Clerk, Corporate Division, Secretary of State Office, State of Missouri, Jefferson City, Missouri, telephone [redacted] telephonically was contacted at which time she furnished the following information:

b6  
b7C

Reece Panel Fabricating Company (RPFC) was incorporated in the State of Missouri on September 8, 1967 under number 00125777. The registering agent was [redacted] 10712 Kahlmeyer Drive, St. Louis, Missouri. As of 1984, the officers of this company were shown as [redacted]

b6  
b7C

[redacted] There was no Treasurer listed on this report. The purpose of RPFC was shown as establishing, managing and carrying on a general manufacturing business of panels, electrical controls and related kindred products.

[redacted] advised if a certified copy of the above corporation certificate was required, it would be necessary to contact the Missouri Secretary of State through telephone 314-751-4100.

b6  
b7C

Investigation on 2/15/85 at Toledo, Ohio File # Cleveland 196A-1141 -  
by SA [redacted] Date dictated 2/19/85

b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 2/20/85

[redacted] Assistant Corporate Counsel,  
Secretary of State Office, State of Ohio, Columbus,  
Ohio, telephone [redacted] was telephonically  
contacted at which time she furnished the following  
information:

b6  
b7C

Attaboy Manufacturers' Representative, Incorporated,  
Northington, Ohio, was incorporated in the State of Ohio on  
August 29, 1977. The officers of this company were not  
listed; however, the person who incorporated the business  
was listed as [redacted]  
Ohio. The statutory agent who incorporated this business was  
[redacted] Ohio.

b6  
b7C

The specific purpose of this business was not stated and  
only a general purpose clause was contained in the incor-  
poration papers.

[redacted] advised if it was necessary to obtain a  
certified copy of the incorporation papers regarding the  
above company, it would be necessary to contact the  
Secretary of State Office through telephone 614-466-1776.

b6  
b7C

Investigation on 2/15/85 at Toledo, Ohio File Cleveland 196A-1141- 57

by SA [redacted] Date dictated 2/19/85

b6  
b7C

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

Yes  
NO



In Reply, Please Refer to

File No. 196A-1141

## FBI CASE STATUS FORM

Date: 6/19/85To: PATRICK M. MC LAUGHLIN, U.S. ATTORNEY  
(Name and Address of USA)From: JOSEPH E. GRIFFIN, SAC  
(Name of Official in Charge and Field Division)Joseph E. Griffin  
(Signature of Official in Charge)RE: [Redacted]  
(Name of Subject) Age SexYou are hereby advised of action authorized by [Redacted]  
(Name of USA or AUSA) b6 b7Con information submitted by Special Agent [Redacted] on 5/29/85  
(Name) (Date)

(Check One)

- ☐ Request further investigation
- ☐ Immediate declination
- ☐ Filing of complaint
- ☐ Presentation to Federal Grand Jury
- ☒ Filing of information

For violation of Title 18, USC, Section(s) 1341 (mail fraud)

## Synopsis of case:

Assistant United States Attorney (AUSA) [Redacted]  
[Redacted] advised she had completed a review of this matter  
 and at this time she desired to file informations charging  
 subjects [Redacted] with  
 mail fraud in connection with the fraudulent scheme involving  
 the supplying of materials to General Mills Corporation,  
 Toledo, Ohio. AUSA [Redacted] advised she contemplated being  
[Redacted] in the near future, therefore it would  
 be necessary for her to confer with AUSA [Redacted]  
 regarding the exact timing of the filing of the above informations.

b6  
b7C

- 1 - Addressee  
 ① - Cleveland (196A-1141)

No index

b6  
b7C

196A-1141-58

FBI/DOJ

In Reply, Please Refer to

File No. 196A-1141

## FBI CASE STATUS FORM

Date: 7/12/85To: HONORABLE PATRICK M. MC LAUGHLIN, NDO, CLEVELAND, OHIO  
(Name and Address of USA)From: SAC JOSEPH E. GRIFFIN, CLEVELAND FBI  
(Name of Official in Charge and Field Division) (Signature of Official in Charge)RE: [Redacted]  
(Name of Subject) Age SexYou are hereby advised of action authorized by AUSA [Redacted]  
(Name of Special Agent in Charge) b6 b7Con information submitted by Special Agent [Redacted] JUNE 11, 1985 & JULY 8, 1985  
(Date)

(Check One)

- ☐ Request further investigation
- ☐ Immediate declination
- ☐ Filing of complaint
- ☒ Presentation to Federal Grand Jury
- ☒ Filing of information

For violation of Title 18, USC, Section(s) 1341 (MAIL FRAUD)

Synopsis of case:

On 6/11/85, AUSA [Redacted] advised this matter had been reviewed with AUSA [Redacted] Toledo, Ohio at which time it was determined that an information would be filed at this time regarding charges against subject [Redacted]. The matter relating to subjects [Redacted] would be presented to the Federal Grand Jury in [Redacted].

b3  
b6  
b7C

1-Addressee  
1-Cleveland (196A-1141)



1-Adm  
1-Filed

b6  
b7C

196A-1141-59

CV 196A-1141

On 7/8/85, AUSA [ ] advised the information charging subject [ ] had not been filed as of this date, however, the filing of this information was contemplated in the near future. AUSA [ ] noted she will [ ] commencing next week and in her absence, this matter will be handled by AUSA [ ]

b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

8/12/85

Date of transcription \_\_\_\_\_

[redacted] Ohio,  
home telephone [redacted] telephonically contacted the  
interviewing Agent at which time [redacted] was advised his  
attorney, [redacted] was attempting to contact him per  
the U.S. Attorney's Office, Toledo, Ohio. [redacted] advised he  
would contact [redacted]

b6  
b7C

[redacted] stated he could be contacted during the  
week at telephone [redacted] which was located in [redacted]  
[redacted] He noted he was working for  
a company located in [redacted] however was on  
assignment in [redacted] at the present time. [redacted] also  
advised he could be contacted on the weekends through his  
residence telephone number in [redacted]

b6  
b7C

Investigation on 8/7/85 at Toledo, Ohio CV 196A-1141 - 600

by SA [redacted] Date dictated 8/7/85

b6  
b7C

In Reply, Please Refer to

File No. 196A-1141

FBI CASE STATUS FORM

Date: 8/29/85

To: U. S. ATTORNEY PATRICK M. MC LAUGHLIN  
(Name and Address of USA)

From: SAC JOSEPH E. GRIFFIN  
(Name of Official in Charge and Field Division)

*JE G / [Signature]*  
(Signature of Official in Charge)

RE: [Redacted]  
(Name of Subject) Age Sex

You are hereby advised of action authorized by AUSA [Redacted]  
(Name of USA or AUSA) b6 b7C

on information submitted by Special Agent [Redacted] on 7/30/85 & 8/7/85  
(Name) (Date)

(Check One)

- ☐ Request further investigation
- ☐ Immediate declination
- ☐ Filing of complaint
- ☒ Presentation to Federal Grand Jury
- ☒ Filing of information

For violation of Title 18, USC, Section(s) 1341

Synopsis of case: On 7/30/85, AUSA [Redacted] requested [Redacted] be contacted and advised he should communicate with [Redacted] regarding instant matter. On 8/7/85, [Redacted] was telephonically advised of the above information at which time he stated he would contact [Redacted] AUSA [Redacted] was advised of the fact [Redacted] had been contacted.

b6  
b7C

1-Addressee  
1-Cleveland (196A-1141)

[Redacted]

*No index.*

[Redacted]

b6  
b7C

*196A-1141-61*

In Reply, Please Refer to

File No. 196A-1141

## FBI CASE STATUS FORM

Honorable Patrick M. McLaughlin, United States Attorney, Northern District  
of Ohio, U.S. Customs and Courthouse Building, 1716 Spielbusch Avenue,  
To: Toledo, Ohio 43624

(Name and Address of USA)

From: SAC Joseph E. Griffin, Cleveland  
(Name of Official in Charge and Field Division)

LEG/af  
(Signature of Official in Charge)

RE: 

Age

Sex

b6

b7C

You are hereby advised of action authorized by AUSA   
(Name of USA or AUSA)

on information submitted by Special Agent  on January 7, 10, 29, 1986  
(Name) (Date)

(Check One)

- ☐ Request further investigation
- ☐ Immediate declination
- ☐ Filing of complaint
- ☒ Presentation to Federal Grand Jury
- ☒ Filing of information

For violation of Title 18, USC, Section(s) 1341, 2217

Synopsis of case: AUSA  furnished a copy of

On January 7, 1986, AUSA  advised   
 indicated

1 - Addressee  
1 - Cleveland (196A-1141)

Searched Serialized Indexed 

b6

b7C

*No indexing*

196A-1141-63

On January 10, 1986, AUSA [ ] advised [ ]  
had contacted [ ]  
[ ] AUSA [ ]  
advised she desired [ ]  
[ ]

b3  
b6  
b7C  
b7E

On January 29, 1986, AUSA [ ] stated she has not  
received any further information from [ ] regarding  
the above matter and would file the above information within  
the next few days.

b6  
b7C

AUSA [ ] further advised she had contacted [ ]  
[ ] attorney, [ ] Toledo, Ohio. [ ] ad-  
vised he would not agree to the interview of [ ] by the FBI  
at this time.

b6  
b7C

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P) Date 3/13/86

From : SA [redacted]

b6  
b7C

Subject : [redacted]

GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF

OO: CLEVELAND

On 2/28/86, [redacted] appeared before  
United States Magistrate JAMES G. CARR, Toledo, Ohio,

b6  
b7C

On 3/10/86, AUSA [redacted] advised that  
on this date, [redacted]

b3  
b6  
b7C  
b7E

(2) 196A-1141  
(1-94-361)

INDEX

Yes \_\_\_\_\_

NO

196A-1141-66  
SEARCHED  
SERIALIZED

1-1-86

SA [redacted]

b6  
b7C



## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/14/86

[redacted] Kern-Sodco, Incorporated (KSI), 2116 Madison Street, Toledo, Ohio, telephone 419-243-6332, was interviewed at his place of employment at which time he furnished the following information:

b6  
b7C

[redacted] advised in October, 1983, KSI was awarded a contract by General Mills, Incorporated (GMI), Toledo, Ohio, to perform transformer replacement work at the GMI plant located on Laskey Road, Toledo, Ohio. As called for in the contract, KSI provided all of the electrical cable needed for the above project. [redacted] was at that time employed by GMI as an [redacted]

b6  
b7C

[redacted] the above project for GMI in Toledo.

[redacted] was discharged from his employment at GMI in [redacted]

[redacted] advised at this time he does not recall [redacted] ever telling him that he [redacted] had purchased any electrical cable for the above project. [redacted] did indicate to [redacted] at one time that GMI was going to furnish the electrical cable for the second phase of the transformer replacement work at the GMI plant. [redacted] noted that GMI usually did furnish electrical cable and other high cost items for their projects, but KSI definitely was to supply the electrical cable for the above project. [redacted] advised he did not recall at this time any conversations with [redacted] regarding KSI using any GMI cable in the completion of the above project.

b6  
b7C

Investigation on 3/12/86 at Toledo, Ohio File # Cleveland 196A-1141-67  
by SA [redacted] Date dictated 3/12/86

b6  
b7C

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/23/86

[redacted]  
General Mills (GM), 1250 Laskey Road, Toledo, Ohio,  
telephonically furnished the following information:

b6  
b7C

In the latter part of January, 1984, [redacted]  
located in GM mail an envelope directed to the attention  
of [redacted] of GM. Since [redacted]  
GM employment [redacted] at that time, [redacted]  
opened the above envelope which was postmarked January 17,  
1984. In the envelope was a material packing slip from  
Reese Panel Fabricating (RPF), St. Louis, Missouri,  
regarding 200 feet of 24 inch wide aluminum cable tray.  
The packing slip was the only item in the above envelope.

b6  
b7C

[redacted] advised he had checked regarding the  
above matter and had ascertained GM had received on January  
6, 1984 the above described cable tray which had been shipped  
on January 3, 1984. An RPF invoice dated January 16, 1984  
was received by GM on January 23, 1984 requesting payment  
for this cable tray with the amount owed shown as \$5,640.  
It was indicated this cable tray was ordered for GM project  
number 3727 but a review of GM records did not contain an  
authorized purchase order for this material and apparently  
the material was shipped by RPF on the verbal authorization  
of [redacted]

b6  
b7C

[redacted] advised cable tray was not needed for  
the above project nor any project at GM since GM does not  
use cable tray. The above cable tray was subsequently  
stored outside the GM facility in Toledo and is still in  
storage at this time. RPF has requested payment for the  
cable tray but to date GM has not paid the above invoice.  
RPF originally indicated they did not desire the cable tray  
returned and therefore it remains in storage.

b6  
b7C

[redacted] advised the above matter was referred  
to GM attorneys. He advised his office would maintain the  
above documents relating to this matter.

b6  
b7C

Investigation on 4/17/86 at Toledo, Ohio File # Cleveland 196A-1141 69

by SA [redacted] Date dictated 4/17/86

b6  
b7C

# Memorandum



To : SAC, Cleveland (196A-1141)  
Attention: Special Agent [redacted]

Date 5/6/86

b6  
b7C

From : Director, FBI [redacted]

Subject :

b6  
b7C

GENERAL MILLS, INC.,  
TOLEDO, OHIO;  
ET AL;  
FRAUD BY WIRE;  
MAIL FRAUD

OO: Cleveland



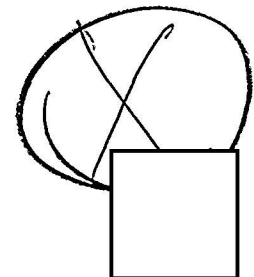
b6  
b7C  
b7E

All documents are enclosed herewith, for appropriate filing.

Enclosures (5) *red* [redacted]

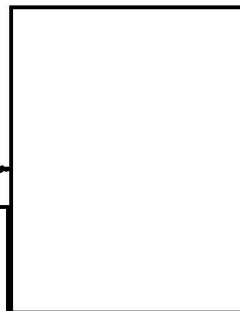
b6  
b7C

1 - Cleveland (94-361)



b6  
b7C

SSRA TOLEDO



196A-1141-70

SEARCHED	[redacted]
SERIALIZED	[redacted]
MAY 19 1986	

[redacted]

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P) Date 5/28/86

From : SA [REDACTED]

b6  
b7C

Subject [REDACTED]

GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF

OO: CLEVELAND

On 4/28/86, AUSA [REDACTED] Toledo,  
Ohio, advised that on this date, 4/28/86, subject [REDACTED]

b3  
b6  
b7C  
b7E

AUSA [REDACTED] advised the facts of this case  
regarding subjects, [REDACTED] would  
be presented to the Federal Grand Jury, Toledo, Ohio,  
during the [REDACTED] session.

b3  
b6  
b7C

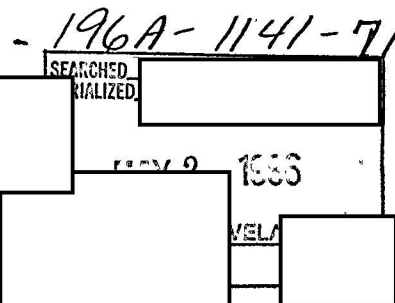
## LEADS:

### CLEVELAND:

#### AT TOLEDO, OHIO.

Will follow and report prosecution and sentencing  
of subjects, [REDACTED]  
in United States District Court, Toledo, Ohio.

b6  
b7C



b6  
b7C

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date 7/9/86

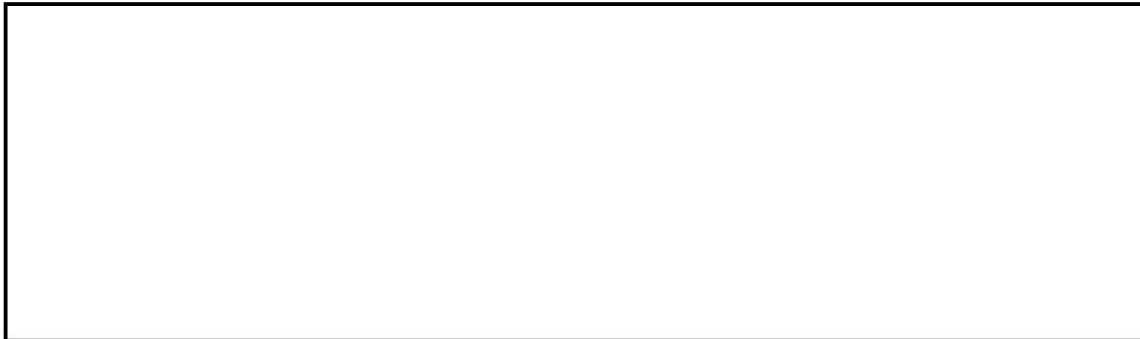
From : SA [redacted]

b6  
b7C

Subject : [redacted]

GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF

OO: CLEVELAND



b3  
b6  
b7C  
b7E

[redacted] is described as a white male, date of birth [redacted] place of birth [redacted] 5'9", 170 pounds, brown hair, brown eyes, SSAN [redacted] and [redacted]

b6  
b7C

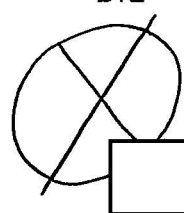
[redacted] has advised he was educated at [redacted] and [redacted]

On 6/17/86, AUSA [redacted] Toledo, Ohio, advised it is desirable to develop further background information regarding [redacted]

b6  
b7C  
b7E

[redacted] AUSA [redacted] advised [redacted] is desirous of being advised of any additional information developed regarding [redacted]

[redacted] It was indicated [redacted]

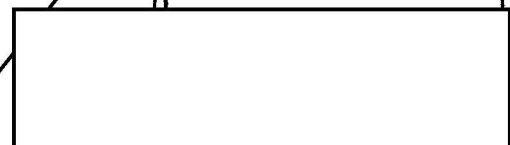


*7-14-86*  
*Pls have CV lead sent*

SEARCHED  
SERIALIZED

196A-1141-72

b6  
b7C



CV 196A-1141

[redacted]

AUSA [redacted] specifically requested the [redacted]  
[redacted] Cleveland, Ohio, be con-  
tacted in order to obtain complete information in their  
file relating to [redacted] background.

b6  
b7C

LEADS:

CLEVELAND:

AT CLEVELAND, OHIO.

Will contact the [redacted] office and review their  
files regarding subject, [redacted] obtaining com-  
plete background information including details of his  
education, residences, employment, and any arrest record  
[redacted] It is requested this  
investigation be expedited in view of the contemplated  
court action relating to other subjects in this case.

b6  
b7C

Bureau File Number

FROM: SAC, CLEVELAND (P)  
SUBJECT:

196A-1141

3985

Sound or RA Number

Agent's Social Security No. \_\_\_\_\_

☐ X If a joint operation with:

☐ X If case involves corruption of a public official (Federal, State or Local).

