

Field File No. _____

Serial # of Originating Document _____

DO and File No. 87A-40454

Date Received 10/18/88

From _____

(NAME OF CONTRIBUTOR)

(ADDRESS OF CONTRIBUTOR)

Summerville, Co

by _____

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:

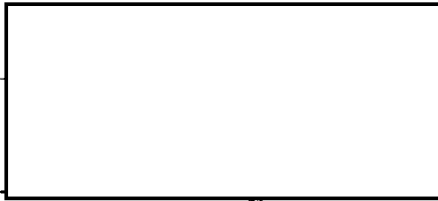
Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

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b7c

87A-40454-1A (1)

10/18/88



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to this about

a BBS
computer

now market

on the

has full transcript

although the

bluff

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way

into. old

taken to pres &
CEO



quit -

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Shipping DRAMS to
Russians

went to Sov -

instead of to subs. -

told Pres - don't know who
Pratt sent over -

I know Pres pretty well -

explain what's going on

wait
until Org comes to us

all over

↳ Pres/Pratt ↳

explain Co.'s position to
what doing

That says do everything
on the up &
up

call



at fur

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to check
serial #5

that did happen —
he wasn't
around

07/08/96
18:13:10

Closed Cases with pending Collected Items
01/01/1991 thru 12/31/1991
Collected Item Type: General
Category Type: All

ICMIPR06
Page 81

Case Number: SF-087A-40454

Case Agent: FROCHT LINDA L

Closed: 01/17/91

Cat/Num Acquired Type Barcode Anticipated Disposition and Date Description

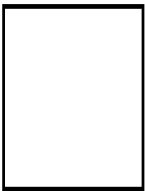
Cat/Num	Acquired	Type	Barcode	Anticipated Disposition and Date	Description
1B1	10/28/1988	G	E0081889	DESTROY	1B1; CHIP ROOM PROCEDURES INVENTORY LIST IMPORT LOG ATARI 1ST AND 2ND QUARTER REPORTS SHIP DECLARATION ATARI SECURITY SIGN-IN REGISTER DOVE PACKING LIST ATARI SHIPPING DECLARATION KUEHNE & NAGLE DELIVERY RECEIPT TEDDY B-AIR FREIGHT DELIVERY

Inventory folder

pr

UNSub(s); Illegal importation & sale of
Integrated Circuits by Atari Corp; 1196
Borregas Ave & sunnyvale CA.

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you have this in SJ - location: SJECR



Universal File Case Number 87A-40454

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 9/23/90

From _____

(Name of Contributor)

(Address of Contributor)

By SA

(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:

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

*orig. copy of FD-192 for FBI;
(destroyed)*

*copy of computer printout of
agent's disposition. J*

87A-40454 1A(2)

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Date

10/31/88

Title and Character of Case

UNSUB(S)
ILLEGAL IMPORTATION AND SALE OF Icb BY ATARI CORP

Date Property Acquired

10/28/88

Source From Which Property Acquired

Location of Property or Bulky Exhibit

SJRA BULKY

Fold

Reason for Retention of Property and Efforts Made to Dispose of Same

EVIDENCE

To Be Returned

☐ Yes ☒ No

See Serial

Agent Submitting Property or Exhibit

SA

Agent Assigned Case

SA

☐ Yes ☒ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

Description of Property or Exhibit

- 1) CHIP ROOM SECURITY PROCEDURES
- 2) INVENTORY LIST "C101712" (2 PAGES)
- 3) IMPORT LOG 9/MX 21/88
- 4) ORIGINAL SHIP DECLARATION "D48197"
- 5) [REDACTED] DELIVERY RECEIPT, FILE# 881046171
- 6) TEDDY B-AIR FREIGHT DELIVERY RECEIPT# 81940
- 7) ATARI SECURITY SIGN-IN REGISTER DATED 9/12/88
- 8) [REDACTED] PACKING LIST DATED 9/28/88
- 9) [REDACTED] DELIVERY ORDER DATED 10/10/88, CARRIER: FLYING TIGER
- 10) " " " " " " " " UNITED AIRLINES
- 11) ATARI SHIPPING DECLARATION SHIPPED TO MP [REDACTED], DATED 9/12/88
- 12) ATARI 1988 1st QUARTER REPORT
- 13) " 1988 2nd QUARTER REPORT

OWN COPY BY [REDACTED]
[REDACTED]

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # _____

Signature of Two
Special Agents
Verifying and Sealing
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 87A-40454-1B1

OO: SF

EVIDENCE (PACKAGE COPY)

87A-40454-1B1

BLOCK STAMP

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 31 1988	
FBI - SAN FRANCISCO	

CHAIN OF CUSTODY

[illegible]**Item No.**

Remarks

1/32/81 - See Note attached, per L.L.F. KJK

Memorandum



To : SAC, SAN FRANCISCO (87A-

Date 9/9/88

From : SA [REDACTED]

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Subject : UNSUB(S); ILLEGAL
IMPORTATION AND SALE
OF INTEGRATED CIRCUITS
BY ATARI CORPORATION
1196 BORREGAS AVE.,
SUNNYVALE, CA;
ITSP; FBW
OO: SF

On 9/8/88 SF
information:

furnished the following

ATARI Corporation has been importing large quantities of integrated circuits from Taiwan, which arrive in boxes marked "Software," not integrated circuits. Upon receipt, the circuits are put in a special location at the facility at 390 Caribbean Dr., Sunnyvale, and are kept under strict lock and key. They are then sold to other companies, whose representatives arrive and jokingly sign in using fictitious names. Payment is made by the buyers issuing blank cashiers' checks. Source has seen these in the amounts of 1.5 million dollars and 8 million dollars. This money is deposited in a bank account in New York. Source is certain that what is declared on the incoming custom's declaration is not the correct information, and source is certain that Atari is purchasing the circuits for approximately three dollars apiece, and is selling them for up to sixty-five dollars apiece.

In view of the above, it is recommended that an 87A-NEW case be opened and assigned to writer.

