

SF 0397 352021 0Z

RR HQ SE

DE SF 011

R 170158Z DEC 80

RECEIVED
TELETYPE UNIT

17 DEC 80 03 45z

12/16/80
SECTION

FM SAN FRANCISCO (196-NEW) (PARA)

TO DIRECTOR (ROUTINE)

SEATTLE

BT

U N C L A S

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Mr. Holmes	
Miss Gandy	

b6
b7c

ATARI INC., 1265 BORREAS

AVENUE, SUNNYVALE, CALIFORNIA - VICTIM; FRAUD BY WIRE; MAIL FRAUD

(B); OO: SAN FRANCISCO.

ON 12/11/80, ASSISTANT UNITED STATES ATTORNEY [REDACTED] SAN
JOSE, CALIFORNIA ADVISED THAT HE HAS BEEN CONTACTED BY [REDACTED]

[REDACTED] FOR ATARI INC. A SUB-

SIDIARY COMPANY OF WARNER COMMUNICATIONS COMPANY OF NEW YORK, NEW

YORK. [REDACTED] ADVISED THAT ATARI WHICH IS LOCATED IN SILICON VALLEY

BUILDS COMMERCIAL AND HOME VIDEO MACHINES. THE COIN OPERATED

DIVISION OF ATARI HAS AN ANNUAL INCOME OF 100 MILLION DOLLARS. THE

[REDACTED] IN THAT DIVISION WHICH IS A KEY POSITION IS

DEC 18 1980

24 JAN 16 1981

[REDACTED]
[REDACTED] ADVISED THAT ACCORDING TO [REDACTED] HAS APPROACHED A SUPPLIER OF PARTS TO ATARI IN SEATTLE AND WANTED A TEN PERCENT KICKBACK OF WHATEVER ORDERS ATARI WOULD GIVE THE SUPPLIER. IN RETURN FOR THIS, [REDACTED] WOULD ASSURE THAT THE SEATTLE COMPANY WOULD SUBMIT THE BEST BID BY LETTING THIS COMPANY KNOW WHAT THE OTHER BIDS WERE WHICH ATARI WOULD RECEIVE FROM THE OTHER COMPANIES.

ON 12/11/80, SPECIAL AGENTS INTERVIEWED [REDACTED]

[REDACTED] FOR ATARI, AND HE ADVISED AS FOLLOWS:

[REDACTED] INTERFACE ELECTRONICS CORPORATION, 1180 ANDOVER PARK, WEST SEATTLE, WASHINGTON, TELEPHONE NUMBER (206) 575-3630, [REDACTED], ADVISED ATARI'S PARENT COMPANY IN NEW YORK, WARNER COMMUNICATIONS COMPANY, THAT [REDACTED] (INTERFACE ELECTRONICS CORPORATION) HAS BEEN SUPPLYING THE COIN OPERATED DIVISION OF ATARI WITH WIRE HARNESSSES. [REDACTED] ADVISED THAT ATARI REPRESENTS ABOUT 20 PERCENT OF IEC BUSINESS. [REDACTED] FURTHER ADVISED THAT HE KNEW [REDACTED] BEFORE [REDACTED] WORKED FOR ATARI AND DID NOT TRUST HIM THEN. [REDACTED] ADVISED THAT APPROXIMATELY [REDACTED]

[REDACTED] MADE THE FOLLOWING OVERTURE TO [REDACTED] [REDACTED] TOLD

[REDACTED] ABOUT A [REDACTED] OF SCIENTIFIC METALS PRODUCTS COMPANY

OF SAN JOSE, CALIFORNIA. [REDACTED] WORKS WITH BUYERS AT [REDACTED] BIG ELECTRONIC FIRMS IN SILICON VALLEY AND HE MENTIONED [REDACTED] ATARI IN FARCHILD. [REDACTED] THE PURCHASING PEOPLE OF THESE FIRMS A TEN PERCENT CONSULTING FEE FOR TELLING HIM WHAT HE NEEDS TO BID IN ORDER TO OBTAIN A PURCHASE ORDER. [REDACTED] TOLD [REDACTED] THAT HE WOULD PERHAPS BE TALKING TO [REDACTED] SOME DAY.

b6
b7C

[REDACTED] ADVISED THAT ON [REDACTED] CALLED HIM AND REMINDED HIM OF THEIR CONVERSATION OF A COUPLE OF MONTHS AGO.

[REDACTED] TOLD [REDACTED] AT ATARI WHO WOULD BE [REDACTED] AND HIS NAME IS [REDACTED] [REDACTED] ADVISED THAT [REDACTED] CALLED HIM THE NEXT DAY AND TOLD [REDACTED] WHAT THEY WANTED AT ATARI AND THE PRICES THAT THEY WERE GETTING FROM OTHER COMPANIES AND THAT HE [REDACTED] WANTED [REDACTED] ON TOP. AMADO TOLD [REDACTED] [REDACTED] SAN JOSE, CALIFORNIA.

b6
b7C

[REDACTED] ADVISED THAT [REDACTED] AND WANTED TO BRING THIS WHOLE AFFAIR TO THE ATTENTION OF THE PARENT COMPANY OF ATARI, WARNER COMMUNICATIONS COMPANY.

[REDACTED] ADVISED THAT HE VIEWS THIS A A MULTI-MILLION DOLLAR PROBLEM FOR ATARI. [REDACTED] FURTHER ADVISED THAT HE WANTS TO COOPERATE

TO THE FULLEST EXTENT WITH THE GOVERNMENT IN ORDER TO BRING THIS MATTER TO A QUICK CONCLUSION. [] ADVISED THAT ATARI IN THE NEXT COUPLE OF MONTHS WILL PRODUCE 500 MACHINES PER DAY FOR 5 DAYS PER WEEK AT 2000 DOLLARS PER MACHINE. HE ADVISED THAT

[] IS A POSITION []

[] SAID THAT []

[] FOR ATARI IN THE NEXT MONTHS BETWEEN 2 AND A HALF TO FIVE AND A HALF MILLION DOLLARS []

[] FURTHER ADVISED THAT ATARI WOULD PUT UP WHATEVER MONEY WAS NECESSARY AS KICKBACK FEES TO CATCH [] IN THE ACT.

ON [] 80, CONTACT WAS AGAIN MADE WITH [] BY SPECIAL AGENTS OF THE FBI AND AT THAT TIME, [] CONTACTED [] TELEPHONICALLY AND AT THAT TIME, ATTEMPTED TO ARRANGE FOR [] CALIFORNIA AT ATARI'S EXPENSE AND MET WITH ASSISTANT UNITED STATES ATTORNEY [] AND FBI AGENTS. [] ADVISED THAT HE IS VERY CONCERN ABOUT []

[] ADVISED THAT []

ABOUT THIS WHOLE AFFAIR. [] SAID THAT [] FEELS THAT THIS SORT OF THING SEEMS TO BE WIDE SPREAD IN THE COMPUTER INDUSTRY AND THAT MANY MILLIONS OF DOLLARS ARE INVOLVED. [] SAID THAT [] IS

CONCERNED FOR HIS PERSON SAFETY AS WELL AS HIS FAMILY.

ON 12/11/80, THE POSTAL INSPECTOR ADVISED THAT P.O. BOX

[REDACTED] SAN JOSE, CALIFORNIA, IS SUBSCRIBED BY [REDACTED] OPENED

IN FEBRUARY, 1979, UNDER THE NAME [REDACTED]

AND [REDACTED] ADDRESS WAS [REDACTED] SAN JOSE, CALIFORNIA,

CALIFORNIA DRIVER'S LICENSE [REDACTED] AND THE BOX IS ALSO UNDER

THE NAME [REDACTED]

b6
b7C

AUSA [REDACTED] HAS BEEN ADVISED OF ALL INVESTIGATION THUS FAR,

AND HE IS WILLING TO MEET WITH [REDACTED] WHEN HE ARRIVES IN THE BAY

AREA AND PERHAPS AT THAT TIME, A RECORDED CONVERSATION CAN BE

ARRANGED [REDACTED] AUSA [REDACTED] ADVISED THAT IF

b6
b7C

IN FACT MULTI-MILLION DOLLARS ARE INVOLVED IN THIS TYPE OF KICKBACK

OPERATION, [REDACTED] MAY VERY WELL BE THE TIP OF THE

ICEBERG AND THE FIRST STEP TO UNCOVERING THIS MULTI-MILLION DOLLAR

FRAUD.

THE FOLLOWING IS A BRIEF DESCRIPTION OF [REDACTED]

TAKEN FROM THE PERSONNEL RECORDS OF ATARI: [REDACTED]

DOB [REDACTED] HEIGHT [REDACTED] WEIGHT [REDACTED], ADDRESS [REDACTED]

b6
b7C

[REDACTED] WASHINGTON, (OLD ADDRESS), MARRIED WITH [REDACTED]

[REDACTED]

PAGE SIX

1 96-NEW

UNCLAS

JOSE, CALIFORNIA, 95118.

SEATTLE IS BEING ADVISED OF THIS INASMUCH AS [] IS
IN THEIR DIVISION AND [] WAS FROM THAT AREA AT ONE TIME.

THE BUREAU IS BEING ADVISED BECAUSE OF THE POTENTIAL SCOPE
OF THIS INVESTIGATION AND THE AMOUNT OF MONEY INVOLVED.

LEADS. SEATTLE. WILL CHECK INDICES ON []

b6
b7c

[]
SAN FRANCISCO. WILL ADVISE THE BUREAU IF THIS MATTER APPEARS
THAT IT WILL DEVELOP INTO ITS FULL POTENTIAL.

BT

0931

SF 07 19 3650405Z

RR HQ SE

DE SF 023

R 300400Z DEC 80

FM SAN FRANCISCO (196B-808) (P) (PARA)

TO DIRECTOR (ROUTINE)

SEATTLE (196B-392) (ROUTINE)

BT

UNCLAS

31 DEC 80 04 08Z

SECTION

12231

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

ATARI INCORPORATED,

1265 BORREGAS AVENUE, SUNNYVALE, CALIFORNIA - VICTIM; FBW;

MAIL FRAUD (B); OO: SF.

RE TELETYPE TO DIRECTOR AND SEATTLE, DECEMBER 16, 1980;
TELEPHONE CALL TO BUREAU, DECEMBER 30, 1980.

ON DECEMBER 30, 1980, [REDACTED] INTERFACE
ELECTRONIC CORPORATION, 1180 ANDOVER PARK, WEST SEATTLE, WASHING-
TON, DURING THE COURSE OF A LONG TELEPHONIC CONVERSATION, ADVISED
THAT SA [REDACTED] PALO ALTO RESIDENT AGENCY THAT HE WOULD
PREFERABLY LIKE TO TALK WITH SA [REDACTED] CONCERNING HIS INVOLVEMENT
WITH [REDACTED] AND [REDACTED] DURING THE COURSE OF
THIS CONVERSATION, IT WAS DETERMINED THAT [REDACTED] CONFIDED IN [REDACTED]

66 FEB 2 1981

PERS. REC. UNIT

PAGE TWO

SF 196B-808

UNCLAS

[REDACTED] FRAUDULENT ACTIVITY REGARDING
ULTI-MILLION DOLLAR CONTRACTS. ACCORDING TO [REDACTED]
[REDACTED], NAMED A NUMBER OF LARGE CORPORATIONS IN
THE SILICONE VALLEY WHO HAVE INSIDE PEOPLE GIVING INFORMATION TO
[REDACTED] IN RETURN FOR A TEN PERCENT KICKBACK. [REDACTED]
ADVISED THAT [REDACTED] THAT [REDACTED]
[REDACTED] FURTHER
ADVISED THAT [REDACTED] ON
ANOTHER MAN REFERRED TO AS [REDACTED] WHO HAS RECENTLY [REDACTED]
[REDACTED] FOR A [REDACTED] ATARI. [REDACTED] ADVISED
THAT HE HAS MORE PARTICULARS AND WOULD LIKE TO MEET WITH SA
[REDACTED] IN THE NEXT WEEK.

b6
b7C

BUREAU SUPERVISOR [REDACTED] IN ABOVE REFERENCED TELCALL
APPROVED TRAVEL FOR CASE AGENT [REDACTED] TO TRAVEL TO SEATTLE
TO CONDUCT INTERVIEW WITH [REDACTED].

SEATTLE DIVISION HAD BEEN APPRISED OF THE POSSIBILITY OF THIS
INTERVIEW AND ARE AMENABLE.

b6
b7C

SA [REDACTED] HAS BOOKED FLIGHT ON WESTERN AIRLINES FLIGHT
243 LEAVING SAN FRANCISCO AT 9:30AM, ARRIVING SEATTLE AT 11:15AM
ON JANUARY 6, 1981.

PAGE THREE

SF 196B-808

UNCLAS

SEATTLE WILL BE CONTACTED TELEPHONICALLY TO MAKE NECESSARY
ARRANGEMENTS FOR MEET WITH ON TUESDAY, JANUARY 6,

1981.

BT

b6
b7c

SF 0033 0480 124

RECEIVED
TELETYPE UNIT

PP HQ

DE SF 011

18 FEB 81 0145z

P 170123Z FEB 81

FEDERAL BUREAU
OF INVESTIGATION
COMMUNICATIONS SECTION

FM SAN FRANCISCO (196D-808) (P) (PARA)

TO BUREAU (196-1915) (PRIORITY)

BT

UNCLAS

[REDACTED] ATARI INCORPORATED, 1265

BORREGAS AVENUE, FRAUD BY WIRE; MAIL FRAUD, OO: SAN FRANCISCO

PURPOSE

AUTHORITY IS REQUESTED TO UTILIZE AN ELECTRONIC DEVICE TO RECORD
PRIVATE CONVERSATIONS BETWEEN A SOURCE AND [REDACTED]

[REDACTED] IN CONNECTION WITH A FRAUD BY WIRE INVESTIGATION.

ON JANUARY 6, 1981, A SOURCE ADVISED THE FOLLOWING:

1. [REDACTED] AT ATARI INCORPORATED
IS ENGAGING IN A KICKBACK SCHEME WHEREBY HUNDREDS OF THOUSANDS OF
DOLLARS OF ORDERS ARE PLEDGED WITH VENDORS WHO IN TURN GIVE A TEN
PERCENT KICKBACK TO [REDACTED] AND HIS BUYERS AT ATARI IN RETURN FOR
ASSURANCE THAT THEY, THE VENDORS, RECEIVE THE BID.

2. [REDACTED] BUYERS AT ATARI, ARE ALSO

RECEIVED

OEO Let
SEK/Cug
2/18/81

196-1915-3

FEB 26 1981

MAR 13 1981

FOUR
ELSUR INDEX

PAGE TWO SF 196D-808 UNCLAS

ENGAGED IN THIS SCHEME.

3. SOURCE WAS GIVEN ORDERS BY ATARI THROUGH [REDACTED] AND
HAS BEEN TOLD BY [REDACTED]
[REDACTED] SAN JOSE, AS A CONSULTING FEE.

INVESTIGATION HAS DETERMINED THUS FAR THAT [REDACTED]
SAN JOSE, CALIFORNIA, IS REGISTERED TO [REDACTED] SINCE FEBRUARY,
1979. INVESTIGATION HAS FURTHER DETERMINED THAT [REDACTED] WAS
[REDACTED]

b6
b7C

BECAUSE OF THIS SAME TYPE OF ACTIVITY WHICH WAS SUSPECTED BY HIS
EMPLOYERS.

ADMINISTRATIVE DATA

SOURCE IS [REDACTED]
ELECTRONICS, SEATTLE, WASHINGTON, AND HAS REQUESTED THAT HIS IDENTITY
REMAIN CONCEALED UNTIL OUR INVESTIGATION DEVELOPES A NUMBER OF
PEOPLE LIKE HIMSELF WHO HAVE BEEN APPROACHED TOO AND/OR WHO MAY BE
ENGAGED IN THIS TYPE OF KICKBACK SCHEME. [REDACTED] ADVISED THAT IF A
NUMBER OF OTHER PEOPLE WOULD TESTIFY HE WOULD ALSO BE A WITNESS FOR
THE GOVERNMENT.

A [REDACTED] OPERATED BY [REDACTED] IS ANTICIPATED TO BE USED
AT A PRE-ARRANGED MEETING WITH [REDACTED] SCHEDULED FOR THE

PAGE THREE SF 196D-808 UNCLAS

NIGHT OF FEBRUARY 23, 1981.

AUSA [REDACTED] WAS ADVISED OF THIS PROPOSAL ON FEBRUARY 13, 1981,
AND CONCURS AND COULD SEE NO PROBLEMS WITH ENTRAPMENT.

THE BUREAU IS REQUESTED TO ADVISE SAN FRANCISCO AS SOON AS
POSSIBLE SO NECESSARY ARRANGEMENTS CAN BE MADE.

BT

b6
b7C

1 - [redacted]
1 - [redacted]
1 - Recording Device Folder
[redacted]

Office of Enforcement Operations
Criminal Division

February 18, 1981

Director, FBI

FEDERAL GOVERNMENT

b6
b7C

mg
[redacted]
ATARI INCORPORATED, 1265 BORREGAS AVENUE,
FRAUD BY WIRE; MAIL FRAUD

Attached is a copy of a communication in which authorization is requested for the use of an electronic device to monitor and/or record private conversations with the consent of a party.

Additional information concerning this investigation has been included in the communication. It is requested that your office approve the use of this equipment for a period of 30 days beginning the date on which you grant approval.

Monitoring of this conversation is recommended in the best interest of effective law enforcement in that it will corroborate evidence and protect the individual utilizing the equipment.

Enclosure

SPK:Eng (6)

APPROVED:

Director

Exec. AD Adm.

Exec. AD Inv.

Exec. AD LES

Adm. Serv.

Crim. Inv.

Ident.

Intell.

Laboratory

Legal Coun.

Plan. & Insp.

Rec. Mgnt.

Tech. Servs.

Training

Off. of Cong. & Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Public Affs.

Exec. AD Inv. _____
Exec. AD Adm. _____
Exec. AD LES _____
Asst. Dir.: _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____
Telephone Rm. _____
Director's Sec'y _____

1-ENCLOSURE

196-1915-4

FEB 26 1981

RECEIVED

LEA 10

FOURTH
FEBRUARY INDEX

to OEO
2/20/80
tes

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ Airtel

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

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

Date 3/3/81

TO: DIRECTOR, FBI (196-1915)
 FROM: SAC, SAN FRANCISCO (196-808)(P)(PARA)
 SUBJECT: [REDACTED]

Atari Inc.
 1265 Borregas Avenue
 Sunnyvale, California
 FBW; MAIL FRAUD

Re airtel from Director to San Francisco, 2/25/81.

On 2/23/81, [REDACTED] (protect), consented to be
 [REDACTED] and met with Subjects [REDACTED]
 [REDACTED] and their attorney.

The conversation lasted approximately [REDACTED] and was very clear. The meeting definitely has aided in directing the investigation. Direct evidence was obtained and other evidence has been substantiated. Source was afforded protection at all times during the course of the recorded conversation. AUSA [REDACTED], San Jose, California, has been advised of the meeting and the participants of the meeting and San Francisco is continuing to analyze the substance of the conversation.

The Bureau will be kept advised of the results of San Francisco's continued investigation.

2 - Bureau
 2 - San Francisco
 JWR:kes
 (4)

2 MAR 6 1981

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

61 MAR 23 1981

b6
 b7C
 b7D

1 - Mr. Walsh (RM. 5847)
1 - Recording Device Folder
(Mr. Kennedy)

Airtel

Unclas

February 25, 1981

Director, FBI

SAC, San Francisco (196D-808)

ATARI INCORPORATED, 1265 BORREGAS AVENUE
FRAUD BY WIRE; MAIL FRAUD

ReSftel to the Director, 2/17/81, and Butelcal to
San Francisco, 2/20/81.

Approval was obtained on 2/20/81 from Gerald Shur,
Associate Director, Office of Enforcement Operations, for the
use of a body recorder and/or transmitter on the person of
a source for a period of 30 days beginning 2/20/81 to record
conversations with [redacted] and others yet unknown.

Insure Bureau equipment is afforded appropriate
security and keep Bureau advised of pertinent developments.

You are requested to submit a letter within 30 days
of the expiration of the authorization authorizing use of the
body recorder and/or transmitter in this matter showing
whether the body recorder:

1. Aided in directing course of investigation.
2. Obtained direct evidence.
3. Was used - no information of value gained.
4. Furnished lead material.
5. Gave protection to Agent or person wearing recorder.
6. Was not used.

Comment specifically concerning any of the above
points that are applicable.

Exec AD Inv. _____
Exec AD Adm. _____
Exec AD LES _____
Asst. Dir.: _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____

Telephone Rm. _____
Director's Sec'y _____

SOE: LLE (mg)

SEE NOTE PAGE TWO-

ENCLOSURE ATTACHED

LEB 52 4 14 81

MM FEB 26 1981

MAILED 12

FEB 25 1981

FBI

9 MAR 17 1981

MAIL ROOM

FBI/DOJ

Airtel to SAC, San Francisco

Re: [REDACTED]

In the event it will be necessary to renew this 30-day authority, request and justification should be submitted five work days prior to termination of your present authority.

In addition, you should insure that all persons identified as having been monitored, are suitably included in the field office and FBIHQ ELSUR indices, commensurate with existing instructions as outlined in Bureau airtels to all offices dated April 12, 1977, June 8, 1977, and October 21, 1977, entitled "Microphone and Telephone Surveillances." Strict administrative controls must be established to insure these requirements are met.

b6
b7C

NOTE: ReButelcal was from Supervisor [REDACTED] FBIHQ, to Supervisor [REDACTED] San Francisco Division.

See Bureau letter to OEO, Criminal Division, dated 2/18/81, attached. No Bureau markings are to be placed on the attached original memorandum.

2/25/81

[REDACTED]
ATARI INCORPORATED, 1265 BORREGAS AVENUE,
FRAUD BY WIRE, MAIL FRAUD

No Bureau markings are to be placed on the enclosed
original memorandum.

b6
b7C

ub

196-1915-6

SF 012 0870320

RR HQ

DE SF 0017 *MF*

R 280315Z MAR 81

28 MAR 81 03 27z

RECEIVED
TELETYPE UNIT

FM SAN FRANCISCO (196B-808) (P) (PARA) *mb*

TO DIRECTOR (196-1915) ROUTINE *mb*

BT

UNCLAS

[REDACTED], ATARI, INC.,

1265 BORREGAS AVENUE, SUNNYVALE, CALIFORNIA - VICTIM,

FEW; MF, 00: SAN FRANCISCO.