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? ☒ No ☐ Yes - If Yes, rate each used as follows:

1 = Used, but did not help      3 = Helped, substantially  
2 = Helped, but only minimally      4 = Absolutely essential

b6  
b7C

GENERAL MILLS,  
INCORPORATED,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF  
OO: CLEVELAND

A. Preliminary Judicial Process (Number of subjects)				-Complaints				Informations				Indictments				D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP)				(Explain valuation in remarks)									
								2																					
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)												Property Type Code*		Recoveries		Restitutions		PELP Type Code*		Potential Economic Loss Prevented									
Subject Priority*												\$		\$				\$											
A B C												\$		\$				\$											
Subpoenas Served												\$		\$				\$											
FBI Arrests -												\$		\$				\$											
FBI Locates -												\$		\$				\$											
Local Arrests -												\$		\$				\$											
FBI Subj. Resisted _____; Armed _____												\$		\$				\$											
Criminal Summons 2																													
Local Crim. Summons																													
E. Civil Matters												Government Defendant				Government Plaintiff													
Amount of Suit												\$				\$													
Settlement or Award												\$				\$													
Enter AFA Payment Here																													
F. Final Judicial Process: Judicial District												District				State				Conviction or Pretrial Div. Date				Sentence Date				No. of Subjects	
Subject 1 Subject Description Code* --												Subject 3 Subject Description Code* --																	
Conviction Combined Sentence												Conviction Combined Sentence																	
Title Section Counts In-Jail Yrs Mos Suspended Yrs Mos Probation Yrs Mos												Title Section Counts In-Jail Yrs Mos Suspended Yrs Mos Probation Yrs Mos																	
Total Fines \$												Total Fines \$																	
Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs -8 yrs. susp. = 2 yrs. In-Jail.												Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs -8 yrs. susp. = 2 yrs. In-Jail.																	
Subject 2 Subject Description Code* --												Subject 4 Subject Description Code* --																	
Conviction Combined Sentence												Conviction Combined Sentence																	
Title Section Counts In-Jail Yrs Mos Suspended Yrs Mos Probation Yrs Mos												Title Section Counts In-Jail Yrs Mos Suspended Yrs Mos Probation Yrs Mos																	
Total Fines \$												Total Fines \$																	
Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs -8 yrs. susp. = 2 yrs. In-Jail.												Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs -8 yrs. susp. = 2 yrs. In-Jail.																	

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race\*, sex, and POB and SSAN if available.)

On 7/9/86, Federal Grand Jury, U.S. District Court, Northern District of Ohio, Western Division, Toledo, Ohio, indicted subjects, [redacted] and

with [REDACTED] being indicted on 7 counts and [REDACTED] on 2 counts. Criminal summons were issued for the initial appearance of [REDACTED]

b6  
b7C

Stats noted

Searched

Serialized

Indexed

**Filed**

2 - Bureau  
2 - Field Office  
\* See codes on

196A-1141-73

CV 196A-1141

[redacted] is described as a white male, date of  
birth [redacted] SSAN [redacted]

b6  
b7C

[redacted] is described as a white male, date of  
birth [redacted] SSAN [redacted]



# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P)

Date 7/30/86

From : SA [redacted]

b6  
b7C

Subject : [redacted]

GENERAL MILLS , INC.,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF  
OO: CV

Attached are indictments against subjects [redacted]  
and [redacted]

b6  
b7C

1 - 196A-1141



196A-1141-74  
SEARCHED INDEXED  
SERIALIZED [redacted]

JUL 30 1986

b6  
b7C

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
WESTERN DIVISION

United States of America,  
Plaintiff,  
vs.

Oscar Lewis,  
Defendant.

: Criminal No. **CR 86-752**  
: JUDGE NICHOLAS J. WALINSKI  
: INDICTMENT

: (18 U.S.C. §1341 & 18 U.S.C. §2)

The Grand Jury charges that:

COUNTS I THROUGH V

A. Introduction

1. General Mills, Inc. is a corporation licensed to do business in the State of Ohio and engaged in the business of manufacturing food products in Toledo, Ohio.

2. During all times relevant herein, Brian Marlow was employed by General Mills as an electrical engineer.

3. Reece Panel Fabricating Company, Inc. (hereinafter Reece) is a corporation organized under the laws of Missouri engaged in the business of brokering insulated wire and manufacturing and distributing control panels, among other things.

4. Oscar Lewis is an officer and shareholder of Reece.

B. The Scheme and Artifice to Defraud

5. From on or about August 1, 1981, up to and including on or about November 18, 1983, the exact dates being unknown, within the Northern District of Ohio and elsewhere, defendant, OSCAR LEWIS, together with Brian Marlow, devised and intended to devise and employ a scheme and artifice (1) to defraud

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1986 JUL 10 PM 4:27  
CLERK  
U.S. DISTRICT COURT  
NORTHERN DISTRICT  
TOLEDO, OHIO

General Mills of its right to the honest, conscientious, faithful, loyal, disinterested and unbiased service, action and performance of duties by its employee, Brian Marlow, free of corruption, partiality, wilfull omission, bias, dishonesty, deceit, misconduct, and fraud, and (2) to obtain money from General Mills by means of false pretenses and fraud.

C. Manner and Means of the Scheme and Artifice to Defraud

6. Among the manner and means employed by the defendant, OSCAR LEWIS, to further the scheme and artifice to defraud and to obtain money and property from General Mills by means of false and fraudulent pretenses were the following:

a. Defendant, OSCAR LEWIS, negotiated with Brian Marlow in connection with Reece's sale of various electrical supplies to General Mills and in exchange for the contracts of sale arranged to pay Brian Marlow a bribe or kick-back which varied in amount from sale to sale.

b. Defendant, OSCAR LEWIS, upon receipt of payment from General Mills for the sales of electrical supplies, sent checks drawn on Reece and made payable to Brian Marlow which represented approximately fifty percent of the profit Reece would otherwise have made on the sales.

c. By sending these bribes and kickbacks to Brian Marlow, the defendant, OSCAR LEWIS deprived General Mills of the loyal and faithful services of Brian Marlow and cost General Mills approximately \$60,000.00 which General Mills would not have paid for the electrical supplies but for the breach of loyalty.

7. On or about the dates set forth below in the Northern District of Ohio, the defendant, OSCAR LEWIS, for the purpose of executing the aforementioned scheme and artifice to defraud and for obtaining money and property by means of fraudulent pretenses caused the placement of the following checks made payable

to Brian Marlow and drawn on Reece in the U.S. Mails for delivery in the Northern District of Ohio:

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>Check Number</u>
1	03-19-82	\$8,000	7673
2	09-13-82	\$7,000	8180
3	11-15-82	\$3,500	8310
4	04-13-83	\$6,000	8581
5	08-15-83	\$3,175	8850

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS VI THROUGH VII

8. Paragraphs 1 through 5 are hereby realleged and incorporated as though set forth in full herein;

9. Among the manner and means employed by the defendant, OSCAR LEWIS, to further the scheme and artifice to defraud and to obtain money and property from General Mills by means of false and fraudulent pretenses were the following:

a. Defendant, OSCAR LEWIS, sent shipping documents to Brian Marlow which documents were false as they purported to accompany cable delivered to General Mills from Reece when in fact, as Lewis well knew, no such cable had been delivered to General Mills.

b. Defendant, OSCAR LEWIS, negotiated with Brian Marlow for Marlow to prepare or cause the preparation of various documents including requisitions, purchase orders and requests for checks and to place these documents along with the false shipping documents from Reece in the General Mills purchasing system so as to give the appearance of sales of cable by Reece to General Mills, when in fact no such sales took place.

c. As a result of the foregoing, General Mills paid over \$21,000.00 to Reece for cable that was never actually delivered.

10. On or about the dates set forth below, the defendant, OSCAR LEWIS, for the purpose of executing and attempting to execute the aforesaid scheme did cause the following articles to be delivered by the U.S. Mails to General Mills in Toledo, Ohio, within the jurisdiction of this Court, according to the directions thereon:

<u>Count</u>	<u>Date</u>	<u>Article</u>
6	August 11, 1983	Reece Panel Fabricating Co. Invoice No. 6191
7	October 6, 1983	Reece Panel Fabricating Co. Invoice No. 6214 & 6215

All in violation of Title 18, United States Code, Sections 1341 and 2.

A TRUE BILL

\_\_\_\_\_  
Grand Jury Foreperson

  
WILLIAM J. EDWARDS  
Acting United States Attorney

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
WESTERN DIVISION

CR 86-751

United States of America,

:

Criminal No.

Plaintiff,

:

JUDGE NICHOLAS J. WALINSKI

vs.

:

INDICTMENT

Clifford Eck,

:

(18 U.S.C. §1341 & 18 U.S.C. §2)

Defendant.

:

The Grand Jury charges that:

COUNTS I AND II

A. Introduction

1. General Mills, Inc. is a corporation licensed to do business in the State of Ohio and engaged in the business of manufacturing food products in Toledo, Ohio.

2. During all times relevant herein, Brian Marlow was employed by General Mills as an electrical engineer.

3. During all times relevant herein, Attaboy Inc., also known as Powertech Inc., (hereinafter Powertech), was a corporation organized under the laws of Ohio engaged in the business of representing manufacturers of electrical products and component parts with respect to sales, among other things.

B. The Scheme and Artifice to Defraud

4. From on or about September 12, 1983, up to and including on or about November 4, 1983, the exact dates being unknown, within the Northern District of Ohio and elsewhere, defendant, CLIFFORD ECK, together with Brian Marlow, devised and intended to devise and employ a scheme and artifice (1) to defraud General Mills of its right to the honest, conscientious, faithful, loyal, disinterested

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1983 JUL 10 PM 4:29  
U.S. DISTRICT COURT  
NORTHERN DISTRICT  
TOLEDO, OHIO

and unbiased service, action and performance of duties by its employee, Brian Marlow, free from bribery, corruption, partiality, wilfull omission, bias, dishonesty, deceit, misconduct, and fraud, and (2) to obtain money from General Mills by means of false pretenses and fraud.

C. Manner and Means of the Scheme and Artifice to Defraud

5. Among the manner and means employed by the defendant, CLIFFORD ECK, to further the scheme and artifice to defraud and to obtain money and property from General Mills by means of false and fraudulent pretenses were the following:

a. Defendant, CLIFFORD ECK, sent shipping documents to Marlow, which documents were false as they purported to accompany cable delivered to General Mills from Powertech when in fact, as ECK well knew, no such cable had been delivered.

b. Defendant, CLIFFORD ECK, negotiated with Brian Marlow for Marlow to prepare or cause the preparation of various documents including requisitions, purchase orders and requests for checks and to place the documents, along with the false shipping documents from Powertech in the General Mills purchasing system so as to give the appearance of sales of cable by Powertech to General Mills, when in fact no such sales took place.

c. As a result of the foregoing, General Mills sent over \$16,000.00 to Powertech for cable that was never actually delivered to General Mills.

6. On or about the dates set forth below, the Defendant, CLIFFORD ECK, for the purpose of executing and attempting to execute the aforesaid scheme did cause the following articles to be delivered by U.S. Mails to General Mills in Toledo, Ohio, within the jurisdiction of this court, according to the directions thereon:

Count

Date

Article

1

September 15, 1983

Powertech Invoice No. CE 71483

2

September 30, 1983

Powertech Invoice No. CE 92683

All in violation of Title 18, United States Code, Sections 1341 and 2.

A TRUE BILL

\_\_\_\_\_  
Grand Jury Foreperson

*William J. Edwards*

WILLIAM J. EDWARDS

Acting United States Attorney



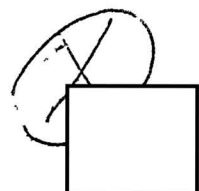
CV 196A-1141

I

The following investigation was conducted by  
Special Agent (SA) [redacted] at Cleveland, Ohio on  
July 22, 1986:

[redacted] Office, Cleveland, Ohio was contacted  
regarding background information concerning [redacted]  
Social Security number [redacted] advised that  
[redacted] records concerning [redacted] are not maintained in the  
Cleveland office and that he would send for these records  
and contact the FBI upon receipt.

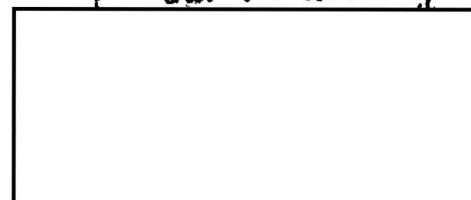
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196A-1141-75

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SERIALIZED	[redacted]
SEP 15 1986	

b6  
b7C



# Memorandum



To : SAC, CLEVELAND (196A-1141)(TRA)(P)

Date 9/22/86

From : SA [redacted]

b6  
b7C

Subject :

GENERAL MILLS, INC.,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF

OO: CV

It is noted subject, [redacted] has pled guilty to three counts of an information filed in U.S.D.C., Toledo, O. charging him with violation [redacted]

b6  
b7C

Subjects, [redacted] were indicted on 7/9/86 by the Federal Grand Jury, USDC, Toledo, Ohio for violation [redacted] indicted on 7 counts and [redacted] on 2 counts.

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Subjects, [redacted] have pled not guilty and were released on OR bond.

On 9/4/86, AUSA [redacted] Toledo, O. advised subject, [redacted] is represented by attorney, [redacted] Toledo, Ohio. Subject, [redacted] continues to be represented by attorney, [redacted] Toledo, O.

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AUSA [redacted] advised a trial date for subjects, [redacted] and [redacted] has not been set as of this date.

b6  
b7C

LEAD

CV DIV. AT TOLEDO, OHIO:

Will follow and report prosecution of all subjects and conduct further investigation as required.

2 - 196A-1141

(2)

196A-1141-76

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SERIALIZED	FILED
SEP 22 1986	
FBI - CLEVELAND	

b6  
b7C

GENERAL MILLS, INC. • EXECUTIVE OFFICES • 9200 Wayzata Boulevard • Minneapolis, Minnesota

[redacted]  
of Security

b6  
b7C

Special Agent [redacted]  
Federal Bureau of Investigation  
136 North Summit Street  
Fort Industry Square, Box 898  
Toledo, OH 43696

Dear Agent [redacted]

b6  
b7C

On behalf of General Mills, Inc., I would like to thank  
you and your associates for your efforts in the [redacted]  
[redacted] case.

This case has resulted in a heightened awareness among  
our plant management personnel to establish tighter  
controls.

Please accept our congratulations for your efforts in  
bring this case to a successful conclusion.

Sincerely,

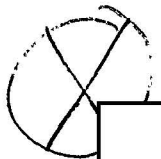
[redacted signature]

b6  
b7C

[redacted]

cc:

[redacted]



196A-1141-77

[redacted] [redacted]  
SEARCHED [redacted]  
SERIAL [redacted]  
OCT 1 1963  
[redacted] [redacted]

Mailing Address: P. O. Box 1113, Minneapolis, Minnesota 55440

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b7C

CV 196A-1141

[REDACTED]

I

The following investigation was conducted by Special Agent (SA) [REDACTED] in Cleveland, Ohio on November 3, 1986.

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b7C

[REDACTED]  
Cleveland, Ohio, advised that his office has no records identifiable with [REDACTED]. He advised that twice he has sent requests to his Regional Office regarding records for [REDACTED] but he has yet to have any response from the Regional Office regarding [REDACTED]. [REDACTED] was advised to contact the FBI office upon receiving any records regarding [REDACTED].

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b7C

196A-1141-78  
SEARCHED  
SERIALIZED

NOV 04 1986

b6  
b7C

# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P) Date 12/11/86

From : SA [redacted]

b6  
b7C

Subject : [redacted]  
GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;  
ET AL;  
BF & E; MF

OO: CLEVELAND

Re memo of SA [redacted] 9/22/86.

On 10/30/86, AUSA [redacted] Toledo, Ohio, advised her office was considering pre-trial diversion prosecution regarding subjects, [redacted] who were indicted on 7/9/86 by the Federal Grand Jury, U.S. District Court, Toledo, Ohio, for violation of [redacted]

b6  
b7C

[redacted] indicted on seven counts and [redacted] on two counts. AUSA [redacted] advised under such prosecution, subjects [redacted] would be required to make full restitution to General Mills, Incorporated and they would be placed on probation. They would also be required to submit to interview regarding their participation in the above violations.

It is noted [redacted] is represented by attorney [redacted] Toledo, Ohio, and subject [redacted] continues to be represented by attorney [redacted] Toledo, Ohio.

b6  
b7C

On 12/1/86, AUSA [redacted] advised [redacted] through their attorneys, have agreed to the terms of the above pre-trial diversion prosecution and noted she had discussed this matter with U.S. Justice Department official who had approved of this prosecution. She advised her office contemplates proceeding with the above indicated prosecution. AUSA [redacted] advised under terms of the proposed prosecution, that both [redacted] would remain on probation until full restitution had been made to General Mills, Incorporated.

b6  
b7C



196A-1141-79  
SEARCHED INDEXED  
SERIALIZED

DEC 11 1986

b6  
b7C

CV 196A-1141

LEADS:

CLEVELAND:

AT TOLEDO, OHIO.

Will continue to follow and report prosecution of  
subjects [redacted] Will  
arrange for the interview of subjects [redacted] under  
terms of the above prosecution as outlined by AUSA [redacted]

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# Memorandum



To : SAC, CLEVELAND (196A-1141) (TRA) (P) Date 1/13/87

From : SA [redacted]

Subject : [redacted]  
GENERAL MILLS, INCORPORATED,  
TOLEDO, OHIO;  
ET AL;  
BF & E; MF

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b7C

OO: CLEVELAND

Re memo of SA [redacted] 12/11/86.

On 1/7/87, AUSA [redacted] Toledo, Ohio, advised her office was still contemplating pre-trial diversion prosecution regarding subjects, [redacted]. She advised that attorney [redacted] Toledo, Ohio, telephone [redacted] is currently representing subject [redacted]. She advised as soon as subjects [redacted] formally agreed to the pre-trial diversion prosecution, that the Federal Probation Office, Toledo, Ohio, would undertake a background investigation and thereafter the subjects would be placed in the pre-trial diversion program.

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## LEADS:

### CLEVELAND:

#### AT TOLEDO, OHIO.

Will continue to follow and report prosecution of subjects, [redacted]. It is noted [redacted] has pled guilty in U.S. District Court, Toledo, Ohio, regarding this matter and is awaiting sentencing.

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196A-1141-80

SEARCHED	[redacted]
SERIALIZED	[redacted]
JAN 13 1987	

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FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1398509-000

Total Deleted Page(s) = 6

Page 7 ~ Duplicate;  
Page 8 ~ Duplicate;  
Page 9 ~ Duplicate;  
Page 10 ~ Duplicate;  
Page 11 ~ Duplicate;  
Page 13 ~ Duplicate;

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FEDERAL BUREAU  
OF INVESTIGATION

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

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b7C

M CLEVELAND (196A-1141) TRA (P)

TO DIRECTOR ROUTINE

BT

UNCLAS

ATTN: SECTION CHIEF - WHITE COLLAR CRIME UNIT

GENERAL MILLS, INC., TOLEDO,

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b7C

OHIO; POWER TECH, 341 ENTERPRISE DRIVE, WESTERVILLE,

OHIO; REECE PANEL FABRICATING COMPANY, 10712

KAHLMAYER DRIVE, ST. LOUIS, MISSOURI; FBW; MF, OO: CLEVELAND

ON AUGUST 31, 1984, AUSA [REDACTED] TOLEDO, OHIO, ADVISED

THREE INDICTMENT CONFERENCES RE CAPTIONED MATTER HAS BEEN SCHEDULED  
FOR SEPTEMBER 10-12, 1984 AND IT IS DESIRED FORMER CASE AGENT

DE-137

5576-1

[REDACTED] ATTEND THE CONFERENCES. SA [REDACTED] IS PRESENTLY

ASSIGNED TO THE SPECIAL STAFF, DIVISION 5, FBIHQ.

12 SEP 6 1984

IT IS REQUESTED SA [REDACTED] ATTEND THE ABOVE CONFERENCES AT TOLEDO,

OHIO.

BT

#

20

46 OCT 31 1984  
284

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PERS. REC. UNIT

FROM: SAC, CLEVELAND (P)

SUBJECT:

GENERAL MILLS, INC.,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF  
OO: CLEVELAND

196-5576

Bureau File Number

196A-1141

Field Office File Number

3985

Squad or RA Number

Agent's Social Security No.