LLF/llf
(2)

Date
10/31/88

Title and Character of Case

UNSUB(S)
ILLEGAL IMPORTATION AND SALE OF Icb BY ATARI CORP

Date Property Acquired
10/28/88

Source From Which Property Acquired

Location of Property or Bulky Exhibit
SJRA BULKY

Reason for Retention of Property and Efforts Made to Dispose of Same
EVIDENCE

To Be Returned
☐ Yes ☒ No

See Serial

Agent Submitting Property or Exhibit

SA

Agent Assigned Case

SA

☐ Yes ☒ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

Description of Property or Exhibit

- 1) CHIP ROOM SECURITY PROCEDURES
- 2) INVENTORY LIST "C101712" (2 PAGES)
- 3) IMPORT LOG 9/21/88
- 4) ORIGINAL SHIP DECLARATION "D48197"
- 5) KUEHNE & NAGEL DELIVERY RECEIPT, FILE# 881046171
- 6) TEDDY B-AIR FREIGHT DELIVERY RECEIPT# 81940
- 7) ATARI SECURITY SIGN-IN REGISTER DATED 9/12/88
- 8) DOVE PACKING LIST DATED 9/28/88
- 9) KUEHNE & NAGEL DELIVERY ORDER DATED 10/10/88, CARRIER: FLYING TIGER
- 10) " " " " " " " UNITED AIRLINES
- 11) ATARI SHIPPING DECLARATION SHIPPED TO MP SEPTEMS , DATED 9/12/88
- 12) ATARI 1988 1st QUARTER REPORT
- 13) " 1988 2nd QUARTER REPORT

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # _____

Signature of Two
Special Agents
Verifying and Sealing
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 87A-40454-1B1

OO: SF

ORIGINAL (FILE COPY)

87A-40454-1B1

BLOCK STAMP

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 31 1988	
FBI - SAN FRANCISCO	

SF 87A-40454
LLF/lmw1The following investigation was conducted by SA
[redacted]AT SANTA CLARA, CALIFORNIA

On September 9, 1988, [redacted] advised that STYRA was located at 2161 Hutton Drive, Carrollton, Texas, telephone number (214) 484-7812.

Source provided a handwritten list of dates, along with document numbers, destinations and individuals associated with shipments of integrated circuits which had arrived at Atari. Information on the list includes the following:

<u>Date</u>	<u>Document Number</u>	<u>Destination on Documentation</u>	<u>Actual Sale</u>	<u>Part Number and Quantity</u>
August 22, 1988		Styra	[redacted] Koral International 1:10 p.m. sign-in vehicle license	74761 DRAM
August 18, 1988		Styra	To be delivered by [redacted] Koral International, 1:35 p.m.	7 cartons
August 10, 1988	88810-1		Amor Koral International 10:50 a.m.	12,985
August 24, 1988	88824-1	Styra	[redacted] 10:29 a.m. (signed in as NSC) Koral International	10,000

Source advised that the individuals associated with Koral International are [redacted] and [redacted] and [redacted]. He has seen [redacted] also use the name [redacted]

Another purchaser of the DRAMS is Classic Performance, which is located on the East Coast. When they pick up integrated circuits, they check the boxes in at the airport. Last Friday, September 2, 1988, they purchased 100,000 circuits for 1.5 million dollars.

SF 87A-40454
LLF/lmw

1

The following investigation was conducted by SA

[REDACTED]
AT MOUNTAIN VIEW, CALIFORNIA

On September 9, 1988, [REDACTED] advised that Koral International Corporation, 687 N. Pastoria, Sunnyvale, California is run by [REDACTED], an [REDACTED], and [REDACTED] a [REDACTED]. The company acts as a "go between" between companies and manufacturers. They have a reputation for having no scruples and are intent on making money regardless of whatever sleazy transactions are necessary.

87A-40454 -3

SF 87A-40454

LLF/lmw

1

The following investigation was conducted by

SA [REDACTED]

AT SUNNYVALE, CALIFORNIA

On September 9, 1988, [REDACTED] advised that a shipment of one Mega Byte DRAMS arrived at Atari, 390 Caribbean, at noon on September 9, 1988. When they arrived there were already 300,000 Fujiitsu DRAMS in the special room. These parts were labeled [REDACTED]. Source heard [REDACTED] who formerly worked at National Semi Conductor and who began working at Atari in June and appears to be in [REDACTED] the [REDACTED] DRAMS, state that [REDACTED] said to not tell you guys what's going on". [REDACTED] further stated that Atari was paying their taxes on the incoming shipments, and that they were not violating any laws, and it was only a question of business ethics. Source further stated that [REDACTED] every single thing concerning the transactions. [REDACTED] did [REDACTED] [REDACTED] from the special storage room except fro the August and September files.

87A-40454-4

RECORD OF INFORMATION FURNISHED OTHER AGENCIES

Orally 9/12/88 Written Communication _____
(date) (date)

Information concerning: (Include NARCOTICS MATTERS here.)

*Importation of Integrated Circuits by
Atari Corp.*

Information furnished from File, Serial, and Page Number:

☒ On 9/12/88 a continuing disclosure was initiated with
(date)

U.S. Customs and will be maintained until the conclusion
(agency)
of the investigation.

Information furnished to: *Special Agent*



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Remarks:



LF 0

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SEARCHED <i>AW</i>	INDEXED <i>AW</i>
SERIALIZED <i>AW</i>	FILED <i>AW</i>
NOV 02 1988	
FBI - SAN FRANCISCO	

Employee Furnishing Information

87A-40454-5

80-461
1-88
1-87A-40454

SF 87A-40454
LLF/lmw

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The following investigation was conducted by
SA [REDACTED]
AT SAN JOSE, CALIFORNIA

On [REDACTED], 1988 [REDACTED] advised that [REDACTED] 256D DRAMS had arrived that morning packed in Motorola boxes. The DRAMS were Samsung chips and they were delivered by Teddy Bear Express. The shipments usually arrive with a packing slip and an invoice, but the invoices are not specific. They normally state "five cartons of games, machines" etcetera. [REDACTED] usually receives the packing documents, which he [REDACTED] to [REDACTED]. The shipments normally arrive at the San Francisco or the San Jose Airport. Although source remembers that one shipment of DRAMS in June arrived packed in software marked cartons and stacked in the back of a large container that came in from the Port of Oakland.

Also, on [REDACTED] 1988, a [REDACTED] of MP Systems of Los Angeles arrived to purchase [REDACTED] DRAMS, which were counted out to him by Atari employee [REDACTED]. The payment for the DRAMS (\$119,000), was wired in and [REDACTED] also of MP, put in an order for 40,000 more DRAMS.

Source advised that an annual report to Atari shareholders stated that Atari was unable to pay any dividend to shareholders because of the slow down caused by the shortage of DRAMS and their ability to produce ST computers. Atari also claimed a deferred income tax.