RE TELEPHONE CALL FROM SAN FRANCISCO TO BUREAU SUPERVISOR

[REDACTED] DATED MARCH 26, 1981.

REFERENCED TELEPHONE CALL TO BUREAU ADVISED THAT A
WITNESS, [REDACTED] HAD PROVIDED INFORMATION IN THE PAST
CONCERNING BUYERS OF BIG CORPORATIONS INVOLVED IN RECEIVING
[REDACTED] FROM SUPPLIERS AND IN RETURN THE SUPPLIERS WOULD BE
ASSURED OF RECEIVING THE CORPORATION'S BUSINESS. THE INFORMATION
PROVIDED BY [REDACTED] WAS OF ASSISTANCE IN LOCATING OTHER PEOPLE
WHO WERE INVOLVED INVOLVED IN THIS PRACTICE. *BS*

TELEPHONE CALL ADVISED THE BUREAU THAT THIS WITNESS CONTACTED

196-1915-7

APR 1 1981

[REDACTED]

THE CASE AGENT, [REDACTED], ON MARCH 26, 1981, AND ARRANGED TO MEET WITH HIM TO GIVE HIM MORE INFORMATION CONCERNING THIS [REDACTED] OPERATION. CASE AGENT MET WITH [REDACTED] ON MARCH 26, 1981, AND [REDACTED], AMONG OTHER THINGS, TOLD THE CASE AGENT THAT [REDACTED], A SUBJECT OF THIS INVESTIGATION, CONTACTED HIM AND WANTED [REDACTED] AGENT [REDACTED] FOR \$25,000.

b6
b7C

[REDACTED] ADVISED THAT HE WAS TO MEET WITH [REDACTED] ON [REDACTED] 1981, AT 11:30 FOR LUNCH. [REDACTED] ADVISED THAT HE WAS TO [REDACTED] AT THIS MEETING AND THE REMAINING OF THE MONEY UPON THE COMPLETION OF THE JOB. [REDACTED] ADVISED HE WOULD BE WILLING [REDACTED] AND HE WOULD TESTIFY THAT [REDACTED] HAD APPROACHED [REDACTED] AGENT [REDACTED]

ON MARCH 27, 1981, [REDACTED] TELEPHONICALLY CONTACTED THE FBI OFFICE AND ADVISED THAT HIS MEETING WITH [REDACTED] HAD BEEN CALLED OFF BY [REDACTED]. SUBSEQUENT CONVERSATION BETWEEN [REDACTED] AND AGENT ROBIN AND ALSO CONVERSATION WITH [REDACTED] AND ADDITIONAL BACKGROUND INVESTIGATION HAS DETERMINED THAT [REDACTED] STORY CONTAINED NUMEROUS INCONSISTENCIES AND THAT HIS STORY ABOUT MINYARD PAYING HIM TO [REDACTED] IS NOT CREDIBLE.

SAN FRANCISCO WILL CONTINUE ITS INVESTIGATION AND ADVISE

PAGE THREE SF 196B-808 UNCLAS

THE BUREAU OF ANY PERTINENT DEVELOPMENTS.

SAN FRANCISCO DOES NOT INTEND TO PUT A

[REDACTED]

BT

b6
b7C

Memorandum



To : DIRECTOR, FBI

Date 6/12/81

From : *APW*
SAC, SEATTLE (196B-392)

Subject :

2
[REDACTED]
ATARI INCORPORATED
1265 BORREGAS AVENUE
SUNNYVALE, CALIFORNIA
FBW; MF; RICO (A)
OO: SF

b6
b7C

For the information of the Bureau, in connection with captioned investigation, a telephone call between [REDACTED] at Kent, Washington, on 2/17/81. This was a [REDACTED] based on the consent of [REDACTED]

CC
10

10
2 - Bureau
1 - Seattle
JSD/sbk
(3)

196-1915-9

JUN 37 1981

195
64 JUL 20 1981

FEDERAL BUREAU OF INVESTIGATION

Reporting Office San Francisco	Office of Origin San Francisco	Date 6/30/82	Investigative Period 12/11/80 - 6/30/82
Title of Case CHANGED		Report made by SA [redacted]	Typed By: dma
[redacted] dba SCIENTIFIC CUSTOM METAL PRODUCTS, INC. AND TWO SUN'S MANUFACTURING, INC. [redacted] dba SCIENTIFIC CUSTOM METAL PRODUCTS, INC. AND S & S PRECISION, INC. GRANT ROBERT SQUIRES, dba S & S PRECISION, INC. [redacted] dba TWO SUN'S MANUFACTURING, INC. [redacted] dba NORTHWEST CONSULTANTS; [redacted] dba MANAGERIAL MANPOWER CONSULTANTS; DREX GARDNER LINVILLE, dba MATTHEWS CONSULTING SERVICE; [redacted] ALPINE ENTERPRISES [redacted]		Character of Case FRAUD BY WIRE; MAIL FRAUD POSSIBLE CONSPIRACY [redacted]	
SUMMARY XXXXXXXX PROSECUTIVE			

FRAUD BY WIRE; MAIL FRAUD;
 POSSIBLE CONSPIRACY (B)
 OO: SAN FRANCISCO

b6
b7c

[redacted] Title marked "CHANGED" from [redacted]
 etc., to the present title to include additional subjects
 and their companies.

REFERENCES: San Francisco Teletype to Director, 12/16/80.

Approved JFA / JWH	Special Agent in Charge	Do not write in spaces below	
Copies made: 4 - Bureau (2 - Criminal Division, USDT) 1 - USA, San Francisco (ATTN: AUSA [redacted]) 2 - San Francisco (196B-808)		96-1915- 15 JUL 19 1982	DE-52 152

Notations:

53 AUG 6 1982



FEDERAL BUREAU OF INVESTIGATION

b6
b7c

PROSECUTIVE REPORT OF INVESTIGATION CONCERNING

[REDACTED] dba
SCIENTIFIC CUSTOM METAL PRODUCTS, INC.,
AND TWO SUN'S MANUFACTURING, INC.;

[REDACTED] dba
SCIENTIFIC CUSTOM METAL PRODUCTS, INC.
AND S & S PRECISION, INC.;

[REDACTED] dba
S & S PRECISION, INC.;

[REDACTED] dba
TWO SUN'S MANUFACTURING, INC.;

[REDACTED] dba
NORTHWEST CONSULTANTS;

[REDACTED] dba
MANAGERIAL MANPOWER CONSULTANTS;

[REDACTED] dba
MATTHEWS CONSULTING SERVICE;

[REDACTED] dba
ALPINE ENTERPRISES
FRAUD BY WIRE; MAIL FRAUD;
POSSIBLE CONSPIRACY
OO: SAN FRANCISCO

TABLE OF CONTENTS

	<u>PAGE</u>
Narrative of Offense	1
Names of Defendants	10
Prosecutive Status	19
Witnesses	21
Evidence	29
A) Records obtained by the Grand Jury.	30
B) Report forms reflecting the details in obtaining subpoenaed bank records.	38
C) Report forms reflecting the details in obtaining subpoenaed corporate records.	99
D) Recorded conversations	134
E) Worksheets	
F) Copies of checks and invoices.	
Unproductive Investigation	135
Identification Records	162
Business Records	
A) [redacted] and his corporations.	163
B) [redacted]	167
C) [redacted]	168
D) [redacted]	169
E) [redacted] and his corporations.	170
F) [redacted]	173
G) [redacted]	175
H) [redacted] and their corporations.	177
Table of Contents for Report Forms	184
Report Forms (FD-302s)	186

b6
b7c

Copy to:

Report of: SA [redacted]
Date: June 29, 1982Office:
San Francisco

Field Office File #: 196B-808

Bureau File #:
196-1915

Narrative of Offense:

This investigation was predicated on information from a vendor of the Atari Corporation, Sunnyvale, California. He advised that buyers of that corporation were engaging in the practice of receiving kickbacks for the work that they would give the vendors.

On January 6, 1981, [redacted] of Interface Electronics Corporation, Seattle, Washington, advised the following.

Around July of 1980, [redacted] at Atari, Inc., Sunnyvale, Ca., [redacted] effort to establish Interface Electronics as a vendor for Atari Incorporated. [redacted] advised [redacted] that Atari needed wires harnesses in connection with making their games and that Atari could supply him with as much business as he could handle. [redacted] told [redacted] about a [redacted] of Scientific Custom Metal Products, Incorporated, who was located in Silicon Valley. [redacted] said that [redacted] worked on the theory that one does not have to pay sales people. [redacted] dealt with approximately ten major businesses and that he paid the buyer of these corporations a [redacted] and in return the buyer assured [redacted] that he [redacted] ended the conversation with [redacted] with "perhaps we will be doing business".

[redacted] advised that he received business from Atari from July until November of 1980 and that he did not pay any [redacted] for this business. [redacted] advised that in the later part of November, 1980, [redacted] called him on the telephone and told him that he now had a new buyer in wire harnesses by the name of [redacted]. [redacted] recalled the conversation about the [redacted] and told [redacted] that [redacted] would be calling him.

The next day [redacted] called [redacted] and introduced himself and advised [redacted] that he had a lot of orders to be filled. [redacted] at that time told [redacted] "The deal is [redacted] you've got that covered?" "Here is the address to send it to [redacted] Post Office Box [redacted] San Jose, California" "We will send you a statement if you need it".

[redacted] advised that he stalled in taking those orders and notified Warner Corporation in New York, the parent company of Atari, Incorporated.

[redacted] further advised that on December 22, 1981, [redacted] told [redacted] that he had a buyer working for him at Atari by the name of [redacted] said that he approached [redacted] to "join the team". [redacted] told [redacted] that [redacted] and is a buyer dealing with [redacted] and that [redacted] in the month of October. [redacted] did about \$800,000 of business with Atari.

On December 11, 1981, a check with the Postal Inspectors Office, reflected that Post Office Box [redacted] San Jose, California, was subscribed by [redacted] in February of 1979 under the name of [redacted] and that [redacted] address was [redacted] San Jose, California.

On February 17, 1981, a conversation was recorded between [redacted] and [redacted] under FBI supervision. [redacted] advised [redacted] that he had the shipments from his company to Atari figured at [redacted] said he would cut [redacted] check for [redacted] [redacted] said, "Got it". [redacted] said he needed an invoice from [redacted] and [redacted] said it would cross in the mail. [redacted] also told [redacted] to [redacted] the talk on the telephone.

On February 18, 1981, an interview was attempted at Atari, Incorporated between [redacted] and the FBI. [redacted] declined to be interviewed.

On February 23, 1981, [redacted] was wired with a body recorder and met with [redacted] and [redacted] [redacted] later identified as [redacted] attorney. The following items were extracted from their conversation.

1. They were concerned as to who informed the FBI about [redacted]

2. They felt that [redacted] Advanced Technology Laboratories, Seattle, Washington, that, as a result of [redacted] way of handling [redacted] the FBI got into the investigation and as a result of that investigation got to [redacted]

3. [redacted] mentioned that he was concerned about his mailing [redacted] that [redacted] knows all about what is going on so that [redacted] should feel free to talk with [redacted]

4. [redacted] said that [redacted] seems to be the focal point of the FBI's investigation in this area. He said that there were four possibilities how this investigation got initiated and they were (1) that [redacted] Seattle messed up and Advanced Technology Laboratories called the FBI; (2) [redacted] (3) [redacted] (4) [redacted] or (5) the investigation emanated from prior associations at Four Phase. [redacted] until he met [redacted] [redacted] list as a possibility.

5. [] the FBI will probably not go into the various transactions of fictitious consulting companies. He said that the FBI does not have the intelligence or moxie or manpower. He said in the event that there is a snitch in the crowd, there will be plausible explanations for consulting fees and [] per say is not illegal. [] it was his understanding that the payments [] made did not figure exactly []

6. [] all the FBI wants right now is evidence. If they had enough to indict, they would. [] the FBI and if you are approached by them, tell them that you don't want to talk to them because what you might say could be misconstrued.

7. [] the only way they could get in trouble now would be to change their patterns.

8. [] as he sees it are [] He said that [] is now [] for which he made payments. If [] were to make a deal with the FBI his testimony will be impeached.

9. [] asked if [] sent [] and [] like [] did and [] and [] said "It's a different ballgame". [] it is the same thing only [] said that if it were [] it would be worse.

10. [] that [] payments off as "Sales commission". "You should put consulting fees". [] told [] that [] to him showed [] and [] should be buried and never see the light of day". [] another bill to replace the first one.

11. [] said that [] knows what [] is doing and that the company that the [] are in his []

12. [] said that [] would not say anything to anybody and that [] don't even know what is going on.

13. [] said that [] already has handled this in her head and she said that if worse comes to worse, she would go back to Alpha Beta.

14. [] asked [] if he should get the bill that [] sent him with [] on it out of the system and [] said he should.

The following are excerpts taken from the recorded conversation which continued between [redacted] and [redacted] as [redacted]
[redacted]

[redacted]

The following information on the corporations was obtained through investigation.

SCIENTIFIC CUSTOM METALS PRODUCTS, INCORPORATED, 540 Parrott, San Jose, California (formerly 3445 De La Cruz Blvd), Santa Clara, California; Executive Officer - Charles R. Minyard; Chief Financial Officer - Alvin D. McNeil; Bookkeeper - Maureen Teel; Vice-President - Richard Snodgress. Incorporated - February 17, 1976.

TWO SUN'S MANUFACTURING, INCORPORATED, 3445 De La Cruz, Blvd., Santa Clara, California; Chief Executive Officer - Charles R. Minyard, Jr.; Secretary - Charles R. Minyard; Chief Financial Officer - Gary Siress. Incorporated, April, 1979.

S & S PRECISION, INCORPORATED, 303 Laurelwood Road, Santa Clara, California. Incorporated August 16, 1978. President - Richard R. Snodgress; Treasurer - Grant Squires.

SELECT METAL PRODUCTS, 381 Laurelwood Road, Santa Clara, California. The Credit Bureau Metro's records reflected that they were on file since 1970. The company was incorporated October 29, 1969 and was suspended on April 1, 1981. Bank records indicated that [redacted]

of this company as early as March 26, 1975.

On [] 1981, as a result of a subpoena issued to

--

NAME

AMOUNT OF MONEY

--

During this review [] advised that the principal of MMC Incorporated was [] was the principal of Northwest Consultants. He advised that [] was the principal of Matthews Consulting and that [] was the principal of Linden Associates. [] advised that [] and [] were the principals of P.M. Communications. [] advised that these consulting fees paid to these individuals were legitimate fees paid to them for consulting work. He advised that [] were the principals of Alpine Enterprises.

b6
b7C

On April 8, 1981, as a result of a subpoena issued to

--

NAME

AMOUNT OF MONEY

--

It was further determined from a review of the [] of the two [] corporations that [] of the sales to Atari Incorporated during several months equaled the fees paid to the consultants who were also buyers at the corporations. It was noted that [] of the sales to Atari in some months equaled the sum of both consulting fees paid to those buyers at Atari.

A review of Scientific Custom Metal Products records of sales to Four Phase Corporation during the time when [REDACTED] was a buyer there, reflected that [REDACTED] consulting fee in a majority of instances equaled 10% of the sales to Four Phase Corporation from Scientific Custom Metal Products. b6 b7C

As a result of a subpoena issued to [REDACTED]

NAME

AMOUNT OF MONEY

[REDACTED]

[REDACTED]

The [REDACTED]

[REDACTED]

Investigation reflected that [REDACTED]

[REDACTED]

REVIEW OF BANK ACCOUNTS

A review of the following bank records were made pursuant to a Grand Jury subpoena. [REDACTED]

[REDACTED]

[REDACTED]

[redacted]
Account number [redacted] in the name

[redacted]
Account number [redacted] in the name of

[redacted]
Account Number [redacted] and account number [redacted]

[redacted]
On [redacted] 1982, [redacted]

[redacted]
On [redacted] 1982, [redacted]

[redacted]
On [redacted] 1982, [redacted]

[redacted]
On [redacted] 1982, [redacted]

[redacted]
The books reflected that between [redacted]

On [REDACTED]

1982, [REDACTED]

On [REDACTED]

1982, [REDACTED]

On [REDACTED]

1982, [REDACTED]

On [REDACTED]

1982, [REDACTED]

On [REDACTED]

1982, [REDACTED]

As a result of a subpoena issued to [REDACTED]

[REDACTED]

The scope of this investigation continues to grow as the investigation continues. Review of [REDACTED] of these large corporations continue to [REDACTED] of these corporations who [REDACTED] Review of these buyer's bank accounts reveal additional vendors [REDACTED]

b6
b7C

Agreement was reached between the FBI and the USA's Office that the buyers of the particular corporation and its vendors engaged in this practice, would be prosecuted as a unit.

The purpose of this report has been twofold. One purpose has been to bring the status of this overall investigation up to date. The second purpose is to present all available evidence against the buyers and vendors connected with the Atari Corporation who have engaged in receiving and paying kickbacks.

In the section of prosecutive status of this report are listed additional buyers and vendors of large corporations who are suspected and have been determined to be engaging in the kickback practice.

SF 196B-808

b6
b7C

NAMES OF
DEFENDANTS:

1.

[Redacted]

described as:

Race

Caucasian

Sex

Male

Date of Birth

Height

Weight

Hair

Eyes

Social Security

Number

Previous Occupation

Address

[Redacted]

[Redacted]

at

[Redacted]

San Jose, Calif., 95122

2. [redacted] described as:

Race

Caucasian

Sex

Male

Date of Birth

Height

Weight

Hair

Eyes

Previous Occupation

Address

[redacted]

[redacted]

Inc

[redacted]

b6
b7C

SF 196B-808

3. [REDACTED], described as:

Race

Caucasian

Sex

Male

Date of Birth

Height

Weight

Hair

Eyes

Previous Occupation

Address

Atari, Inc.

Fremont, Calif.

b6
b7C

3. [redacted] described as:

Race

White

Sex

Male

Date of Birth

Place of Birth

California

Height

Weight

Hair

Eyes

California Drivers

License

Marital Status

Social Security

Number

Employment

Address

San Jose, Calif.

[redacted] Select
Metal Products, Santa Clara, Calif.)

b6
b7C

SF 196B-808

5. [redacted] described as:

Race

White

Sex

Male

Date of Birth

Place of Birth

California

Height

Weight

Hair

Eyes

California Drivers

License Number

Marital Status

at Harrisburg, Pennsylvania

Social Security

Number

Employment

National Gas Register

Address

San Jose, Calif.

Present Employment

Santa Clara, Calif.

SF 196B-808

6.

[Redacted]

described as:

Race
Sex
Date of Birth
Height
Weight
Hair
Eyes
Social Security
Number
Occupation

Caucasian
Male

[Redacted]

[Redacted]

[Redacted]

San Jose, Calif.

[Redacted]

Santa Clara, Calif.

[Redacted]

Santa Clara, Calif.

[Redacted]

Address

7. [redacted] described as:

Race
Sex
Date of Birth
Height
Weight
Hair
Eyes
Occupation

Caucasian
Male

[redacted]

[redacted]

San Jose, Calif.

Social Security
Number
Address

[redacted]

Gilroy, Calif.

b6
b7C

SF 196B-808

8.

described as:

Race
Sex
Date of Birth
Social Security
Number
Occupation

Caucasian

Male

Wife
Social Security
Number
Occupation

Address

Santa Clara, Calif.

San Jose, Calif.

Mountain View, Calif.

b6
b7C

9. [redacted] described as:

Race

Caucasian

Sex

Male

Date of Birth

Height

Weight

Hair

Eyes

Social Security

Number

Occupation

Address

Santa Clara, Calif.)

Gilroy, Calif.

b6
b7C

PROSECUTIVE STATUS:

On 12/11/82, AUSA [] advised that he had been contacted by [] for Atari, Inc. a subsidiary of Warner Communications, New York, New York. He requested that the FBI interview [] for further details in an effort to determine if a fraud by wire violation was committed.

Since that time AUSA [] has been apprised of the developments of this case and has authorized the issuance of 41 Grand Jury subpoenas for various bank and corporate records. The full details of these subpoenas and material received are scheduled and can be found in the evidence section of this report.

On 2/10/82, the United States Attorney, [] requested that the FBI fortify its investigation with additional manpower.

On 3/17/82, AUSA [] advised he was informing Internal Revenue Service of the scope of the FBI's investigation. It was his intention to determine if these substantial payments made to the subject buyers were reported as income.

Subsequent meetings with IRS Agent [] has failed to discover IRS violations on the part of the buyers but there have been indications of violations on the part of several vendors. IRS is presently requesting a joint investigation.

To date there are strong indications and in some cases hard evidence, that the following people and companies are engaged or have been engaged in receiving and paying kickbacks.

[] dba P.M. Communications. [] are former buyers for Accurex Inc., 485 Clyde Avenue, Mountain View, Calif.; [] for Four Phase System Inc., Cupertino, Calif; [] dba Linden Associates, former buyer for Advance Technology Laboratories Inc., Seattle, Washington; [] buyer for Applied Materials Inc., 3050 Bowers Ave., Santa Clara, Calif.; [] dba Cabrillo Associates, buyer at Memorex, Corporation, Santa Clara, Calif. 95052; [] buyer at Amdahl Inc., Sunnyvale, Calif., former buyer for National Semi Conductor, Santa Clara, Calif. and Atari Inc., Sunnyvale, Calif.; [] buyer for Diablo Systems Inc., Hayward, Calif.; [] buyer at Zilog Inc., Cupertino, Calif. and former buyer for G.C.A. Corporation, Sunnyvale, Calif.

b6
b7C

SF 196B-808

[redacted] dba D.S. Associates, buyer at Accurex Inc
Mountain View, Calif.; Frank Powell, buyer at Inel Inc., [redacted]
[redacted] buyer at Zilog Inc., Cupertino, Calif.;
[redacted] buyer at Amdahl Inc., [redacted] former buyer
for Tab Products Inc., Palo Alto, Calif.; [redacted] dba
Asemco Inc., Sunnyvale, Calif.

b6
b7C

SF 196B-808

WITNESSES:

1. [REDACTED]
Special Agent
Federal Bureau of Investigation
Palo Alto Resident Agency
430 Sherman Avenue
Palo Alto, Calif.