☐ X if a joint operation with:

☐ (Identity of other agency)  
X if case involves  
corruption of a public  
official (Federal, State or  
Local).

Date 2/21/86

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? ☒ No ☐ Yes. If Yes, rate each used as follows:

1 = Used, but did not help 3 = Helped, substantially  
2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exams	Rating	15. Photographic Coverage	Rating	22. Telephone Toll Recs	Rating
2. Aircraft Assistance		9. Hypnosis Assistance		16. Polygraph Assistance		23. UCO Group I	
3. Computer Assistance		10. Ident Div Assistance		17. Search Warrants Executed		24. UCO Group II	
4. Consensual Monitoring		11. Informant Information		18. Show Money Usage		25. UC Other	
5. ELSUR - FISC		12. Lab Div. Exams		19. Surveill. Sqd. (SOG) Asst		26. NCAVC/ VHCAP	
6. ELSUR - Title II		13. Lab Div. Field Support		20. SWAT Team Action		27. Visual Invest. Analysis (VIA)	
7. Eng. Sect. Field Support		14. Pen Registers		21. Tech. Agt. or Tech Equip			

A. Preliminary Judicial Process (Number of subjects)		-Complaints	Informations	Indictments	D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)				
			1		Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)									
Subject Priority*									
A B C									
FBI Arrests									
FBI Locates									
Local Arrests									
FBI Subj. Registered									
Armed									
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)					E. Civil Matters				
Hostages Held By Terrorists					Government Defendant				
All Other Hostage Situations					Government Plaintiff				
Missing or Kidnaped Children Located					Amount of Suit				
					Settlement or Award				
Final Judicial Process: Judicial District					No. of Subjects				
District					State				
Conviction or Pretrial Div. Date					Sentence Date				
Acquitted					Dismissed				
Subject 1 Subject Description Code*					Subject 3 Subject Description Code*				
Conviction					Conviction				
Combined Sentence					Combined Sentence				
In-Jail Yrs Mos					In-Jail Yrs Mos				
Suspended Yrs Mos					Suspended Yrs Mos				
Probation Yrs Mos					Probation Yrs Mos				
Total Fines \$					Total Fines \$				
Add consecutive sentences together					Add consecutive sentences together				
Enter longest single concurrent sentence					Enter longest single concurrent sentence				
Do not add concurrent sentences together					Do not add concurrent sentences together				
Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail					Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail				
Subject 2 Subject Description Code*					Subject 4 Subject Description Code*				
Conviction					Conviction				
Combined Sentence					Combined Sentence				
In-Jail Yrs Mos					In-Jail Yrs Mos				
Suspended Yrs Mos					Suspended Yrs Mos				
Probation Yrs Mos					Probation Yrs Mos				
Total Fines \$					Total Fines \$				
Add consecutive sentences together					Add consecutive sentences together				
Enter longest single concurrent sentence					Enter longest single concurrent sentence				
Do not add concurrent sentences together					Do not add concurrent sentences together				
Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail					Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail				

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-4) for each subject. FEB 27 1986

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race, sex, and POB and SSAN if available.)

On 2/10/86, an information was filed in U.S. District Court, NDO-WD, charging subject, [redacted] with violation of Title 18, U.S. Code, Sections 1341. Criminal summons issued. [redacted] is a white male, date of birth [redacted] of birth [redacted] SSAN [redacted]

64 NOV 24 1986

2 - Bureau (1 - [redacted])  
2 - Field Office  
See codes on reverse side

(4)

Aug 19 1983

**Property Type Codes\***

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

**Potential Economic Loss Prevented (PELP) Type Codes\***

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

\*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

**Subject Description Codes\***

- Enter Description Code Only When Reporting a Conviction -

**Organized Crime Subjects:**

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN

**Known Criminals (Other Than OC Members):**

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

**Foreign Nationals:**

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

**Terrorists:**

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

**Union Members:**

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

**Government Officials Or Employees:**

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Empl - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

**Bank Officers or Employees:**

- 7A Bank Officer
- 7B Bank Employee

**All Others:**

- 8A All Other Subjects (not fitting above categories)

\*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

**Instructions**

**Subject Priorities for FBI Arrest or Locates:**

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

**Claiming Non-Federal Arrests, Summonses, Recoveries or Convictions:**

It is permissible to claim a local arrest, summons, recovery or conviction if the FBI significantly contributed to the accomplishment. A succinct narrative setting forth the basis for the claim must accompany this report. When claiming a local recovery, enter the word "LOCAL" to the right of the amount. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for capital punishment sentences.

**Reporting Convictions:**

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
  2. The subject dies after conviction but prior to sentencing.
- An explanation is required in the Remarks section for either of the above exceptions.

**Rule 20 Situations:**

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

**Investigative Assistance or Techniques (IA/Ts) Used:**

Since more than one IA/T could have contributed to the accomplishment, each IA/T used must be rated. The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

**Race Codes:**

C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

RECEIVED  
TELETYPE  
UNIT

Transmit attached by Facsimile

UNCLAS

Precedence

FEDERAL BUREAU  
OF INVESTIGATION

To: Director FBI

Date: 9/7/84

From: SAC CLEVELAND (196A-1141)

Time Transmitted

Subject:

Initials

3 - Encl  
6 Encl  
7 - Encl

☐ Fingerprint Photo

☐ Fingerprint Record

☐ Map

☐ Newspaper clipping

☐ Photograph

☐ Artists Conception

☒ Other

Teletype

8 - Encl  
9 - Encl

Special handling instructions:

ATT: Supervisor

Approved:

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b7C

196-5576-2

29 SEP 11 1984

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b7C

1-CP

6-

46 OCT 31 1984

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RR HQ

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FM CLEVELAND (196A-1141) TRA (P)

TO DIRECTOR ROUTINE

BT

UNCLAS

ATTN: SECTION CHIEF - WHITE COLLAR CRIME UNIT

[REDACTED] GENERAL MILLS, INC., TOLEDO,

OHIO; [REDACTED] POWER TECH, 341 ENTERPRISE DRIVE, WESTERVILLE,

OHIO; [REDACTED] PREECE PANEL FABRICATING COMPANY, 10712

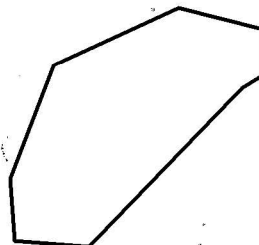
KAHLMAYER DRIVE, ST. LOUIS, MISSOURI; FBW: MF. OO: CLEVELAND

ON AUGUST 31, 1984, AUSA [REDACTED] TOLEDO, OHIO, ADVISED  
THREE INDICIMENT CONFERENCES RE CAPTIONED MATTER HAS BEEN SCHEDULED  
FOR SEPTEMBER 10-12, 1984 AND IT IS DESIRED FORMER CASE AGENT

[REDACTED] ATTEND THE CONFERENCES. SA [REDACTED] IS PRESENTLY  
ASSIGNED TO THE SPECIAL STAFF, DIVISION 5, FBIHQ.

IT IS REQUESTED SA [REDACTED] ATTEND THE ABOVE CONFERENCES AT TOLEDO,  
OHIO.

BT



196-1141-  
LORI  
INDEXED  
LORI

196 - 5576 - 2

1 - Mr. Lewis

5/6/86

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b7C

SAC, Cleveland (196A-1141)  
Attention: Special Agent

Director, FBI

GENERAL MILLS, INC.,  
TOLEDO, OHIO;  
ET AL;  
FRAUD BY WIRE;  
MAIL FRAUD

OO: Cleveland

A technical review of the polygraph examination documents pertaining to the examination of [redacted] conducted in Toledo, Ohio on 4/7/86 has been completed. This review disclosed that the examination is satisfactory and review personnel concur with the results of the examination.

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All documents are enclosed herewith, for appropriate filing.

Enclosures (5)

1 - Cleveland (94-361)

MAILED 9

MAY 09 1986

FBI

V-131

DE-83

196-5576-3

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b7C

Exec AD Adm. \_\_\_\_\_  
Exec AD Inv. \_\_\_\_\_  
Exec AD LES \_\_\_\_\_  
Asst. Dir.:  
Adm. Servs. \_\_\_\_\_  
Crim. Inv. \_\_\_\_\_  
Ident. \_\_\_\_\_  
Insp. \_\_\_\_\_  
Intell. \_\_\_\_\_  
Lab. \_\_\_\_\_  
Legal Coun. \_\_\_\_\_  
Off. Cong. & Public Affs. \_\_\_\_\_  
Rec. Mgmt. \_\_\_\_\_  
Tech. Servs. \_\_\_\_\_  
Training \_\_\_\_\_  
Telephone Rm. \_\_\_\_\_  
Director's Sec'y \_\_\_\_\_

ENCLOSURE

10 MAY 15 1986

DE 7

REC'D CIVIC 800A

MAIL ROOM



NOV 25 1986

**Property Type Codes\***

Code No	Description
	Cash (U.S. and foreign currency)
	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
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6D Judge	6M Judge	6T Judge
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C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

(From date of accomplishment)

DIRECTOR, FBI

CLEVELAND (P)

196-5576

Bureau File Number

196A-1141

Field Office File Number

3985

Squad or RA Number

Agent's Social Security No.

☐ X If a joint operation with:☐ (Identity of other agency)  
X If case involves  
corruption of a public  
official (Federal, State or  
Local).

Date 4/22/87

## Investigative Assistance or Technique Used

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2 = Helped, but only minimally 4 = Absolutely essential

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2. Aircraft Assistance		9. Hypnosis Assistance		16. Polygraph Assistance		23. UCO Group I	
3. Computer Assistance		10. Ident Div Assistance		17. Search Warrants Executed		24. UCO Group II	
4. Consensual Monitoring		11. Informant Information		18. Show Money Usage		25. UC Other	
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7. Eng. Sect. Field Support		14. Pen Registers		21. Tech. Agt. or Tech Equip			

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A. Preliminary Judicial Process (Number of subjects)		Complaints	Informations	Indictments	D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)				
					Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)		Subject Priority*			1	\$	\$		\$
		A	B	C		\$	\$		\$
FBI Arrests -						\$	\$		\$
FBI Locates -						\$	\$		\$
Local Arrests -						\$	\$		\$
FBI Subj. Resisted _____; Armed _____						\$	\$		\$
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)					E. Civil Matters				
Hostages Held By Terrorists _____; All Other Hostage Situations _____					Government Defendant				
Missing or Kidnaped Children Located _____					Government Plaintiff				
					Amount of Suit				
					Settlement or Award				
					Enter AFA Payment Here				

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F. Final Judicial Process: Judicial District		ND	OH	4/3/87	4/3/87	No. of Subjects	Acquitted	Dismissed												
		District	State	Conviction or Pretrial Div. Date	Sentence Date															
Subject 1		3 Subject Description Code* -																		
<input checked="" type="checkbox"/> Felony		Conviction			Combined Sentence			<input type="checkbox"/> Felony		Conviction			Combined Sentence							
		Title	Section	Counts	In-Jail Yrs	Mos	Suspended Yrs	Mos	Probation Yrs	Mos	Title	Section	Counts	In-Jail Yrs	Mos	Suspended Yrs	Mos	Probation Yrs	Mos	
<input type="checkbox"/> Misdemeanor		15-15-15																		
<input type="checkbox"/> Plea					Total Fines \$									Total Fines \$						
<input type="checkbox"/> Trial					Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.									Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.						
<input checked="" type="checkbox"/> Pretrial Diversion																				
Subject 2		Subject Description Code* -							Subject 4		Subject Description Code* -									
<input checked="" type="checkbox"/> Felony		Conviction			Combined Sentence			<input type="checkbox"/> Felony		Conviction			Combined Sentence							
		Title	Section	Counts	In-Jail Yrs	Mos	Suspended Yrs	Mos	Probation Yrs	Mos	Title	Section	Counts	In-Jail Yrs	Mos	Suspended Yrs	Mos	Probation Yrs	Mos	
<input type="checkbox"/> Misdemeanor					Total Fines \$									Total Fines \$						
<input type="checkbox"/> Plea					Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.									Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.						
<input type="checkbox"/> Trial																				
<input type="checkbox"/> Pretrial Diversion																				

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B, or F above, provide name, DOB, race\*, sex, and POB and SSAN if available.)

Subject, [redacted] signed a pretrial diversion agreement on 4/3/87 regarding his indictment on 7/9/86 by the Federal Grand Jury, U.S. District Court, Northern District of Ohio, Western Division, Toledo, Ohio. As a special condition of the pretrial diversion agreement, [redacted] was ordered to make restitution to General Mills, Incorporated in the amount of [redacted]

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b7C



JUL 22 1987

**Property Type Codes\***

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

**Potential Economic Loss Prevented (PELP) Type Codes\***

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
27	Commercial or Industrial Theft Scheme Aborted
30	All Other Potential Economic Loss Prevented (not falling in any category above)

\*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

**Subject Description Codes\***

- Enter Description Code Only When Reporting a Conviction -

**Organized Crime Subjects (Include Family Name Or Group):**

- 1A Boss, Underboss or Consigliere
- 1B Capodecina or Soldier
- 1C Possible LCN Member or Associate
- 1D OC Subject Other Than LCN
- 1E Not a Member or Associate of LCN Family or OC Organization

**Union Members:**

- 5A International or National Officer
- 5B Local Officer
- 5C Union Employee

**Known Criminals (Other Than OC Members):**

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

**Government Officials Or Employees:****Federal****State****Local**

- |                             |                            |                            |
|-----------------------------|----------------------------|----------------------------|
| 6A Presidential Appointee   | 6J Governor                | 6R Mayor                   |
| 6B U.S. Senator             | 6K Lt. Governor            |                            |
| 6C U.S. Representative      | 6L Legislator              | 6S Legislator              |
| 6D Judge                    | 6M Judge                   | 6T Judge                   |
| 6E Prosecutor               | 6N Prosecutor              | 6U Prosecutor              |
| 6F Law Enforcement Officer  | 6P Law Enforcement Officer | 6V Law Enforcement Officer |
| 6G Fed Empl - GS 13 & above | 6Q All Others - State      | 6W All Others - Local      |
| 6H Fed Empl - GS 12 & below |                            |                            |

**Bank Officers or Employees:**

- 7A Bank Officer
- 7B Bank Employee

**All Others:**

- 8A All Other Subjects (not fitting above categories)

**Foreign Nationals:**

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

**Terrorists:**

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

\*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

**Instructions****Subject Priorities for FBI Arrest or Locates:**

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
- B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
- C - All others

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Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

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An explanation is required in the Remarks section for either of the above exceptions.

**Rule 20 Situations:**

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

**Investigative Assistance or Techniques (IA/Ts) Used:**

-Since more than one IA/T could have contributed to the accomplishment, each IA/T used must be rated.

-The IA/T used must be rated each time an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction, and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

**Race Codes:**

C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White

CV 196A-1141

[redacted] is described as a white male, date of  
birth [redacted] SSAN [redacted]

b6  
b7C

LEVELAND (P)

GENERAL MILLS, INC.,  
TOLEDO, OHIO;  
ET AL;  
FBW; MF  
OO: CLEVELAND

196-5576

Bureau File Number

196A-1141

Field Office File Number

3985

Squad or RA Number

Agent's Social Security No.

☐ X if a joint operation with:

☐ X if case involves corruption of a public official (Federal, State or Local).

Date 3/26/87

Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? ☒ No ☐ Yes - If Yes, rate each used as follows:

1 = Used, but did not help 3 = Helped, substantially  
2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exams	Rating	15. Photographic Coverage	Rating	22. Telephone Toll Recs	Rating
2. Aircraft Assistance		9. Hypnosis Assistance		16. Polygraph Assistance		23. UCO Group I	
3. Computer Assistance		10. Ident Div Assistance		17. Search Warrants Executed		24. UCO Group II	
4. Consensual Monitoring		11. Informant Information		18. Show Money Usage		25. UC Other	
5. ELSUR - FISC		12. Lab Div Exams		19. Surveill. Sqd. (SOG) Asst		26. NCAVC/VI-CAP	
6. ELSUR - Title III		13. Lab Div Field Support		20. SWAT Team Action		27. Visual Invest - Analysis (VIA)	
7. Eng. Sect		14. Pen Registers		21. Tech. Agt. or Tech Equip			

b6  
b7C

A. Preliminary Judicial Process (Number of subjects)		Complaints	Informations	Indictments	D. Recoveries, Property Type Code*	Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)		
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)		Subject Priority*		1		Restitutions	PELP Type Code*	Potential Economic Loss Prevented
FBI Arrests -		A	B	C				
FBI Locates -				Subpoenas Served				
Local Arrests -				Criminal Summons				
FBI Subj. Released - ; Armed -				Local Crim. Summons				
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)					E. Civil Matters			
Hostages Held By Terrorists - ; All Other Hostage Situations -					Government Defendant		Government Plaintiff	
Missing or Kidnaped Children Located -					Amount of Suit		Settlement or Award	
							Enter AFA Payment Here	

b6  
b7C  
b7E

F. Final Judicial Process: Judicial District ND OH		3/19/87 2		3/19/87		No. of Subjects	
Subject 1		Subject 3		Subject Description Code* -			
<input checked="" type="checkbox"/> Felony		<input type="checkbox"/> Felony		Conviction		Combined Sentence	
<input type="checkbox"/> Misdemeanor		<input type="checkbox"/> Misdemeanor		Title Section Counts		Yrs Mos Yrs Mos	
<input type="checkbox"/> Plea		<input type="checkbox"/> Plea		In-Jail		Suspended	
<input type="checkbox"/> Trial		<input type="checkbox"/> Trial		Yrs Mos		Yrs Mos	
<input checked="" type="checkbox"/> Pretrial Diversion		<input type="checkbox"/> Pretrial Diversion		Total Fines \$		Total Fines \$	
				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.		Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.	
Subject 2		Subject 4		Subject Description Code* -			
<input type="checkbox"/> Felony		<input type="checkbox"/> Felony		Conviction		Combined Sentence	
<input type="checkbox"/> Misdemeanor		<input type="checkbox"/> Misdemeanor		Title Section Counts		Yrs Mos Yrs Mos	
<input type="checkbox"/> Plea		<input type="checkbox"/> Plea		In-Jail		Suspended	
<input type="checkbox"/> Trial		<input type="checkbox"/> Trial		Yrs Mos		Yrs Mos	
<input type="checkbox"/> Pretrial Diversion		<input type="checkbox"/> Pretrial Diversion		Total Fines \$		Total Fines \$	
				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.		Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.-8 yrs. susp. = 2 yrs. In-Jail.	

Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race\*, sex, and POB and SSAN if available.)

Subject, [redacted], signed a pretrial diversion agreement on 3/19/87 regarding his indictment on 7/9/86 by the Federal Grand Jury, U.S. District Court, Northern District of Ohio, Western Division, Toledo, Ohio. On same date, [redacted] made restitution to General Mills, Incorporated in the amount of [redacted] with this payment made as a special condition of the above pretrial diversion agreement.

b6  
b7C

16 MAR 31 1987

2 - Bureau  
2 - Field Office  
\* See codes on reverse side.