87A-40454-6

SF 87A-40454

~~LLF/-lmw~~

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The following investigation was conducted by SA

AT SAN JOSE, CALIFORNIA

On September 13, 1988, U.S. Customs Agent [] advised that Atari "UF" Corporation, 1196 Borregas Avenue, Sunnyvale, California had records of numerous imports under shippers declaration [] Their registered broker was [], of 1,057 entries per year, only 14 were intensive, most were duty free and required no examination on entry through San Francisco International Airport. For July and August there were 11 entries, July 29, 1988, August 2, 1988, August 9, 1988, August 12, 1988, August 15, 1988, August 19, 1988 and August 22, 1988.

AT SAN JOSE, CALIFORNIA

On September 13, 1988, a review of records at City of Sunnyvale Business License Section determined that Koral International, 687 N. Pastoria Avenue, was licensed to do business February, 1986 type of business electronics sales. The [] was [] and the business phone number was shown as (408) 732-1515.

AT SAN BRUNO, CALIFORNIA

On September 13, 1988 a review of records at San Bruno Business License Section determined that Teddy Bear Express, 881 Sneath Lane, telephone number (415) 589-9100 did not have a San Bruno business license.

87A-40454-9

SF 87A-40454

LLF/lmw

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The following investigation was conducted by SA

[REDACTED]
AT SANTA CLARA, CALIFORNIA

On September 16, 1988, [REDACTED] advised that a shipment of 40,000 DRAMS was being readied for MP Systems, 23341 Del Lago Drive, Laguna Hills, California, for pick up at 11:00 a.m. [REDACTED] were preparing the order for shipment. The money was supposed to be wired in, since Atari had apparently changed their policy and did not want any more cashier's checks.

87A-40454-8

SF 87A-40454
LLF/lmw

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The following investigation was conducted by SA

[REDACTED]
AT SUNNYVALE, CALIFORNIA

On September 16, 1988, [REDACTED] advised that MP Systems had not shown up to pick up their order of DRAMS from Atari, but that [REDACTED] Last Name Unknown (LNU) of Koral had picked up 4000 DRAMS. Source also advised that the first time MP picked up a shipment, the name MP was on the invoice, but that the second time MP picked up a shipment, the name STYRA was written on the invoice.

Source advised that he had inventoried the DRAMS currently stored in the "special" room at Atari, and he noted the following part numbers:

<u>Part Number</u>	<u>Manufacturer</u>	<u>Date Code</u>
[REDACTED]	Fujitsu	[REDACTED] (bottom marking)
	Fujitsu	
	AT&T	
	Mitsubishi	
	Fujitsu	

87A-40454-9

~~SF 87A-40454~~
LLF/lmw

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[] The following investigation was conducted by SA []

AT SAN JOSE, CALIFORNIA

On September 16, 1988, SA [] U.S. Customs, advised that there were no customs duties on 256K DRAMS being imported into the United States, but that there were duties on 64K RAMS being imported into the U.S. [] also determined that there were 11 entries made by Atari July 29, 1988 through August 29, 1988, and that no software or video games were claimed.

On September 22, 1988, U.S. Customs Agent [] advised that an incoming shipment under Northwest Airlines had been examined by U.S. Customs on September 22, 1988, and that it contained NEC and American Micro Technology integrated circuits. No duty was paid on the shipment and the declared value was \$750,000. Entry documents with the shipment referred to 64Kx4 circuits to be shipped in the future. An actual count of the shipment was not taken.

On September 27, 1988, U.S. Customs Agent [] advised that Atari had been undergoing a regular audit for approximately a year, but that this was a routine process and the audit had disallowed only 24 claims.

87A-40454-10

87A-
SF 40454
LLF/lmw

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b7D

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The following investigation was conducted by SA

AT SUNNYVALE, CALIFORNIA

On September 20, 1988, SF [] advised that 100,000 pieces of 64K RAMS were sold to Koral International, and that the rest of the integrated circuits in the "special" room had been sold to MP Systems. Source further advised that 150,000 more of the 64K and 256K DRAMS were expected to be delivered this week.

On September 21, 1988, [] advised that the 150,000 DRAMS had arrived in the U.S. today, were expected to clear customs on Thursday, September 22, 1988, and were to be delivered by TEDDY BEAR on Friday.

On September 22, 1988, [] advised that he had heard nothing else about the shipment of DRAMS expected to be arriving this week. He advised that the circuits usually arrive via Flying Tigers or JAL, and that the paperwork accompanying the parts usually has "parts for resale, not taxable" written on it.

On September 23, 1988, [] advised that the 150,000 unit shipment of DRAMS had arrived at Atari under Northwest Air Bill []. Enclosed was a copy of a facsimile to L.J. Liu/Atari Manufacturing, from [] stating "will air 50,000 64x4." Although the shipping documentation stated the total count was 15,000 DRAMS, 6000 NEC and 9000 NS, the actual count was 60,000 NEC and 90,000 NS, for a total of 150,000 DRAMS. The DRAMS were delivered in a two tone blue Astro Van with license plate []. Source feels that the number claimed, 15,000, was a deliberate attempt by Atari to cover up the actual amount, 150,000 coming in and that if confronted, they would claim they made a mistake by leaving off a zero.

The actual value of the DRAMS is 2½ to 5 million dollars, and they are being sold to Koral.

87A-40454-11

SF 87A-40454
LLF/mm

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The following investigation was conducted by SA [REDACTED]

AT CUPERTINO, CALIFORNIA

On October 1, 1988, [REDACTED] advised that the United States Government had an agreement with the Japanese Ministry International Trade and Industry (MITI) concerning the importation of DRAMS and integrated circuits (IC's) into the United States. In source's opinion, a company bringing in large quantities of the IC's would be violating the MITI directive, and the company's supply of IC's would be totally shut off by the Japanese, if it were known that a company was "smuggling" in circuits not authorized. It is source's opinion that United States Customs service enforces this directive.

87A-40454-12

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/28/881

[redacted] Atari Corporation,
1196 Borregas Avenue, telephone number 408-745-4319, telephonically
contacted the FBI and furnished the following information:

Atari had been working on a case with San Jose Police Department concerning copyright violations on a computer bulletin board. [redacted] then stated that a guard employee had recently quit, and before he left, had told [redacted] that he had contacted the FBI and told them Atari was "doing something like shipping [redacted] to the Russians." This employee also stated that he was told to remove all personal and Atari identification and deliver [redacted] to Sun Micro Systems, and was told to do this by [redacted] Atari's Chief Financial Officer. This employee felt that Atari was doing something illegal.