Can testify that corporate books for Dependable Machine Manufacturing Inc. were examined and commissions were paid to [REDACTED] dba Matthews Consulting and [REDACTED] Northwest Consultants. Review of Tempco's corporate books reflecting a total of \$25,382.00 paid to Matthews Consulting Service as a commission.

Details on page 186.

2. [REDACTED]
Special Agent
Federal Bureau of Investigation
Palo Alto Resident Agency
430 Sherman Avenue
Palo Alto, Calif.
Telephone (415) 326-4930

Can testify to a review of Scientific Custom Metal Products sales and different corporations in Silicon alley. Review of electronic sales and products check register reflecting a total of \$28,928.18 paid to [REDACTED] A review of Peninsula Machine books reflecting payments to Matthews Consulting Service and Northwest Consultants and Alpine Enterprises. A review of Alpine Enterprise accounts and the amount of money deposited therein. Review of Electronic Metal Products Inc. books which reflected payments to Alpine Enterprise and MMC.

Details on page 190.

3. [REDACTED]
Special Agent
Federal Bureau of Investigation
Palo Alto Resident Agency
430 Sherman Avenue
Palo Alto, Calif.

Can testify to meeting of [REDACTED]
[REDACTED]

Full text of details see page 203.

SF 196B-808

WITNESSES:

4.

[REDACTED]
Federal Bureau of Investigation
San Francisco Office
450 Golden Gate Avenue
San Francisco, California
Telephone (415) 552-2155

Can testify to collection of corporate records for Two Sun's Manufacturing. Collection of corporate records for Scientific Custom Metal Products.

Full text of interview see page 293.

5.

[REDACTED]
Interface Electronic Corporation
8623 South 212th
Kent, Washington
Telephone (206) 872-5800

Can testify that he was approached by [REDACTED] to engage in paying for business from Atari, Inc. He paid [REDACTED] for the business he received at Atari. He met with [REDACTED] and their attorney, [REDACTED] and discussed the FBI investigation and how to handle it.

That [REDACTED] advised that [REDACTED] should be replaced with another one.

Full text of interview see page 300.

6.

[REDACTED]
Cooley Associates
867 Edgewood Road
Redwood City, Calif.

Can testify to kickbacks to buyers of large corporations is a general practice in the business. He was approached by [REDACTED] when the word was out about the FBI investigation. [REDACTED] a meeting of all the people involved in this practice so that they could stick together. He wanted him to contribute some money to this effort. He said that they might even try to buy off the U.S. Attorney or the FBI. Among other buyers of large companies he said he paid [REDACTED] to

SF 196B-808

WITNESSES:

6. (CONT)

work he got from corporations they worked for.

Full text of interview see page 321.

7.

[REDACTED]
Hamilton Manufacturing, Inc.
1928 Hartog Drive
San Jose, Calif.
Telephone (408) 279-0220

Can testify that [REDACTED] when [REDACTED]
[REDACTED] \$36,860.00 for the business he received from Four
Phase Inc. He advised that this fee was tacked on to the job
quotes as a sub-contracting fee.

Full text of interview see page 329.

8.

[REDACTED]
Can testify that when he was [REDACTED]
Inc. [REDACTED] \$36,860.00
for business they received from Four Phase Inc.

Full text of interview see page 335.

9.

[REDACTED]
R & B Products
1350 Robshell
San Jose, Calif.
Telephone (408) 267-1868

Can testify that [REDACTED] for business
he received from Atari, Inc. He met with [REDACTED] and his
attorney whose first name is [REDACTED] LNU. [REDACTED] proceeded how
to tell him to handle questions by the FBI concerning the
consulting fees he was paying. [REDACTED] told [REDACTED]
[REDACTED] and that [REDACTED] had made
close to one-half million dollars at Four Phase before he
opened his own shop. [REDACTED] attorney asked him [REDACTED]
what did [REDACTED] for the [REDACTED] he received and
[REDACTED] then changed the conversation.

Full text of interview see page 337.

SF 196B-808

WITNESSES:

10. [REDACTED]
Fast Sheet Metal
3355 Woodward Avenue
Santa Clara, Calif.

Can testify that [REDACTED] of [REDACTED] checks to Alpine Enterprise for business he received from Measurex and Data Pathing Inc. That he was approached by [REDACTED] when [REDACTED] Four Phase and [REDACTED] told him he could get him all of the business he needed from Four Phase and he could pay him a fee for this business.

b6
b7C

Full text of interview see page 342.

11. [REDACTED]
Federal Bureau of Investigation
San Francisco, California
450 Golden Gate Avenue
San Francisco, California
(415) 552-2155

Can testify to a review of corporate books for Two Sun's Manufacturing and a comparison of sales to Atari and consulting fees paid to Northwest Consultants and Matthews Consulting Service. A review of corporate books of Scientific Custom Metal Products and a comparison of payments made to MMC and the sales to Four Phase Systems Inc. A review of S and S Precision's corporate books and payments made to Matthews Consulting Service and Northwest Consultants and a comparison of these payments with the sales to Atari. A review of corporate books of Scientific Custom Metal Products and a comparison of sales to Atari with payments made to Northwest Consultants and Matthews Consulting. Review of Cooley Associates records reflecting kickback payments made to MMC Inc. and Northwest Consultants. Review of Dependable Machine Manufacturing corporate books.

Full text of interview see page 204.

SF 196B-808

WITNESSES:

12. [REDACTED]

Tempco Engineering Inc.
8866 Caurel Canyon Blvd.
Sun Valley, Calif.
Telephone (213) 765-2118

Can testify that [REDACTED] Matthews Consulting Service
\$25,382.00 for business [REDACTED] from Atari Inc.
He said he did not know that [REDACTED]
at Atari, was also [REDACTED] Matthews Consulting
Service.

Full text of interview see page 346.

13. [REDACTED]

Multilayers Inc.
62 Bonaventura Dr.
San Jose, California

Can testify that [REDACTED] for business he
received at Atari. He [REDACTED] Advanced
Technology Laboratories for the business he received from
them. He [REDACTED] P.M. Communications for the
business his employees received from Accurex Inc.

Full text of interview see page 348.

14. [REDACTED]

Multilayers Incorporated
dba Bardel Associates
237 Mistletoe Road
Los Gatos, California

Can testify that the books reflected payments were made to
Linden Associates, Northwest Consultants, and P.M.
Communications as consulting fees.

Full text of interview see page 352.

SF 196B-808

WITNESSES:

15. [redacted]
Peninsula Machine Inc.
2475 Autumnvale Drive
San Jose, California
Telephone (408) 771-9633

Can testify that [redacted] company,
Northwest Consultants and [redacted] Matthews
Consulting Service for the business he received at Atari Inc.

Full text of interview see page 354.

16. [redacted]
Volta Electronic
2118 Zanker Road
San Jose, California

Can testify that [redacted] from Atari
by [redacted] He never paid kickbacks
to those people for the work he got.

Full text of interview see page 358.

17. [redacted]
[redacted] Atari Inc.

He can testify when [redacted] buying wire
harnesses [redacted] at Atari, [redacted]
[redacted] Volta Electronics. The [redacted]
[redacted] and
[redacted]

Full text of interview see page 360.

SF 196B-808

WITNESSES:

18.

[redacted]
San Jose, California

Telephone [redacted]

He can testify that the machine shop scuttle-butt was that [redacted] was paying off [redacted] and [redacted] when they were at Atari and [redacted] Select Metal Products.

[redacted] as a consultant for the overtime he put in. [redacted] crated up a lot of documents and shipped them down South after he was visited by the FBI. He shipped these documents by truck. [redacted] and [redacted] at Scientific Custom Metal Products were advised to contact an attorney if they were contacted by the FBI and that he would pay the fee. [redacted] that when they quoted a job a 10% fee was added to cover the kickbacks. [redacted] received cash money from Tri Metric which he bragged about as being pocket money. The work they did for Tri Metric was not passed through their books.

Full text of interview see page 364.

19.

[redacted]
P.S. Hurlbut

382 Laurelwood Road

Santa Clara, California

Telephone (408) 988-4282

He can testify that his company was a [redacted] when he was [redacted] Select Metal Products. [redacted] told him that he got some trips on houseboats because of the business he gave [redacted] vaguely suggested that [redacted] him a painting. He worked a scheme of bidding with [redacted] at Atari so that [redacted] could not under bid him. [redacted] left Atari Inc. as a result of his complaint.

Full text of interview see page 367.

SF 196B-808
WITNESSES:

20. [REDACTED]

Electronic Sales and Products Inc.
1474 Frontero Road
Los Altos, California

b6
b7C

He can testify that [REDACTED] \$15,000 for the business he got from Four Phase when [REDACTED] at Four Phase. He said he never received any bill from [REDACTED] for sales commissions. He figured how much he owed [REDACTED] by a review of his sales with Four Phase.

Full text of interview see page 369.

EVIDENCE

A) The following seven pages list 41 items [redacted]
[redacted] subpoenaed by the Federal
Grand Jury. These pages list the subpoenaed material and
where this material is located.

b3

B) The following report reflects in detail the obtaining of subpoenaed .

b3

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/81

[redacted]
[redacted]
[redacted] California, handed [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

The following exception was made from material requested in subpoena dated [redacted]

[redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

[redacted] further advised that [redacted]
[redacted] on [redacted] 1981, but that
[redacted] would need a subpoena to give any information concerning
this [redacted] to the Agent.

b6
b7C

The material handed to this Agent at this time has been placed in this file and will be reviewed.

Investigation on 4/12/81 San Jose, California File # SF 196B-808

by SA [redacted] /ltj. Date dictated 4/21/81

40

FEDERAL BUREAU OF INVESTIGATION

4/29/81

Date of transcription

1

[redacted]
[redacted]
California, was advised of the identity of the interviewing Agent and given a subpoena from the United States District Court for the Northern District of California, issued on [redacted] 1981.

b3

[redacted] advised [redacted]
[redacted] in the subpoena and advise this Agent when they were ready.



Investigation on 4/14/81 at San Jose, California File # 196B-808

by SA [redacted] / dvs Date dictated 4/14/81

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/821

[redacted]
[redacted] California
was served a Federal Grand Jury subpoena. This subpoena
dated [redacted] 1982 requested [redacted]

b3

[redacted]
[redacted] This subpoena
had a return date [redacted] 1982. [redacted] advised that she would
attempt to secure this date by [redacted] 1982.

GRAND JURY MATERIAL - EXCLUDED FROM
PURSUANT TO RULE 6(e), FRCP AND 28.1

Investigation on 4/30/82 at San Jose, California File # 196B-808

by [redacted] b6
b7C Date dictated 4/30/82

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/20/82California supplied

documents for

b3

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

Investigation on 5/20/82 at San Jose, California File # SF 196B-808by SA dma Date dictated 5/20/82b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/20/82California

of

b3

These documents were
furnished in compliance with a Federal Grand Jury subpoena dated
[redacted] 1982 served on [redacted] 1982.

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

Investigation on 5/20/82 at San Jose, California File # SF 196B-808

by SA [redacted] ^{b6}
^{b7C} Date dictated 5/20/82

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 6/1/82

b3

[redacted]
[redacted] California supplied
[redacted]
compliance with a Federal Grand Jury Subpoena dated [redacted]
1982, served on [redacted] 1982.

These items are more specifically identified as
follows:

Date of [redacted]

[redacted]

[redacted]

[redacted]

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

Investigation on 5/20/82 at San Jose, California File # SF 196B-808by SA [redacted] /cad b6
b7C Date dictated 6/1/82

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 6/1/82

[redacted]
[redacted]
[redacted] California, [redacted]
[redacted]
[redacted] were furnished in compliance with a Federal Grand
Jury Subpoena dated [redacted] 1982 served on [redacted]
[redacted], 1982.

These items are more specifically identified as
follows:

[redacted]

[redacted]

[redacted]

[redacted]

b3

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

Investigation on 5/28/82 at San Jose, California File # SF 196B-808

by SA [redacted] cad [redacted] b6
b7C Date dictated 6/1/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/28/82California.

b3

These documents were furnished
in partial compliance with a Federal Grand Jury subpoena dated
 1982 and served on 1982.

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

Investigation on 5/28/82 at San Jose, California File # SF 196B-808

by SA dma Date dictated 5/28/82

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

6/8/82

Date of transcription

California.

[redacted]
[redacted]
[redacted]
furnished in compliance with a Federal Grand Jury subpoena
dated [redacted] 1982, served on [redacted] 1982.

These items are more specifically identified as
follows:

b3

GRAND JURY MATERIAL — DISSEMINATE ONLY
PURSUANT TO [redacted] C.M. P.

Investigation on 6/8/82 at San Jose, California File # SF 196B-808

by SA [redacted] dma [redacted] Date dictated 6/8/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/8/82

[redacted]
[redacted]
[redacted] These documents were
furnished in compliance with a Federal Grand Jury subpoena
dated [redacted] 1982 served on [redacted] 1982.

These items are more specifically identified as
follows:

[redacted]
[redacted]

[redacted]
[redacted]

GR

CONFIDENTIAL ONLY

FBI, Fed. R. Crim. P.

Investigation on 6/8/82 at San Jose, California File # SF 196B-808

by SA [redacted] /dma b6
b7C Date dictated 6/8/82

FEDERAL BUREAU OF INVESTIGATION

1

December 10, 19

Date of transcription _____

[redacted]
[redacted] California, was advised
of the identity of the interviewing agent and presented with a
subpoena, dated [redacted] 1981, directed to [redacted] The
subpoena requested [redacted]
[redacted]

b3

[redacted] advised that she was unable to locate the
following requested subpoena material: [redacted]
[redacted]

[redacted] advised that when she located these additional
items she would advise this agent.

Investigation on December 4, 1981, Cupertino, California File # SF 196B-808

by SA [redacted] JWR:aph b6 b7C Date dictated December 9, 1981

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.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription December 10, 198

Sunnyvale, California, was advised of the identity of the interviewing agent and presented with a subpoena, dated [redacted] 1981, directed to the [redacted] The subpoena requested all [redacted]

b3

provided a

as requested in the subpoena.

The documents handed over to this agent have been placed appropriately in the file.

Investigation on December 7, 1981, Sunnyvale, California file # SF 196B-808

by SA JWR:aph b7C Date dictated December 9, 1981

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted]
[redacted]
[redacted] California, 94066, was advised of the identity of
the interviewing Agent and presented with a U.S. District Court
for the Northern District of California subpoena, dated [redacted]
1982.

The subpoena requested:

[Redacted area]

Investigation on 3/3/82 at Sunnyvale, California File # SF 196B-808
by SA [redacted] bav b6 b7C Date dictated 3/5/82

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/30/82

[redacted]
[redacted] was advised of the identity of the interviewing Agent. She was then furnished with a subpoena issued by U.S. District Court, Northern District of California, dated [redacted] 1982, directed to [redacted]

This subpoena requested the following:

[redacted]

Investigation on 4/30/82 at Cupertino, California File # SF 196B-808
by SA [redacted] na b6
b7C Date dictated 4/30/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/30/82

[redacted]
[redacted] California, was presented with a
United States District Court for the Northern District of California
subpoena issued to [redacted] 1982.

b3

The subpoena requested copies of all [redacted]
[redacted]

[redacted] advised that she would gather all of the documents
together and would advise the Agent when they were ready.

Investigation on 4/30/82 at Cupertino, California File # SF 196B-808

by SA [redacted] ma [redacted] Date dictated 4/30/82

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/20/82

[redacted]
[redacted] Cupertino, California, was advised of the identity of the interviewing Agent and presented with a United States District Court for the Northern District of California subpoena, dated [redacted] 1982.

The subpoena requested:

[Redacted area]

Investigation on 4/20/82 at Cupertino, California File # SF 196B-808
by SA [redacted] dma b6 b7C Date dictated 4/20/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/30/82

[redacted]
[redacted] was advised of the identity of the interviewing Agent. She was then furnished with a subpoena issued by U.S. District Court, Northern District of California, dated [redacted] 1982, directed to [redacted]
[redacted]

This subpoena requested the following:

[redacted]

[redacted] advised she would contact the interviewing Agent when the requested documents were ready.

Investigation on 4/30/82 at Mountain View, California File # SF 196B-808
by SA [redacted] ma b6
b7C Date dictated 4/30/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/14/82

Attached and considered part of this FD-302 is a
letter from [redacted]
[redacted] which enclosed the following documents, subpoenaed on
[redacted] 1982, from [redacted]

[redacted]

b3

Investigation on 5/14/82 at Palo Alto, California File # SF 196B-808
by SA [redacted] ²¹⁷ ma ^{b6}
^{b7C} Date dictated 5/14/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/20/82

[redacted]
[redacted] California, was advised of the identity of the interviewing Agent and as a result of a subpoena issued to [redacted], 1982, she provided the following documents:

[redacted]

b3

Investigation on 5/20/82 at Cupertino, California File # SF 196B-808
by SA [redacted] /dma [initials] Date dictated 5/20/82
b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/21/82In response to a subpoena issued 1982, to
furnished the following documents:Investigation on 5/21/82 at Mountain View, California File # SF 196B-808by SA

ma

b6
b7C

62

Date dictated 5/21/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/8/821

[redacted]
[redacted] California, as a result of a
subpoena served [redacted] 1981, she mailed
the following documents to the reporting agent:

[redacted]

These items have been placed in this file.

Investigation on 12/21-22/81 at Palo Alto, CA File # SF 196B-808

by SA [redacted] b6
b7C Date dictated 12/22/81

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/821

[redacted]
[redacted] California
was served a Federal Grand Jury subpoena. This subpoena
dated [redacted] 1982 requested [redacted]

b3

[redacted]
[redacted] This subpoena had a
return date of [redacted] 1982

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

Investigation on 4/30/82 at Fremont, California File # 196B-808

by

[redacted]

/sc

b6
b7CDate dictated 4/30/82

65

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription December 10, 19

[redacted]
[redacted] California, was advised of
the identity of the interviewing agent and served with a
subpoena directed [redacted]

[redacted]
[redacted] advised that she would gather up the necessary
documents and advise this agent when she had them together.

b3

Investigation on December 8, 1981 at Fremont, California File # SF 196B-808

by SA [redacted] JWR:aph Date dictated December 9, 1981

b6
b7C

66

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/21/82

[redacted]
[redacted] California, 94538, was advised
of the identity of the interviewing Agent and presented with
a Federal Grand Jury subpoena directed [redacted]
[redacted]

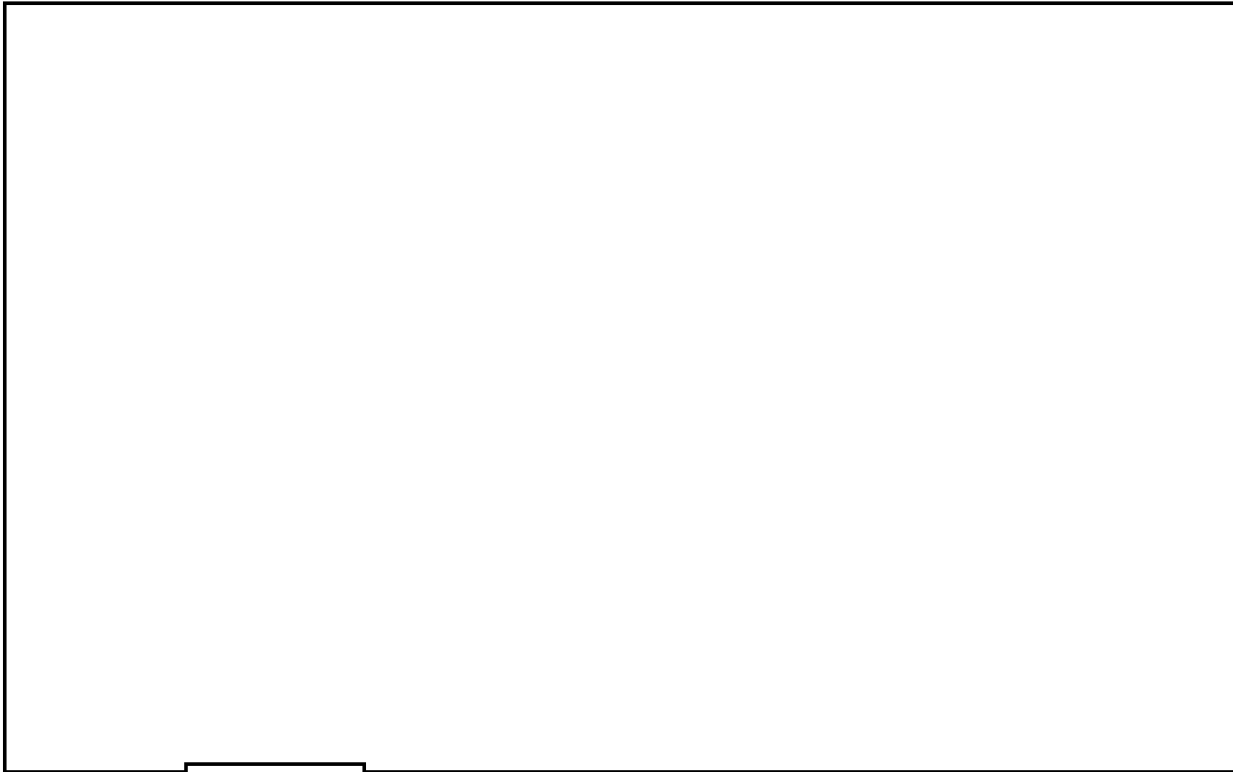
Deposits and the offsetting items for the following
[redacted]

Investigation on 1/21/82 at Fremont, California File # SF 196B-808


by SA [redacted] b6
b7C Date dictated 1/21/82

67

SF 196B-808



b3

 handed over all of the other documents requested in the subpoena and these have been placed in this file.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/13/81

[redacted] Atari Incorporated,
1265 Borregas Avenue, Sunnyvale, California, advised that
their employee, [redacted] cashed his check at the Wells
Fargo Bank and the account number on his paycheck is number
[redacted]

CTM

Investigation on 3/4/81 at Palo Alto, California File # SF 196B-808by SA [redacted] Date dictated 3/6/81

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.

FEDERAL BUREAU OF INVESTIGATION

12/14/81

Date of transcription

[redacted]
[redacted] California, was
advised of the identity of the interviewing Agent and pro-
vided the following documents. The documents provided was
a result of a subpoena issued to that [redacted]
1981.

[redacted]

These documents have been placed in this file.