(1) 1 241989

(4)

JUN 16 1987

**Property Type Codes\***

Code No	Description
1	Cash (U.S. and foreign currency)
2	Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3	General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4	Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
6	Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7	Jewelry (including unset precious and semiprecious stones)
8	Precious Metals (gold, silver, silverware, platinum, etc)
9	Art, Antiques or Rare Collections
11	Weapons or Explosives
20	All Other Recoveries (not falling in any category above)

**Potential Economic Loss Prevented (PELP) Type Codes\***

Code No	Description
22	Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23	Counterfeit or Pirated Sound Recordings or Motion Pictures
24	Bank Theft Scheme Aborted
25	Ransom, Extortion or Bribe Demand Aborted
26	Theft from, or Fraud Against, Government Scheme Aborted
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\*Except for cash, the Remarks section must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

**Subject Description Codes\***

- Enter Description Code Only When Reporting a Conviction -

**Organized Crime Subjects (Include Family Name Or Group):**

- 1A Boss, Underboss or Consigliere
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- 1D OC Subject Other Than LCN
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- 5A International or National Officer
- 5B Local Officer
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**Known Criminals (Other Than OC Members):**

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

**Government Officials Or Employees:**

**Federal**

- 6A Presidential Appointee
- 6B U.S. Senator
- 6C U.S. Representative
- 6D Judge
- 6E Prosecutor
- 6F Law Enforcement Officer
- 6G Fed Empl - GS 13 & above
- 6H Fed Empl - GS 12 & below

**State**

- 6J Governor
- 6K Lt. Governor
- 6L Legislator
- 6M Judge
- 6N Prosecutor
- 6P Law Enforcement Officer
- 6Q All Others - State

**Local**

- 6R Mayor
- 6S Legislator
- 6T Judge
- 6U Prosecutor
- 6V Law Enforcement Officer
- 6W All Others - Local

**Foreign Nationals:**

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official Without Diplomatic Immunity
- 3D U.N. Employee Without Diplomatic Immunity
- 3E Foreign Students
- 3F All Others

**Bank Officers or Employees:**

- 7A Bank Officer
- 7B Bank Employee

**Terrorists:**

- 4A Known Member of a Terrorist Organization
- 4B Possible Terrorist Member or Sympathizer

**All Others:**

- 8A All Other Subjects (not fitting above categories)

\*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

**Instructions**

**Subject Priorities for FBI Arrest or Locates:**

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
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It is permissible to claim a local arrest, summons, recovery or conviction if the FBI significantly contributed to the accomplishment. A succinct narrative setting forth the basis for the claim must accompany this report. When claiming a local recovery, enter the word "LOCAL" to the right of the amount. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for capital punishment sentences.

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Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

- 1. The subject becomes a fugitive after conviction but prior to sentencing.
- 2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

**Rule 20 Situations:**

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, not the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

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- Since more than one IA/T could have contributed to the accomplishment, each IA/T used must be rated.
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**Race Codes:**

C=Chinese; I=Indian/American; J=Japanese; N=Negro; O=All other; U=Unknown; W=White

CV 196A-1141

[redacted] is described as a white male, date of  
birth [redacted] place of birth [redacted] SSAN  
[redacted]

b6  
b7C

## REPORT

Date of accomplishment)

TOR, FBI

CLEVELAND (P)

GENERAL MILLS, INC.,  
TOLEDO, OHIO;

ET AL;

FBW; MF

OO: CLEVELAND

196-5576

Bureau File Number

196A-1141

Field Office File Number

3985

Squad or RA Number

Agent's Social Security No.

☐ X If a joint operation with:

(Identity of other agency)

☐ X If case involves  
corruption of a public  
official (Federal, State or  
Local).

Date 5/27/87

## Investigative Assistance or Technique Used

Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? ☒ No ☐ Yes - If Yes, rate each used as follows:1 = Used, but did not help 3 = Helped, substantially  
2 = Helped, but only minimally 4 = Absolutely essential

b6

b7C

1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exams	Rating	15. Photographic Coverage	Rating	22. Telephone Toll Recs	Rating
2. Aircraft Assistance		9. Hypnosis Assistance		16. Polygraph Assistance		23. UCO Group I	
3. Computer Assistance		10. Ident Div Assistance		17. Search Warrants Executed		24. UCO Group II	
4. Consensual Monitoring		11. Informant Information		18. Show Money Usage		25. UC Other	
5. ELSUR - FISC		12. Lab Div Exams		19. Surveill. Sqd. (SOG) Asst		26. NCAVC/	
6. ELSUR - Title III		13. Lab Div Field Support		20. SWAT Team Action			
7. Eng. Sect. Field Support		14. Pen Registers		21. Tech. Agt. or Tech Equip			

A. Preliminary Judicial Process (Number of subjects)		Complaints	Informations	Indictments	D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP)		(Explain valuation in remarks)	
					Property Type Code*	Recoveries	Restitutions	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subj.)		Subject Priority*			1	\$	\$	\$ b6
						\$	\$	\$ b7C
FBI Arrests -						\$	\$	\$
FBI Locates -						\$	\$	\$
Local Arrests -						\$	\$	\$
FBI Subj. Reentered		Armed				\$	\$	\$
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)					E. Civil Matters			
Hostages Held By Terrorists					Government Defendant			
All Other Hostage Situations					Government Plaintiff			
Missing or Kidnaped Children Located					Amount of Suit			
					Settlement or Award			
F. Final Judicial Process: Judicial District ND OH					4/28/86 5/11/87			
District State					Conviction or Pretrial Div. Date Sentence Date			
Subject 1					Subject 3 Subject Description Code* -			
<input checked="" type="checkbox"/> Felony					<input type="checkbox"/> Felony			
<input type="checkbox"/> Misdemeanor					<input type="checkbox"/> Misdemeanor			
<input checked="" type="checkbox"/> Plea					<input type="checkbox"/> Plea			
<input type="checkbox"/> Trial					<input type="checkbox"/> Trial			
<input type="checkbox"/> Pretrial Diversion					<input type="checkbox"/> Pretrial Diversion			
Subject 2					Subject 4			
<input type="checkbox"/> Felony					<input type="checkbox"/> Felony			
<input type="checkbox"/> Misdemeanor					<input type="checkbox"/> Misdemeanor			
<input type="checkbox"/> Plea					<input type="checkbox"/> Plea			
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Attach additional forms if reporting final judicial process on more than four subjects, and submit a final disposition for (R-84) for each subject.

Remarks: (For every subject reported in Sections A, B or F above, provide name, DOB, race\*, sex, and POB and SSAN if available.)

Subject is a white male, date of birth [redacted]  
 SSAN [redacted] pled guilty to counts 1, 6 and 7 of a  
 count information filed 2/10/86. Remaining counts of the information are  
 being dismissed by AUSA.

b6

b7C

16 JUN 2 1987 1354

2 - Bureau

2 - Field Office

\* See codes on reverse side

(4) 18 NOV 15 1988

JUL 20 1987

## Property Type Codes\*

Code No	Description
1	Cash (U.S. and foreign currency)
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5	Heavy Machinery & Equipment (heavy equipment, computers, etc)
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## State

## Local

- |                             |                            |                            |
|-----------------------------|----------------------------|----------------------------|
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| 6C U.S. Representative      | 6L Legislator              | 6S Legislator              |
| 6D Judge                    | 6M Judge                   | 6T Judge                   |
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| 6F Law Enforcement Officer  | 6P Law Enforcement Officer | 6V Law Enforcement Officer |
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| 6H Fed Empl - GS 12 & below |                            |                            |

## Bank Officers or Employees:

- 7A Bank Officer
- 7B Bank Employee

## All Others:

- 8A All Other Subjects (not fitting above categories)

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- 3A Legal Alien
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## Race Codes:

C = Chinese; I = Indian/American; J = Japanese; N = Negro; O = All other; U = Unknown; W = White



(01/26/1998)

# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/06/2000

To: Phoenix

From: Phoenix

Squad 10/TUCS

Contact: [REDACTED]

(520) 791-6953

Approved By: [REDACTED]

b6  
b7C

Drafted By: [REDACTED]

Case ID #: 250-PX-67002 (Pending)

Title: UNSUB(S);  
Betty Crocker Cake Mix;  
General Mills Inc.;  
1 General Mills Boulevard;  
Minneapolis, Minnesota;  
03/27/00;  
TCP

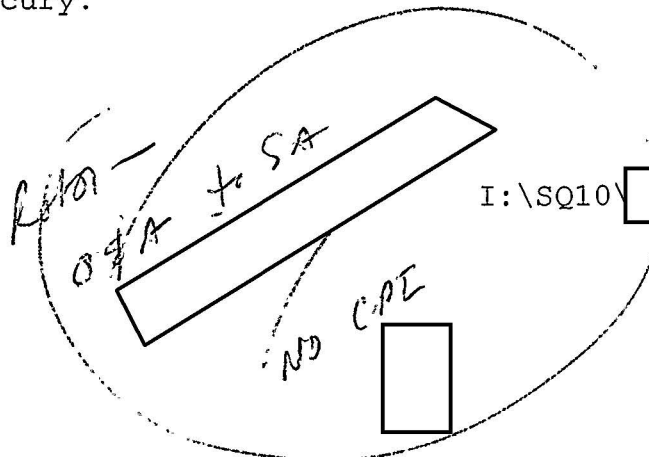
Synopsis: Request captioned case be opened and assigned.

Details: On 03/28/2000, Detective [REDACTED] Tucson Police Department, telephone number [REDACTED] contacted the Tucson R.A. to advise that she became aware of the following situation: On 03/27/2000, [REDACTED] white male, date of birth [REDACTED] [REDACTED] baked a Betty Crocker Cake at the request of [REDACTED] [REDACTED] date of birth [REDACTED] the home owner. After several pieces of the cake had been consumed by [REDACTED] and the [REDACTED] family, they noticed what appeared to be mercury in the bottom of the cake pan. [REDACTED] called the poison control center and 911. Paramedics responded to the [REDACTED] residence, [REDACTED] [REDACTED] The individuals who ate the cake were examined at the home. The paramedics recommended that all the individuals who ate the cake go to the hospital for further examination. The family members were examined and later released from University Medical Center.

b6  
b7C

Pima County Health Department was contacted and tested the house for mercury. The test did not indicate any abnormal level of mercury.

♦♦



I:\SQ10\ [REDACTED] 09763.EC

b6  
b7C



Universal Case File Number 250- PX- 67002 - (ali)Field Office Acquiring Evidence PX

Serial # of Originating Document \_\_\_\_\_

Date Received 04/05/2000From FBI Tucson  
(Name of Contributor)

(Address of Contributor)

By SA  b6  
b7C  
(Name of Special Agent)To Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ NoTitle: UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCPReference: \_\_\_\_\_  
(Communication Enclosing Material)Description: ☒ Original notes re interview of b6  
b7C

08:56 A

04/05/2000

[redacted]

AT TPD 1<sup>st</sup> floor

interview

D013

[redacted]

b6  
b7C

[redacted]

b6  
b7C

Been Here since 1<sup>st</sup> week in Jan

[redacted]

[redacted]

She asked him to make the cake

She

He started to make cake about 11:30

Polled cake out 12:30

Cut cake had a piece before having  
it

Died at 3:00P

Each kid had cake after TH got home  
at 4:00 or so.

At sleep j-ws for dinner.

b6  
b7C

[redacted]

saw NG on her plate They called  
poison control + 911.



called her mother

b6

b7C

They could see him in the car park

Didn't even know what he looked like prior to  
this

0909 A

Universal Case File Number 250-PX-67002-1a(2)Field Office Acquiring Evidence PX

Serial # of Originating Document \_\_\_\_\_

Date Received 04/06/2000From FBI Tucson  
(Name of Contributor)

(Address of Contributor)

(City and State)

By SA   
(Name of Special Agent) b6  
b7CTo Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

## Title:

UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCPReference: \_\_\_\_\_  
(Communication Enclosing Material)b6  
b7CDescription: ☒ Original notes re interview of Science Teacher

04/06/2000

At

school

[redacted] - Science teacher

b6  
b7C

In January or February - the class discussed the elements

All the ones she has are real (like Alcohol) not silver  
like Mercury.

Thermos are locked up - kids don't have access to them.

She has had problems with [redacted] - "Oh lord yes!"

b6  
b7C

General behavior problems

She had his name on the board today for  
behavior - not doing his work.

Universal Case File Number 250-PX-67002-1a(3)Field Office Acquiring Evidence PX

Serial # of Originating Document \_\_\_\_\_

Date Received 04/04/2000From FBI Tucson

(Name of Contributor)

(Address of Contributor)

(City and State)

By SA 

(Name of Special Agent)

b6

b7C

To Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCP

Reference: \_\_\_\_\_

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

b6

b7C

[redacted]

DOB [redacted]

13:20 04/04/2000

b6  
b7C

[redacted], guest, [redacted]

[redacted]

School - out 3:41

Home at 4:00 [redacted] picked her up

[redacted]

Friend came over - her [redacted] picked her up after about 30 mins.

About 20 mins after [redacted] left [redacted] ate cake

[redacted]

had cake after [redacted]

b6  
b7C

Her cake tasted of - like not crunchy

[redacted] & [redacted] ate after her

After dinner [redacted] felt a sleep

[redacted] woke her up - saying that she called 911.

Sick - stomach + head ache after she woke up

She saw little tiny metal ~~balls~~ in cake after they ate it.

She doesn't know where the things came from

Her [redacted] told her not to chew on thermometers cause  
poisonous stuff would come out.

[redacted] is one of [redacted] friend Susan. He came down last night.

He came here this time on Jan 1 or 2

[redacted] is a teacher and at [redacted]

b6  
b7C

Universal Case File Number 250-PX-67002-12(4)Field Office Acquiring Evidence PX

Serial # of Originating Document \_\_\_\_\_

Date Received 04/04/2000From FBI Tucson  
(Name of Contributor)

(Address of Contributor)

By SA  b6  
b7C  
(Name of Special Agent)To Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCPReference: \_\_\_\_\_  
(Communication Enclosing Material)Description: ☒ Original notes re interview ofb6  
b7C

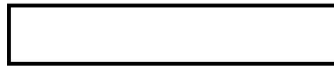


04/04/2000

13 58 hrs



b6  
b7C



Two children



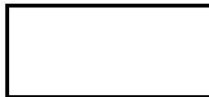
-



- Family Friend



was off work



She got Carol cake for Super 16 Sunday

She got cake mix and pan & left him a note

She got home at 4:430

He had picked cake and eaten some of it.

She made dinner



he didn't eat with the family

She was eating cake and noticed the little silver balls

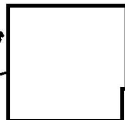
She is a Certified Nursing assistant

b6  
b7C

She asked her mother to come look at it.



got →



came in and was saying he didn't eat cake  
is diagnosed Obsessive Compulsive



She called poison control - No real help.

She called 911

Paramedics came checked vitals - they wanted them to  
go to the hospital

She doesn't use meat thermometer or baking thermometers

One of the was not in the oven but was 1-hr found in the other bathroom in a cup.

[ ] arrived early to Mid Jan to present.

She asked [ ] to make cake in the AM.

She got home & a piece of cake was gone.

She saw everyone eat cake but [ ]

b6  
b7C

[ ] called the principal to let him know

[ ] Son is [ ]

14:22 hrs

Universal Case File Number 250-PX-67002-1265Field Office Acquiring Evidence PX

Serial # of Originating Document \_\_\_\_\_

Date Received 03/28/2000From FBI Tucson  
(Name of Contributor)

(Address of Contributor)

By SA [Redacted] b6  
b7C  
(Name of Special Agent)To Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

## Title:

UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCPReference: \_\_\_\_\_  
(Communication Enclosing Material)Description: ☐ Original notes re interview ofOriginal FD-71

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☐ See below

Subject's name and aliases Unknown		Character of case 250							
		Complainant <input type="checkbox"/> Protect Source [redacted] TPD Officer b6 b7C							
		Complaint received <input type="checkbox"/> Personal <input checked="" type="checkbox"/> Telephonic Date <u>3/28/00</u> Time <u>4:30 pm</u>							
Address of Subject [redacted] Tucson, AZ		Complainant's address and telephone number 3202 E. 1st, Tucson, AZ 520-791-4485							
		Complainant's DOB		SSAN		Race		Sex F	
Subject's Description	Race	Sex <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	Height	Hair	Build	Birth Date and Birthplace			
	Age		Weight	Eyes	Complexion	Social Security Number			
	Scars, marks and other data								

Facts of complaint

[redacted] a Tucson Police Department officer in the Neighborhood Crimes section, called to advise that she just became aware of the following situation that occurred last night at [redacted] Tucson, AZ. On 3/27/00 [redacted] male [redacted] years old, baked a Betty Crocker cake. After he and two children, ages [redacted] and a female age [redacted] ate most of the cake, they noticed what appeared to be mercury in the bottom of the cake pan. Tucson Fire Dept. was contacted. TFD tested the cake pan and determined it was indeed mercury. Pima Co. Health Dept. was contacted and they tested the house for mercury. The test by Pima Co. Health Dept. indicated no abnormal levels of mercury.

b6  
b7C

The cake mix was purchased at Super K Mart on Broadway and Kōlb. Super K Mart has taken all of the Betty Crocker cake mixes off of the shelf and are in possession of them.

TPD has the remainder of the cake, box and 2 unopened cake mixes obtained from the victim's residence in evidence. TPD is also checking to see if they have the plastic wrapping that was inside the used cake box.

Please contact [redacted] at 791-4485.

Do not write in this space.

b6  
b7C

[redacted]  
(Complaint received by)

BLOCK STAMP

Universal Case File Number 250-PX-67002-1(c)Field Office Acquiring Evidence PX

Serial # of Originating Document \_\_\_\_\_

Date Received 04/04/2000From FBI Tucson  
(Name of Contributor)

(Address of Contributor)

By SA  b6  
b7C  
(Name of Special Agent)To Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ NoTitle: UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCPReference: \_\_\_\_\_  
(Communication Enclosing Material)Description: ☒ Original notes re interview of b6  
b7C

13:05

04/04/2000

[redacted]

[redacted]

[redacted]

~~1302~~

[redacted]

[redacted]

b6  
b7C

[redacted]

- has been staying with family since sent to after Xmas

[redacted]

- called prison control

Was playing B-Ball - at park on street

[redacted]

made cake

Cake was next to stove

He saw cake mix with note asking [redacted] to make the cake

b6  
b7C

[redacted]

had for second piece - a piece was already gone

[redacted]

He did not see anyone else eat the cake

[redacted]

didn't see or taste anything wrong with the cake

[redacted]

has no idea where the Hg came from

The family was treated for Hg at UMC

Universal Case File Number 250-PX-67002-1a(7)  
Field Office Acquiring Evidence PX  
Serial # of Originating Document \_\_\_\_\_  
Date Received 06/13/2000  
From FBI Tucson  
(Name of Contributor)

(Address of Contributor)

By SA  b6  
b7C  
(Name of Special Agent)

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

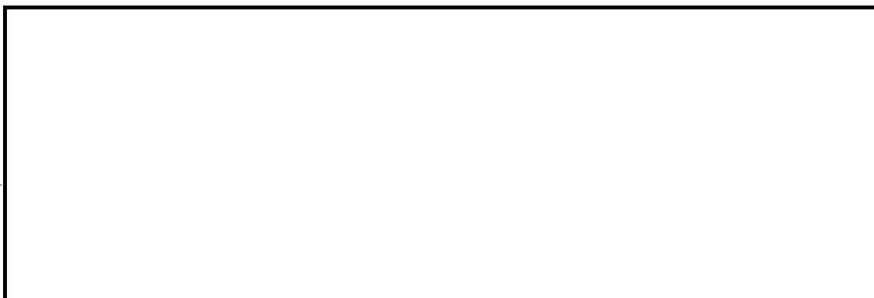
UNSUB(S); Betty Crocker  
Cake Mix, General Mills  
Inc.; 1 General Mills  
Blvd.; Minneapolis, MN -  
Victim, 03/27/00; TCP

Reference: \_\_\_\_\_  
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

b6  
b7C

06/13/2000



b6  
b7C



- Test of Packaging - Tampering - None, Hg residue none in package

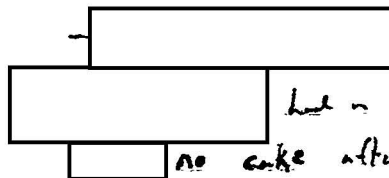
- Exam of Cake

N. Hg anywhere cut

1100 Took out

4:00 Came Home

6:00 p Dinner



b6  
b7C

Poked cake kitchen cabinet

couldn't find both picks and found thermometer

In cup top right therm which hangs to stove

pulled out each out put metal parts

in cake metal part broke off clean

he had glass in hand + ball (metal) was in cake  
fished metal out with his hand.