This was the first time [redacted] had heard any allegations of this nature. But because information may have been furnished to the FBI, [redacted] would like to state that Atari would welcome the opportunity of explaining anything the FBI has a concern with, and [redacted] would be glad to set up appointments with anyone in the company that the FBI would like to talk to. In [redacted] opinion, Atari always does everything on the up and up and would not break any laws. [redacted] also feels sure that [redacted] at Sun Micro Systems, would cooperate in any investigation with the FBI and check serial numbers or anything else. If what this former employee told the FBI is true, [redacted] does not have any explanation for it because he was not around.

Investigation on 10/18/88 at San Jose, California File # SF 87A-40454-13
by SA [redacted] *mmr* Date dictated 10/24/88

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/3/88

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On September 8, 1988, a Confidential Source furnished the following information:

He has [redacted] Atari Corporation, 390 Caribbean Drive, Santa Clara, California, for [redacted] years. Since [redacted] of this year, shipments of Integrated Circuits have been coming into the Atari warehouse were [redacted] from Atari's overseas location. The circuits are referred to as 256K DRAMS, normally arrive in Atari software boxes, rather than boxes marked Integrated Circuits. When the circuits arrive, he and other employees are instructed to place the Integrated Circuits in a special room where they are kept under lock and key. They are then counted, and are instructed to cutoff all the Atari labels. These circuits are then sold to other companies, whose representatives arrive at Atari, where they enter the special circuit room and recount the circuits. The individuals who arrive to purchase the circuits, often sign in under various different names and Source has heard them joking about using different names. Source has also seen shipping documents indicating that the parts are to be shipped to a company named Styra in Carrollton, Texas and he knows this to be a subsidiary of Atari Corporation, which is supposed to consist of a manufacturing operation but which has never started up operation. When a shipment of Integrated Circuits arrives, Source [redacted] shipping declaration made out to the name Styra, which is normally signed by [redacted] Atari's Chief Financial Officer, and by [redacted] Atari's Director of Traffic and Distribution. After Source is given this declaration with [redacted] signatures, he is told to release the Integrated Circuits to the purchasing company. Atari [redacted] directs Source and other employees in their counting of the Integrated Circuits, and advised them not to mix up the Integrated Circuits being shipped in from overseas, with the Integrated Circuits being stored by Atari for local use and sale.

Investigation on 9/8/88 at Santa Clara, California File # SF 87A-40454-21
by SAs [redacted] /lmw Date dictated 9/9/88

SF 87A-40454
LLF/lmwContinuation of FD-302 of Confidential Source/lmw, On 9/8/88, Page 2

Source remembers that one of the first shipments arriving from overseas on [] 1988, was sold to Sun Micro Systems in Milpitas, California. Source was told to deliver this shipment by [] told Source to leave all [] including his [] and to take [] which had an Atari logo on them. When Source delivered the Integrated Circuits, [] cashier's check from Sun Micro Systems to deliver to Atari, and the payee's name was left blank. Other shipments of these Integrated Circuits coming in from overseas are commonly sold to a company named Koral and a company named Classic Performance. The shipments normally arrive via a delivery company named Teddy Bear Air Express. Since May these special shipments have been arriving about once a week. Because of the circumstances under which these arrivals are handled, Source has always felt that something was wrong with them. When he [] he appeared nervous. He also made the statement that if anything ever happened, his [] appear on any of the paper work.

Source does not feel that employees from Atari are stealing these chips, because the first shipment that went to Sun Micro Systems was important enough for the President of Atari, [] to come downstairs and tell them that he was expecting an important shipment. It appears that Atari is purchasing these Integrated Circuits from companies like Fujitsu in Japan for shipment to Taiwan, and in Taiwan they are repackaged in false containers such as software boxes, and shipped into the United States. Once they arrive, [] Atari employees count the chips, and remove all Atari labels, prior to their resale in the United States. The shipping declarations which Source has seen, which come from the corporate division, have contents of the packages listed with items such as PCB kits or Software. The check that [] [] from Sun Micro Systems, before he was told to shred it, he noted it had been deposited in the National Bank of Israel, New York, New York. He is aware from talk at Atari, that these Integrated Circuits are being purchased for approximately \$7 a piece, and are being resold by Atari for up to \$65 a piece. Atari is not doing well financially, and Source feels that they are importing and selling these circuits to make a profit. The names that Source sees most often on the documents are [] and []. Those individuals along with [] and [] appear to be directing the resale operation.

SF 87A-40454
LLF/lmw

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Continuation of FD-302 of Confidential Source/lmw, On 9/8/88, Page 3

Source furnished copies of the following:

1) Atari shipping declaration document number [redacted] showing shipment of 322,795 PCB kits to Styra, Carrollton, Texas, on May 2, 1988.

2) Atari shipping declaration of a document number blank showing shipment to Styra of 5,000 part number [redacted] TI kits on June 16, 1988.

3) Atari shipping declaration of a document number blank showing shipment to Styra of 156, 109 parts of part number [redacted] dated August 10, 1988.

4) Atari shipping declaration number [redacted] showing shipment to Styra/Koral for 10,000 part number [redacted] dated August 24, 1988.

5) Atari sign in register dated May 2, 1988 showing signatures of individuals from Sun Micro Systems.

SF 87A-40454
LLF/mmr

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The following investigation was conducted by SA [REDACTED]

AT SAN JOSE, CALIFORNIA

On September 27, 1988, [REDACTED] advised that [REDACTED] was heard saying that Atari was under investigation for export or import violations. [REDACTED] told source that "first loyalties lie to Atari first."

On September 27, 1988, Atari received a shipment of 50,000 parts marked Micron Technologies, [REDACTED]. They made a sale to MP Systems and Koral International. An Atari maintenance man drove the MP guy to the airport. Source [REDACTED] DRAMS out of an Atari box and put them in an Adidas shoe box, acting like he was pulling off a drug deal.

On September 29, 1988, [REDACTED] advised that a shipment of DRAMS had arrived via Teddy Bear Express, under air bill [REDACTED]. This consisted of eight cartons of 64k and one mega byte DRAMS, packed in a box labeled 1040 Computers. There was a telex "To [REDACTED] from LIU, Atari."

On September 30, 1988, [REDACTED] advised that a shipment from Federal Express had arrived, shipped from Dove Computer Corporation, North Carolina, and that in the boxes were 20,000 256k DRAMS, and writing in Japanese. Fifty of the DRAMS were sold to an unknown person, 19,950 were shipped to Taiwan. [REDACTED] was written on the invoice they were shipped out under.