Investigation on 12/14/81 at Sunnyvale, California File # SF 196B-808

by SA [redacted] b6
b7C Date dictated 12/14/81

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.

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/12/82

California, 94086, was advised of the identity of the interviewing Agent and presented with a United States District Court for the Northern District of California subpoena issued by the Federal Grand Jury, dated [redacted] 1982.

The subpoena requested copies

These checks have been placed in this file.

b3

Investigation on 1/12/82 at Sunnyvale, California File # SF 196B-808

by SA dma b7C Date dictated 1/12/82

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription December 10, 1981

[redacted]
[redacted]
California, was advised of the identity of the interviewing agent and presented with a subpoena directed to [redacted] dated [redacted] 1981, for the following information:

[redacted]

b3

[redacted] gather together all the requested information as contained in the subpoena and would advise the agent when he had completed the task.

Investigation on December 7, 1981 at Sunnyvale, California File # SF 196B-808

by SA [redacted] JWR:aph b6 b7C Date dictated December 9, 1981

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription April 10, 1981

[redacted]
[redacted] California,
was advised of the identity of the interviewing Agent and the
fact that he wished to serve a subpoena [redacted]

The subpoena requested [redacted]
[redacted]
[redacted]

b3

Investigation on 3/3/81 at San Jose, California File # SF 196B-808
by SA [redacted] b6
b7C Date dictated 3/6/81

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.

1

FEDERAL BUREAU OF INVESTIGATION

12/9/81

Date of transcription

[redacted]
[redacted]
[redacted] California, was advised of the identity of the
interviewing Agent and presented with a subpoena directed to
the [redacted] 1981.

The subpoena requested [redacted]
[redacted]

[redacted] would gather all of these
documents together and would advise the Agent when they were
ready.

Investigation on 12/9/81 at Santa Clara, California File # SF 196B-808

by SA [redacted] b6
b7C Date dictated 12/9/81

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 1/8/82

[redacted]
[redacted]
[redacted] California, as a result of a subpoena issued to [redacted]
[redacted] 1981, supplied the following documents:

[redacted]

b3

These documents have been placed in this file.

Investigation on 12/19/81 at Santa Clara, CA File # SF 196B-808

by SA [redacted] b6
b7C Date dictated 12/22/81

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/5/82

[redacted] California, 95050, was advised of the identity of the interviewing Agent and presented with a Grand Jury subpoena issued [redacted] 1982, requesting various [redacted]

[redacted] As a result of the subpoena the following documents were obtained:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Investigation on 1/5/82 at Santa Clara, California File # SF 196B-808
by SA [redacted] ~~78~~ b6
b7C Date dictated 1/5/82

SF 196B-808

b3



[redacted] items have been placed in this file.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/821

[redacted]
[redacted]
[redacted] California was served a Federal Grand Jury
subpoena. This subpoena dated [redacted] 1982, requested
[redacted]

b3

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

Investigation on 4/30/82 at Santa Clara, California File # 196B-808

by

[redacted]

b6
b7CDate dictated 4/30/8

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/8/82

[redacted]
[redacted]
California, supplied the following described documents in compliance
with a Federal Grand Jury subpoena served on [redacted]
1982:

[redacted]

[redacted]

CONFIDENTIAL
EXEMPT FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION
ONLY

Investigation on 6/8/82 at Santa Clara, California File # SF 196B-808
by SA [redacted] dma b6
b7C Date dictated 6/8/82

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/29/81

[redacted]
[redacted] California, was
advised of the identity of the interviewing Agent and given
a subpoena from the United States District Court for the
Northern District of California, dated [redacted], 1981.

b3

[redacted] advised that she would gather all of the
documents requested in the subpoena and when they were ready,
she would advise this Agent.



Interviewed on 4/16/81 at San Jose, California File # 196B-808
by SA [redacted] b6
b7C Date dictated 4/16/81

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/29/81

[redacted]
[redacted] California, was advised of the identity of the interviewing Agent and given a subpoena issued by the United States District Court for the Northern District of California, dated [redacted] 1981.

b3

[redacted] advised that she would begin gathering all the documents requested in the subpoena and when they were all together, she would advise this Agent.



Investigation on 4/14/81 at Mt. View, California File # 196B-808
by SA [redacted] / dvs b6
b7C Date dictated 4/14/81

FEDERAL BUREAU OF INVESTIGATION

1Date 4/30/81 on _____

[redacted]
[redacted] California, was advised
of the identity of the interviewing agent and was given a subpoena
issued by the United States District Court for the Northern
District of California, dated [redacted] 1981.

b3

[redacted] advised that she would gather all of the
documents requested in this subpoena and when she had them all
together, she would advise the agent.

Copy

Investigation on 4/14/81 at Mountain View, California File # 196B-808

SA [redacted] n/dk b6 Date dictated 4/19/81
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.

FEDERAL BUREAU OF INVESTIGATION

5/1/81

Date of transcription

over

California, handed

b3

[redacted] advised that they have [redacted]
[redacted] These documents have been placed in this file.

Investigation on 4/21/81 at Cupertino, California File # SF 196B-808

by SA

/dma

b6

b7C

Date dictated

4/22/81

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/9/81[redacted]
[redacted] California.
[redacted]

b3

[redacted] This
material has been placed in this file and will be reviewed.Investigation on 4/23/81 at Los Altos, California File # SF 196B-808by SA [redacted] klb b6 b7C Date dictated 4/29/81

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/9/81

[redacted]
[redacted] California,
as a result of a subpoena issued [redacted] 1981, handed over to
the interviewing Agent [redacted]

b3

[redacted]
[redacted] These documents have
been placed in this file.

Investigation on 4/23/81 at Mountain View, California File # SF 196B-808

by SA [redacted] klb ^{b6}
_{b7C} Date dictated 4/29/81

"1"

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/28/81

[redacted]
[redacted] California, was advised of
the identity of the interviewing Agent and provided the Agent with
material which she said answered a subpoena directed [redacted]
[redacted], 1981.

b3

This material has been placed in this file.

Investigation on 1/27/81 at Los Gatos, California File # SF 196B-808-41
by SA [redacted] ~~SA~~ [redacted] Date dictated 1/28/81
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.

"1"

b3

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/24/81

[redacted]
[redacted] California, was advised of
the identity of the interviewing Agent and was served with a sub-
poena dated [redacted], 1981, requesting copies of [redacted]

[redacted]

[redacted]

Investigation on 1/23/81 at Los Gatos, California File # SF 196B-808-410
by SA [redacted] ~~3~~ b6
b7C Date dictated 1/24/81

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.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/21/81

[redacted]
[redacted]
[redacted] California, was advised of the identity of the interviewing Agent and served with a subpoena directed [redacted]

[redacted]
[redacted] These documents have been placed in this file.

Copier

Investigation on 1/19/81 at Los Gatos, California File # SF 196B-808

by SA [redacted] b6
b7C Date dictated 1/21/81

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.

FEDERAL BUREAU OF INVESTIGATION

b3

1Date of transcription 3/16/82

[redacted]
[redacted]
California, 95051, was advised of the identity of the interviewing Agent and provided with a subpoena directed to her issued by the U.S. District Court for the Northern District of California, dated [redacted] 1982.

The subpoena requested a copy [redacted]
[redacted]

[redacted] advised that she would gather the necessary documents and would advise the Agent when they were obtained.

Investigation on 3/3/82 at Santa Clara, California File # SF 196B-808

by SA [redacted]

/bav

b6
b7CDate dictated 3/5/82

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/31/82

[redacted]
[redacted] California,
95050, made the following documents available as a result of
a subpoena directed to [redacted] 1982.

b3

1.

2.

3.

4.

These documents have been placed in this file.

Investigation on 3/16/82 at Santa Clara, California File # 196B-808

by SA [redacted] / dvs [redacted] Date dictated 3/16/82

b6

b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/21/81

[redacted]
[redacted] California, was advised of the identity
of the interviewing Agent and was served a subpoena dated [redacted]
1981, directed to [redacted] requesting copies of [redacted]

[redacted]
[redacted] made the [redacted]
available to this Agent and also gave copies of [redacted]
[redacted] This material
has been placed in this file.

Investigation on 1/19/81 at Santa Clara, California File # SF 196B-808

by SA [redacted] /dma Date dictated 1/19/81

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.

96

"1"

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/30/81

[redacted]
[redacted] California, was advised of the identity of the
interviewing Agent and served with subpoena dated [redacted], 1981.

The subpoena requested [redacted]
[redacted]

[redacted] took the subpoena and advised that he would get the
subpoenaed material and would notify the Agent.

b3

Investigation on 1/28/81 at Santa Clara, California File # SF 196B-808-43

by SA [redacted] dma [signature] b6
b7C Date dictated 1/30/81

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.

FBI/DOJ

"1"

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/28/81

[redacted]
[redacted] California, was advised of the identity of
the interviewing Agent and handed over material which he said
was in response to a subpoena directed to them dated [redacted]
[redacted] 1981, requesting [redacted]

b3

This material has been placed in this file.

Investigation on 1/28/81 at Santa Clara, California File # SF 196B-808 -42-
by SA [redacted] dma 1/28/81 Date dictated 1/28/81
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.

C) The following [redacted] reflect in detail the obtaining
of subpoenaed [redacted]

b3

OBTAINING DOCUMENTS

1. Dependable

b3

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82[redacted]
[redacted] California, [redacted]

[redacted] California, was contacted.

As a result of a subpoena issued [redacted]
[redacted] by the U.S. District Court for the Northern District
of California, dated [redacted] 1982, made available the following
documents:

[redacted]

A review of these documents was made and the following
documents were taken:

1. [redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

2. [redacted]

3. [redacted]
[redacted]4. [redacted]
[redacted]
[redacted]

items taken.

for all of the

Investigation on 3/9/82 at Los Altos, California File # SF 196B-808

by SA [redacted] b6
b7C
Date dictated 3/11/82

AT [redacted]

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/11/82b6
b7C

[redacted]
[redacted]
California, 95050, were advised of the identity of the interviewing Agents and the fact that the Agents were conducting an investigation concerning illegal business practices in Silicon Valley.

[redacted] was advised that there were indications that companies similar to his were in a position to have to buy their business from buyers of larger corporations. [redacted] advised that their company is represented by people who go out and get business for them. He advised that their company in turn pays these individuals a percentage of the business they bring in.

[redacted] were presented with a Federal Grand Jury subpoena issued by the United States District Court for the Northern District of California, dated [redacted] 1982. The subpoena [redacted]
[redacted]

b3

[redacted] asked the Agents serving the subpoena how this
[redacted]

Investigation on 2/11/82 at Santa Clara, California File # SF 29B-808
by SE [redacted] SA [redacted] dma Date dictated 2/11/82
b6
b7C

OBTAINING DOCUMENTS

2.

b3

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/11/82

[redacted] Electronic Metal Products Incorporated, 3485 Victor Street, Santa Clara, California, telephonically advised that he did want his client speaking to the FBI. He advised that the principals of the company are [redacted]. He advised that the company only did about a million dollars in business a year and that his client was not involved in any illegal practices. [redacted] advised that he would get in touch with the United States Attorney, Gregory H. Ward, and make arrangements to deliver the subpoenaed material requested.

b6
b7CInvestigation on 2/11/82 at Palo Alto, California File # SF 196B-808by SA [redacted] ~~ima~~ ^{b6} _{b7C} Date dictated 2/11/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/10/82

[redacted]
[redacted] California, telephone [redacted] telephonically
contacted the Palo Alto, California Resident Agency of the Federal Bureau
of Investigation. [redacted]
request made by the FBI to determine the [redacted]
about the [redacted] in the [redacted]

[redacted] stated that [redacted]
[redacted] He stated that he has discussed these questions with his client
and is willing to pass on the following responses:

b3

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

Investigation on 3/10/82 at Palo Alto, California File # SF 196B-808
by SA [redacted] ma b6
b7C Date dictated 3/10/82

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted]
[redacted] California, and [redacted]
[redacted] as a result of a subpoena
issued to them dated [redacted] 1982, handed over to this
Agent the following documents:

1. [redacted]
[redacted]2. [redacted]
[redacted]3. [redacted],
[redacted]

4. [redacted]

5. [redacted]
[redacted]6. [redacted],
[redacted]

b3

These documents were taken and have been placed in this
file.

Investigation on 2/2/82 at San Francisco, California File # SF 196A-808

by SA [redacted] /bav ^{b6}_{b7C} Date dictated 2/5/82

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.

OBTAINING DOCUMENTS

3.

b3

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

As a result of a subpoena issued [redacted]
[redacted]
California, dated [redacted] 1982, the following events occurred:

- [redacted]
1. [redacted]
[redacted]
 2. [redacted]
[redacted]
 3. [redacted]
 4. [redacted]
 5. [redacted]
 6. [redacted]
 7. [redacted]

These documents have not been reviewed but were attached to a receipt which the Agent signed and gave back to the messenger. These documents have been placed in this file.

Investigation on 3/1/82 at Palo Alto, California File # SF 196B-808
by SA [redacted] v [redacted] Date dictated 3/2/82
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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted] as a result of a subpoena issued [redacted]
[redacted] California,
dated [redacted] 1982, supplied the following documents:

1. [redacted]
[redacted]2. [redacted]
[redacted]3. [redacted]
[redacted]

[redacted] advised that these are the only documents that
[redacted] advised that
the rest of the documents requested in the subpoena should be
[redacted]

A receipt was given for the above documents and have been
placed in this file.

b3

Investigation on 2/25/82 at Los Altos, California File # SF 196B-808
by SA [redacted] Date dictated 3/1/82
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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/1/82

[redacted]
[redacted] California, telephone
number [redacted] was advised of the identity of the interviewing
Agent. [redacted] was presented with a subpoena directed to
[redacted]

b3

[redacted] advised that he would contact his attorney
and would get back to this Agent.

Investigation on 2/1/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] dma [signature] Date dictated 2/1/82

b6
b7C

110

OBTAINING DOCUMENTS

4.

b3

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted]
[redacted] California, was advised of the identity of the interviewing Agents and was served with a subpoena, dated [redacted] 1982.

The subpoena requested [redacted]
[redacted]

b3

[redacted] advised that he would get together the records as quickly as he could and would get in touch with one of the Agents when they were ready. He advised that at this time he saw no need for an attorney.

Investigation on 2/18/82 at San Jose, California File # SF 196B-808-170
by SAs [redacted] and [redacted] ^{b6}
[redacted] WR/bav ^{b7C} Date dictated 2/22/82

112

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.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/17/82

[redacted]
[redacted] California. provided a box
[redacted]
[redacted] in compliance with a Federal Grand
Jury Subpoena, dated [redacted] 1982, that had previously
been served [redacted]

b3

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

Investigation on 4/27/82 at San Jose, California File # SF 196B-808

by SA [redacted] /rmp Date dictated 4/27/82
b6
b7C

113

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/19/82

[redacted]
[redacted] California supplied by U.S. Mail [redacted]
[redacted]
[redacted] These [redacted] are further described as:
[redacted]
[redacted]
[redacted] previously
[redacted]

b3

Investigation on 4/30/82 at Palo Alto, CA File # SF 196P-808by SA [redacted] /WW b6
b7C Date dictated 4/30/82

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.

117

DOCUMENT REVIEW

5.

b3

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/11/81

[redacted]
[redacted]
California, were advised of the identities of the interviewing Agent and Accounting Technician and provided them with documents [redacted]

The Special Agent and Accounting Technician reviewed the documents and it should be noted at this point that no information was discovered as a result of viewing these documents which [redacted] as a result of [redacted]

Investigation on 4/7/81 at Santa Clara, California File # SF 196B-808
by Accounting Technician [redacted] and SA [redacted] Date dictated 4/7/81

116

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/81

[redacted]
[redacted] were
returned by Accounting Technician (AT) [redacted]

- 1.
- 2.
- 3.
- 4.

[redacted]

b6
b7C
b7D

The above mentioned accounting records were accepted by
[redacted] and a
written receipt was obtained.

Investigation on 4/8/81 at Santa Clara, California File # SF 1968-808-52
by AT [redacted] ^{b6}_{b7C} Date dictated 4/15/81

117

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 1/30/81

[redacted]
[redacted], 13208 Northrup Way,
Bellevue, Washington, 98005, advised that a review of
records for his company reflect that his company has made
purchases from Two Suns, Inc., of Santa Clara, California.
From a check of records it appears that they first did
business with Two Suns in October 1980. [redacted] advised
that he would further review company records concerning
dealings with Two Suns and would make additional information
available.

b6
b7C

Investigation on 1/22/81 at Bellevue, Washington File # SE 196B-392

by SA [redacted] /sbk

b6
b7C

OBTAINING DOCUMENTS

6.

b3

FEDERAL BUREAU OF INVESTIGATION

2/11/82

Date of transcription _____

[redacted] dba [redacted]
[redacted] California, was advised
of the identity of the interviewing Agents and presented with
a subpoena directed to the [redacted]
The subpoena was issued the United States District Court for
the Northern District of California, dated [redacted] 1982,
requesting that [redacted] bring to the Grand Jury [redacted]
[redacted]

Investigation on 2/11/82 at San Jose, California File # SF 194-808
by SC [redacted] SA [redacted] ma b6 b7C 120 Date dictated 2/11/82

OBTAINING DOCUMENTS

7.

[Redacted]

b3

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/30/81

[redacted] Scientific Custom Metal Products, Incorporated (SCMPI), 540 Parrott Street, San Jose, California, 95112, was advised of the identity of Accounting Technician [redacted].

b6
b7C

Pursuant to a telenhonic request by this writer on [redacted] 1981 to [redacted] the [redacted] [redacted] for the month of [redacted] 1980 was provided on [redacted] 1981 for the purpose of allowing AT [redacted] to make a xerox copy.

On [redacted] 1981, the above mentioned journal was returned to [redacted] at which time she signed a written receipt.

Investigation on 4/28/81 at San Jose, California File # 196-808-85
by AT [redacted] vs [redacted] Date dictated 4/28/81

b6
b7C

122

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/81

[redacted] Scientific Custom Metal Products, Inc. (SCMPI), 540 Parrott Street, San Jose, California 95112, was advised of the identity of SA [redacted] and Accounting Technician (AT) [redacted]. Also present were [redacted] Office Manager, of SCMPI.

With the approval of [redacted] released the following documents pursuant to a request from SA [redacted] and AT [redacted]

b6
b7C

1. Original cancelled checks of SCMPI.

2. [redacted] along with supporting invoices for the above mentioned [redacted]

Investigation on 4/6/81 at San Jose, California File # SF 1968808 -51
by SA [redacted] and /ltj Date dictated 4/10/81

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/81

At Scientific Custom Metal Products, Inc. (SCMPI),
540 Parrott Street, San Jose, California 95112, [redacted]
[redacted] advised of the identity of Accounting Technician

The following list of accounting records were returned
to [redacted]

- 1.
- 2.
- 3.

Upon [redacted] inspection of the returned records,
she advised that all the records were accounted for. At that time,
[redacted] signed a written receipt.

Investigation on 4/9/81 at San Jose, California File # SF 1968808-53
by AT [redacted] tj Date dictated 4/16/81

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/6/81

[redacted]
[redacted]
of employment. [redacted]
[redacted] California, and served
with a subpoena to [redacted]
[redacted]

b3

CRG

Investigation on 3/12/81 at San Jose, California File # 196B-808by SAs [redacted] and [redacted] / MGK/dvs Date dictated 3/12/81

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.

125

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/5/81

[redacted] attorney for Atari Incorporated, 1265 Borregas Avenue, Sunnyvale, California, handed over to this Agent copies of requisition documents for parts purchased from Scientific Custom Metal Products and also some requisitions for parts purchased from Two Suns, Incorporated. These documents are attached to this FD-302 and [redacted] advised that he would wish these documents would not be distributed outside of the FBI.

Investigation on 2/2/81 at Sunnyvale, California File # SF 196B-808
by SA [redacted] /dma Date dictated 2/5/81

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.

126

FBI/DOJ

OBTAINING DOCUMENTS

8.

A rectangular box with a black border, used for redaction of information.

b3

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted]
[redacted]
[redacted] California, was advised of the identity of the
interviewing Agent and as a result of a subpoena issued to
[redacted] 1982, provided
the following documents:

1. [redacted]

2. [redacted]

3. [redacted]

4. [redacted]

5. [redacted]

6. [redacted]

7. [redacted]

8. [redacted]

9. [redacted]

10. [redacted]

These documents have been placed in this file and a receipt
was given to [redacted]

Investigation on 2/19/82 at Santa Clara, California File # SF 196B-808

by SA [redacted] bav [redacted] Date dictated 2/25/82

AT [redacted]

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.

120

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/22/82

[redacted]
[redacted] California, was advised of the identity of the interviewing Agent and presented with a subpoena from the United States District Court for the Northern District of California, directed to [redacted]
[redacted]

The subpoena requested [redacted]
[redacted]

b3

[redacted] advised that he would give the subpoena to the [redacted]
[redacted]

Investigation on 1/22/82 at Santa Clara, California File # SF 196B-808
by SC [redacted] /dma b6
SA [redacted] b7C Date dictated 1/22/82

129

OBTAINING DOCUMENTS

9.

b3

FEDERAL BUREAU OF INVESTIGATION

4/20/82

Date of transcription

As a result of a subpoena issued to custodian of the records,

[redacted]
California, dated [redacted] 1982, issued by the Federal Grand Jury,
United States District Court for the Northern District of California,
the following documents were received from the Federal Grand Jury on
[redacted] 1982.

1. [redacted]
[redacted]2. [redacted]
[redacted]

3. [redacted]

4. [redacted]

5. [redacted]

B. [redacted]
[redacted]C. [redacted]
[redacted]

6. [redacted]

A. [redacted]
[redacted]B. [redacted]
[redacted]C. [redacted]
[redacted]

7. [redacted]

Investigation on 4/20/82 at San Jose, California File # SF 196B-808

by SA [redacted]

b6

b7C

Date dictated 4/20/82

131

SF 196B-808

A. [REDACTED]

b3

B. [REDACTED]

These documents have been appropriately filed and will be reviewed and this review will be presented to the Federal Grand Jury.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/8/821

[redacted]
[redacted] was contacted
at his place of employment by SA [redacted] SA [redacted] advised
[redacted] of his personal and official identity and served [redacted] with
a Federal Grand Jury subpoena issued by the Northern District of
California on [redacted] 1982. The subpoena [redacted]
[redacted]

b3

Investigation on 4/6/82 at Sun Valley, California File # Los Angeles 196B-2455

by SA [redacted] jc Date dictated 4/7/82

133

D) The following is a list of recorded conversations.