Emberrant kept him from telling us <sup>truth</sup> 1<sup>st</sup> time.

Took therm and metal to outside garbage can located at the  
side of the house.

Cake baked Monday March 27<sup>th</sup>

Garbage runs Monday & Thursday

got therm out to street before garbage run

When she found it on plate he chloroformed it. That's  
she later recalled.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/07/00

[redacted] Science Teacher, [redacted]  
[redacted] telephone [redacted]  
[redacted] was interviewed at her place of employment regarding her knowledge of [redacted] and his ability to access mercury at the school. After being advised of the identity of the interviewing Agent and the nature of the interview, she provided the following information:

b6  
b7C

[redacted] science teacher. When [redacted] was asked if [redacted] had ever been a problem in her classroom she commented, "Oh Lord yes". Today she had to write [redacted] name on the chalk board because he was moving around the classroom when he was not supposed to be and not doing his work. [redacted] was also suspected of taking a gift certificate from another student. The gift certificate was later found on the floor and [redacted] involvement could not be proven.

b6  
b7C

[redacted] class does use thermometers. She keeps the thermometers locked in the drawers located in the science classroom. The students do not have access to thermometers unless they are being used during a classroom exercise. [redacted] recently discovered that two of the thermometers were missing. She does not believe that the thermometers used in her classroom contain mercury.

b6  
b7C

Last year [redacted] class conducted an exercise which included taking the temperature outdoors in conjunction with collecting insects. In January or February of this year, [redacted] classroom discussed the elements. As part of this discussion they viewed a movie. A portion of this movie had an actor depicting an individual suffering from mercury poisoning.

b6  
b7C

A visual inspection of the thermometers in [redacted] classroom, conducted by the undersigned Agent and Detective [redacted] of the Tucson Police Department, revealed that the thermometers did not appear to contain mercury. The contents of the thermometers was a red colored transparent liquid.

b6  
b7C

Detective [redacted] Tucson Police Department, was also present during the interview of [redacted]

b6  
b7C

Investigation on 04/06/2000 at Tucson, Arizona

File # 250-PX-67002 - 2 Date dictated 04/07/2000

by SA [redacted]

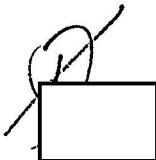
b6  
b7C

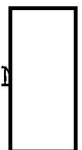


b6  
b7C

The following investigation was conducted by Special Agent (SA) [redacted] at Tucson, Arizona:

SA [redacted] was present at the 04/05/2000, interview of [redacted] date of birth [redacted] conducted at the Tucson Police Department (TPD), 270 S. Stone Ave., Tucson, Arizona. Detective [redacted] TPD, was also present at the interview, which he tape recorded. The cassette tape containing the tape recorded interview will be maintained by TPD.





b6  
b7C

250-PX-67002 -4

[REDACTED]

1

The following investigation was conducted by Special Agent (SA) [REDACTED] at Tucson, Arizona:

b6  
b7C

SA [REDACTED] was present at the 04/04/2000, interview of [REDACTED] date of birth [REDACTED] conducted at Doolen Middle School, 2400 N. Country Club, Tucson, Arizona. Detective [REDACTED] TPD, was also present at the interview, which he tape recorded. The cassette tape containing the tape recorded interview will be maintained by TPD.

2  
[REDACTED]

I:\SQ10\ [REDACTED] 09863.IN

[REDACTED]

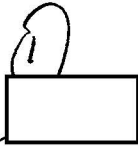
b6  
b7C



The following investigation was conducted by Special Agent (SA) [redacted] at Tucson, Arizona:

SA [redacted] was present at the 04/04/2000, interview of [redacted] date of birth [redacted] conducted at Howenstine School, 555 S. Tucson blvd., Tucson, Arizona. Detective [redacted] TPD, was also present at the interview, which he tape recorded. The cassette tape containing the tape recorded interview will be maintained by TPD.

b6  
b7c



250-PX-67002 - 6

[REDACTED]

1

b6  
b7C

The following investigation was conducted by Special Agent (SA) [REDACTED] at Tucson, Arizona:

SA [REDACTED] was present at the 04/04/2000, interview of [REDACTED] date of birth [REDACTED] conducted at Doolen Middle School, 2400 N. Country Club, Tucson, Arizona. Detective [REDACTED] TPD, was also present at the interview, which he tape recorded. The cassette tape containing the tape recorded interview will be maintained by TPD.

I:\SQ10\ [REDACTED] 09865.IN [REDACTED]

b6  
b7C



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

201 E. Indianola  
Phoenix, Arizona 85012  
June 14, 2000

Mr. José de Jesus Rivera  
United States Attorney  
District of Arizona  
230 North First Avenue  
Phoenix, Arizona 85025

Attention: [redacted]  
Assistant U.S. Attorney

b6  
b7C

Re: UNSUB(S);  
Betty Crocker Cake Mix;  
General Mills Inc. -  
Victim;  
1 General Mills Blvd.;  
Minneapolis, MN;  
03/27/2000;  
TCP

Dear Mr. Rivera:

The purpose of this communication is to confirm the June 14, 2000, conversation between Assistant United States Attorney (AUSA) [redacted] and Special Agent (SA) [redacted] of the Tucson Resident Agency of the Federal Bureau of Investigation (FBI). During the conversation, the following facts were discussed and prosecutive opinion rendered:

b6  
b7C

The captioned matter was referred to the FBI on March 28, 2000, and involves [redacted] age [redacted] baking a Betty Crocker cake. After [redacted] age [redacted] ate most of the cake they noticed what appeared to be mercury in the bottom of the cake pan. [redacted] called 911 and the Tucson Fire Department (TFD) responded to their residence. TFD tested the substance, which was determined to be mercury.

b6  
b7C

- 1 - Addressee  
2 - Phoenix (1 - 250-PX-67002) - 7  
(1 - 66-A1156-E) - 123  
(3) [redacted]

b6  
b7C

On June 13, 2000, [ ] was interviewed regarding his knowledge of how the mercury entered the cake. He admitted that he was responsible for the mercury in the cake. [ ] explained that he utilized a thermometer to see if the cake was done. The thermometer broke as he placed it onto the hot cake, thereby causing the mercury to spill into the cake. [ ] related that his embarrassment kept him from admitting earlier that he was responsible for accidentally putting the mercury into the cake.

b6  
b7C

AUSA [ ] declined to prosecute the referenced case because the mercury entered the cake accidentally.

b6  
b7C

If you have any questions, please contact SA [ ] [ ] at (520)791-6953. Your cooperation in this matter is greatly appreciated.

Sincerely yours,

Guadalupe Gonzalez  
Special Agent in Charge

By:

[ ]  
Supervisory Special Agent

b6  
b7C



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/14/2000

[redacted] date of birth [redacted]

[redacted] Arizona, was interviewed at the Tucson Office of the Federal Bureau of Investigation (FBI). After being advised of the identity of the interviewing Agent and the nature of the interview, he provided the following information:

b6  
b7C

On March 27, 2000, [redacted] baked a cake at the request of [redacted] pulled the oven rack out in order to test the cake to ensure it was done. He could not find a toothpick to test the cake, consequently he found and used a household thermometer. [redacted] "poked" the thermometer into the cake. The thermometer broke leaving the glass rod in his hand and depositing the small metal end of the thermometer into the cake. [redacted] removed the small metal end of the thermometer from the cake with his fingers. He did not notice any glass or other materials from the thermometer remaining in the cake after he removed the small metal end. He disposed of both pieces of the thermometer in the trash can outside the residence. The garbage truck ran later that day and the trash was collected.

b6  
b7C

[redacted] did not realize that mercury had been deposited into the cake. He ate a piece of the cake, himself, right after cooking it. After the evening meal, he and [redacted] each had a piece of the cake. [redacted] found mercury on her plate. At that time, [redacted] was too embarrassed to admit that he had accidentally broken the thermometer in the cake. He tried to downplay the finding. He wanted to tell [redacted] on several occasions what he had done but was too embarrassed.

b6  
b7C

Detective [redacted] Tucson Police Department (TPD), telephone number (520) 791-4485, was present at the time of the interview.

b6  
b7CInvestigation on 06/14/2000 at Tucson, ArizonaFile # 250-PX-67002 Date dictated 06/14/2000

by [redacted]

b6  
b7C

RECORD OF INFORMATION FURNISHED OTHER AGENCIES

Orally NA (date) Written Communication 06/20/2000 (date)

Information concerning: (Include DRUG MATTERS here)  
The interview of

b6  
b7C

Information furnished from File, Serial, and Page Number: 250-PX-67002, FD-302 DATED 06/14/2000.

☐ On NA (date) a continuing disclosure was initiated with

NA (agency) and will be maintained until the conclusion of the investigation.

Information furnished to: Special Agent  FDA, telephone number (949) 366-4620, Facsimile number (949) 366-4627.

b6  
b7C

Remarks: None.

SA

b6  
b7C

1-66-937 - 12

1-250-PX-67002 - 9

jjm  
(2)



# FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/14/2000

To: Phoenix

From: Phoenix

Squad 10/TUCS

Contact: [REDACTED]

(520) 791-6953

Approved By: [REDACTED]

Drafted By: [REDACTED]

b6  
b7c

Case ID #: 250-PX-67002 / 10 (Closed)

Title: UNSUB(S);  
Betty Crocker Cake Mix;  
General Mills Inc. - Victim;  
1 General Mills Blvd.;  
Minneapolis, MN;  
03/27/2000;  
TCP

Synopsis: (Close captioned case)

Administrative: Reference the 06/14/2000, telephone conversation between the Tucson Office of the Assistant United States Attorney (AUSA), [REDACTED] and the Tucson Resident Agency of the Federal Bureau of Investigation (FBI), [REDACTED]

b6  
b7c

Details: On 06/14/2000, [REDACTED] admitted he accidentally broke a thermometer, spilling mercury into the cake. The AUSA declined to prosecute the captioned case because the mercury was accidentally placed into the cake.

b6  
b7c

No evidence is maintained by the Federal Bureau of Investigation (FBI). It is therefore requested that the captioned case be closed due to AUSA declination.

♦♦

*Roten -  
Close 5*

*okay to close  
omb. TECK*

I:\SQ10\

6683

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b7c

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1398509-000

Total Deleted Page(s) = 21

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Page 3 ~ Referral/Consult;  
Page 4 ~ Referral/Consult;  
Page 5 ~ Referral/Consult;  
Page 6 ~ Referral/Consult;  
Page 7 ~ Referral/Consult;  
Page 8 ~ Referral/Consult;  
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newspaper, city and state.)

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FEB 11 1964

FBI - MINNEAPOLIS

b6  
b7C

318A-MP-64096

General Mills is the latest company to feel  
the bite of the newly aggressive SEC.

# The squeeze is on

*Revenue practices  
are under scrutiny*

By Neal St. Anthony  
Star Tribune Staff Writer

The revelation this week that General Mills likely will be sued by the Securities and Exchange Commission (SEC) over allegations that it has inflated revenue puts the huge food marketer at the table of a growing party.

A born-again SEC, chastened by the accounting frauds it did not catch at Enron, WorldCom and elsewhere, is going hard on the survivors, including Kraft Foods, Frito-Lay, Dean Foods and Coca-Cola.

"The SEC has been burned pretty badly, and that has raised their hackles," said Ivy Bernhardson, a former General Mills deputy general counsel who now works for a nonprofit organization.

"I think it would take an awful lot for any company to get an agency like that, at this time, to understand the industry. And there are a lot of moving parts," she said. "There also are just a lot of things that don't work in your favor when the chastened regulators come knocking at the door."

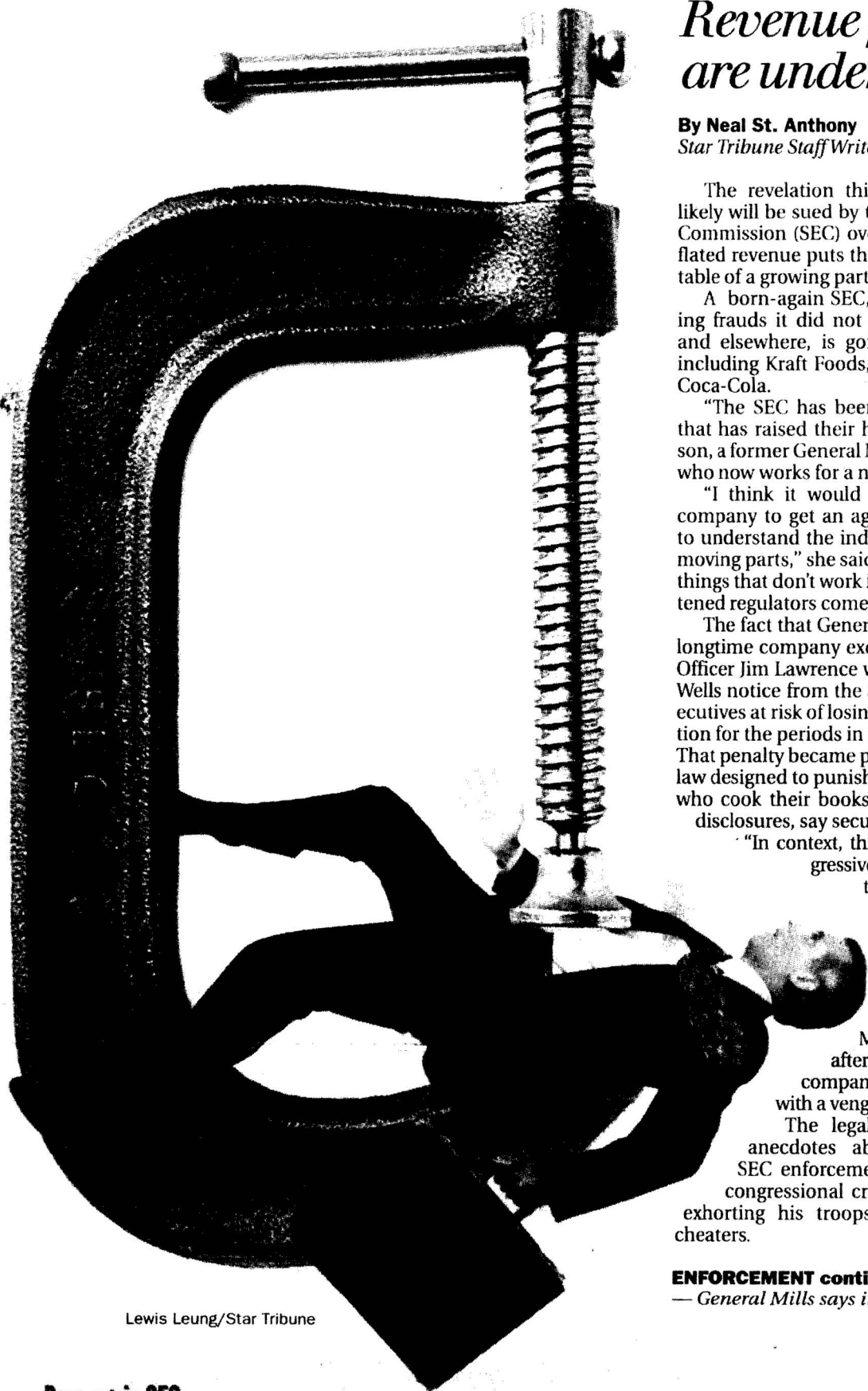
The fact that General Mills CEO Steve Sanger, a longtime company executive, and Chief Financial Officer Jim Lawrence were named in the so-called Wells notice from the SEC also puts those two executives at risk of losing their incentive compensation for the periods in question if the SEC prevails. That penalty became possible under a 2002 federal law designed to punish the top brass at companies who cook their books or don't provide adequate disclosures, say securities lawyers.

"In context, this shows that the SEC is aggressively pursuing people because they're tired of being shown up by New York Attorney General Eliot Spitzer," said Steve Quinlivan, a Minneapolis securities lawyer who is not involved in the General Mills case. Spitzer has gone after misbehaving mutual fund companies and other wrongdoers with a vengeance.

The legal community is rife with anecdotes about Stephen Cutler, the SEC enforcement chief, taking heat from congressional critics and burned investors, exhorting his troops to find some corporate cheaters.

#### ENFORCEMENT continues on D4:

— General Mills says its practices follow the rules.



Lewis Leung/Star Tribune

#### Born-again SEC

Stung by spectacular corporate misdeeds that went undetected in 2001, Securities and Exchange Commission regulators have stepped up surveillance broadly. For example:

➤ In March, more than 350 of the Fortune 500 companies got letters from the agency after an SEC review of the companies' annual reports identified problems with corporate disclosures.

➤ More than 100 accounting-related investigations are underway.

➤ Of those, the agency has particularly focused on revenue accounting issues at food and beverage companies, including:

**General Mills Inc.** The packaged-food maker is under investigation for possible "loading" of orders — shipping more product than customers had ordered.

**Coca-Cola Co.** The beverage maker is under scrutiny for possible improper booking of revenue and "channel stuffing," or shipping excess concentrate to bottlers.

**Fleming Companies Inc.** The bankrupt food distributor is under investigation for its accounting practices. Suppliers Kraft Foods, dairy giant Dean Foods and Frito-Lay could face civil action in connection with the Fleming case.

b6  
b7C

5-11-04-114-105

business. The unit has been Pentair's biggest revenue generator, accounting for \$1.08 billion of its \$2.7 billion in annual sales, but it's also plagued by tough competition, low profit margins and increasing pressure to hold down prices from big-box retail customers such as Home Depot and Lowe's.

"Investors had reached the conclusion that tools could be an albatross because there was no end in sight to the competitive pricing," RBC Dain Rauscher analyst Mike Hamilton said.

Pentair CEO Randy Hogan "has shown himself to be someone who knows when he sees a business that is not where he wants it to be," Hamilton said. "The street likes the fact that he is prepared to act on what he sees when it comes to his business model."

#### 4th quarter FY2003, 12/31

	2003	2002	% chng.
Revenue	\$682.8	\$640.3	+6.6
Cont. ops.	34.2	28.1	+21.7
Disc. ops.	-2.9	—	—
Income	31.2	28.1	+11.2
Earn/share	0.63	0.57	+10.5

#### 12 months

	2003	2002	% chng.
Revenue	\$2,724.4	\$2,580.8	+5.6
Cont. ops.	144.3	129.9	+11.1
Disc. ops.	-2.9	—	—
Income	141.4	129.9	+8.8
Earn/share	2.84	2.61	+8.8

Figures in millions except for earnings per share.



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**ENFORCEMENT from D1*****SEC has more than 100 investigations underway***

Dick Lockridge, a veteran Minneapolis attorney who often brings shareholder lawsuits against companies, said: "It looks like the SEC is trying to get out front on more of the large companies, although [General Mills] doesn't feel anything like a WorldCom."

General Mills asserted Wednesday that the company's sales and accounting practices comply with applicable rules and standards. In its Tuesday press release, the company indicated that the issue involves "disclosures" related to sales practices, but it's not clear how wide-ranging the SEC investigation is, and General Mills declined to comment further.

General Mills stock dropped 74 cents or 1.6 percent to close

Wednesday at \$44.91 per share, but remained well within the trading range of the past several months.