On October 13, 1988, [REDACTED] advised that officials at Atari were now putting transaction numbers on cashier's checks they were receiving, along with the name Atari, and that they were no longer putting Styra as the company name on documents they were selling the DRAMS to, but were putting the actual company name.

Also on October 13, 1988, 5000 one mega byte DRAMS were sold to Product Plus, and Atari received a Bank of America's cashier's check number [REDACTED] in the amount of \$131,252.00.

SF 87A-40454
LLF/mm

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The following investigation was conducted by SA [REDACTED]

AT SUNNYVALE, CALIFORNIA

On October 18, 1988, San Francisco [REDACTED] advised that Atari employee [REDACTED] stated that he had "been told a story that the FBI was investigating Atari, and that if he [REDACTED] found out that these people (at Atari) have not been telling him the truth, he wanted to talk about things, and be put in touch with the right people." [REDACTED] of all the paperwork on sale of the DRAMS and stated [REDACTED]

Since Atari does not do any manufacturing in the United States, they would have no reason to bring integrated circuits (IC's) into the country. In source's opinion, the manufacturer of the IC's such as Fujitsu, would be very upset to know that Atari was reselling their product.

87A-40454-23

SF 87A-40454

LLF/mmr

1

LL The following investigation was conducted by SA [REDACTED]

AT SUNNYVALE, CALIFORNIA:

On November 8, 1988, San Francisco [REDACTED] advised that something appeared to be going on at Atari at night because there were tire tracks in the dust inside the building, coming through the front door on the south side of the building. That door is never used during the day. Even the mailman asked what was going on. Source feels that they are probably moving the DRAMS in and out at night because they do not want source to know about the sales.

On November 9, 1988, [REDACTED] advised that [REDACTED] Atari [REDACTED] Distribution, knows about Atari's DRAM distributor system, and when she heard there might be an ongoing investigation, she stated "It's about time." Source also advised that [REDACTED] of Atari, and several other individuals in management, were selling their Atari stock shares out a little at a time. Another Atari employee, [REDACTED] and source advised that she also knows about the incoming shipments of DRAMS.

Source also advised that Atari was shipping out software games under an old copyright agreement to Federated stores in City of Commerce, California so they would not have to pay as much for the software under a new agreement.

On November 10, 1988, [REDACTED] advised that three shipments of Atari software had gone out to Federated stores in Commerce City on November 9, 1988.

- 1) Truck number [REDACTED] consisting of 1648 cartons.
- 2) Truck number [REDACTED] consisting of 1358 cartons.
- 3) Truck number [REDACTED] consisting of 1264 cartons.

These shipments were authorized by [REDACTED]

Source additionally advised that [REDACTED] [REDACTED] stated that there had been a lot of high level meetings concerning the DRAMS that [REDACTED] was importing into the country. [REDACTED] said that she thought that "they were up to no good", and that she considered [REDACTED] to be a crook.

87A-40454-24

SF 87A-40454
LLF/mmr

2

Source further advised that Atari had purchased the copyrights to computer games manufactured by Namco-American, Incorporated, including "Ms. Pacman" and "Pole Position", and that in order to avoid paying a dollar royalty on each game, they were transferring the games to Federated stores to sell. Ninety-one thousand had already been shipped out and another one hundred thousand was scheduled to go out.

SF 87A-40454

LLF/mmr

1

111
[redacted] The following investigation was conducted by SA [redacted]

AT SUNNYVALE, CALIFORNIA

On November 15, 1988, San Francisco [redacted] advised that a ten million dollar shipment of DRAMS was being sold to a company called United Micro Electronics. The word was that Atari had bought a bad batch of DRAMS, and was trying to dump it off on someone else. The parts had [redacted] printed on them.

On November 17, 1988, [redacted] advised that [redacted] who had [redacted] Atari's subsidiary Federated, had been attempting to purchase parts from Motorola, and when [redacted] found out he could not get the parts from Motorola, stated he would purchase them from Atari. The Motorola salesman said that he could not because Atari was not an authorized distributor with a license, but [redacted] still indicated he would be able to get whatever he wanted from Atari.

87A-40454-25

SF 87A-40454
LLE/mmr
HX

1

The following investigation was conducted by [REDACTED]
[REDACTED]

AT SUNNYVALE, CALIFORNIA:

On November 25, 1988, San Francisco [REDACTED] advised that the incoming shipments of DRAMS appeared to have stopped, and that there was no activity re their sale. However, the special room set up to receive the DRAMS still had a lot of product in it.

87A-40454-260

SF 87A-40454

LLF/ml1

js

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The following investigation was conducted by SA [REDACTED]

AT SAN JOSE, CALIFORNIA

On October 18, 1988, [REDACTED] U.S. Customs Agent, advised that the U.S. Government honors the Japanese Ministry International Trade and Industry (MITI) export requirements and that if there were trade restrictions on exports from Japan to Taiwan, the U.S. would honor those restrictions, such as prohibited import into the U.S. after sale to Taiwan.

Agent [REDACTED] further advised that, according to U.S. Customs Representatives in Japan, no legal action had ever been taken for violations of this agreement. Also, if a company imported integrated circuits into the U.S. and claimed that they were software, this would be a technical violation of Title 18, U.S. Code 542, but unless there was duty on the integrated circuits being brought into the country, depriving the U.S. of funds, no prosecution is usually attempted.

On October 25, 1988, Agent [REDACTED] advised that he had determined through an examination of Atari's records, that from May, 1988 through October 15, 1988, 100 shipments had been brought in by Atari through the airport, and 200 had been brought in through the Oakland Seaport.

87A-40454-27

SF 87A-40454

LEF/ml1
ML

1

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT SAN JOSE, CALIFORNIA

On November 16, 1988, U.S. Customs Agent [REDACTED] advised that the inspections of incoming shipments of incoming Atari products had disclosed no unauthorized entries.

On December 2, 1988, December 16, 1988, and January 10, 1989, U.S. Customs Agent [REDACTED] advised that further inspections of shipments had still disclosed no discrepancies in incoming computer products.

87A-40454-28

SF 87A-40454

LLF/ml1

1

The following investigation was conducted by SA [REDACTED]

AT SUNNYVALE, CALIFORNIA

On October 26, 1988, [REDACTED] advised that two to three million dollars worth of 256K DRAMS had been delivered at Atari that day by Teddy Bear Express, and that they were packed in a Motorola box and arrived on a pallet of four boxes. Source advised that [REDACTED] the inventory of the parts and they were being kept under tight security in the "special" room. The key to the room was being kept in [REDACTED]. There was a log which was kept to show who went in and who went out of the room. This paperwork has [REDACTED] normal flow of business at Atari. Teddy Bear Express is used to handle the expensive items like the DRAMS, but normal Atari products are shipped in by Kuehne and Nagel. Before Atari started bringing in the DRAMS, Teddy Bear Express was not used as a shipper.