1)

2)

E)

1)

2)

3)

4)

F)

1)

2)

3)

b3

UNPRODUCTIVE INVESTIGATION

FEDERAL BUREAU OF INVESTIGATION

2/11/82

Date of transcription

b3

[redacted]
[redacted] California, 95050,
was advised of the identity of the interviewing Agents. She was
presented with a Federal Grand Jury subpoena issued by the United
States District Court for the Northern District of California,
dated [redacted] 1982. The subpoena [redacted]
[redacted]

[redacted] advised that she would [redacted]
[redacted] would get the subpoena.

Investigation on 2/11/82 at Santa Clara, California File # SF 29B-808
SE [redacted] b6
SA [redacted] b7C
by [redacted] dma Date dictated 2/11/82

136

FEDERAL BUREAU OF INVESTIGATION

2/11/82

Date of transcription

[redacted]
[redacted] California, telephone number [redacted]
[redacted] telephonically advised that he has been made aware of a subpoena [redacted] advised that he would like a little more information concerning the subpoena and wanted to know whether his [redacted]

b3

[redacted] was advised that the FBI was conducting investigation to determine who are the subjects and witnesses and would determine this after the investigation was completed.

[redacted] advised that he would talk to the United States Attorney and would get back to this Agent.

Investigation on 2/11/82 at Palo Alto, California File # SF ¹⁹⁶ 29B-808

by SA [redacted]

b6
b7C

Date dictated 2/11/82

135

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/30/82

[redacted]
[redacted]
[redacted] These documents were obtained through a Federal Grand Jury
subpoena in connection with an investigation involving [redacted]
[redacted]
[redacted]

Investigation on 3/22-30/82 at Palo Alto, California File # SF 196B-808by AT
SA

ND J b6
b7C
Pursuant to Rule 6(e), Fed. R. Cr. P.
130
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 3/30/82 BY [redacted]

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/31/82

[redacted]
[redacted] California [redacted]
appeared at the office of the Palo Alto Resident Agency and advised the following:

As a result of a subpoena issued [redacted]

b3

Investigation on 3/15/82 at Palo Alto, California File # 196B-808

by SA [redacted] vs [redacted] Date dictated 3/15/82

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.

SF 196B-808
JWR/dvs

2

A receipt was given to [] and all of the subpoenaed documents have been placed in this file.

b3



FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/31/82

[redacted]
[redacted] California, was interviewed at her place of business. She was interviewed in the presence of [redacted] and [redacted] was advised of the official identity of the interviewing agents. She was also advised that she was being interviewed concerning an investigation involving allegations that [redacted] obtain manufacturing contracts. [redacted] was further advised that she was specifically being interviewed concerning [redacted]

b3

[redacted] then supplied the following information:

[redacted]

Investigation on 3/31/82 at Palo Alto, California File # SF 196B-808by SA [redacted]
SA [redacted]

b6
b7C
b7D
X
RAND JURY MATERIAL — DISSEMINATE ONLY
Date dictated 3/31/82
PURSUANT TO RULE 6(e), Fed. R. Crim. P.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/31/82

[redacted]
[redacted] California was interviewed at his place of business. [redacted]

[redacted] and his [redacted] They were advised of the official identities of the interviewing agents. [redacted]

that [redacted]

[redacted] stated that he did not want to talk about the one occasion when he was [redacted]

[redacted] then provided the following information:

Investigation on 3/31/82 at Santa Clara, California File # SF 196B-808

SA [redacted]
by SA [redacted]

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

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/82

[redacted] 4320 Stevens Creek Blvd., Suite 163, San Jose, California, telephone (408) 247-7642, appeared at the Palo Alto, California Resident Agency of the FBI. [redacted] was accompanied by [redacted] Socorro Manufacturing Incorporated. [redacted] stated that he was appearing at the FBI office at the request of [redacted] Socorro Manufacturing, to resolve certain questions concerning entries that appeared on the Socorro Manufacturing [redacted] then provided the following information:

Tobkin stated that he has researched some of the [redacted] during 1980. [redacted] stated that the [redacted] on [redacted], 1980, the [redacted] on [redacted] 1980, the [redacted] on [redacted] 1980, the [redacted] on [redacted] 1980 and the [redacted] on [redacted] 1980 were all charged to account [redacted]. This account is identified as accounts receivable from employees. [redacted] pointed out in the Socorro Manufacturing general ledger detail listing dated [redacted] 1980 that these payments had been recorded under account [redacted]. [redacted] stated that he does not know whether these amounts were paid back.

[redacted] was specifically questioned concerning his knowledge of [redacted] by Socorro Manufacturing for the purpose of [redacted] for manufacturing contracts. [redacted] stated that no information ever came to his attention that would make him suspect that bribes or kickbacks were paid.

[redacted] was questioned concerning certain expenses that had been charged to manufacturing costs and subcontract fees yet appeared to be investments in other business ventures. [redacted] stated that [redacted] in the [redacted] 1981 books to correct improperly expensed items on the 1980 books. [redacted] stated that there was never any effort made to deplete [redacted]'s assets for the purpose of investing in other business ventures.

[redacted] indicated that [redacted] was not interested in keeping records for exact accounting of expenses. He noted that [redacted] the [redacted] certain expenses. [redacted] was not because he wanted to defraud anyone. It was rather because [redacted] did not have an interest in record keeping.

Investigation on 5/12/82 at Palo Alto, California File # SF 196B-808
SA [redacted] *dm*
SA [redacted] dma
by _____ Date dictated 5/12/82

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/29/81

[redacted]
[redacted] California, was advised of the
identity of the interviewing Agent and was given a subpoena issued
by the United States District Court for the Northern District of
California, dated [redacted] 1981. The subpoena calls [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

b3

Copy

Investigation on 4/9/81 at San Jose, California File # 196B-808

by SA [redacted] / dvs Date dictated 4/9/81

b6
b7C

The records of [redacted] were reviewed to identify [redacted] for outside services. [redacted] totaling [redacted] drawn on the [redacted] in the period [redacted]/79 through [redacted]/81. The invoices all in sequential order indicated that "services were rendered". There were a couple of exceptions in which the invoices [redacted] such as [redacted] were subpoenaed in [redacted] 1981. Records for the period [redacted]/80 when [redacted] 1981 were reviewed. [redacted]

[redacted]

Based upon the above information, it is probable that the [redacted] It is not likely that the [redacted] is established by [redacted] as has been [redacted]

In view of the above, the [redacted]

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/29/81

[redacted]
[redacted]
[redacted] California, was advised of the identity of the interviewing Agent and given a subpoena issued by the United States District Court for the Northern District of California, dated [redacted] 1981.

b3

[redacted] advised that she would gather all of the documents requested in the subpoena and when they were ready, she would advise this Agent.

Interviewed on 4/16/81 at San Jose, California File # 196B-808
by SA [redacted] / dvs b6
b7C Date dictated 4/16/81

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription: 5/9/81

[redacted]
[redacted]
[redacted] California, handed over copies of [redacted]
[redacted]

b3

material will be placed in this file and reviewed by Special Agent.

Investigation on 4/21/81 at San Jose, California File # SF 196B-808

by SA [redacted] /klb ^{b6}_{b7C} Date dictated 4/28/81

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/6/82

[redacted] 769 North Mathilda Avenue, Sunnyvale, California, was interviewed at her place of business. [redacted] was displayed a total of [redacted] payable to M.C. Programming, Q.C. Maintenance, Quality Control Services and O.C. Callibration. These [redacted] were drawn on the First National Bank account of Scientific Custom Metal Products, Incorporated. Masterson advised that the above described [redacted] Bold Knight by [redacted] stated that she knew no details about the circumstances of the issuance of the Scientific Custom Metals [redacted] She stated that at that time [redacted] Scientific Custom Metal Products Incorporated.

Investigation on 5/6/82 at Sunnyvale, California File # SF 196B-808
by SA [redacted] /ama Date dictated 5/6/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/6/82

[redacted] Bold Knight, 769 North Mathilda Avenue, Sunnyvale, California, telephone 245-8777, was interviewed at his place of business. He was advised of the official identities of the interviewing Agents. He was displayed [redacted] totaling [redacted] N.C. Programming, [redacted] for [redacted] Q.C. Maintenance, [redacted] totaling [redacted] Quality Control Services and [redacted] Q.C. Callibration. The above checks were drawn on the First National Bank account of Scientific Custom Metal Products Incorporated. The endorsement sides of the checks show that they were cashed at the Bold Knight with only the handwritten notation, N.C. Programming, Q.C. Maintenance, Quality Control Services and Q.C. Callibration.

[redacted] viewed these checks. He stated that he did not know who had presented this check for cashing at the Bold Knight. He did note that the Bold Knight as a matter of customer convenience, did cash checks. [redacted] stated that the signatures of the individual(s) who executed the endorsements N.C. Programming, Q.C. Maintenance, Quality Control Services and Q.C. Callibration appear to have been made by the same individual. [redacted] stated that the firm Scientific Custom Metal Products, Incorporated was vaguely known to him. He stated that the name, [redacted] was unknown to him. He stated that possibly, [redacted] or [redacted] who works for Precision Sheet Metal may have cashed these checks. He stated that these individuals are well-known at the Bold Knight. He advised that [redacted] is employed [redacted] at the Bold Knight.

Investigation on 5/6/82 at Sunnyvale, California File # SF 196B-808

by SA [redacted] SA [redacted] Date dictated 5/6/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/14/82

[redacted] Prime Metals Incorporated, 615 Industrial Road, San Carlos, California, 94070, was advised of the identity and the fact the interviewing Agent wished to talk to him about a practice that might be prevalent on the Peninsula dealing with buying of business.

[redacted] advised that he has been in the sheet metals business approximately [redacted] years and that he has heard rumors to the effect that buyers of larger companies get kickbacks from the vendors. [redacted] advised that his business does not pay kickbacks to companies and that he has a salesman presently, [redacted] who has a office in his building and a telephone in his building which Prime Metals pays for. [redacted] advised that [redacted] although he has a card with Prime Metals marked on it, and Prime Metals' address and telephone number, [redacted] does not consider him an employee because he cannot account for [redacted] time. [redacted] advised that he pays Ohls 10% of whatever business [redacted] brings in from other companies. [redacted] advised that he does not pay the 10% sales fee until the company has paid him. [redacted] advised that he handles this transaction in his own business as a sales fee or a commission. [redacted] advised that he is not aware that [redacted] other people for this business and advised that it seemed to him that there would be very little money left after [redacted] 10%. [redacted] advised that he had another individual who worked for him with the same type of arrangement and his name was [redacted]. He advised that [redacted] worked for him a few years ago in much the same fashion as [redacted] is presently doing. [redacted] advised that there is one other company that [redacted] a 10% sales commission to and that is QCI, which has approximately six individuals working there and it is a company in San Jose. [redacted] advised that this company supplies Prime Metals with business from other companies and that they receive a 10% sales commission also. [redacted] advised that the principal at QCI that he deals with is a [redacted].

[redacted] advised that his main business is with Tandem and he is also doing some business with Varian and also GCA. [redacted] advised that [redacted] another company which [redacted] runs and that is El Dorado Spray Painting, located at 719 Industrial Road, San Carlos, California.

Investigation on 1/14/82 at San Carlos, California File # SF 196B-808
by SA [redacted] Date dictated 1/14/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/15/82

[redacted] California, telephone number [redacted] appeared at the office of the FBI in Palo Alto and voluntarily provided the following information.

b6
b7c

He has been working as an [redacted] for Prime Metals, 615 Industrial Road, San Carlos, California, 94070, since March of 1981. He advised that [redacted] a former [redacted] by the name of [redacted]

[redacted] advised that his agreement with [redacted] Prime Metals, is that if he brings in work to the company he gets 10% of whatever he brings in. He advises that once he gets the contract he receives 10% of the monies that are paid to Prime Metals for the work that they have done. [redacted] advised that he does not consider himself a Prime Metals employee inasmuch as he does not get any kind of medical benefits or retirement but that most of his energy since he starting working with Prime Metals has been building Prime Metals business. [redacted] advised that [redacted] provides him with an office to work from an also a telephone and also receives his calls. [redacted] advised that he sometimes represents himself to other businesses as an employee of Prime Metals inasmuch as some companies do not like to deal with a representative. [redacted] advised that Prime Metals is presently doing business with Varian and EMIAC and that the buyers at Varian that he deals with are [redacted]. He advised that Prime Metals also does business with GCA in Sunnyvale and that the two buyers there are [redacted] who deals with prototypes and the normal production buyer is [redacted] advised that another company that they do business with is Applied Materials in Santa Clara and that the buyer there that he deals with is [redacted].

[redacted] advised that Prime Metals in the past did a lot of business with Atari in Sunnyvale. [redacted] advised that he is not aware of the past buyers at Atari but the present buyer that they might do a little business with is a [redacted]

[redacted] advised that he is aware that there are buyers for big companies who he heard were getting kickbacks for business that they give but that he personally is not engaged in this

Investigation on 1/15/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] dmj [initials] Date dictated 1/15/82

SF 196B-808

type of business nor does he know for a fact anyone else who might be engaged in this type of business.

[redacted] further advised that [redacted]
machine shop called Basic Six, located in Mountain View, California.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/82

[redacted] dba Willis Industries, Incorporated, 1900 Dobbin Drive, San Jose, California, was advised of the identity of the interviewing Agents and the fact that the Agents were conducting an investigation concerning kickbacks made to buyers of larger corporations by various vendors.

[redacted] advised that he is not involved in paying kickbacks at the present time nor has he ever paid kickbacks to buyers of various corporations. [redacted] advised that several years ago [redacted] quite a bit of business with Atari, perhaps over 40%, and that it was done on a contract basis and that the buyers that he dealt with there were [redacted] advised that during [redacted] with these individuals [redacted] nor was there any hint that he should pay kickbacks for the business that he received from Atari.

[redacted] advised that [redacted] a lawsuit with Atari a couple of years ago concerning a breach of their contract but that this suit has been settled and that it had nothing to do with kickbacks.

Investigation on 5/13/82 at San Jose, California File # SF 196B-808
by SA [redacted] Date dictated 5/13/82

156

IDENTIFICATION RECORDS AND PRIOR
ARRESTS

SF 196B-808
JWR/dma

The following investigation was conducted by SA

AT PALO ALTO, CALIFORNIA.

On June 25, 1982, the records of the Federal Bureau of Investigation, Identification Division, were caused to be checked by [redacted] for the following individuals: [redacted]

date of [redacted] date of birth [redacted]

[redacted] date of birth [redacted]

[redacted], date of birth [redacted]

[redacted] date of birth [redacted]

[redacted] date of birth [redacted]

date of birth [redacted]

[redacted] advised that there was no record for the above individuals.

SF 196B-808
HJM/bav

1

The following investigation was conducted by
SA [REDACTED]

AT SAN FRANCISCO, CALIFORNIA:

On April 16, 1982, an inquiry of the following law enforcement teletype systems failed to identify any criminal arrest record identifiable with the following individuals:

Law Enforcement Systems:

[REDACTED]

Individuals:

[REDACTED] born [REDACTED]
[REDACTED] aka [REDACTED] born [REDACTED]
1953.
[REDACTED] born [REDACTED]
[REDACTED] aka [REDACTED] born [REDACTED]

SF 196B-808
HJM/bav

1

The following investigation was conducted by
SC [REDACTED]:

AT SAN JOSE, CALIFORNIA:

On April 13, 1982, a search of the records of the San Jose Police Department and the Santa Clara County Sheriff's Office failed to locate any criminal arrest record for the following individuals:

[REDACTED] also known as [REDACTED]
born [REDACTED]
[REDACTED] born [REDACTED]
[REDACTED] born [REDACTED]
[REDACTED] also known as [REDACTED]
born [REDACTED]

SF 196B-808
HJM/sc

1

On April 15, 1982, a search of the records of the Identification Division, Federal Bureau of Investigation, failed to locate any criminal arrest record identifiable with;

[redacted] also known as [redacted];
[redacted] also known as [redacted]

b6
b7C

BUSINESS RECORDS

SF 196B-808
JWR/dma

The following investigation was conducted by SA

[REDACTED]
AT PALO ALTO, CALIFORNIA.

On January 20, 1981, the Department of Motor Vehicles for the state of California reflected the following information.

[REDACTED] California drivers license
[REDACTED] held a valid drivers license effective [REDACTED] 1979,
with the address of [REDACTED] Gilroy, California, 95021.
His description was date of birth - [REDACTED] Sex - [REDACTED]
[REDACTED] Weight - [REDACTED] pounds.

On January 15, 1980, the files of the Credit Bureau Metro, San Jose, California, were caused to be checked by [REDACTED]
[REDACTED] The records reflected that [REDACTED] has been
on file since February 1964. His address is [REDACTED]
Gilroy, California, 95020. He has a previous address of 3445
De Las Cruz Blvd., Santa Clara, California, and a previous address
of [REDACTED] Gilroy, California. The record reflects
that he is [REDACTED], has a Social Security Number of [REDACTED]
His employment is shown as [REDACTED] Scientific Metal Products,
Sunnyvale, California, a previous employment as [REDACTED]
of Select Metals Products, Santa Clara, California and a third
employment as [REDACTED] Electric Metals, in Sunnyvale,
California.

On 1/13/81, the State of California's listing of corporations was checked telephonically. This is a public service information. It listed the following:

1. Two Sun's Manufacturing Incorporated - 3445 De La Cruz Blvd., Santa Clara, California, State Corporation Number 929870-80-254-2335, incorporated in April 1979. Agent to be served for this cooperation is Petty Andrews, care of Tuff's and Jackson Corporation, 99 Almaden Blvd., San Jose, California 95133. Chief Executive Officer Charles R. Minyard, Jr., 3445 Suzie Lane, Gilroy, California; Secretary Charles Minyard, 3445 Suzie Lane, Gilroy, California; Chief Financial Officer Gary Siress, 489 Chiquita Avenue, Mountain View, California 94041.

2. Scientific Customs Metals Product Incorporated, 3445 De La Cruz Blvd., Santa Clara, California, incorporated 2/17/76, State Corporation Number 763662 80-56338. Agent to be served is Alvin D. McNeil, care of Petty Andrews, Tuff's and Jackson, 99 Almaden Blvd., San Jose, California 95113. Chief Executive Officer Charles R. Minyard, 3445 De La Cruz Blvd., Santa Clara, California; Chief Financial Officer and Secretary Alvin D. McNeil.

3. Managerial Manpower Consultants Incorporated, incorporated 9/1/79, State Corporation Number 80-248006. Agent to be served is Harlan K. Beal, attorney, 1710 San Carlos Road, San Carlos, California 94070. Chief Executive and Financial Officer is Sylvia M. Welch, 1447 Willowmount Avenue, San Jose, California 95118; Secretary Ronald Essary, 1447 Willowmount Avenue, San Jose, California.

On 1/13/81, a Dunn and Bradstreet check was made through subscriber number 61-639. Their records reflected that as of October 1980, their information lists:

SF 196B-808
JWR/dma

1. Two Son's Manufacturing Incorporated - 3445 De La Cruz Blvd., Santa Clara, California, established 2/17/76. It is a proprietorship owned by Charles Minyard. No rating by Dunn and Bradstreet was given. The company deals in sheet metal. Their history is incomplete, there are no bank references and no financial statement provided. The company employs five people.

As of January 1981 Dunn and Bradstreet records reflect that:

2. Scientific Customs Metals Product - 3445 De La Cruz Blvd., Santa Clara, California. The company is a machine shop and incorporated in California on 2/17/76 and all stock is owned by Charles Minyard. Dunn and Bradstreet records further reflect that the company employs five people, has ten to twenty accounts with companies in Silicon Valley and the company submitted no financial statement and their history is incomplete.

On 1/12/81 the following vehicles were observed at 3445 De La Cruz Blvd., Santa Clara, California by SA [REDACTED]

1. 1979 White Chevrolet van, license 1X16874, registered owner, Two Sun's Manufacturing Incorporated, 3445 De La Cruz Blvd., San Jose, California 95100. Legal owner of van is Bank of the West, P.O. Box 179, Santa Clara, California.

2. [REDACTED] license [REDACTED] registered owner [REDACTED] Gilroy, California. Legal owner of the pickup truck is Bank of the West, 308 North Santa Cruz Avenue, P.O. Box 277, Los Gatos, California.

3. 1980 Buick, license 1AYA978, registered owner Two Sun's Manufacturing Incorporated. Lessee of the vehicle is Bank of the West, 3445 De La Cruz Blvd., Santa Clara, California; legal owner Bank of the West, P.O. Box 179, Santa Clara, California.

SF 196B-808

JWR/dma

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

AT PALO ALTO, CALIFORNIA.

On January 14, 1981, a credit check was conducted on
[REDACTED] Gilroy, California, and the
records reflected that he was employed [REDACTED]
[REDACTED]
[REDACTED]

As a result of a subpoena issued to [REDACTED]
[REDACTED]

As a result of a subpoena issued to [REDACTED]
[REDACTED] ✓

As a result of a subpoena directed to [REDACTED]
[REDACTED]

SF 196B-808
JWR/dma

The following investigation was conducted by SA

[REDACTED]
AT PALO ALTO, CALIFORNIA.

On June 24, 1982, the Department of Motor Vehicles for the state of California was caused to be checked for [REDACTED]

[REDACTED] The records reflected the following information. [REDACTED] Gilroy, California, valid California drivers license [REDACTED] effective March 25, 1980. The record further reflected that his height was [REDACTED] weight [REDACTED] pounds, [REDACTED] and [REDACTED]

On June 24, 1982, the Credit Bureau Metro. San Jose California, was caused to be checked for [REDACTED] and the record reflected the following. [REDACTED] has been on file with them since 1976 and [REDACTED] They have an address of [REDACTED] Gilroy, California, with a previous address of [REDACTED] San Jose, California. The record reflected his Social Security Number is [REDACTED] and he was employed as [REDACTED] of Scientific Custom Metal Products in Santa Clara. The record reflected that he had a previous employment [REDACTED] of Precision Metal Forms, Sunnyvale, California, in 1976. The record reflects that he has other income from S & S Precision Machine since February of 1977. The record reflects that his wife, [REDACTED] is an [REDACTED] girl and works for Vadic Corporation, Mountain View, in March of 1977.