"The issues involved are complex, easy to debate, and in the hands of lawyers," Mike Hamilton, a veteran securities analyst at RBC Dain Rauscher, said Wednesday. "We anticipate hearing very little from General Mills' management until resolution of the related issues is achieved."

However, that didn't keep Hamilton from recommending General Mills stock to investors Wednesday with a 12-month target price of \$53 per share — or about 17 times his next fiscal year estimate of \$3.15 per share — even though he cautioned that adverse rulings

could affect his call.

The SEC is believed to be examining how much money General Mills paid grocers to stock its products — a long-standing albeit little-discussed industry practice often known as "slotting allowances."

The agency also is probably investigating whether General Mills was shipping more cereal and cake mix than customers actually ordered and booking the orders as revenue in a bid to boost its stock price. A higher stock price would have saved General Mills some cash that it ended up paying last year to complete the 2001 acquisition of its Twin Cities neighbor Pillsbury.

Herb Perone, an SEC spokesman, declined to comment Wednesday other than to say that the commission has more than 100 accounting-related investigations of U.S. companies underway.

Scott Taub, the SEC's deputy chief accountant, told a confer-

ence in New York last week that it is stepping up scrutiny of how and when companies book revenue, a significant factor behind some of the disastrous accounting scandals that have toppled major companies and lost billions of dollars for man-and-pa investors since 2000.

"Revenue recognition continues to be an area where we see a lot of problems," Taub said. "If you have a revenue-recognition policy, then we want to know what are the things that made you decide. We're asking for additional disclosures."

Carol Stacey, chief accountant in the SEC's corporate finance division, said regulators will scrutinize whether companies are deviating in booking revenue in any way from what they claim in their financial statements.

In its annual Form 10-K filed with the SEC last August, General Mills said of revenue recognition: "We recognize

sales upon shipment to our customers consistent with sales terms. We generally do not allow a right of return. Reported sales are net of certain coupon and trade promotion costs. Coupons are expensed when distributed based on estimated redemptions. Trade promotions are expensed based on estimated participation and performance levels for offered programs."

In connection with accounting practices at bankrupt food wholesaler Fleming Companies, the agency also is investigating Kraft, Frito-Lay and dairy giant Dean Foods.

Separately, Coca-Cola is under investigation by the SEC to determine whether the beverage maker was booking sales ahead of the fact.

The Wall Street Journal reported last week that three former Coca-Cola finance officials have told federal investigators that they witnessed a company practice of shipping

more-than-ordered supplies of Coke concentrate to Japanese bottlers.

This practice is known as "channel stuffing" or "loading." As the investigation plays out, observers of the Twin Cities business community — which has been largely untouched by large-scale corporate scandals — can only wait.

Chris Puto, dean of the business school at the University of St. Thomas and a onetime marketer at Burger King and other companies, said, "General Mills is just a fine company, and we have to let this process go through what it will. This could be a tempest in a teapot. I don't think it's the tip of any iceberg, based on what I know about them."

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# General Mills charges likely

*2 top executives face SEC action*

**By Eric Wieffering**  
*Star Tribune Staff Writer*

General Mills Inc. and its two top executives are the targets of civil charges being readied by the Securities and Exchange Commission over the foodmaker's sales practices and related accounting, the company disclosed Tuesday.

The news, contained in a so-called Wells notice from the SEC, names CEO Steve Sanger and Chief Financial Officer James Lawrence and means that investigators believe that the formal investigation they began of the Golden Valley-based company in October has yielded sufficient evidence for charges to be considered.

General Mills will have the chance to respond before any charges are filed, but securities lawyers said the SEC is seldom dissuaded from taking action once an investigation escalates to this point.

"The Wells notice tells them what the SEC is thinking of doing and who they are going after," said Mark Briol, a Minneapolis attorney who practices securities law.

Appeals to forestall such charges, he said, are "rarely successful."

## **CHARGES continues on A6:**

- General Mills is accused of "loading."
- Company struggled to make Pillsbury merger pay off.

(Indicate page, name of newspaper, city and state.)

Date: 2004 - Jan or Feb  
Edition:

Star Tribune

Title: General Mills charges likely.

Character:

or

Classification:

Submitting Office:

Indexing:

SEARCHED  
SERIALIZED

FBI - MINNEAPOLIS

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b7C

318A-MP-64096-6

## CHARGES from A1

# Shipping too many products is a practice under scrutiny

In a statement, General Mills said it is continuing to cooperate with regulators and reiterated that it "believes its sales practices and related accounting comply with all applicable rules and regulations."

The company had no other comment.

General Mills has declined to identify the focus of the SEC inquiry, but an internal document obtained last fall by the Star Tribune indicated that the SEC is examining both how much money the company paid grocers and other distributors to get its products on the shelves and its revenue recognition practices, including whether General Mills shipped more products than were necessary to meet demand, a tactic sometimes used by companies to meet sales goals for a set time period.

At General Mills the practice was called "loading," and a former employee told the Associated Press last week that it was common at the company and sometimes involved sending far more products than had been ordered.

The employee, Jeffrey Millard, oversaw 120 sales and marketing employees in the Phoenix area and was fired in January 2003 after more than 14 years at General Mills. He subsequently sued the company, saying that General Mills retaliated after he refused to give negative performance appraisals to another employee who was complaining about discriminatory pay practices.

In his lawsuit, Millard said General Mills increased its quarterly shipped volume through "certain illegal and improper activities by [General Mills], and not as a result of normal sales efforts."

Neither Millard nor his lawyer have made themselves available for further comment.

Millard told the AP that at the beginning of 2003, workers saw "the mother of all loads" as General Mills approached a deadline for getting its stock price to a certain level or face making a large cash payment.

General Mills had bought Pillsbury from the British company Diageo in 2000, giving Diageo 141 million shares of General Mills stock and the promise of a payment of up to \$395 million in early 2003 if the cereal maker's shares didn't reach \$49 by that time.

If General Mills stock averaged \$49 per share in the 20 trading days before April 30, 2003, it would have owed Diageo nothing. Instead, the stock didn't get past the mid-\$40s, and General Mills had to pay Diageo \$273 million based on a previously established formula.

The Pillsbury deal was seen as a major coup for Sanger, General Mills' CEO, when it was announced, and he has since described it as a "transforming event that only comes along once a generation."

Still, General Mills struggled for months to make the merger work, laying off workers and



**General Mills CEO Steve Sanger is a target in the SEC inquiry.**



**Chief Financial Officer James Lawrence is named in the notice.**

failing to meet earnings expectations.

Watching the turmoil in 2002, veteran food industry analyst John McMillin put the stakes for Sanger bluntly, saying the CEO had "bet his career on Pillsbury."

In 2003, however, General Mills seemed to put its struggles behind it, with earnings rising at a brisk clip and Sanger saying the Pillsbury merger was "starting to cook."

The stakes for Sanger and the company will go up substantially if the SEC proceeds with an enforcement action, since it could affect the company's stock price if observers conclude that earnings were artificially inflated.

The SEC news wasn't made public until after the stock market closed Tuesday. General Mills shares fell in after-hours trading, losing 90 cents to \$44.75.

Both Sanger and the company have long enjoyed reputations as clean operators. Last year, General Mills was named to the top spot on Business Ethics magazine's ranking of its "100 Best Corporate Citizens."

General Mills disclosed the SEC probe in October, and said it was not related to an earlier inquiry about accounting issues at U.S. Foodservice Inc., a unit of Ahold NV. Both U.S. Foodservice and distributor Fleming Cos. have been under scrutiny for how they accounted for promotional allowances, rebates and discounts they received from food manufacturers.

In November, Kraft Foods Inc., Dean Foods Co. and Frito-Lay said the SEC was considering legal action against them for allegedly helping Fleming inflate its revenue, but the CEOs of those companies were not named in the notices.

The SEC pursues only civil actions but can refer an investigation to other agencies for criminal prosecution.

Civil enforcement actions that don't lead to criminal charges are often settled with a fine.

Eric Wieffering is at [ewieffering@startribune.com](mailto:ewieffering@startribune.com).

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# Regulators looking at General Mills

By Melissa Levy  
Star Tribune Staff Writer

## SEC seeks information on sales, accounting

General Mills Inc. said late Wednesday that it has received a "formal request for information" about its sales practices and related accounting from the U.S. Securities and Exchange Commission (SEC).

The Golden Valley-based food company said it is fully cooperating with the inquiry.

"General Mills believes that its business and accounting practices are proper and comply with all applicable regulations," the company said in a four-sentence statement issued after the stock market closed.

The company also noted that the SEC hasn't reached

any conclusions regarding the requested information.

Spokeswoman Marybeth Thorsgaard declined to elaborate further, saying the federal regulator's query is a "confidential matter."

SEC officials could not be reached for comment Wednesday.

Several companies — on both sides of the grocery aisle — have been pulled into a broad SEC investigation of how promotional allowances are booked on financial statements. These incentives include "slotting fees" paid by vendors to retailers in order to gain better display on store

shelves.

Over the past year, the SEC has informally requested information from General Mills, H.J. Heinz Co., Kraft Foods Inc., Tyson Foods Inc. and Sara Lee Corp. as it looked into the accounting practices of Dutch grocer Royal Ahold NV.

### MILLS continues on D4:

— SEC also had looked at Nash Finch.

(Indicate page, name of newspaper, city and state.)

Date: 10/16/03

Edition:

Title: Regulator looking at

General Mills

Character:

or

Classification: 318A-MP-64096

Submitting Office:

Indexing:

318A-MP-64096-7

Searched

Serialized

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b7c

## **MILLS from D1**

# *SEC also has looked into Nash Finch accounting*

Those food manufacturers are among a number of U.S. companies that supply products to Maryland-based U.S. Foodservice, Ahold's U.S. distribution business. (The companies said at the time they were cooperating with the SEC.)

Ahold's U.S. Foodservice unit had improperly accounted for vendor rebates, overstating earnings by more than \$500 million in 2001 and 2002. Ahold, the parent of the grocery chain Stop & Shop, said in July that an internal probe found a wider \$1.12 billion discrepancy on the books, including inflated profits at two other subsidiaries, according to published reports.

The SEC is reportedly looking at how food distributors, including Edina-based wholesaler and retailer Nash Finch, account for the cost of goods sold.

The investigation forced Nash Finch to delay the release of its third and fourth quarter 2002 financial filings. In the same period, the com-

pany's auditor, Deloitte & Touche, resigned and Ernst & Young was hired as a replacement earlier this year.

The SEC investigation focused on promotional charges from vendors that Nash Finch used to reduce its cost of sales. In March, the company said it had learned that the SEC would not object to its accounting of the promotional charges.

General Mills, which makes Wheaties and Cheerios cereals, made shipments to grocery distributor Fleming Companies Inc., which faced an SEC investigation regarding its accounting. Fleming is the former owner of local grocery chain Rainbow Foods.

Before the SEC inquiry was announced, General Mills shares closed Wednesday down 6 cents at \$44.81.

*Staff writers Janet Moore and Eric Wieffering and Bloomberg News contributed to this report.*

*Melissa Levy is at  
mlevy@startribune.com.*

(Mount Clipping in Space Below)

# INSIDE TRACK

## FTC studies grocer fees

After three years and \$900,000 in investigation costs, the **Federal Trade Commission** has concluded that yes, slotting fees are paid in the grocery industry and that they vary depending on the product and the merchant.

That doesn't exactly rank as news to food makers, particularly the smaller ones that long have griped about the fees they pay wholesalers or retailers. Their complaints led to congressional hearings in 1999 and 2000 and to the just-released study.

The FTC acknowledged that the study is limited and most likely is not representative. It surveyed seven retailers, six manufacturers and two food brokers but declined to identify them.

The study focused on five products: fresh bread, hot dogs, ice cream and frozen novelties, shelf-stable pasta and shelf-stable salad dressing.

The average slotting fee was \$2,313 to \$21,768 per item, per retailer, per metropolitan area. The highest fees were for frozen or refrigerated items.

Suppliers estimated that the nationwide introduction of a new product would require \$1.5 million to \$2 million in slotting fees, as well as advertising and promotional allowances, introductory allowances and retailer discounts, which were not addressed in the FTC study but which the **Securities and Exchange Commission** is investigating at numerous food companies, including **General Mills**.

New-product introductions are risky, and retailers have justified slotting fees as a way to cover the costs of evaluating new products and allocating shelf space. The study, however, noted that slotting allowances are unevenly applied, even within the same category. This raises some questions whether cost recoupment is the sole reason for slotting allowances, the study said.

**INSIDER continues on D8**

Have some news for **Inside Track**? Call 612-673-4237 or send us an e-mail at [insider@startribune.com](mailto:insider@startribune.com)

(Indicate page, name of newspaper, city and state.)

Date:

Edition:

Title:

Character:

or

Classification:

Submitting Office:

Indexing:

### INSIDER from D1

**Kellogg Co.** boosted its earnings forecast for 2003 and said 2004 results would be on the high end of analyst estimates late last week.

The news came one day after General Mills lowered its outlook for 2004 and its cereal volume slipped 3 percent in the second quarter that ended Nov. 23. Sales at Kellogg's cereal segment were up 11 percent through the first half of the year.

*Eric Wieffering*

318A-MP-64096-8

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# General Mills allegedly inflated sales

*Ex-manager  
says goods  
shipped early*

By Joshua Freed  
Associated Press

A former General Mills Inc. manager says company executives told sales workers to ship extra products ahead of customer demand, offering a glimpse at the apparent focus of a Securities and Exchange Commission inquiry at the food giant.

Jeffrey Millard, a suburban Phoenix manager who was fired last year, said Monday that General Mills routinely shipped customers merchandise early, sending as much as 20 weeks' worth when only two weeks might have been wanted.

In some cases, he said, General Mills paid retailers to take deliveries before their normal schedules so the company could book the sale to meet quarterly goals. He said the practice began in 1998 and was known as "loading" around General Mills.

In a telephone interview with the Associated Press, Millard said the company most often loaded cereal because it was especially profitable.

Millard said retailers often sold the products, although in some cases they were returned to General Mills, which has more than 100 brands including Betty Crocker and Green Giant.

Millard, who said General Mills fired him Feb. 27 after 14 years, is suing the company in Arizona state court and in federal court for wrongful termination. The lawsuits seek unspecified monetary damages.

**MILLS continues on  
D7:**

— Company maintains  
that its practices are  
proper.

(Indicate page, name of  
newspaper, city and state.)

Date:

1-27-04

Edition:

Star Tribune

Title:

General Mills  
allegedly inflated sales

Character:

or

Classification:

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Submitting Office:

Indexing:

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318A-MP-64096-9

Searched

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**VENTURE from D1***Minnesota's share of VC funding slipped to 0.9%*

The \$203.8 million raised was the lowest since 1996 and the 58 deals were the second-fewest since then. "There are just not a lot of new deals that are popping up out there," Hare said.

One reason is that because of the three-year bear market, which essentially ended last spring, many venture capital-backed firms were unable to go through the traditional process of an IPO or being acquired. As a result, VC firms have been unable to cash out their investments in those companies and can't be as aggressive in pursuing new deals.

"There's essentially a logjam. If a partner is working on eight portfolio companies and has no time other than to manage those companies that might have \$50 million or \$100 million in them, that's their priority, and they can't spend a lot of time on new deals," Hare said. "During the heyday of '99 and 2000, these things were turning after three or four years, and they'd be back to looking for another deal."

"The number of portfolio companies out there that are still receiving venture capital is probably the greatest dampening effect that we have left to deal with, and it could easily take all of 2004 to make a dent in it."

**Medical devices**

Biotechnology attracted the

most venture capital nationally in the fourth quarter, with 90 deals garnering \$1.1 billion, or 21.7 percent of the total. Software was second with 173 deals and 19.9 percent of the cash.

Minnesota, once again, was left to its devices. Five firms in the medical devices and equipment category collected a total \$36.8 million, or 79.9 percent of the state's total. The sector brought in \$87.7 million for the year, leading the state for the second consecutive year, but it trailed its 2002 mark of \$97.7 million. Medical-device funding nationally also fell, to \$1.5 billion from \$1.9 billion the previous year.

"In the medical-device sector, usually the pathway to liquidity is acquisition by the other major medical-device companies," said Tracy Lefteroff, global managing partner of PricewaterhouseCoopers' venture capital practice. "Over

a couple of years, because of earnings pressure on a lot of those major acquirer company stocks, we saw a scale-back of M&A activity, i.e., exit events for venture capital-backed companies."

In the past year, however, shares of med-tech giants Medtronic, Guidant and St. Jude have rebounded, leading to increased speculation about acquisitions.

"We're seeing a pickup in activity and a renewed interest in investing in that space again," Lefteroff said. "There are a number of new funds that have been raised in the last six to eight months that have specifically said they're going to target medical devices as an area of interest."

Nationally, about \$60 billion has been committed to venture capital funds but has not yet been invested.

MoneyTree Survey officials at a later date will announce the specific firms that received funding.

Mike Blahnik is at  
mblahnik@startribune.com.

**Money in medical devices**

Medical device and equipment companies gathered in 80 percent of Minnesota's fourth-quarter venture capital funding.

Top four Minnesota Industries:	Number of deals	Amt. (mil.)	Pct. of total
Medical devices and equipment	5	\$36.8	79.9%
Software	2	3.9	8.4
Business products and services	1	2.2	4.8
Retailing/distribution	1	1.5	3.3

Source: PricewaterhouseCoopers/Thomson Venture Economics/National Venture Capital Association MoneyTree Survey

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(Indicate page, name of newspaper, city and state.)

Date: 1-28-04

Edition: Pioneer Press

Title: Ex-Gen. Mills worker alleges scheme

Character: 318A-MP-64096  
or  
Classification:  
Submitting Office:

Indexing:

## Ex-Gen. Mills worker alleges scheme

BY JOSHUA FREED  
Associated Press

MINNEAPOLIS — A former General Mills Inc. manager says company executives told sales workers to ship extra products ahead of customer demand, offering a glimpse at the apparent focus of a Securities and Exchange Commission inquiry at the food giant.

Jeffrey Millard, a suburban Phoenix manager who was fired last year, said that General Mills routinely shipped customers merchandise early, sending as much as 20 weeks' worth when only two weeks might have been wanted.

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loaded cereal because it was especially profitable.

Millard said retailers often sold the products, although in some cases they were returned to General Mills, which has more than 100 brands.

Millard, who said General Mills fired him on Feb. 27, 2003, after 14 years, is suing the company in Arizona state court and in federal court for wrongful termination. The lawsuits seek unspecified monetary damages.

In October, Golden Valley-

based General Mills said the SEC had requested information about its sales practices and related accounting. The company has said it believes its business and accounting practices comply with all applicable regulations.

On Monday, General Mills spokeswoman Marybeth Thorsgaard reiterated the company's October statement that its practices are proper. She declined to comment further because of the SEC probe and because of Millard's lawsuit.

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# 'Loading' common at General Mills

By Eric Wleffering  
Star Tribune Staff Writer

## SEC investigation focuses on the practice

PHOENIX — E-mail and other internal General Mills documents collected as evidence in a lawsuit against the company show that large end-of-quarter shipments to distributors were common at the maker of Cheerios and Betty Crocker baking products.

At General Mills the practice was known as "loading."

"Our account people work with and talk to buyers and try to convince them that the [store] inventories need to be higher

to meet demand," Pat Brennan, a General Mills sales executive based in Golden Valley, said in a deposition taken last summer.

One current and one former employee of the company contend that General Mills relied on the practice to improperly boost its sales and profits near the end of quarterly sales periods. People familiar with the investigation say that Gregory Downey and Jeffrey Millard have told the Securities and Exchange Commission that

General Mills paid large fees to retailers in order to get them to accept more cereal and other products than they needed.