On October 28, 1988, [REDACTED] advised that a shipment of Toshiba DRAMS had arrived from Irving, Texas, and were delivered by CWX, a subsidiary of T & T Trucking in a trailer with [REDACTED] on it.

Source furnished copies of the following documents:

1. Chip Room Security Procedures
2. Inventory List [REDACTED] (2 pages)
3. Import Log 9/21/88
4. Original Ship Declaration [REDACTED]
5. Kuehne & Nagel Delivery Receipt, File [REDACTED]
6. Teddy B-Air Freight Delivery Receipt [REDACTED]
7. Atari Security Sign-In Register Dated 9/12/88
8. Dove Packing List Dated 9/28/88
9. Kuehne & Nagel Delivery Order Dated 10/10/88,
Carrier: Flying Tiger

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SF 87A-40454
LLE/ml1

2

10. Kuehne & Nagel Delivery Order Dated 10/10/88,
Carrier: United Airlines
11. Atari Shipping Declaration Shipped to MP SEPTEMS,
Dated 9/12/88
12. Atari 1988 1st Quarter Report
13. Atari 1988 2nd Quarter Report

SF 87A-40454

LEF:mll

1

The following investigation was conducted by SA [REDACTED]:
AT SUNNYVALE, CALIFORNIA

On November 7, 1988, [REDACTED] advised that two transactions regarding sale of integrated circuits (IC's) had taken place, and that it appeared that an attempt was being made to clean out the special room the DRAMS were stored in. One huge box of DRAMS went to MP Systems, although the paperwork indicated it was going to Stvra. The other shipment went to [REDACTED] Koral. [REDACTED]

[REDACTED] Source also advised that no new DRAMS were being shipped in.

Source stated that [REDACTED] Federated Stores, a retail outlet for TV's and computers, owned by Atari.

On November 8, 1988, [REDACTED] advised that no new shipments of DRAMS had gone in or out, but that a large quantity of software games had been sent down to the main distribution warehouse in City of Commerce, outside Los Angeles. This was sent via Schneider Trucking Company and consisted of:

Truck 1 [REDACTED] Seal [REDACTED] 1,460 cartons
at 72 pieces per carton

Truck 2 [REDACTED] Seal [REDACTED] 1,330 cartons

Truck 3 [REDACTED] Seal [REDACTED] 1,275 cartons

Source heard that the software was being transferred to Federated Stores so that Atari could avoid paying eight million dollars.

87A-40454-30

SF 87A-40454

LLF/ml1

1

[redacted] The following investigation was conducted by SA [redacted]
[redacted]

AT SUNNYVALE, CALIFORNIA

On November 17, 1988, [redacted] advised that Teddy Bear Trucking Company had gone out of business within one week of Atari being aware that there was an investigation into Atari's importing activities. When Atari [redacted] asked for the bookkeeping records, [redacted] said that [redacted] had them and [redacted] said that [redacted] had them. [redacted] also made it known, that whatever happened, he was only taking orders. Source feels that [redacted] is [redacted]
[redacted]

87A-40454-31

SF 87A-40454

LLF/ml1

1

The following investigation was conducted by SA [REDACTED]
AT SUNNYVALE, CALIFORNIA

On January 19, 1989, [REDACTED] furnished a copy of
[REDACTED] dated September 8, 1988, from [REDACTED]
concerning a shipment of 1 Meg DRAMS from Japan to the U.S.
[REDACTED] indicate 15,000 pieces were in the shipment,
and a different [REDACTED] the total as 150,000 and Atari
Part Number [REDACTED]

87A-40454-32

SF 87A-40454
ELF/SLW

1

The following investigation was conducted by SA
[redacted]

AT SUNNYVALE, CALIFORNIA

On March 1, 1989, [redacted] advised that all incoming shipments of DRAMS into Atari had ceased.

Source also advised that Atari was suing Nintendo for copyright infringement.

Source advised that [redacted]
[redacted] of Atari. [redacted]
has recently [redacted] Atari.

On March 10, 1989, [redacted] advised that Atari was planning to sell its subsidiary "Federated", apparently due to losses incurred by the corporation because of the shortage of DRAMS. Some of the individuals importing large quantities of DRAMS into the United States transferred to Atari. In sources's opinion, Atari is doing something sneaky with taxes on the above sale of "Federated."

87A-40454-3281-

SF 87A-40454

LLF/slw

1

The following investigation was conducted by SA

[REDACTED]

AT SAN JOSE, CALIFORNIA

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On March 28, 1989, [REDACTED] United States Customs, advised that no fraudulent shipments of incoming Atari products had been detected in recent inspections.

87A-40454-32X2

In Reply, Please Refer to

File No. 87A-40454

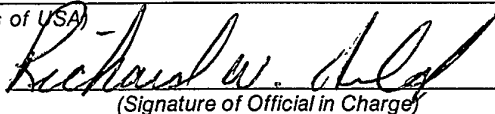
FBI CASE STATUS FORM

Date: 5/15/89To: U.S. Attorney JOSEPH P. RUSSONIELLO

(Name and Address of USA)

From: RICHARD W. HELD

(Name of Official in Charge and Field Division)




(Signature of Official in Charge)

RE: UNSUB(s); Illegal Importation and Sale of IntegratedCircuits by Atari
Corporation

(Name of Subject)

Age

Sex

You are hereby advised of action authorized by AUSA 

(Name of USA or AUSA)

on information submitted by Special Agent 

(Name)

on

5/1/89

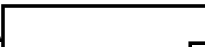
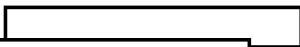

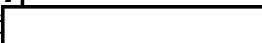
(Date)

(Check One)

☒ Request further investigation☐ Immediate declination☐ Filing of complaint☐ Presentation to Federal Grand Jury☐ Filing of information☐ Otherb6
b7C

For violation of Title _____, USC, Section(s) _____

Synopsis of case:

AUSA  was advised by SA  and U.S. Customs' Agents  and  that source information and investigation had determined that Atari Corporation was importing 256 k Drams into the U.S. in false packing containers, and without proper import documents in violation of U.S. import laws and contrary to import agreements between the U.S. and the Japanese Ministry of Industry and Trade. Atari purchases large quantities of Drams from Japanese manufactures for use in their Taiwanese manufacturing plants. Purchasing in Taiwan allows Atari to obtain the Drams at a greatly

SF 87A-40454
LLF/mk

reduced price. There are strict import quotas on the Drums, because of Japanese flooding of the market in years previously but there are no import duties. By Shipping the Drums into the U.S., Atari can thereby increase the price by approximately four times their purchase price. The original manufactures, whether Fujitsu or Mitsubishi would not be allowed to import this quantity at this price into the U.S., because this practice stifles U.S. manufacturers.