SF 196B-808
JWR/dma

The following investigation was conducted by SA

AT PALO ALTO, CALIFORNIA.

On June 18, 1982, the Department of Motor Vehicles for the state of California were caused to be checked on [REDACTED]. The record reflected that [REDACTED] drivers license [REDACTED] held a valid drivers license. His address was [REDACTED] Gilroy, California with a date of birth of [REDACTED]. He was further described as a male, [REDACTED] tall, [REDACTED] pounds, [REDACTED] and [REDACTED]. The record reflected that he had another address of [REDACTED] San Jose, California.

On June 24, 1982, the Credit Bureau Metro, San Jose, California, was caused to be checked and the following information was obtained. [REDACTED] has been on record with them since April of 1974. [REDACTED] wife is [REDACTED] and their address is [REDACTED] Gilroy, California and there is a previous address of [REDACTED] Santa Clara, California. His Social Security Number is [REDACTED] and hers is [REDACTED]. His occupation reflects that he is the [REDACTED] S & S Precision in Santa Clara. He shows previous employment [REDACTED] the Navy and a previous employment with Precision Metals.

SF 196B-808
JWR/dma

The following investigation was conducted by SA

AT PALO ALTO, CALIFORNIA.

On June 18, 1982, the Department of Motor Vehicles for the state of California, was checked for [REDACTED] Mountain View, California. The record reflected that [REDACTED] date of birth, [REDACTED] drivers license [REDACTED] had a valid drivers license and an address of [REDACTED] Mountain View, California. It further reflected that he was a male, [REDACTED] tall, [REDACTED] pounds, [REDACTED] and [REDACTED] This license was effective April 15, 1981.

On June 24, 1982, the Credit Bureau Metro, San Jose, California, advised that [REDACTED] Mountain View, California and his wife, [REDACTED] have been on file since 1960. [REDACTED] has a Social Security Number of [REDACTED] and his wife's Social Security Number is [REDACTED]. The record reflects that [REDACTED] Two Suns, San Jose, California. The record reflects a previous employment of Fast Sheet Metals Incorporated, Santa Clara, 1977.

The records further reflect that his wife, [REDACTED] is a [REDACTED] Guardian Consultants, San Jose, California since 1977 and this was verified November of 1979.

SF 196B-808

JWR/dma

The following investigation was conducted by SA

AT PALO ALTO, CALIFORNIA.

On January 9, 1981, the Department of Motor Vehicles for the state of California advised that [] has a valid drivers license []. His records reflect that he lives at [] San Jose, California, 95118, effective December 20, 1979. [] is described as a male, height - [] weight - [] pounds, [] and another address of [] San Jose, California.

On January 15, 1980, the records of the Credit Bureau Metro, San Jose, California, were caused to be checked by []. The records reflected that [] San Jose, California, has a Social Security Number of [] and that his wife, [] has Social Security Number []. The records reflect that he has a previous address of [] Mountain View, California, 94040, and a previous address of [] San Jose, California, 95123. The records reflect that he was employed at Four Phase Systems, Cupertino, California, previous to that he was a purchasing agent at Hewlett Packard and previous to that an accounting technician programmer specialist at IBM. The records further reflect that he is [] Video Mania.

On January 15, 1980, listed in the book of fictitious names, Santa Clara County, Certificate Number [] listed in page one, line one, is firm Video Mania, owner - Managerial Manpower Consultants.

Also reflected Certificate Number [] listed in page one, line one, firm Managerial Manpower Consultants, filing date February, 1979 expires 1984, owner - G.L. Amado.

Also reflected Certificate Number [] listed in page one, line one, firm Managerial Manpower Consultants, filing date March of 1980, expires 1985 - owner Video Mania.

On January 13, 1981, the state of California's listing corporations was checked telephonically. It listed the following: Managerial Manpower Consultants, Incorporated, incorporated September, 1, 1979, corporation number 80-248006, agent to be served was Harlan K. Veal, attorney, 1710 San Carlos Road, San Carlos, California; Chief Executive and Financial Officer - Sylvia M. Welch, 1447 Willowmont Avenue, San Jose, California; Secretary - Ronald E. Essary, 1447 Willowmont Avenue, San Jose, California.

SF 196B-808
JWR/dma

The following investigation was conducted by SA
[redacted]

AT PALO ALTO, CALIFORNIA.

A review of Atari's personnel file on [redacted]
reflected that he was hired on [redacted] 1980 and that he was
assigned to work for [redacted] The file reflected that
[redacted] was an outside referral and that the references had been
checked by [redacted]

SF 196B-808
MGK/dma

The following investigation was conducted by SA

[REDACTED]
AT PALO ALTO, CALIFORNIA.

On December 11, 1980, the Postal Inspectors Office, advised that Post Office Box [REDACTED] San Jose, California, is subscribed by [REDACTED] opened in February, 1979 under the name Managerial Manpower Consultants and [REDACTED] address was [REDACTED] [REDACTED] San Jose, California, with California drivers license [REDACTED] The Post Office Box also had listed the names of [REDACTED] and [REDACTED]

SF 196B-808
JWR/dma

The following investigation was conducted by
SA [REDACTED]

AT PALO ALTO, CALIFORNIA.

A review of Atari employment applications for
[REDACTED] on June 28th reflected the following.

The application was dated May 5, 1980 and [REDACTED] advised that his last employment was with [REDACTED] Redmond, Washington and he was hired from [REDACTED] 1978 until [REDACTED] 1980. Under the form "Contact Information" the following three individuals were listed on his application: [REDACTED] Parrot Drive, San Jose, Occupation - [REDACTED] Scientific Metals, Telephone Number (408) 286-2863; another reference was [REDACTED] address San Jose, California, Occupation - [REDACTED], National Cash Register, Telephone Number (408) 734-0100, Extension [REDACTED] and [REDACTED] Cupertino, California, Occupation - [REDACTED] Memorex, Telephone Number (408) 255-1500, Ext. [REDACTED]

It should be noted that telephone number (408) 255-1500 is listed to Measurex.

SF 196B-808
JWR/dma

The following investigation was conducted by SA [REDACTED]

AT PALO ALTO, CALIFORNIA.

On January 14, 1981, the records of the Department of Motor Vehicles for the state of California, reflected that [REDACTED] had an expired drivers license [REDACTED] which effective May 25, 1975. The records reflected that his address was [REDACTED] Campbell, California, 95008. He was described as a male, height - [REDACTED] weight - [REDACTED] pounds, [REDACTED] with a date of birth of [REDACTED]

On January 15, 1980, the Credit Bureau Metro, San Jose, California, records were caused to be checked by [REDACTED]. The record reflected that [REDACTED] and wife, [REDACTED] had an address of [REDACTED] San Jose, California since [REDACTED] of 1968. The records show a previous address of [REDACTED] in the state of [REDACTED]. It shows a previous address of [REDACTED]. His Social Security Number is [REDACTED] and his wife's Social Security Number is [REDACTED]. The employment shown was [REDACTED] Purchasing, Atari, Sunnyvale, California, employed May of 1980. A previous [REDACTED] the United States Army was shown and also a previous Fairchild.

SF 196B-808
JWR/dma

The following investigation was conducted by SA

[REDACTED]
AT PALO ALTO, CALIFORNIA.

The Department of Motor Vehicles for the state of California, was checked on January 20, 1981. It reflected that license [REDACTED] was a valid license issued to [REDACTED] address [REDACTED] [REDACTED] California, 94500, effective February 20, 1980. It further reflected a previous address of [REDACTED] San Jose, California, effective September 4, 1979. [REDACTED] was described as height - [REDACTED] weight - [REDACTED] pounds, [REDACTED]

On January 15, 1980, the files of the Credit Bureau Metro, San Jose, California, were caused to be checked by [REDACTED]. The records reflected that [REDACTED] [REDACTED] California, had a Social Security Number of [REDACTED]. It reflected a previous address of [REDACTED] [REDACTED] was reflected as purchasing agent for Ampex, Redwood City, California.

SF 196B-808
JWR/dma

The following investigation was conducted by SA

[REDACTED]
AT PALO ALTO, CALIFORNIA.

On June 2, 1982, [REDACTED] to [REDACTED]
[REDACTED] Operations, Atari, Incorporated, Sunnyvale, California, advised that she caused the records to be checked at Atari and it reflected that [REDACTED] was employed by Atari from September 15, 1975 through July 6, 1977. She advised that he resigned with [REDACTED] and commented "too many managers in the pinball division".

She further advised that [REDACTED] worked at Atari from January 29, 1979 through September 28, 1979. [REDACTED] Further advised that she checked the records for [REDACTED] and that there is a folder on him but that it is empty and that they are unable to obtain any information concerning his employment at Atari other than the fact that at one time he was employed by Atari.

SF 196B-808
HJM/bav

1

The following investigation was conducted by
SC [REDACTED]

AT SAN JOSE, CALIFORNIA:

On April 14, 1982, a search of the records of Credit Bureau Metro, San Jose, California, disclosed the following information concerning:

Alpine Enterprises
Great Escapes Travel



also known as [REDACTED]

There has been a record on file since November 12, 1981, for the firm known as Alpine Enterprises. This is a partnership [REDACTED] and [REDACTED] at 28 B. Borning, Milpitas, California. There is no local business trade or public record information available.

There was no record of a firm known as Great Escapes Travel.

There has been a record for [REDACTED] and his wife [REDACTED] since 1966. They have owned their residence at [REDACTED] San Jose, California. Previous residences are [REDACTED] San Jose, California, [REDACTED] San Jose and [REDACTED] San Jose. He is listed as having a date of birth of [REDACTED] with a social security account number of [REDACTED]. His employment history is as follows:

[REDACTED] Measurex, Cupertino, California, since June, 1978.
Quantor, Mountain View, California, from July, 1977, to June, 1978.
Atari, Sunnyvale, California, from November, 1975, to July, 1977.
[REDACTED] Alpine Enterprises, San Jose, California, since January, 1978.
Fast Sheet Metal, Santa Clara, from March, 1977.

There has been a record for [REDACTED] also known as [REDACTED] and her husband [REDACTED] since 1966. They own their residence at [REDACTED] San Jose, California. There is a former residence of [REDACTED] San Jose, California. She is listed as having a date of birth of [REDACTED] with a social security account number of [REDACTED]. Her employment history is as follows:

SF 196B-808
HJM/bav2

[redacted] Alpine Enterprises, Inc. from January, 1978.
Fast Sheet Metal, Santa Clara, California, from March, 1977.
Select Metal Products, Santa Clara, California, from
June, 1976.

There has been a record for [redacted] and his wife
[redacted] since 1973. They reside at [redacted]
San Jose, California. They have resided at [redacted]
San Jose, California, [redacted]
San Jose, California. He is listed as having a date of birth of
[redacted] and a social security number [redacted] His employ-
ment history is described as follows:

[redacted] Data Passing, Sunnyvale, California.
Purchasing Manager, Atari, Inc., Los Gatos, California,
since April, 1973.
[redacted] Flinns Secretarial Service.
[redacted] Watkins Johnson, Palo Alto, California.

There has been a record for [redacted] also known
as [redacted] and her husband [redacted] since 1973. They
reside at [redacted] San Jose, California. They have
resided at [redacted] San Jose, California, [redacted]
and [redacted] Palo Alto, California. She is listed as
having a date of birth of [redacted] and a social security
number of [redacted] She is listed as being employed as the
[redacted] of Alpine Enterprises.

SF 196B-808
JWR/bmac

1

[] The following investigation was conducted by SA []

AT SACRAMENTO, CALIFORNIA

On March 27, 1981, telephonic contact with the State of California Department of Corporations, Sacramento, California disclosed that Alpine Enterprises Inc., was incorporated in California on October 14, 1977, and assigned California Corporation number 829910. The Chief Executive Officer and Chief Financial Officer is listed as Carole Boundy. Theresa Sutherlen is listed was the Secretary. This is a Corporation owned by stockholders. Its mailing address is P.O. Box 32361, San Jose, California. Timothy J. Ward, 1631 Grant Road, Mountain View, California 94400 is listed as the Agent for service.

SF 196B-808
JWR/dma

The following investigation was conducted by SA
[redacted]

AT PALO ALTO, CALIFORNIA.

On June 24, 1982, telephonic contact was made with Versatex Incorporated, 2710 Wash Avenue, Santa Clara, California, 95051, telephone number (408) 988-2801. The caller asked for [redacted] and a woman's voice advised that [redacted] extension was [redacted] and that he could be contacted at that number. The conversation was ended.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/5/81

[redacted] Atari, Incorporated, 1265 Borregas Avenue, Post Office Box 427, Sunnyvale, California, 94086, made available an employment application of Atari's which was filled out by [redacted] and dated May 5, 1980.

He further provided a personnel form of Atari that was filled out by [redacted] dated November 17, 1980. These forms have been placed in this file.

Investigation on 1/5/81 at Sunnyvale, California File # SF 196B-808

by SA [redacted] ma Date dictated 1/5/81

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.

181



1/25/82

On 1/14/82, the California Corporations for the State of California was contacted at a call number and they advised that Prime Metals Incorporated, 615 Industrial Road, San Carlos, California, telephone number 591-9494, was a California corporation in good standing and started since 6/14/65. It had a corporate number of 492375 and another number of 81-201925. They further advised that the directors are as follows: Robert A. West, Chief Executive Officer, Chester Meyer, Chief Financial Officer, Janet Winnie, Secretary and Agent to be served with an address of 615 Industrial Road, San Carlos, California.

On 1/12/82, the Department of Corporations for the State of California through a general number, advised that Cooley Associates has been incorporated in California since 6/1/78 with a corporate number of 891102 and another number of 81 227479. They advised that the Chief Executive Officer is Robert Cooley, 867 Edgewood Road, Redwood City. The Secretary is Catherine Cooley and the Chief Financial Officer is Robert Cooley. Their type of business is manufacturing representatives.

On 1/14/82, the San Jose Credit Bureau was caused to be checked and it reflected that [redacted] and his wife, [redacted] have been on file since July of 1975 and his age is [redacted] years, his social security number is [redacted] and his wife's social security number [redacted]. Their records reflect that as of November of 1981, [redacted] is listed as [redacted] with Prime Metals, San Carlos, California. His wife is listed as working with Lenkurt Electric. There was given a previous address for [redacted] as [redacted]

JWR/dma
(2)

On 4/24/81, the Postal Inspector's Office advised that Post Office Box [redacted] California, is registered to a [redacted] and that also authorized to use the box is a [redacted] (phonetic). [redacted] gave an address of [redacted] [redacted] California, and a telephone number of [redacted] [redacted] also gave the name of a business as P.M. Communications, [redacted] gave a California Driver's License of [redacted] and he has had this Post Office Box since March of 1980. The Postal Inspector's Office also advised that Post Office Box 240, Boulder Creek, California, is rented by [redacted] that the business is Parts Limited, that this business is located at 120 East South Street, Boulder Creek, California, that there is a home address of [redacted] [redacted] California, with a telephone number of [redacted] and that this box has been open since April of 1974. The Postal Inspector's Office advised that the other people operating this box is a [redacted] and a [redacted]

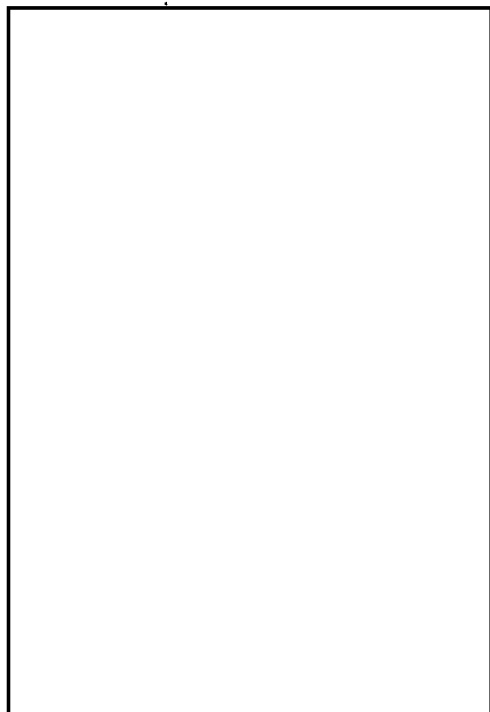
TABLE OF CONTENTS

REPORT FORMS (FD-302s)

<u>PAGE</u>
186
190
203
204
293
300
321
329
335
337
342
346
348
352
354
358
360
364
367
369
374
378
379

b6
b7c

TABLE OF CONTENTS
REPORT FORMS (FD-302s)



<u>PAGE</u>
381
382
383
385
386
387
388
389
391
393
394

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/16/82

As a result of a subpoena issued to [redacted]
[redacted] Santa Clara, California,
issued [redacted] 1982, a review of these documents were made
by the interviewing Agent at [redacted]
[redacted] Los Altos, California,
94022.

The following observations were made:

Investigation on 3/9/82 at Los Altos, California File # SF 196B-306

by SA [redacted] /bav b6
b7C Date dictated 3/11/82

AT
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.

186

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/19/82As a result of a subpoena issued to

Investigation on 5/19/82 at Palo Alto, California File # SF 196B-808
by SA /dma b6
b7C Date dictated 5/19/82

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.

100

FBI/DOJ

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/25/82As a result of a subpoena issued to

The sales records reflected the following:

Investigation on 6/25/82 at Palo Alto, California File # SF 196B-808
by SA dma ~~✗~~ b6
b7C Date dictated 6/25/82

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.

100

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 5/17/82

[redacted] by [redacted]
[redacted] was reviewed. [redacted] was obtained from
[redacted] in compliance with a Federal Grand Jury
Subpoena dated [redacted] 1981. [redacted]

[redacted]
[redacted] This review disclosed the following
information:

[redacted]

[redacted]

Investigation on 4/26/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] /rmp 190 Date dictated 4/26/82

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.

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

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/15/82

The

[redacted]
[redacted] in the name [redacted] and
[redacted] for the period [redacted]
1980. were reviewed. These documents were supplied by [redacted] the
[redacted] of ESP. A [redacted]

[redacted]
review disclosed the following information:

A total of [redacted] was paid to [redacted] in the period
[redacted]

CHECK NUMBERDATEAMOUNT

--	--	--

Investigation on 3/3/82 at Palo Alto, California File # SF 196B-808

by SA [redacted]/bav

192

Date dictated 3/4/82

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/3/82The [REDACTED]
[REDACTED]
[REDACTED] in compliance with a Federal Grand Jury subpoena served on [REDACTED]
[REDACTED] 1982. [REDACTED]
[REDACTED]

b3

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

Investigation on 3/3/82 at Palo Alto, California File # SF 196B-808by SA [REDACTED] *JKM*b6
b7C

193

Date dictated 3/3/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/14/82

A review was conducted of [REDACTED]

b3

[REDACTED]
[REDACTED] in compliance with a Federal Grand Jury subpoena.Investigation on 4/14/82 at Palo Alto, California File # SF 196B-808

by SA [REDACTED]

/dma

b6
b7c

194

Date dictated 4/14/82

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

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/29/82

The [redacted] San Jose, California were reviewed. This review disclosed the following information:

[redacted]

b3

Investigation on 3/29/82 at Palo Alto, California File # SF 196B-808

b6
b7C
by SA [redacted] na JURY MATERIAL Date dictated 3/29/82 DISSEMINATE ONLY

PURSUANT TO RULE 6(e) Fed. R. Crim. P.

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/5/82

The [redacted] account number
[redacted] in the name of [redacted] located at the
[redacted] California, were reviewed.
This review disclosed that there were [redacted] totaling
[redacted] that were [redacted] into account number [redacted]
in the period [redacted] 1981 to [redacted] 1982.

b6
b7CInvestigation on 5/5/82 at Palo Alto, California File # SF 196B-808by SA [redacted] ma [redacted] Date dictated 5/5/82b6
b7C

190

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/28/82The [REDACTED]
[REDACTED]
[REDACTED] These records were requested
by a Federal Grand Jury subpoena dated [REDACTED] 1982. This review
[REDACTED]

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

Investigation on 5/28/82 at Palo Alto, California File # SF 196B-808by SA [REDACTED] /dma 5/28/82 Date dictated 5/28/82b6
b7C

199

FD-302 (REV 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/26/82Business records including Investigation on 2/26/82 at Palo Alto, California File # SF 196B-808by SA ma ^{b6}_{b7C} 201 Date dictated 2/26/82

GRAND JURY MATERIAL — DISSEMINATE ONLY
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.