According to Millard and Downey, the practice accelerated as the spring 2003 deadline neared for General Mills to make a final payment to Diageo PLC for its purchase of Pillsbury in 2000. That payment was based on where General Mills' stock price stood by that time, since Diageo had been paid largely in stock. If the stock

traded at \$49 or above, General Mills would owe nothing, but it would owe as much as \$395 million if the stock fell short of that goal.

In the end, General Mills had to pay Diageo \$273 million when its stock rose no further than the mid-\$40s.

On Tuesday, the SEC notified General Mills that its investigators had recommended that civil charges be filed against the company and its two top executives, CEO Steve Sanger

and CFO James Lawrence, over the foodmaker's disclosure of its sales practices and related accounting.

General Mills has said repeatedly that its sales practices and related accounting comply with all applicable rules and regulations.

Loading "is a term that we use to refer to any program designed to increase trade inventories to stimulate incremental demand," company spokesman Tom Forsythe said Friday.

### MILLS continues on D10:

—Accounting for promo costs.

(Indicate page, name of newspaper, city and state.)

Date: 2-7-04  
Edition:

Title: Star Tribune  
loading common at  
General Mills

Character:  
or  
Classification:  
Submitting Office:

Indexing:

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318A-MR-64096-11

## MILLS from D1

### *Purchase orders must spell out food firms' promo costs*

The practice is used for new-product launches, in peak promotion periods such as the holiday season, and near the end of a fiscal quarter when the company is working to meet sales goals and support trade promotions, Forsythe said.

"We monitor customer inventory levels on a regular basis to ensure that they remain consistent with overall consumer demand," he said.

Large end-of-quarter shipments are common at big public companies as they scramble to meet the profit and earnings targets they've promised investors. But the issues get murkier at food companies, which often make promotional payments to retailers who buy their products.

Those payments can be used by the retailer to advertise the product, or to put it on sale. Those terms must be clearly spelled out in the purchase order, said Richard Hastings, an economist and credit analyst with New York City-based Bernard Sands.

"For the sale to be properly booked, whatever stipulations

that have been made must be written into the purchase order and be available to the auditors," Hastings said.

The documents gathered as evidence in the lawsuit brought by Millard, who was fired in February 2003 and later sued General Mills for wrongful termination, don't contain information about payments made to retailers. Neither Millard, who supervised 120 people responsible for in-store displays of General Mills products, nor Downey, who worked for Millard, were responsible for placing retailer orders.

Millard knew about the practice, however, because it was common knowledge and a source of concern among many employees in the office, and it affected his division's ability to find shelf space for new General Mills products, said his attorney, David Rodgers.

Millard raised the issue informally with sales managers in the Scottsdale, Ariz., office.

"He knew it was not a good business practice and he thought it might even be ille-

gal," Rodgers said.

General Mills reported big increases in the amount of cereal shipped in the 12 months that ended in May 2003. In the first quarter of that fiscal year, volume at its Big G cereal division rose 6 percent from the year earlier period. In the second quarter, volume jumped another 5 percent, and in the third quarter that ended in February 2003 it soared 16 percent as General Mills reported record earnings.

The big volume gains came despite data showing that actual sales of General Mills cereal fell 2.2 percent in 2003 and 2.5 percent in 2002, according to sales information tabulated from all retailers, excluding Wal-Mart, by Information Resources Inc., a unit of A.C. Nielsen. (Wal-Mart does not report to IRI.)

General Mills has said the big volume gains were tied to the rollout of new cereals and stood in comparison to weak volume increases in 2002.

An e-mail included in the Millard suit suggests that the big cereal shipments near the end of one quarter took a toll on orders at the beginning of the next quarter. In a March 25, 2003, e-mail, Mark Wilhite, who supervised Safeway account managers, noted that cereal

shipments in his division were slow through the first month of the fourth quarter.

"Q3 load really hurt this month," Wilhite noted.

In another March 2003 e-mail, Dan McKown, who supervised sales people who called on retailers in the western United States, encouraged them to plan big promotions in June, the beginning of the new fiscal year, so that retailers would make large purchases in May.

"You will notice from our company earnings release today that the company had positive 3rd Q results and that a

positive 4th is expected and already projected on Wall Street," McKown wrote.

People familiar with the investigation say the SEC began its probe in August 2003, after receiving a tip from Downey. Rodgers said the SEC contacted Millard shortly afterward and has interviewed him at length.

Downey has accused General Mills of discriminatory pay practices within the Arizona offices. Millard, who is in his mid-30s and who spent more than 14 years at General Mills, said he was fired for refusing to retaliate against Downey, whom he considered to be one

of his top supervisors.

Downey has been on a medical leave from General Mills since August 2003. He filed a discrimination suit against General Mills in January.

Millard has filed lawsuits against General Mills in both federal and state courts. The state claim was recently dismissed, but Rodgers said he intends to appeal.

General Mills declined to comment on the lawsuits.

*Eric Wieffering is at ewieffering@startribune.com.*

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

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# The

# and the

# Soldier Salesmen

Greg Downey in the Saudi Arabian desert, 1990.

The man who brought federal regulators down on **General Mills** is a decorated Army veteran whose military-honed sense of right and wrong led him to challenge company practices he thought were unfair.

By **Eric Wleffering**  
Star Tribune Staff Writer

As an Army lieutenant during the Persian Gulf War, Greg Downey drew one of the most coveted, and dangerous, assignments: leading a scout tank platoon into enemy territory. Though injured in the fighting, Downey never left his post and later was awarded the Bronze Star for valor.

Eight years after leaving the Army, Downey finds himself in a different kind of war. His foe is his employer, Golden Valley-based General Mills.

Downey, who joined General Mills within months of leaving the Army in 1996, and his former supervisor, Jeff Millard, are the men responsible for the Securities and Exchange Commission probe of accounting practices at General Mills. Earlier this month the SEC told the maker of Cheerios and Progresso soup that it was preparing civil charges against the company and its two top executives over disclosures related to the company's sales practices.

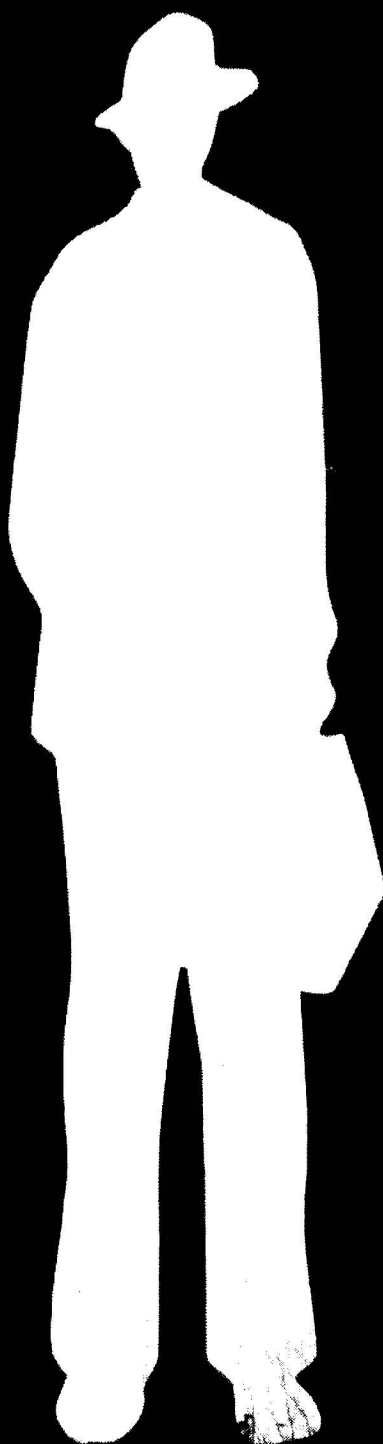
Both men declined to comment on their role in the investigation.

General Mills says its accounting complies with all SEC rules. At the same time, it has quietly tried to discredit Downey and Millard. In a memo sent to all employees last week, General Mills noted that Millard had been fired for performance reasons, that Downey had been on a medical leave since August "claiming [as stated in his lawsuit] post-traumatic stress syndrome," and that neither man had been involved in making direct sales to customers.

**DOWNEY continues on D8:**  
— Pay dispute centered on newly transferred worker.

The "Man with Briefcase" sculpture on General Mills' campus in Golden Valley evokes a traveling salesman. General Mills built a sales-oriented culture.

Star Tribune file photo/1992





ETFs are that ETFs are traded like stocks: Their share price changes throughout the trading day, and they can be sold short and bought on margin. Traditional mutual funds are priced once a day, at the end of trading.

Industry experts say institutional investors, who like the greater trading flexibility, make up about half the market for ETFs. The rest are purchased through advisers and brokers, and about 10 percent are bought by individual investors.

"ETFs are an instrument that has sort of started to come of age in the last couple of years," said John Rea, chief economist with the Investment Company Institute. "We really need a few more years to see how it evolves ... in the retail sector."

The number of ETFs ballooned from about 80 in 2000 to

that time, our competitors have been saying these are a fad, they're for day traders," said Lee Kranefuss, chief executive of ETF products at Barclays Global Investors.

"Vanguard's action really validates our position," Kranefuss said. "These are a low-cost, tax-efficient, transparent investment vehicle, and that's a very compelling set of ideas."

The average expense ratio for ETFs is 0.47 percent, while the average for index equity mutual funds is 0.90 percent, according to fund tracker Morningstar Inc. For investors with a buy-and-hold approach, ETFs can be more tax-efficient than mutual funds because they tend to have smaller capital gains.

However, paying a brokerage fee each time you buy more

— Spiders, short for Standard & Poor's Depository Receipts, which track the S&P 500. They have an expense ratio of 0.11 percent, meaning that if you invested \$10,000 all at once, you'd spend \$11 to own it, plus whatever brokerage fees you paid to make the trade. Compare that to the Vanguard 500 index fund, which has an expense ratio of 0.18 percent. The ETF looks cheaper, right?

Imagine investing the same \$10,000 over the course of a year, writing a check every month; the brokerage costs and expenses of buying shares of the ETF probably would add up to more than \$100, but the cost of owning the similarly traded mutual fund still would be just \$18.

"If you're a dollar-cost averager, or even if you're making just a few trades per year, ETFs are probably not a good deal for you," Traulsen said. "ETFs are really best suited for someone who is investing a lump sum of money for the long term, or a rapid trader who is willing to pay the brokerage commissions."

ETFs can be great tools when used correctly. Money managers often will "park" cash in an ETF while they're looking for a more strategic investment. Some like knowing precisely what stocks are held in an ETF, an edge they might not have with mutual funds. And because they track specific indexes, ETFs avoid "style drift," which happens when a mutual fund shifts from its stated approach.

"With all the stuff going on in the fund industry, ETFs are a great option if you're looking to invest in an asset class quickly," said Thomas Lydon Jr., president of Global Trends Investments in Newport Beach, Calif. "ETFs offer great diversification quickly, and you know what you're buying."

## R TRIBUNE PERSONAL PORTFOLIO

	Index (asset type)	Allocation	Last close	1-wk. % chg.	Portfolio value
ER	Russell 2000 (small caps)	39.9%	585.14	0.2%	
	MSI EAFE (Int'l stocks)	25.0	1,348.82	1.8	
	S&P 500 (large caps)	24.7	1,145.81	0.3	
	DJINET (Internet stocks)	10.4	73.44	0.1	
ER	Russell 2000 (small caps)	30.0%	585.14	0.2	
	S&P 500 (large caps)	28.4	1,145.81	0.3	
	MSI EAFE (Int'l stocks)	20.0	1,348.82	1.8	
	S&P Midcap 400 (mid-caps)	10.2	602.32	1.3	
	JPM Global Govt. (Int'l bonds)	7.1	310.07	1.5	
	Chase High Yield bond fund	0.4	NA	NA	
ER	10-yr. Treasuries (fixed-inc.)	25.0%	4.05	-0.8	
	Russell 2000 (small caps)	19.6	585.14	0.2	
	S&P 500 (large caps)	12.1	1,145.81	0.3	
	Moody's Municipal (tax-exempt)	11.6	3.50	2.6	
	MSI EAFE (Int'l stocks)	10.7	1,348.82	1.8	
	JPM Global Govt. (Int'l bonds)	7.6	310.07	1.5	
	GS Treasury (intermed. bonds)	5.5	NA	NA	
	SB Corporates (high-gr. bonds)	5.1	844.12	0.3	
	Chase High Yield bond fund	2.8	NA	NA	

International EAFE. DJINET: Dow Jones Internet Stock Index. JPM Global Govt.: JP Morgan Global  
Municipal: Moody's AAA-rated Municipal Bond Index. GS Treasury: Goldman Sachs  
Salomon Brothers Corporate Bond Index

# Early retirement requires big bets, but don't despair

**Q** I'm a security officer with an income of \$30,000 a year. I don't have a retirement plan. I invest all my savings in bank CDs or I Bonds. I'm 29 years old and have \$5,000 in bank CDs and \$14,000 in I Bonds. What do I have to do to allow me to retire at 60?  
V.C., by e-mail

**A** To retire at 60, you'll have to take some very big chances. First, you'll have to assume that you'll have medical insurance or that you'll have no serious medical problems between age 60 and eligibility for Medicare.

Second, you'll have to assume that you won't outlive whatever money you accumulate in the many years of retirement that will stretch ahead of you at 60. Also, you'll have to assume that the age to start receiving Social Security benefits won't be extended from 62 to an older age. You'll also have to

## Your Money

Scott Burns

shelter expenses still further. Your taxes would be negligible, your ground rent would be small, and your utility bills would be tiny.

The size of the average new home has doubled in the past 50 years. Think of it as "shelter inflation." But you could decide that your personal freedom is more important than floor space.

Another major living expense is transportation—if you insist on having your own automobile. Eliminate having a car, and your committed monthly expenses will be much smaller. I could go on, but I think you get the idea: Organize your life for personal freedom and your expenses will go down.

Note that I have not men-

**A** Not really, although there are many with exposure to China and its growth. Currently there are no domestically traded exchange-traded funds that invest exclusively in China. Similarly, few of the open-ended and closed-end mutual funds that invest in the area are 100 percent commitments to China.

Instead, they invest in companies that do extensive trade with China, often through the Hong Kong market. One example is Fidelity China Region (ticker: FHKCX), a \$240 million fund in operation since late 1995. Most of its investments are in Hong Kong. You also might take a look at Matthews China Fund (ticker: MCHFX), an \$88 million fund in operation since early 1998, with about 40 percent of its investment in China and somewhat more in Hong Kong.

About 34 Chinese companies now have shares listed on

### Certificates of deposit/Short term

	ANN. % YIELD	TERM	MINIMUM INVEST.	PHONE
Boundary Waters Bank	2.55%	18 mo.	\$1,000	763-862-9962
First Advantage Bank	2.52%	18 mo.	\$5,000	763-780-6600
InterBank	2.50%	12 mo.	\$5,000	952-435-6700
First Commercial Bank	2.45%	18 mo.	\$1,000	952-903-0777
Minnwest Bank Eagan	2.40%	12 mo.	\$10,000	651-454-0004

### Intermediate term

	ANN. % YIELD	TERM	MINIMUM INVEST.	PHONE
NWA Federal CU	3.49%	36 mo.	\$500	952-997-8000
Honeywell Federal CU	3.25%	42 mo.	\$1,000	612-951-1500
First Minnesota Bank	3.03%	45 mo.	\$10,000	952-933-9550
First Commercial Bank	3.00%	36 mo.	\$1,000	952-903-0777
Hiway Federal CU	3.00%	36 mo.	\$500	651-291-1515

### Long term

	ANN. % YIELD	TERM	MINIMUM INVEST.	PHONE
Affinity Plus FCU	4.10%	5 yr.	\$10,000	651-291-3700
US Federal Credit Union	4.10%	5 yr.	\$500	952-736-5000
NWA Federal CU	4.06%	5 yr.	\$500	952-997-8000
Mainstreet Bank	4.01%	5 yr.	\$2,500	651-225-8500
Twin City Co-ops FCU	4.00%	5 yr.	\$10,000	651-215-3500

**Notes:** A - Must have additional account relationship. B - Variable rate. C - One-time rate available. D - IRA CD only. E - Other top rates and options available; contact bank. F - compound quarterly and/or at maturity. G - With new money. H - Available on the Web. Interest compounds yearly. J - Penalty for withdrawal before maturity date.

### Automobile loans: four-year, \$10,000 new car loan

#### FIXED RATES INSTITUTION

SourceOne FCU  
Twin City Co-ops FCU  
Affinity Plus FCU  
US Federal Credit Union  
TopLine Federal CU

#### VARIABLE RATES INSTITUTION

First Advantage Bank  
Anoka Hennepin CU  
City & County CU  
First Minnesota Bank  
TopLine Federal CU

**Notes:** A - Must have additional account relationship. B - Variable rate. C - One-time rate available. D - IRA CD only. E - Other top rates and options available; contact bank. F - compound quarterly and/or at maturity. G - With new money. H - Available on the Web. Interest compounds yearly. J - Penalty for withdrawal before maturity date.

### Home-equity loans: term up to 15 years

#### FIXED RATES INSTITUTION

Affinity Plus FCU  
Twin City Co-ops FCU  
Honeywell Federal CU  
US Federal Credit Union  
Minnwest Bank Eagan

#### VARIABLE RATES INSTITUTION

Anoka Hennepin CU  
First Advantage Bank  
TopLine Federal CU

**Notes:** A - Must have additional account relationship. B - Variable rate. C - One-time rate available. D - IRA CD only. E - Other top rates and options available; contact bank. F - compound quarterly and/or at maturity. G - With new money. H - Available on the Web. Interest compounds yearly. J - Penalty for withdrawal before maturity date.

### Credit cards: Cardweb

**Web site:** <http://www.cardweb.com>

#### BEST RATE WITH A FEE (A) INSTITUTION

Wells Fargo Prime Rate  
TNB Prime Plus Platinum  
Huntington Prime Rate Platinum  
Pulaski Bank Gold/Standard  
Amalgamated Bk. of Chi. Gold

#### BEST RATE WITHOUT A FEE (A) INSTITUTION

TNB Branch Price Platinum  
First Tennessee Classic/Platinum  
Wells Fargo Platinum  
Nordstrom Visa  
BB&T Visa Platinum

**Notes:** A - Fixed rate. B - Fee waived. C - Visa and MasterCard. F - Rate of return.

### Consumer rates

For free information about the best consumer rates, call 1-800-633-8250.

## DOWNEY from D1

### *Employee alleges there was pressure to 'load'*

General Mills added that it rejects the assertions of improper business practices made by Downey and Millard in separate lawsuits. "We will continue to vigorously defend the company against Mr. Millard's wrongful termination lawsuit, and will also vigorously defend the company against Mr. Downey's case, filed just days ago."

#### 'Loading' pressure

Downey, who is in his late 30s and lives in Arizona, spent the early part of his General Mills career selling to retailers in Evansville, Ind., and Indianapolis, according to a lawsuit he filed in Tucson. Downey claims he was pressured by his supervisors between 1998 and 2001 to persuade customers to place orders for more products than they needed near the end of a fiscal quarter in order to boost General Mills' financial results, a practice known as "loading."

According to sources close to the investigation, both Millard and Downey have told investigators they believe General Mills paid customers to take the larger orders. Whether General Mills properly disclosed the terms of its loading practices is likely the focus of the SEC investigation.

Millard, 39, claims he was fired in February 2003 for refusing to retaliate against Downey, who was his subordinate, after Downey threatened to file a pay discrimination complaint against the company.