Investigation determined that Atari was importing large quantities, 150,000 or more a week into the U.S. since May, 1988. None were declared through U.S. Customs, and it appears telexes and telephones were used to order specific quantities and in furtherance of this scheme.

Based on the above, AUSA [] stated that he would consider prosecution of this matter under Wire Fraud Statutes or 1001 Falsification of Import Documents.

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SF 87A-40454
LLF/slw

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The following investigation was conducted by SA
[redacted]

AT SUNNYVALE, CALIFORNIA

On April 24, 1989, [redacted] advised that he had learned that [redacted] was no longer at Atari as [redacted] but had been moved over to Federated Stores. The new [redacted] was [redacted] who knows nothing about work.

On April 27, 1989, [redacted] advised that instead of his prior statement about [redacted] no longer being at Atari as [redacted] he had learned that [redacted] was [redacted]

Source further advised that he had determined that [redacted] had been [redacted] along with [redacted] head of purchasing. Also that [redacted] is now the guard in the main lobby.

On May 8, 1989, [redacted] advised that he had spoken with current Atari employee [redacted], telephone number (415) 854-1954, and feels that she might be approachable and would be able to furnish information pertinent to this investigation.

On May 9, 1989, [redacted] advised that the shipments of DRAMS coming in from overseas had started again. The integrated circuits were once again being put in the special room and outside individuals were coming in to make buys.

87A-40454-34

SF 87A-40454
LLF/slw

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The following investigation was conducted by SA

[REDACTED]
AT SUNNYVALE, CALIFORNIA

On May 22, 1989, [REDACTED] advised that he had heard that Atari's [REDACTED] as well as other high ranking Atari employees, were under directions of Atari attorney's to not discuss or say anything about accusations by former employees regarding incoming shipments of DRAMS, and to not talk about the employees who made those accusations.

87A-40454-35

Memorandum



To : SAC, SAN FRANCISCO (87A-40454) P

Date 6/5/89

From :

SA [redacted]

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Subject : Unsub (S);

*Illegal Importation & Sale of
Integrated Circuits by Atari
et al
ITSP
OO: SF*

The case agent of captioned matter has been totally involved in a Group II UCO entitled "CLUTCH CARGO" and therefore was unable to conduct any investigation re captioned matter.

(Handwritten circle)

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 6 1989	
FBI - SAN FRANCISCO	

(Handwritten signature)

② - San Francisco

87A-40454 35X1

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SF 87A-40454

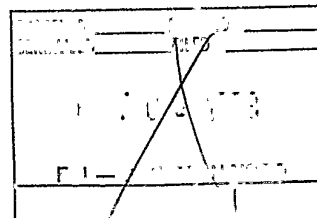
LLF/kmr

1

The following investigation was conducted by SA [REDACTED]

AT SAN JOSE, CALIFORNIA

On August 14, 1989, [REDACTED] advised that [REDACTED] was retiring from Atari Corporation and that his last day would be August 17, 1989. [REDACTED] is now supposed to be [REDACTED] at Atari, although [REDACTED] is still there. Atari is allegedly going to have a large number of layoffs in the near future.



87A-40454 36

SF 87A-40454
LLF/kn

1

[redacted] The following investigation was conducted by SA [redacted]

AT SUNNYVALE, CALIFORNIA

On September 19, 1989, [redacted] advised that Atari was probably going out of business and might be shutting down soon.

11/19	11/19
11/19	
11/19	
11/19	

87A-40454-37

Memorandum

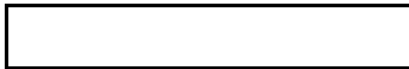


To : SAC, SAN FRANCISCO (87A-40454) P

Date 9/29/89

From :

SA



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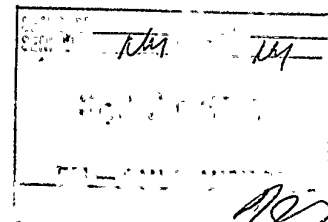
Subject :

*Unsub(s);
Illegal Importation & Sale of IC's
et al
ITSD
OO: SF*

Due to the case agents continued involvement in a Group II UCO entitled "CLUTCH CARGO" active investigation was not conducted in captioned matter.

(Handwritten signature/initials)

(2) - San Francisco
ELF/11f
(2)



87A 40454 38

Earnings

Atari blames Nintendo for slump in profits

By Mike Langberg
Mercury News Staff Writer

Call it "Video War," the unending real-life battle between video-game competitors Atari Corp. of Sunnyvale and Nintendo of Japan.

Atari hasn't been winning lately, and that was shown Monday when the company reported negligible second-quarter profits.

Net income tumbled 94 percent to \$327,000, or 1 cent a share, for the three months ended July 1 from \$5.6 million, or 10 cents a share, in the same period of 1988. Sales dropped to \$82.7 million from \$102.5 million.

Atari, which makes personal computers and video-game equipment, blamed unfair competition from Nintendo — which controls 85 percent of the U.S. home video game market — and currency fluctuations, which reduced the value of computer sales in Europe.

"Video game sales, primarily in the U.S. market, remained depressed as a result of the alleged unfair monopolistic practices of an international competitor, which are now the subject of litigation," said Sam Tramiel, president and

chief executive officer of Atari, in a prepared statement.

Atari sued Nintendo earlier this year, charging that Nintendo was monopolizing the home video-game market by refusing to allow independent software companies to adopt popular Nintendo games for use on other systems, including Atari. The suit is scheduled for trial next year in San Francisco federal court.

For the first half of 1989, Atari reported net income of \$3.6 million, or 6 cents a share, on sales of \$171.5 million, compared with net income of \$11.2 million, or 19 cents a share, on sales of \$200.8 million in the first half of last year.

SF 87A-40454

LEF/llf

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b7D

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The following investigation was conducted by SA [REDACTED]

AT SUNNYVALE, CALIFORNIA:

On October 11, 1989 [REDACTED] furnished the attached newspaper article re Atari's report of net income loss, which Atari is blaming on the unfair competition from Nintendo.