PURSUANT TO RULE 6(e), Fed. R. Crim. P.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/25/81

On [redacted] 1981, Special Agent [redacted] Federal Bureau of Investigation (FBI), San Francisco Office, and Special Agent [redacted] FBI, Palo Alto Office, conducted a surveillance in regards to a possible Fraud by Wire violation at the Le Baron Hotel, 1350 North First Street, San Jose, California, from approximately 6:00 p.m. until 8:45 p.m. Present in the cocktail lounge located in the lobby of the hotel were [redacted] white male adults whom were under our observation. [redacted] individuals were recognizable from interview and photographs previously shown to the Agents prior to the surveillance. These individuals were identified to be [redacted] and one unidentified white male adult (subsequently identified through Department of Motor Vehicles Driver's License photograph as [redacted]) [redacted]

The [redacted] above mentioned white males arrived in the Le Baron Cocktail Lounge at approximately 6:20 p.m. and were seated in a corner booth. They departed at approximately 8:45 p.m. and it was observed and later determined that [redacted] paid for the group's [redacted]

Investigation on 2/23/81 at San Jose, California File # SF 196B-808

SAs [redacted] and
by [redacted] ma [redacted] Date dictated 2/23/81

203

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.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription, 3/26/82

On [redacted] 1981, the subpoenaed records of [redacted] California, were examined.

b3

Investigation on 10/15/81 at Palo Alto, California File # 196B-808

by AT

RRH/pjn

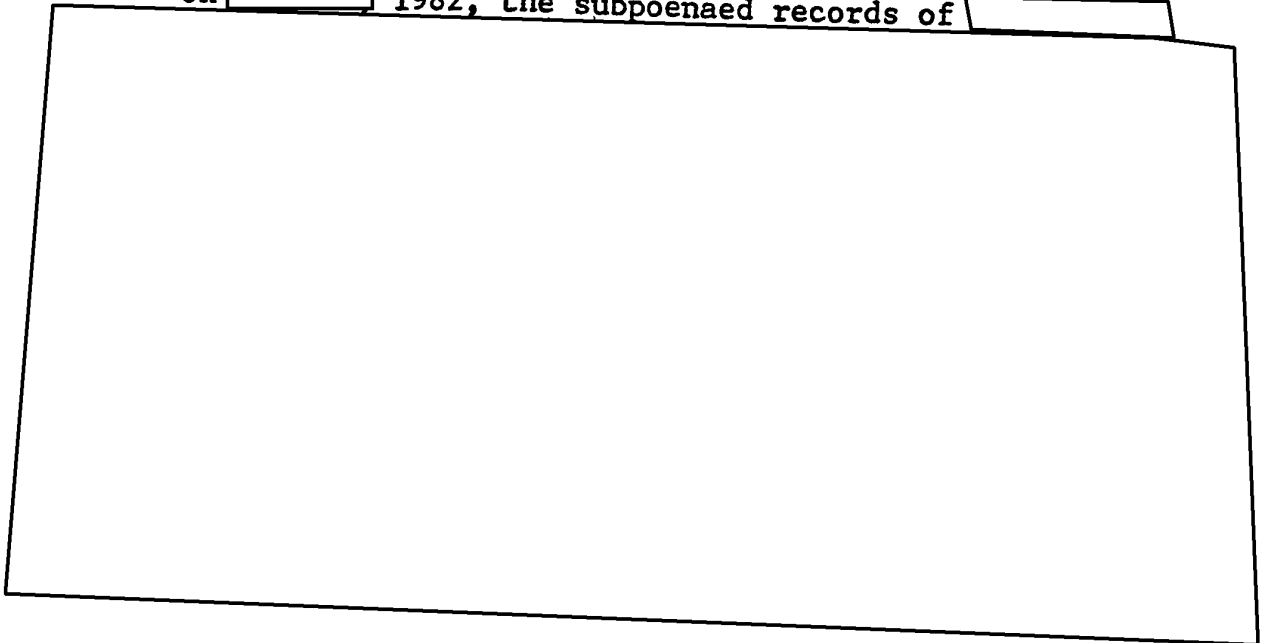
Date dictated

b6
b7C

204

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/7/82On 1982, the subpoenaed records of 

b3

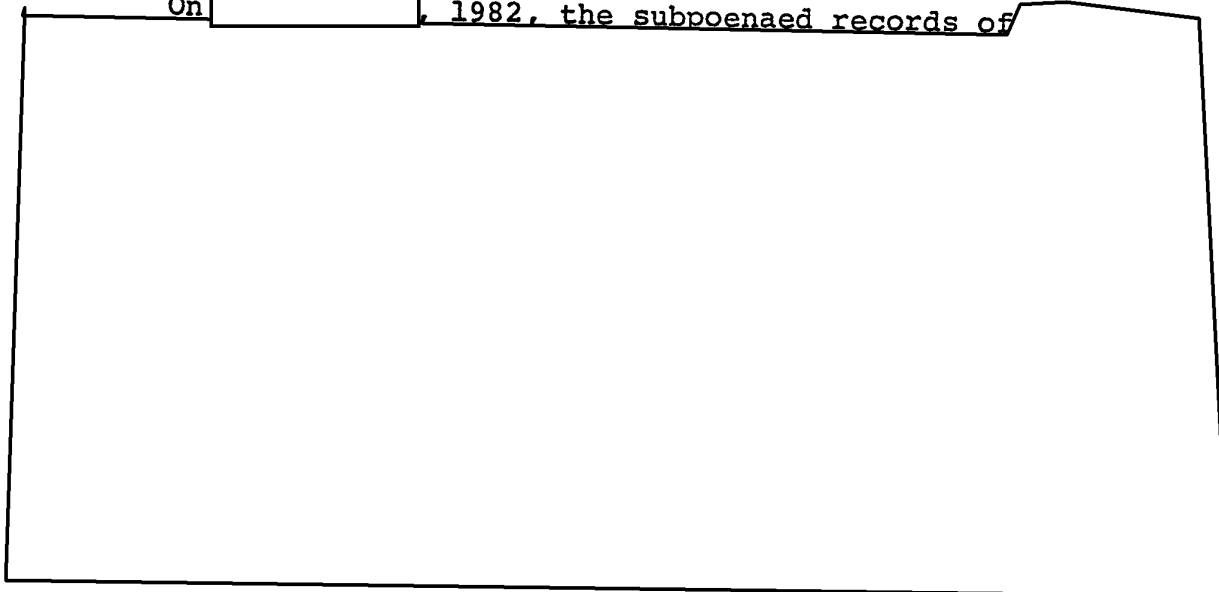
Investigation on 4/6/82 at Palo Alto, CA. File # 196B-808
by AT /rrh b6
Date dictated b7C

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/26/82

b3

On , 1982, the subpoenaed records of

Investigation on 2 /22/82 at Palo Alto, CA. File # 196B-808
AT *rrh* b6
by b7C Date dictated

231

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/26/821On 1981, the subpoenaed records of

b3

Investigation on 12/28/81 at Palo Alto, California File # 196B-808by A RRH/pjn Date dictated _____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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/6/82On 1982, the subpoenaed records of

b3

Investigation on 2/9/82 at Palo Alto, CA. File # 196B-808by AT Date dictated _____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.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/16/82As a result of a subpoena issued

b3

Investigation on 3/9/82 at Los Altos, California File # SF 196B-808by SA b6
b7C Date dictated 3/11/82
AT

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/81

At Two Suns Manufacturing, Inc., 3445 De La Cruz Boulevard, Santa Clara, California, [redacted] was advised of the identity of SA [redacted] and Accounting Technician (AT) [redacted]

[redacted] provided the original accounting records and supporting documentation of Two Suns Manufacturing, Inc., for review by the interviewing personnel.

Attached to and considered part of this FD-302 is a list of voucher copies of checks from Two Suns Manufacturing, Inc., which were released by [redacted] pursuant to a request made by the interviewing personnel. [redacted] also released the following accounting records for the purposes of allowing the interviewing personnel to make xerox copies:

- 1.
- 2.
- 3.
- 4.

[redacted] was advised that the above list of accounting records (numbered 1-4) would be returned to Two Suns Manufacturing, Inc., the following day.

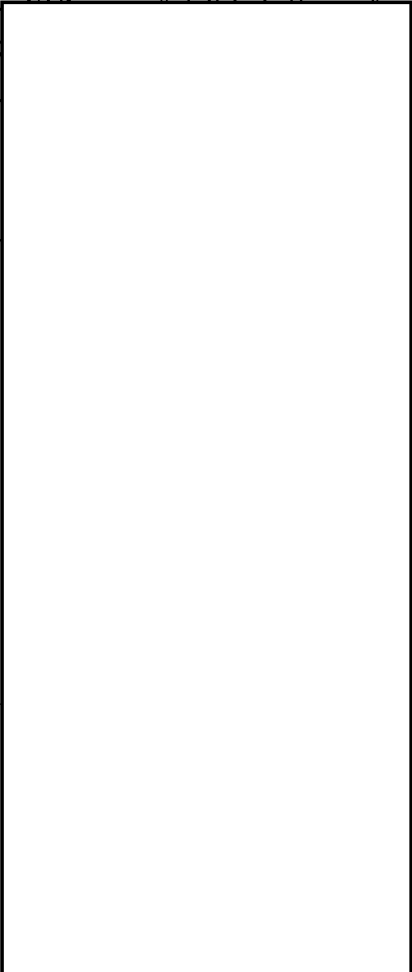

Also requested of [redacted] was the release of the original cancelled checks which correspond to the voucher copies. [redacted] was provided with a list of the checks needed, at which time he advised that the checks would be available the next day.

Investigation on 4/7/81 at Santa Clara, California File # SF 196-808-10
by SA [redacted] and ltj
AT [redacted] Date dictated 4/14/81

293

LIST OF CHECKER COPIES OF CHECKS
FOR TWO SUNS MFG., INC.

PAGE 1 OF 1

DATE OF CHECK	PAYABLE TO	CHECK NO.	AMOUNT OF CHECK
6/5/80	ALPINE ENTERPRISES		
8/4/80			
9/1/80			
10/29/80			
11/22/80			
1/31/81			
2/11/81			
6/10/80	NORTHWEST CONSULTANTS		
8/6/80			
2/2/81			
11/2/80			
11/13/80			
1/2/81			
3/21/81			
11/2/80	INDEN ASSOCIATES		
2/1/81			
2/13/80			
2/11/80	MATTHEWS CONSULTING		
1/18/81			

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/81

[redacted] Scientific (ustom Metal Products, Inc. (SCMPI), 540 Parrott Street, San Jose, California 95112, was advised of the identity of [redacted]

Pursuant to a request by SA [redacted] to [redacted] on [redacted] 1981, the following list of accounting records for SCMPI were released by [redacted] for the purpose of allowing writer to make xerox copies:

1. [redacted]
2. [redacted]
3. [redacted]

[redacted] was advised that the above mentioned accounting records would be returned the following day.

Attached and considered part of this FD-302 is a list of original cancelled checks from Two Suns Manufacturing, Inc., which [redacted] released to writer pursuant to a request made to [redacted], on April 7, 1981 at Two Suns Manufacturing, Inc., 3445 De La Cruz Boulevard, Santa Clara, California. [redacted] advised that not all of the checks requested were presently available due to the fact that they were in the possession of the firm's CPA (Certified Public Accountant).

The checks are as follows:

1. [redacted]
2. [redacted]
3. [redacted]

[redacted] was advised that the above checks would be requested at a later date.

Investigation on 4/8/81 at San Jose, California File # SF 196-808
by AT [redacted] /ltj Date dictated 4/16/81

295

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/28/81

[redacted] Legal Representative, for [redacted]
[redacted] was advised of the identity of [redacted]
[redacted] (AT) [redacted]

Attached to and considered part of this FD-302 is a list of documents released by [redacted] pursuant to a request by this writer. These items are as follows:

- 1.
- 2.
- 3.

[redacted]

The above transfer of documents occurred at [redacted]
Office in San Jose, California.

Investigation on 3/23/81 at San Jose, California File # SF 196-808-44
by AT [redacted] /ltj Date dictated 3/27/81

LIST OF CANCELLED CHECKS

PAGE 1 OF 4

CHECK DATE	PAYABLE TO	CHECK NO.	CHECK AMOUNT	
5/6/80	LINDEN ASSOC.			
6/17/80				
7/12/80				
8/17/80				
9/11/80				
10/17/80				
11/2/80				
12/2/80				
1/8/81				
2/10/81				
3/10/81				
4/12/80	ALPINE ASSOCIATES			
5/20/80				
4/18/80				
5/1/80				
6/14/80				
7/17/80				
8/14/80				
9/11/80				
10/12/80				
11/1/80				
12/1/80				
1/20/81				
2/10/81				
4/17/80				
5/30/79	CRAGER			
5/30/79				
6/15/79				
7/5/79				
7/31/77				
8/17/77				
9/6/77				
9/11/77				
10/15/77				

b6
b7c

10/16/79		7
11/15/79		7
12/6/79		7
12/21/79		7
2/21/79		7
1/22/80		7
3/20/80		7
4/8/80		7
4/18/80		7
5/16/80		7
6/20/80		7



b6
b7c

LIST OF CANCELLED CHECKS

PAGE 2 OF 4

CHECK DATE	PAYABLE TO	CHECK NO.	CHECK AMOUNT
7/21/80		7	
9/25/80		7	
10/8/80		7	
10/25/80		7	
7/1/81		7	
1/12/81		7	
6/19/80	NORTHWEST CONSULTANTS	7	
7/24/80		7	
8/20/80		7	
9/4/80		7	
7/25/80		7	
10/15/80		7	
11/4/80		7	
11/14/80		7	
1/12/81		7	
2/6/81		7	
3/7/81		0	
8/1/80	Q.C. SERVICES	7	
11/4/80	SHARON MARCOCCIA	7	
12/1/81		7	
12/10/80	MATTHEWS CONSULTING	7	
1/12/81		7	
2/6/81		7	
7/3/80		7	
8/14/79	D.F.S. ASSOCIATES	7	
1/23/80		7	
1/24/80		7	
2/18/80		7	
3/7/80		7	
4/7/80		7	
5/14/80		7	
7/7/80		7	
8/20/80		7	
9/2/80	PM COMMUNICATIONS	7	
9/10/80		7	

b6
b7C

11/6/80		Y	
1/13/81		Y	
3/11/81		Y	
1/28/77	N.C. PROGRAMMING	Y	
3/1/77		Y	
4/6/77		Y	
4/29/77		Y	
6/2/77		Y	
6/30/77		Y	
7/27/77		Y	
7/1/77		Y	

b6
b7C

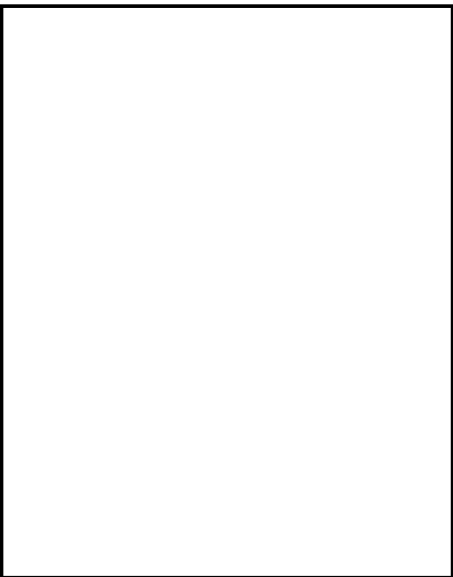
LIST OF CANCELLED CHECKS

PAGE 3 OF 4

CHECK DATE	PAYABLE TO	CHECK NO.	CHECK AMOUNT
10/3/77	N.C. PROGRAMING	7	1000
11/4/77		7	
12/2/77		7	
1/2/78		7	
1/20/78		7	
2/17/78		7	
6/29/78		7	
5/30/78		7	
10/31/78		7	
12/21/78		7	
1/2/79		7	
3/30/79		7	
5/1/79		7	
5/25/79		7	
7/2/79		7	
7/30/79		7	
8/31/79		7	
1/28/80		7	
11/5/79		7	
10/3/79		7	
1/30/80		7	
2/22/80		7	
3/31/80		7	
4/29/80		7	
6/30/80		7	
7/2/80		7	
8/25/80		7	
9/29/80		7	
11/3/80		7	
11/25/80		7	
12/19/80		7	
7/7/77		7	
8/10/77		7	
9/23/77		7	
11/20/77		7	

302

b6
b7C

11/21/77	Y		
12/15/77	Y		
1/12/78	Y		
2/6/78	Y		
3/15/78	Y		
4/14/78	Y		
5/16/78	Y		
6/22/78	Y		
7/31/78	Y		
8/27/78	Y		
9/28/78	Y		

LIST OF CANCELLED CHECKS

PAGE 4 OF 4

CHECK DATE	FAVORABLE TO	CHECK NO.	CHECK AMOUNT
11/9/78	<div></div>	Y	<div></div>
1/4/79		Y	
2/1/79		Y	
2/27/79		Y	
3/15/79		Y	
3/9/79	MMC	Y	
4/6/79	<div></div>	Y	
5/7/79		Y	
6/13/79		Y	
7/3/79		Y	
8/17/79		Y	
9/7/79		Y	
10/10/79		Y	
11/14/79		Y	
12/12/79		Y	
1/7/80		Y	
2/12/80		Y	
3/7/80		Y	
4/7/80		Y	
5/14/80		Y	
6/11/80		Y	
7/17/80		Y	
8/14/80		Y	
9/9/80		Y	
10/6/80		Y	
11/3/80		Y	
12/3/80		Y	

b6
b7C

Y RECEIVED FROM

Ø NOT AVAILABLE AT THIS TIME. WILL BE AVAILABLE AT A LATER DATE.

GN 3/23/81

VOUCHERS AND INVOICES NEEDED
PER ACCOUNTS PAYABLE
LEDGERS

PAGE 1 OF 1

LEDGERS			CHECK NO.	DOLLAR AMOUNT	COMMENTS
DATE					
3/10/81	PM COMMUNICATIONS	10			PAYABLE TO RAPPAPORT (see A/R CARD)
3/19/81	NORTHWEST CONSULTANTS	05			
5/30/79		7			
5/30/79	"	7			
6/15/79	"	7			
6/15/79	"	7			
7/31/79	"	7			
8/17/79	"	7			
9/16/79	"	7			
9/16/79	"	7			
10/10/79	"	7			
10/12/79	"	7			
11/18/79	"	7			
12/6/79	"	7			
12/21/79	"	7			
12/21/79	"	7			
12/22/79	"	7			
11/7/80	LINDEN ASSOCIATES	7			(BANK OF THE WEST)
3/14/81	" "	05			
2/28/77	NC PROGRAMMING	7			
3/1	"	7			
4/4	"	7			
4/79	"	7			
5/2	"	7			
6/30	"	7			
7/29	"	7			
7/1	"	7			
11/3	"	7			
11/4	"	7			
12/2	"	7			
1/2/78	"	7			
2/30	"	7			
3/27	"	7			
4/27	"	7			
5/13	"	7			

11/31

12/22

1/30/79

1/23/80 DAVE SANCHEZ ASSOC.

1/24/80

2/18/80

2/14/79

Y

Y

Y

Y

Y

Y

Y

b6
b7C

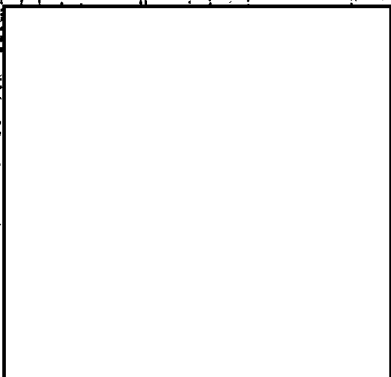
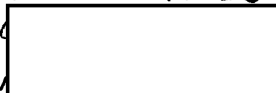
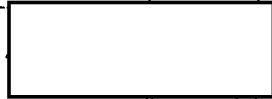
Y RECEIVED FROM

ON 3/23/81

Y NOT AVAILABLE AT THIS TIME, WILL BE AVAILABLE AT A LATER DATE.

ACCOUNTS PAYABLE LEDGERS NEEDED PER VOUCHERS

PAGE 1 OF 1

DATE	NAME	CHECK NO	AMOUNT	COMMENTS
5/2/80	LINDEN ASSOCIATES	7		
6/17/80	" "	7		
7/16/80	" "	7		
8/14/80	" "	7		
3/26/80	ALPINE ENTERPRISES	7		
2/12/80	" "	7		
8/1/81	G.S. SERVICES	7		
4/17/81		7		
7	MMC (FOR 1981)	m March '79 to present)		NO CARD EXISTS PER MAUREEN 3/21/81. jk
7	RECEIVED FROM 	on 3/23/81.		
305				

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/9/81

[redacted] (PROTECT) [redacted]
[redacted] was advised of the identity of the
interviewing Agents. [redacted] requested that the FBI do whatever
they could to conceal the fact that [redacted]
[redacted] following information [redacted]
[redacted] and was going to provide to the Federal Bureau
of Investigation.

[redacted] with
his [redacted]
[redacted] He advised that they have been in business
approximately [redacted] and the bulk of their trade is
wholesale electronic components. [redacted] advised that before getting
involved with Atari, their total annual sales were approximately
1.2 million dollars.

[redacted] advised that he first met [redacted] a few years
ago when [redacted] was working as a [redacted] Tapco Corporation in
Seattle. [redacted] advised that [redacted] to Tapco
and he worked with [redacted] advised that he was never
approached by [redacted] for any type of kickback as a result of
orders taken from Tapco.

[redacted] advised that around the later part of [redacted] 1980,
[redacted] called him and told him that [redacted]
with Atari and that he wanted to send [redacted]
of [redacted]
advised that [redacted] sent these specifications and he quoted
prices for different items in the thousands. [redacted] advised that
the potential for Interface Electronics to make a lot of money was
apparent from the beginning. [redacted] advised that he saw a two
million dollar a year potential which almost was doubling his business.
[redacted] advised he made the quotes and returned them to [redacted] In
[redacted] 1980, [redacted] and [redacted] from Atari traveled to Seattle
and checked out [redacted] They gave
[redacted] company a small order for wire harnesses which amounted to
approximately 1000 pieces at \$2.95 per piece. The order was shipped
at the end of the month to Atari.

Around [redacted] 1980, [redacted] flew to San Jose, California.
He was [redacted] a tour of the facility.

Investigation on 1/6/81 at Seattle, Washington File # SF 196B-808

SA [redacted]
SA [redacted] Date dictated 1/8/81

300

SF 196B-808

[] advised that Atari already had [] harness vendors but that these vendors were unable to keep up with the volume demanded by Atari. [] advised that Atari could realistically continue to do business with the [] vendors and that their huge volume demand would continue. [] advised that the purpose of his trip to San Jose was to meet as many people at Atari as he could so that his business with Atari would not be limited solely to the fact that []

[] advised that on the evening of the [] of [], 1980, he and [] At this meeting [] told him a story of an individual by the name of [] at Scientific Custom Metal Products. According to [] works by the theory that one does not have to hire a lot of sales people. According to [] does business with approximately [] companies in Silicon Valley. [] gives a 10% "consulting fee" to the buyer at these companies and in return the buyers advise him how to bid on purchase orders which eliminates competition and assures [] of the job orders.

[] advised that he did not react adversely to [] inuendo and [] ended that conversation with "perhaps we will be doing business sometime."

[] advised that [] a lot about Atari and that Atari's other vendors were Socorro and Volta. These vendors had been supplying Atari with wire harnesses but were unable to keep up with Atari's demand. [] that [] company has a two million dollar a year potential as a vendor.

Around July [] started taking some orders from [] and only taking what he felt he could handle. [] wanted him to take as much as he could and it was understood that [] was gearing up his company to handle more business for Atari. [] advised that when he took these orders there was no mention of any kickbacks. From August, 1980 through October, 1980 [] advised that he did not take many orders from Atari. In November, 1980, he took some more orders.