Millard had been routinely praised and promoted during his 14 years at General Mills. He won individual national sales awards in 1999 and 2001, and his team was honored in 2002. In June 2002, eight months before he was fired, Millard's boss graded his performance 1.25 on a scale that ranged from 0.8 to 1.50, according to company documents contained in his lawsuit. Two months before he was fired, Millard received options for 900 shares of General Mills stock, bringing his total to more than 11,000, according to the company documents.

Even after he was fired, Millard pleaded for another position within the company, according to letters and other documents in his court file. Millard even appealed directly to CEO Steve Sanger, said his attorney, David Rodgers.

"Jeff loved General Mills," Rodgers said. "He didn't want to hurt them. He doesn't want to see his stock go down."

#### Battle over pay

Downey's relationship with General Mills has been more troubled. His call to the SEC in August 2003 was the culmination of a long-running battle between Downey and his bosses over what he viewed as a blatant case of pay discrimination.

Downey didn't bring Ivy League credentials or an MBA to General Mills. He grew up the fifth of eight boys in Merna, Neb., a farming town of about 350 people in the central part of the state, according to "The Eyes of Orion," a book that recounts the combat experiences of Downey and four other tank



#### Stephen Sanger

Chairman and chief executive officer

##### Education:

- Bachelor's degree in history, DePauw University, 1968
- MBA, University of Michigan, 1970

##### Career:

- Marketing and sales jobs with Procter & Gamble, 1970-73
- Joined General Mills, 1974
- President, Big G cereal division
- President, Yoplait USA
- Elected to board of directors, 1992
- President, General Mills, 1993-95
- Chairman and CEO, 1995-present

##### Other:

- Named a director of Target Corp., 1996
- Named a director of Donaldson Co., 1992
- Member of the boards of Catalyst, the National Campaign to Prevent Teen Pregnancy and the Minnesota Business Partnership
- Chairman, Grocery Manufacturers of America and Guthrie Theater
- Member of the Business Council, the Business Roundtable, the Conference Board, the Committee for Economic Development and the Board of Advisors of the Retail Food Industry Center



#### James Lawrence

Executive vice president and chief financial officer

##### Education:

- Bachelor's degree in economics, Yale University, 1974
- MBA, Harvard Business School, 1976

##### Career:

- Partner, Bain & Co., 1977-83
- Chairman and co-founder, the LEK Partnership, 1983-1992
- President and CEO, Pepsi-Cola Asia, Middle East and Africa, 1992-1996
- Executive vice president and CFO, Northwest Airlines, 1996-98
- Executive vice president and CFO, General Mills, 1998-present

##### Other:

- Named a director of Phoenix-based Avnet, 1999
- Named a director of the St. Paul Companies Inc., 2003
- Named a director of Apple Computer Inc., 2004

lieutenants in the Persian Gulf War.

Downey helped dig trenches for the family's well-drilling business before going off to college. At 5 feet 7 inches and 140 pounds, he bowed to reality and gave up his dream to play football for the University of Nebraska, focusing instead on becoming the first one in his family to earn a four-year degree. During his junior year he applied for and won a two-year army ROTC scholarship to finish his criminal justice degree. Six weeks before Iraq invaded Kuwait, Downey became scout platoon leader for the 24th Infantry Division (mechanized).

"The scout platoon is the most autonomous unit in a combat battalion," wrote Alex Vernon, the principal author of "The Eyes of Orion." The scouts work well ahead of the main force and provide "information on the routes and the enemy to the battalion commander."

Early in the war, a mortar shell struck near Downey as he raced on foot between two tanks. The blast dislocated his hip and left shrapnel in his body. Court documents say Downey was left with an unspecified permanent, partial disability. But he got back into his tank.

Downey also vividly recounts the horrors of the war, including a battle that resulted in the deaths of about 600 Iraqi soldiers, and another instance when a truck bearing an Iraqi family got caught in a firefight between an Iraqi tank and his own vehicle. "This was the lowest, darkest side of combat," Downey wrote. "This incident continues to haunt me."

He was later diagnosed as suffering from post-traumatic stress syndrome.

Vernon, the book's author, is a West Point graduate who teaches English literature at Hendrix College in Arkansas. Downey, he said, "was an amazing officer" who earned the loyalty of the men he commanded and the respect of his superiors. Unlike many junior officers, Vernon said, Downey

wasn't afraid to tell a colonel he was wrong or that there was a better way to do something.

"Greg is a man of strong principles and convictions," Vernon said. "When he sees something that is wrong he will let people know about it."

Downey might have appeared the ideal prospect for corporate leadership, someone with a proven ability to lead and who demanded as much of himself as he did others. But, just as in the army, Downey apparently didn't hesitate to question policies or practices at General Mills that he thought wrong or unfair.

#### Refusal to 'load'

In court documents, Downey said he advanced quickly to an account manager position but that his career stalled after he refused to engage in loading.

In May 2001, he requested and received a transfer to Tucson. Because no account manager positions were open, he agreed to take a lower-paying position that involved calling on stores to make sure General Mills products were properly displayed. Six months later, he was promoted to a position that had him supervising 15 people and reporting to Millard.

Court documents indicate that Downey was a demanding boss. His to-the-point style, in conversation and through e-mail, led to the departure of one employee and the firing of another, both of whom Downey described as weak performers.

Co-workers referred to Downey as "Sarge," and in court documents even Millard, a fellow Nebraska native, acknowledges that Downey's communication style was tough. Still, he rated Downey as the second best of his eight supervisors.

In August 2002, Downey learned that a newly transferred worker to his group earned more than he did and twice as much as the 14 people Downey already supervised, seven of whom were minorities, according to his suit.

In an e-mail to a General Mills human resources executive, Downey urged that the man's pay be reduced to \$32,000. "He is a sub-standard performer who is interested more in a retirement package than getting results for General Mills," Downey wrote. He added that in his opinion, General Mills could be in violation of federal equal employment law.

Millard cautioned Downey about his complaints, but Downey persisted and warned that he might file a complaint with the Arizona Civil Rights Division.

Millard, in his court documents, said he was pressured to retaliate against Downey after he aired his discrimination complaint. Millard resisted, and in a rare mid-fiscal year performance review given in December 2002, Millard's grade slipped from 1.25 to 0.9, with 0.8 being the lowest, the court documents show.

In February 2003, General Mills learned that Downey had filed a discrimination complaint against the company. Millard was fired a week later, but Downey continued to complain about the pay disparity.

In August, Downey reported General Mills to the SEC and invoked federal whistle-blower protections afforded to employees who report potential cases of financial fraud. Later that same month, Downey asked for and received a medical leave of absence. In court documents he said the stress from General Mills' ongoing retaliation had caused an irregular heart rhythm and worsened his post-traumatic stress syndrome.

Downey, who remains a General Mills employee, sued the company in January.

Millard, who also sued General Mills last year, has moved to California. His state complaint was dismissed, but his federal case continues.

Eric Wieffering is at ewieffering@startribune.com.



(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

## *Straight arrow Sanger ready to face SEC*

**By Neal St. Anthony**  
*Star Tribune Staff Writer*

The 30-foot-tall "Man with Briefcase" sculpture that graces the General Mills campus in Golden Valley long has been considered a symbol for the successful, suit-clad marketer types who drive sales growth at the big food company.

In recent days, it also has become a symbol for the briefcase-bearing lawyers who forbid the company's normally talkative CEO, Steve Sanger, and other insiders to speak about the federal investigation into accounting and sales practices at General Mills.

In 2001, when Sanger called his \$10.4 billion acquisition of Pillsbury Co. a "transformative event," he didn't expect to be staring down the barrel of a Securities and Exchange Commission (SEC) investigation.

Yet those who know him — even those who publicly criticized the Pillsbury deal — defend Sanger and dismiss the SEC allegations as coming from an overzealous enforcement staff hunting scalps in the post-Enron era.

**SANGER continues on D8:**  
— A down-to-earth CEO.

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**SANGER from D1**

## *Strait-laced company and down-to-earth CEO*

Sanger is expected to address the SEC probe during a presentation Tuesday morning to analysts and the press at the food industry's annual conference in Phoenix.

The SEC started sniffing around General Mills last fall as a result of allegations by one current and one former employee that the company broke SEC rules regarding disclosures about how it booked its sales.

John McMillin, a veteran food industry analyst at Prudential Equity in New York, acknowledges that Sanger & Co. "may have had incentives to cook its books in March 2003" in an effort to keep its stock price from slipping. A lower stock price might have required General Mills to pay millions more in cash to consummate the stock-and-cash deal with Pillsbury owner Diageo.

Yet McMillin, a General Mills watcher for two decades, doubts that Sanger would "bet his career" on such a move and cites independent trade data that shows General Mills had "undershipped to demand" in the year-earlier quarter, a possible explanation for why shipments were heavier last March.

"I can't imagine Sanger and General Mills doing anything willfully that would be on the wrong side of the law," said Steve Rothschild, a former General Mills executive who once supervised Sanger. "They are strait-laced."

So far, General Mills investors are hanging with Sanger, too. The stock price has held steady, a sign that investors doubt the allegations of inflated product sales will do long-term damage.

By all accounts, Sanger is handling the pressure with characteristic calm. "There's no sense getting upset about it," he has cautioned lieutenants. "We'll deal with it."

Sanger is a popular, up-through-the-ranks CEO who ran cereal campaigns and peddled yogurt before grabbing the brass ring in 1995, 21 years after joining General Mills. Sanger was paid \$2.2 million in salary and bonus last year as the maker of Wheaties, Cheerios and Yo-plait doubled net income to \$917 million on a 32 percent increase in sales to \$10.5 billion.

A concert promoter while attending DePauw University in Indiana, Sanger maintained his taste in rock 'n' roll. The night before he presided over his first board meeting as CEO, Sanger treated several colleagues to a Rolling Stones concert.

He enjoys swapping cereal-war stories and family talk with rank-and-file employees in the company cafeteria, rarely misses a company event and jokes about battling with his waistline.

"He's down-to-earth and has a good sense of humor," said General Mills retiree Craig Shulstad, who chatted with Sanger at a retirement party for a 38-year employee this month.

Sanger succeeded the buttoned-down CEO H. Brewster Atwater in 1995. Sanger's first moves as CEO included introducing casual dress, shutting down the executive dining

### **The Pillsbury merger**

**Announced:** July 17, 2000

**Closed:** Oct. 31, 2001

**Terms of the deal:**

General Mills bought Pillsbury from the British company Diageo, giving Diageo 141 million shares of General Mills stock and the promise of a payment of up to \$395 million in early 2003 if the cereal maker's shares didn't reach \$49 by that time.

**The payout:** If General Mills stock averaged \$49 per share in the 20 trading days before April 30, 2003, it would have owed Diageo nothing. Instead, the stock didn't get past the mid-\$40s, and General Mills had to pay Diageo \$273 million.

room and dispatching what was a rather cloistered group of business-line leaders to offices nearer the people they oversee.

Sanger, also an MBA out of the University of Michigan, is known for cordiality and for never publicly dressing down subordinates. He encourages debate in reaching decisions.

Cliff Whitehill, a retired General Mills general counsel and shareholder, spoke against the Pillsbury acquisition as too expensive and risky to shareholders.

"Steve reacted to that exactly as he did to everything during his career at General Mills," Whitehill recalled. "He was a perfect gentleman. I also remember him as a man of integrity when it came to the law. He never pushed the limits of anything. It would come as a total surprise if there was anything to any SEC allegation as to any personal action of Steve."

Bill George, the retired CEO of Medtronic who now lectures and writes about executive and corporate ethics, serves on a corporate board with Sanger, admires him and was surprised by the likely SEC charges.

"I can't believe he did anything wrong," George said. "He's a conscientious guy, strong on good governance and community involvement. He's a popular CEO at General Mills for the right reasons."

"I always believed as a CEO that you're responsible for everything that goes on. I just hope that cases the government brings are the most egregious ones."

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# BUSINESS

WEDNESDAY, FEBRUARY 18, 2004

## General Mills defended

CEO says new products, not shady accounting, boosted shipments

BY LEE EGERSTROM  
Pioneer Press

General Mills defended its promotions and accounting practices Tuesday in the food company's first meeting with securities analysts since it revealed that the Securities and

Exchange Commission is considering legal action against it.

Steve Sanger, chairman and chief executive, said improved shipments of food products during the past year resulted from new product introductions, such as Berry Burst cereals, and a recovery from a slow 2002 fiscal

year when it struggled with the Pillsbury acquisition.

Sanger defended both the company's promotional efforts and its accounting practices in prepared comments and in answers to analysts' questions at the annual Consumer Analyst Group of New York investor conference in Scottsdale, Ariz.

"None of these practices have led to unusual results," Sanger said Tuesday.

The company is cooperating with

the SEC but has no timeline on when the investigation will be completed, Sanger said. The SEC notified the company, Sanger and chief financial officer Jim Lawrence on Feb. 3 that its staff likely will recommend some formal action against them.

The General Mills executives, meanwhile, gave the analysts more to chew on than the SEC probe.

You can add low-carbohydrate

GENERAL MILLS MEETING, 6C



**General Mills CEO**  
Steve Sanger spoke out Tuesday for the company's accounting methods and promotional practices.

(Indicate page, name of newspaper, city and state.)

Date: 2-18-04  
Edition: St. Paul Pioneer Press

Title: General Mills defended

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## + General Mills meeting

(continued)

diets as a problem for the maker of Big G cereals, Betty Crocker and Pillsbury baking products, and such indulgence foods as Haagen Dasz ice cream. As a result, investors should expect earnings for the year to fall in the lower end of the company's prior estimates of from \$2.75 to \$2.85 per share.

The "low-carb craze," as Sanger called it, is slowing sales of some cereals, Betty Crocker mixes and Pillsbury refrigerated dough products.

A prolonged strike by supermarket workers against the Safeway, Kroger and Albertsons chains in southern California also is slowing grocery sales for the company, he said. Further, company officials said they doubt they will be able to pass along higher prices for grains and butter in the current competitive grocery environment.

Regarding the SEC investigation, Sanger noted that news media attention has focused on whether the company tried to inflate sales figures for certain quarters by "loading" the supply chain pipeline, as is alleged in a lawsuit by a former employee. News accounts have focused on whether the company inflated a prior quarter's earnings to lower final settlement obligations to Diageo PLC, the London drinks company that formerly owned Pillsbury.

On the supply pipeline matter, Sanger said gains in the third quarter of 2003 had more to do with a recovery from a weak prior year when General Mills struggled with the Pillsbury acquisition. What's more, he said, supermarkets and other retailing customers are taking on fewer inventories, not more, as they try to manage their own costs of goods sold.

Sanger also maintained that the company's biggest gains in

profits that could boost its stock price a year ago came outside the time frame for the Diageo settlement.

Terms of the Pillsbury acquisition called for General Mills to pay Diageo a final payment of up to \$395 million, if the average price of General Mills stock was less than \$49 per share last April. The price averaged \$45.55 during that time and General Mills made a pro-rated settlement.

Sanger said increased shipments of products into the supply chain in March last year reflected the startup of its Berry Burst cereal line, which had gained nearly 2 percent of the ready-to-eat cereal market by year's end. He presented slides of independent market research that showed sales volume for major General Mills brands accounted for increased shipments during the suspect third quarter.

General Mills shares gained 5 cents in Tuesday trading, closing at \$44.89 after trading down slightly most of the day. Analysts said they viewed the company's presentation as a mix of good and bad news.

Evan Morris at UBS Investment Research called the news "disappointing," citing forecasts of weakness in foodservice business and in grain based products affected by the Atkins and other low-carb diets.

"Management was candid in trying to alleviate investor concerns regarding the SEC inquiry providing shipment and consumption details," he added in a report to investors. However, he said the SEC investigation remains a near-term risk for the stock.

Jonathan Feeney at Wachovia Securities told his investors that the business information had a "negative tone," but that he liked General Mills' defense of the SEC investigation.

"This gives us more comfort that the implications of the current SEC investigation will be limited," he wrote.

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# SEC drops General Mills inquiry

## Sales, accounting practices scrutinized over 21 months

**By Thomas Lee**  
*Star Tribune Staff Writer*

General Mills Inc. said Thursday that the Securities and Exchange Commission has dropped its 21-month investigation into the company's sales and accounting practices.

In a rare move, the SEC staff reversed itself and decided not to recommend civil charges against the company, Chief Executive Steve Sanger and Chief

Financial Officer Jim Lawrence. In February 2004, the SEC had issued General Mills a "Wells notice," which indicated such charges were likely.

"When they Wells someone, it's almost a done deal," said Howard Meyers, a former attorney with the SEC enforcement division who is now a partner with Meyers & Heim in New York. "It's not unheard of for the SEC to drop an investigation after a Wells notice, but

it is certainly the exception. The SEC apparently did not have as strong of a case as they originally thought they did."

The SEC, as is its practice, declined to comment.

"We are very pleased," said General Mills spokeswoman Marybeth Thorsgaard before declining to comment further.

General Mills told investors in October 2003 that the SEC had issued it a formal request for information relating to its sales

and accounting procedures. The probe began a few months earlier, when an Arizona employee, Greg Downey, and his former supervisor, Jeff Millard, alerted the SEC to questionable practices involving trade promotion spending and "loading," in which the company allegedly paid large fees to retailers to get them to accept more cereal and other products than they needed.

**SEC continues on D2**

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**Howard Meyers**, a former attorney with the SEC enforcement division who is now a partner with Meyers & Heim in New York

(Mount Clipping in Space Below)

**SEC from D1*****Other food companies  
were also under scrutiny***

General Mills fired Millard in February 2003, citing a poor performance evaluation. Millard, in turn, filed a wrongful termination suit against the company.

In legal filings, Millard said the practice of loading accelerated as the April 2003 deadline neared for General Mills to make a final payment to Diageo PLC for its 2000 purchase of Pillsbury. That payment was based on General Mills' stock price at the deadline. The higher General Mills' share price, the lower its final payment.

General Mills wasn't the only food company coming under SEC scrutiny at the time. The agency launched formal probes at several companies, and a number, including Royal Ahold NV and Fleming Companies, former owner of Rainbow Foods, acknowledged violating accounting standards.

Millard made it clear through court filings and media interviews that he would make "loading" a prominent piece of his lawsuit.

But last month, Millard and General Mills reached an undisclosed settlement just days before the case was to go to trial. Millard declined to comment Thursday on the SEC action.

In February, Downey sued General Mills in federal court in Tucson, alleging that General Mills violated the Sarbanes-Oxley Act by disparaging his reputation among General Mills employees and by suspending him without pay in November. He has also filed a pay discrimination complaint against General Mills; both

cases are still pending.

It's unclear why the SEC staff changed its mind. A Wells notice meant that investigators believed that the formal investigation of the company they began in October 2003 had yielded sufficient evidence for charges to be considered. Although the SEC normally gives companies an opportunity to respond before any charges are filed, legal experts say the agency is seldom dissuaded from taking action once an investigation escalates to this point.

"Typically, the SEC doesn't open an investigation unless they had a pretty good sense going in they were going to find something," said Mark Hostetler, an attorney who represents food companies for Blackwell Sanders Peper Martin in St. Louis.

Hostetler said the SEC possibly declined to take action because the accounting related to loading was complicated and common throughout the industry. In that case, there "was no practical solution" to correct the problem, he said. The SEC may yet recommend changes to the way food companies account for sales.

In any case, the SEC decision Thursday was a welcome relief to General Mills. Although the probe was an initial drag on the company's stock price, Wall Street eventually suspected the investigation would turn up little, analysts say.

General Mills stock was up 10 cents Thursday to close at \$50.67.

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