87A- 40454- 39

SF 87A-SF-40454
LLF/kn

1

The following investigation was conducted by SA [REDACTED]

AT SAN JOSE, CALIFORNIA

On 2/14/90 Agent [REDACTED] U.S. Customs advised that he had been reassigned investigation in this matter concerning possible U.S. Customs violations. He was advised that due to writers full time assignment on a car theft case, no recent investigation had been done, but that a portion of the investigation had been referred to IRS Agent [REDACTED] and it was writers understanding that [REDACTED] was in the process of obtaining Subpoenas for bank records and checks allegedly issued to Atari for integrated circuits. [REDACTED] advised that he would contact [REDACTED] and would keep writer advised of the status of the investigation.

On 4/14/90 [REDACTED] advised that [REDACTED] subpoenas for bank records re this investigation, and that [REDACTED] this process with the US Attorney's office. On the same date writer contacted SA [REDACTED] Brooklyn Queens RA and requested assistance in locating the National Bank of Israel, where one of the checks in the amount of 8 million dollars was allegedly deposited by Atari. SA [REDACTED] advised that the only bank with a similar name was the Israel Discount Bank of New York, and that a subpoena would be required for information. SA [REDACTED] advised that he would obtain subpoenas from AUSA [REDACTED] for this and check number [REDACTED] received by Atari from Product Plus.

87A-40454-40

SF 87A-SF-40454

LLF/llf

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The following investigation was conducted by SA [REDACTED]

AT SAN JOSE, CALIFORNIA

On 7/23/90 US Customs Agent [REDACTED] advised that he had interviewed [REDACTED] Sunnyvale, CA concerning his purchase of Integrated Circuits (IC's) from Atari in 1988. [REDACTED] advised that his company used to assemble computer boards for software packages and that he had made two purchases of IC's from Atari. However these had been brokered by a company in Morgan Hill named Products Plus, where he had dealt with a [REDACTED]. His purchases were in the amounts of \$132,000 and \$133,000. [REDACTED] did not consider it unusual that he was purchasing IC's from an OEM, because it is common for OEMs to sell products that they have excesses of.

AT MORGAN HILL, CALIFORNIA

On 9/27/90 [REDACTED] Products Plus, was interviewed in the presence of US Customs Agent [REDACTED] advised that the only ICs he had ever brokered were out of Atari and that he had only sold three or four accounts. These were for a customer named [REDACTED] at Tronics and a company in Los Angeles named Pacific Engineering. [REDACTED] advised that he had a long association with Atari, and that is was his understanding that they were selling off excess ICs obtained from their off-shore manufacturing facilities. During this time period, the ICs were in extremely short supply, and companies were willing to purchase from any source. Atari kept the ICs in a special room at their facility, and only sold them when they received the money right on the spot. A security guard and [REDACTED] or [REDACTED] (name unrecalled) who were in purchasing, were always present to count the ICs and receive the money. However [REDACTED] was aware that the Tramiels had final approval over all the sales and that they signed all the purchase orders. [REDACTED] thinks the IC were shipped in from Atari's facility in Taiwan, and that Atari only liquidated about 100,000 ICs.

AT SAN JOSE, CALIFORNIA

On 10/1/90 US Customs Agent [REDACTED] advised that he had contacted [REDACTED] former owner of Teddy Bear Freight, and that once [REDACTED] had located bills of lading for the Atari shipments, he would set up an interview.

87A-40454-41

[] The following investigation was conducted by SA []

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AT SAN JOSE, CALIFORNIA

Agent [] U.S. Customs, was contacted 11/14/90 and 12/7/90 concerning the transportation and import documents he was attempting to obtain from Teddy Bear Freight. [] advised that he had made several contacts with the Oberlanders but as yet had not received the documentation.

On 1/7/91, Agent [] advised that despite repeated contacts with the Oberlanders, he had as yet been unable to obtain their records re delivery to Atari Corporation. He further advised that because of the difficulty in obtaining these records, he was considering turning this case over to Customs civil division, who would then audit Atari Corporation's books. [] advised that once a decision was made he would advise the FBI.



U.S. Department of Justice

United States Attorney
Northern District of California

16th Floor Federal Building, Box 36055
450 Golden Gate Avenue
San Francisco, California 94102

Branch Office:
280 S. First Street, Room 371
San Jose, California 95113

January 10, 1991

[Redacted]
Supervisory Special Agent
Attn: S/A [Redacted]
Federal Bureau of Investigation
P.O. Box 28402
San Jose, California 95159-8402

b6 per FBI
b7C

Robert M. Keck
Resident Agent in Charge
Attn: S/A [Redacted]
United States Customs Service
280 South First Street, Room 190
San Jose, California 95113

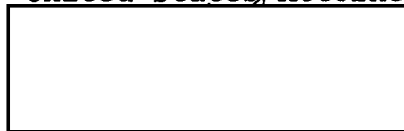
Re: Investigation of Atari Corp.
FBI file number: 87 A 40454
Customs file number: SN08TR9SN001

Dear Messrs. [Redacted]

This is to inform you that on January 8, 1991 this office closed the above-captioned matter. It is the judgment of this office that criminal prosecution is not warranted. If you have any questions concerning this declination, please do not hesitate to contact me.

Very truly yours,

WILLIAM T. MCGIVERN, JR.
United States Attorney



Supervisory Assistant
United States Attorney
Chief, San Jose Office

SHJ:da
cc: File

Memorandum



b6
b7c

To : SAC, SAN FRANCISCO (87A-40454) C

Date 1/17/91

From : SA [REDACTED]

Subject : UNSUB(S) :
ILLEGAL IMPORTATION AND
SALE OF INTEGRATED CIRCUITS
BY ATARI CORPORATION
ITSP
OO: SF

On 1/16/91 US Customs agent [REDACTED] advised that he was referring captioned case to US Customs civil division for audit. He stated that if during this process violations of a criminal nature are found, that the information would be referred back to him. In view of this information, it is recommended that this case be closed until such a time as the audit discloses evidence of a criminal violation.

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(1)

SEARCHED GEN	FOIMS
SERIALIZED SEARCHED	INDEXED
JAN 17 1991	
FBI - SAN FRANCISCO	

87A - 40454-44

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 7

Page 54 ~ Duplicate

Page 56 ~ Duplicate

Page 58 ~ Duplicate

Page 60 ~ Duplicate

Page 61 ~ Duplicate

Page 62 ~ Duplicate

Page 63 ~ Duplicate