In the later part of November, 1980, [] called [] and told him that he had taken [] out of wire harnesses and has a new man by the name of [] recalled to [] their previous conversation about the 10% kickback. [] at this point told [] that there wasn't 10% in some of the orders. [] not to worry about it, that [] would handle whatever problems there were. The next day [] got a

SF 196B-808

[redacted] who introduced himself and advised he would be handling wire harnesses. The day after on Wednesday, before Thanksgiving, [redacted] and told [redacted] had been dragging his feet and Atari has got "all these orders". [redacted] advised that [redacted] had told him that [redacted] had all of the specifications but [redacted] advised [redacted] that he did not have all of the specifications. [redacted] told [redacted] that he would get the drawings up to him right away. [redacted] at that time told [redacted] "you've got that covered?" "Here is the address to send it to - MMC, Post Office Box 18392, San Jose, California." "We will send you a statement if you need it." [redacted] advised that [redacted] and in order to stall for time he told [redacted] he would have [redacted] [redacted] to see if he could [redacted]

After that conversation, [redacted] and decided to report the whole affair to Atari's parent company, Warner Communications Corporation, New York, New York. On December 3, 1980, at the expense of Warner Communications Corporation, [redacted] reported the whole affair to a [redacted] for Warner Communications Corporation.

[redacted] advised that it was his understanding with [redacted] that Electronics Interface would continue to do business with Atari through [redacted]

Between [redacted] 1980, [redacted] accepted a [redacted] order from Atari for 500 wire harnesses. The order was written up on [redacted] 1980. [redacted] advised that from [redacted] 1980, through [redacted] 1980, he received [redacted] worth of orders from Atari through [redacted] advised that to the present date [redacted] has been completed by Electronics Interface and shipped to Atari.

[redacted] advised that during this month of December [redacted] continued to push him to take more orders.

On [redacted] 1980, [redacted] advised that [redacted] San Jose, California and stayed at the Marriott Great America Inn. He advised that [redacted] for the first time who brought with him a bag of drawings which would be new games for the next four months in connection with Atari's production. At this lunch [redacted] that the prices he would get for him would be the prices that Socorro had submitted to Atari. [redacted] was puzzled that [redacted] would give [redacted] because he was told that Socorro submitted higher bids than Volta. [redacted] assured [redacted] not to worry about Volta's bid, that [redacted] were making a concentrated effort to get Volta out of the competition. [redacted] said that they were deliberately holding off giving Volta orders until the last minute so that when Volta took the orders there would be no way that they could complete them on time. According to [redacted]

SF 196B-808

in this way they would continue to make Volta look bad and they could eventually swing all of the wire harness business over to [redacted] further advised [redacted] not to worry about a particular order that he took which [redacted] advised would be late. [redacted] said he would cancel the order given to [redacted] hold on to it for awhile, and then give it to Volta so they could not get it out on time and would be charged with another late order. [redacted] specifically told [redacted] that [redacted] so get your volume up."

During lunch with [redacted] told [redacted] that he knew [redacted] and that [redacted] recommendation. [redacted] what he did with all of his money and [redacted] said that he had businesses that he started. [redacted] advised that he had a private company that had just negotiated a contract to supply Pacific Stereo with video tape. He advised that he was just signing the final papers. [redacted] not to mention this to [redacted]

[redacted] advised that he mentioned to [redacted] had told him that all [redacted] needed was five years in his present position before he would have it made. [redacted] that it would only take him two years.

During lunch [redacted] his home telephone number of [redacted] and his business number of [redacted] [redacted] after lunch with [redacted] returned to Atari and then went out to have a beer with [redacted]

During this conversation, [redacted] that he had hired a buyer for Atari and his name is [redacted] advised that he had hired [redacted] before [redacted] further advised that [redacted] and that [redacted] had just joined the team. [redacted] said he was very [redacted] and before he approached [redacted] to join the team he consulted with [redacted] According to [redacted] he wanted to see the guy before [redacted] decided to approach him. [redacted] did see him but [redacted] did not explain the circumstances. [redacted] said that [redacted] after seeing [redacted] told [redacted] to go ahead and approach him. [redacted] said that he had [redacted] over for dinner one night and made his approach. According to [redacted] looked very uneasy and asked for a day before he would give his answer. The next day according to [redacted] told [redacted]

[redacted] said that [redacted] had made [redacted] in the month of [redacted] of 1980. According to [redacted] had done about [redacted] of business with Atari. [redacted] that he was afraid [redacted] his new found income and bring attention to to whole operation.

SF 196B-808

After [] had a few beers they went back to [] at Atari and had some more conversation before going to dinner.

[] eventually went out to dinner and [] started talking about [] Advanced Technology Laboratories, Seattle, Washington. [] was saying how stupid [] advised that he discovered that [] stainless steel carts at [] a piece. According to [] the vendor is "Tusons" (phonetic) and it is partly owned by [] or [] who recently bought [] share. According to [] is getting a kickback from [] for the order. [] said how stupid this was for [] to give [] an order like that because most people know that steel in Seattle is a lot cheaper than in California. [] advised that a California company cannot compete for that kind of business in Seattle.

[] also mentioned that his [] of this company is in his [] that he bought [] for either [] advised that he was not able to recall which figure [] told him. [] advised that [] told him that [] on the hook whom he supplies. [] said that [] mentioned IBM and Fairchild and [] thinks Memorex was also mentioned. [] advised that [] Memorex, accepted a position at Intel in Oregon which was a real low paying job. [] speculates that because of this he suspects that [] is accepting kickbacks.

[] advised that on [] 1981, [] and [] said that Atari management wanted to cancel some orders of wire harnesses. [] that instead of [] cancellation fee of 10% to make it 20% and in that way he would keep his 10% kickback. [] told him that Volta has had to lay off thirty-two people at their company.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/9/811

[redacted] Interface Electronics Corporation, 1180 Andover Park West, Seattle, Washington, was contacted at his place of employment. He provided a list entitled Atari Competitive Pricing. This list shows a number of part numbers together with the prices for these parts in quantities of 500, 1,000 and 2,500. He advised that these prices are the low prices which had been received on bids submitted to Atari and the information concerning these prices was furnished to him by [redacted] a purchaser for Atari with whom he had been dealing.

[redacted] further advised that upon review of his files, he determined an individual who he had previously described during his interview as operating a cabinet shop and who he felt might have organized crime connections is [redacted] is Diversified Wood Products of Santa Clara, California.

[redacted] stated that the sheet metal company which he had previously described by the name of [redacted] (phonetic) is [redacted] by an individual named [redacted] (Phonetic), [redacted] by [redacted] and [redacted]

Investigation on 1/7/81 at Seattle, Washington File # SE 196B-392

by SA [redacted]

ok

b6
b7C

313

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 14 1981	

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 2/26/81

[redacted] Interface Electronics Corporation, 8623 S. 212th, Kent, Washington, executed a consent form consenting to the recording of a telephone conversation on [redacted] telephone [redacted] which was recorded. [redacted] and this [redacted]

Investigation on 2/17/81 at Kent, Washington File # SE 196B-392

by SA [redacted]

/sbk

Date dictated 2/23/81

314

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.

FBI/DOJ

196B-808 - 26

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/21/81

[redacted]
telephonically advised that [redacted] last
night and was inquiring if any of the buyers up there had
"taken a fall".

[redacted] advised that he contacted [redacted] today
and asked him for more [redacted]
[redacted] advised him that there was a rumor that the FBI was snooping
around and that a buyer in the Northwest had taken a fall.

[redacted] advised that he had also spoken with [redacted]
today and that he had learned that the FBI had subpoenaed bank
[redacted]

Investigation on 1/21/81 at Palo Alto, California File # SF 196B-808

by SA [redacted] dma [initials] Date dictated 1/21/81

315

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.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/4/81

[redacted] (protect), [redacted]
[redacted] met with Special Agents of the FBI
and consented to be wired with a body recorder and transmitter
for the purpose of recording conversations [redacted]
[redacted] and perhaps other unknown people.
This meeting took place at the Marriott Hotel in Santa Clara,
California at 4:00 in the afternoon.

[redacted] was followed by Special Agents of the FBI
[redacted] California, where he was to
meet in the Cocktail Lounge of the LeBaron Hotel at 6:00.

[redacted] and
[redacted] until approximately 7:45, when the meeting
broke up.

[redacted] was followed by Bureau Agents when he was driven
back to the Marriott Hotel by [redacted] and they arrived
at approximately 9:20.

[redacted] again meet with Bureau Agents in the hotel room
of the Marriott Hotel and at that time, the recorder that had
been placed on [redacted] Special Agent
[redacted]

Investigation on 2/23/81 Sunnyvale, California File # 196B-808

SAs [redacted] and
by [redacted] IWR/dk Date dictated 2/28/81

FEDERAL BUREAU OF INVESTIGATION

1

4/6/81

Date of transcription _____

[redacted] protect [redacted] advised telephonically that on [redacted] 1981, he was called from [redacted] and they were advising [redacted] Atari in the next week. [redacted] that from now on they should talk of any fees sent by coded numbers. For instance, [redacted] should be said like, [redacted]

[redacted] further advised that the checks that he had sent to [redacted] made out to Managerial Manpower Consultants showed an account number [redacted] and the [redacted]

Investigation on 3/11/81 at Palo Alto, California File # 196B-808
by SA [redacted] / dvs Date dictated 3/11/81

317

FEDERAL BUREAU OF INVESTIGATION

1

4/6/81

Date of transcription _____

[redacted] protect [redacted] tele-
phonically advised that he received from [redacted]
[redacted] which cleared [redacted] and [redacted]
in the amounts of [redacted] and [redacted]. He advised that
these [redacted] and that
they were deposited into a [redacted]
[redacted]

Investigation on 3/11/81 at Palo Alto, California File # 196B-808
by SA [redacted] / dvs Date dictated 3/11/81
310

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/4/81

[redacted] telephone number [redacted] telephonically advised that he had received last week a [redacted] which [redacted] had wanted to him to replace with the previous statement he had sent. [redacted] advised that the new statement took off the word [redacted] advised that this was according to an agreement [redacted] and [redacted] had met.

[redacted] also advised that he had been informed that [redacted] would be looking for another job but that [redacted] would continue to work at Atari.

Investigation on 3/23/81 at Palo Alto, California File # 196B-808

by SA [redacted] dk Date dictated 3/28/81

310

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.

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/29/82

[redacted], telephonically contacted this Agent and advised the following.

He wanted to know if the FBI was still investigating the case [redacted]

[redacted] He was advised that we were and that there was a good possibility that the matter would be presented to a Federal Grand Jury. He was further advised that there was a good probability that he would be testifying along with several other witnesses.

[redacted] also advised that he was very concerned about [redacted] He advised that Atari established their own company to build wire harnesses and as a result of this he was loosing a lot of business.

[redacted] advised that his concern over the past few months about his loss of business caused him to contact [redacted] of Atari and also [redacted] of Atari and told them his participation in the FBI's investigation. He further advised that he told them about being wired up with the FBI and that he met with [redacted] and [redacted] and their attorney and [redacted] advised that he did this in order to perhaps show Atari how much he has done for them and the FBI and would be considered in a more favorable light as a vendor. [redacted] advised that at the time he had not given too much thought to the fact that this information would get back to [redacted] and that they perhaps would hold a grudge.

[redacted] was advised that there wasn't anything the FBI could do at this point but that he should keep in touch. He was further advised if he should be approached by ^{this} any of the individuals or threatened in any way, he should contact with Agent.

Investigation on 6/28/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] /dma 320 Date dictated 6/28/82

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/20/82

[redacted]
Road, Mountain View, California, 94043, telephone number 415-962-8800, was advised of the identity of the interviewing Agent the fact that the FBI was investigating various business practices in Silicon Valley. [redacted] was advised that it had come to the attention of the FBI that various buyers for large companies would receive a commission or a kickback for business that they would give to various vendors or machine shops. [redacted] was advised that he at one time had been a buyer for Prime Metals in San Carlos and if such a practice had been going on he perhaps would have been in a position to have been involved. [redacted] advised that he had heard rumors to the effect that people had to buy business from various companies but that he does not himself have first hand knowledge concerning this. He advised that [redacted] Prime Metals he did not have to pay for any business he got for them.

[redacted] was presented with a Federal Grand Jury subpoena, dated [redacted] 1982, [redacted]
[redacted]

[redacted] advised that he would get in touch with his attorney and that his attorney would be contacting this Agent sometime in the near future.

Investigation on 1/20/82 at Mountain View, California File # SF 196B-808

by SA [redacted] ma 321 Date dictated 1/20/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/25/82

[REDACTED], was advised of the identity of the interviewing Agents and as a result of a previously issued subpoena obtained the following documents from [REDACTED]

Investigation on 1/25/82 at Millbrae, California File # SF 196B-808

by SC
SA dma Date dictated 1/25/82

322

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/29/82

[redacted] California, appeared at the office of the Federal Bureau of Investigation, was advised of the identity of the interviewing agents and advised the following.

As he had previously mentioned, he represented three machine shops namely Prime Metals Incorporated in San Carlos, Excel Fab in Sunnyvale, California, and Peninsula Machine Incorporated in San Jose. He advised that the work that he had obtained from Four Phase Systems, Cupertino, California, was distributed approximately 40-50% to Prime Metals Inc., 5-10% of the business was distributed to Peninsula Machine, and the rest was distributed to Excel Fab Inc.

[redacted] advised that he had previously mentioned that he was approached in 1980 shortly after returning from a vacation in New Orleans around Mardi Gras by either [redacted] [redacted] advised that he now recalls that it was [redacted] who approached him. [redacted] advised him that the FBI was conducting an investigation concerning kickbacks in Silicon Valley. [redacted] told him that there was a meeting with people who have been engaged in this practice and that these people were contributing money to hire attorneys and perhaps even buy off the U.S. Attorney or the FBI so that the investigation would not be continued. [redacted] advised that he told [redacted] that he did not wish to take part in any of this and that he would handle his own involvement in the kickback practice.

[redacted] advised that he first met [redacted] shortly after [redacted] was hired at Four Phase Systems. [redacted] advised that [redacted] the previous buyer at Four Phase Systems, introduced [redacted] to [redacted] [redacted] advised that before Fry left Four Phase, he gave [redacted] a little business so that he would establish [redacted] as a qualified vender with Four Phase. [redacted] advised that after lunch with Fry and [redacted] asked [redacted] to come over to his office and pick up some drawings on certain items that Four Phase needed a bid on. [redacted] advised that [redacted] made it clear at that point that whatever business he gave [redacted] he expected 10% back. [redacted] advised that he told [redacted] that he only got 10% and [redacted] told him that something could be worked out. [redacted] at that time gave him an address and the name of a company called MMC which also had a post office box in San Jose, California. [redacted] advised that [redacted] would call him on the telephone alot of times to give him additional orders.

Investigation on 2/17/82 at Palo Alto, CA File # SF 196B-808

by SA [redacted] AT [redacted] JWR/mw Date dictated 2/17/82

321

SF 196B-808
JWR/mw

2

[] was shown a number of checks from his records that were made payable to MMC Incorporated, and advised that all of these checks represented money paid to [] when he was a buyer at Four Phase Systems for the business that he gave to the machine shops he represented. [] advised that most of the time, he mailed these checks to [] and sometimes he would bring them to [] office or [] would pick them up. [] advised that when he wrote checks to [] sometimes the checks would represent 5% of the business he received from Four Phase, but alot of times the checks were not representing 5% and he would just write out a check that he thought would get [] off of his back.

[] advised that he was introduced to [] at Atari by [] when [] was at Four Phase Systems. [] advised that [] advised him that he had no sheet metal work for him; however, he did give him an order for some machine shop work and this work was given to Peninsula Machine in San Jose. [] told [] that he wanted 10% of the work given and wrote down a company called Northwest Consultants where he should send the money. [] was shown checks that he had made out to Northwest Consultants and he said that these checks represented work that he received from Atari Incorporated and was given to Peninsula Machine.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/29/82

[redacted] California, was advised of the identity of the interviewing agents and supplied the following information.

While he was conducting business as a representative of several machine shops, he was doing business as [redacted] Associates. During this time he met [redacted] who worked for Measurex and Dennis Flinn who worked for Data Pathing. [redacted] advised that he was referred to these individuals by [redacted] advised that he set up a lunch with [redacted] which they had at the Monterey Whaling Corporation in Sunnyvale, California, and he does not recall the date. At that time [redacted] and [redacted] both advised him that they have a corporation by the name of Alpine Associates and that whatever business his companies got from Measurex or Data Pathing, they wanted 10% to be sent to Alpine Associates. [redacted] advised that [redacted] and [redacted] both insisted that they had checked this practice out with an attorney and that it was not illegal. [redacted] was shown checks made payable to Alpine Associates by his company, [redacted] Associates, and he advised that this money represented kickbacks to [redacted] as a result of business he received from Measurex and Data Pathing. [redacted] advised that this business went to Excel Fab and Peninsula Machine and Prime Metals.

[redacted] advised that another company that he paid kickbacks to was Cabrillo Associates whose principal was [redacted] advised that [redacted] was a buyer at Memorex and that the business obtained from Memorex primarily went to Prime Metals Incorporated. [redacted] advised that he met [redacted] at a lunch with another rep by the name of [redacted] and after the lunch, [redacted] came away feeling very sorry for [redacted] advised that he lent [redacted] some money and really did not expect to get the money back. [redacted] said that he also befriended [redacted] and did a number of other things for [redacted] in that [redacted] was in psychologically bad shape. [redacted] advised that [redacted] and also [redacted] with [redacted] advised that as a result of his assistance to [redacted] got back on [redacted] was also helped. [redacted] advised that that was the way the relationship first started with [redacted] then after that, the money that he paid [redacted] was in return for the business Memorex gave his [redacted] machine shops.

Investigation on 2/17/82 at Palo Alto, CA File # SF 196B-808-180

SA [redacted]
by AT [redacted] JWR/mw Date dictated 2/17/82

320

SF 196B-808
JWR/mw

2

[redacted] advised that he also paid money to [redacted] who was a buyer first at Atari, then for a short time [redacted] General Electric, and then [redacted] National Semiconductor. [redacted] advised that when [redacted] started to [redacted] National Semiconductor, he [redacted] had to find a company that he could rep. [redacted] with the company called Unitronic in Sunnyvale, California. [redacted] advised that as a result of the business that National Semiconductor gave to Unitronics, [redacted] would pay [redacted] money which [redacted] referred to as a loan. [redacted] advised that this so-called loan was nothing more than a kickback and that [redacted]

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/15/82

[redacted] Redwood City, California, was advised of the identity of the interviewing Agent and advised the following:

He has previously spoken with the FBI concerning his involvement in kickbacks to various buyers of large corporations. [redacted] added that many times these contacts with some of the buyers were very subtle. [redacted] advised that he first met with [redacted] who was a buyer for Diablo Systems in Hayward, California. [redacted] advised that whatever money he paid [redacted] it was in return for business that Diablo Systems gave to Prime Metals, Inc.

[redacted] advised that he also paid money to [redacted], a buyer at Perkin/Elmer in Mountain View, California, and later [redacted] went to work for Applied Material. [redacted] advised that all the money paid to [redacted] was in return for business that he gave Prime Metals when [redacted] was working at [redacted] advised that later when [redacted] went to work for Applied Materials, Applied Materials gave business to Prime Metals and some work was given to Excel Fab. [redacted] advised that he paid kickbacks to [redacted] for this work. [redacted] advised that Carney was a lot more direct in requesting his payments than some of the other buyers. He said [redacted] would call up on the telephone and say I'm coming by to pick up my money.

[redacted] advised that he also paid a [redacted] who was a buyer at GCA. He advised that his initial dealings with [redacted] was the result of a comment made by [redacted] when he said that he could use some money in that his daughter had just been born. [redacted] advised that after he first paid [redacted] then he continued to pay [redacted] for business given to his machine shops from GCA. [redacted] advised that he did not pay [redacted] that much money in that he did not get that much business from GCA. [redacted] further added that when he first paid [redacted] for business that he was getting from Memorex, he was to make the check out to [redacted] who happened to be a bookkeeper.

Investigation on 2/18/82 at Palo Alto, California File # SF 196B-808
by SA [redacted] and [redacted]
SA [redacted] av [redacted] Date dictated 2/23/82

320

of a subpoena issued January 18, 1982, directed to

[redacted] advised that he had original checks made payable to MMC Incorporated which is [redacted] company and that he did not have corresponding invoices for these checks but they were as all of the checks paid to [redacted] payments for business he received from Four Phase Incorporated. The following is a list of the original checks given to this Agent:

by SA

dmá

b6
b7C

Date dictated 1/19/82

329

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/22/82

[redacted] San Jose, California and [redacted] Morgan Hill, California, were advised of the identity of the interviewing Agents and advised the following. [redacted] advised that [redacted] for Hamilton Manufacturing Company and at one time was [redacted] in the company.

[redacted] both advised that their payments to George Amado, dba MMC Incorporated, Post Office Box 19832, San Jose, California, was strictly for business that they received from Four Phase Incorporated.

[redacted] advised that he had been doing business with Four Phase for a number of years and that he had a representative by the name of [redacted] who dealt with [redacted] the buyer at Four Phase.

[redacted] advised that sometime around June of 1980, [redacted], who replaced [redacted] suggested to Hamilton, that [redacted] was no longer needed as a representative and that Hamilton should now deal directly with [redacted] when supplying Four Phase with their product. Hamilton advised that at that time Four Phase was a large percentage of their business and that Hamilton Manufacturing Incorporated was going through a very difficult time financially. [redacted] advised that they could not afford risking Four Phases' business by reporting [redacted] directly so Hamilton and his partner, [redacted] went along with the deal that was arranged by [redacted]. [redacted] advised that [redacted] wanted 10% of whatever business he gave to Hamilton Manufacturing Incorporated. [redacted] advised that sometimes the business given to them was not able to sustain a 10% cut to [redacted] and so sometimes [redacted] got less than 10%. [redacted] advised that [redacted] told him to pay him by paying MMC Incorporated, Post Office Box 18392, San Jose, California.

[redacted] advised that [redacted] many times would call him on the telephone and ask him how much his check would be this week. [redacted] would also call and advise that he was coming down to pick up his check.

Investigation on 1/22/82 at San Jose, California File # SF 196B-808

by SC [redacted]
SA [redacted] /dma

Date dictated 1/22/82

331

SF 196B-808

[redacted] advised that they paid [redacted] for the business that they got from Four Phase starting around June of 1980 and the last check they paid him was around June of 1981. [redacted] advised that their payment of around June of 1981 was business that they had with Four Phase Systems.

[redacted] advised that when [redacted] left Four Phase Systems to go and work for Atari they both were very happy. They advised that [redacted] came around their shop and wanted some quotes on items that [redacted] was making and Hamilton advised that they went out of their way "to bid very high" so that [redacted] would no longer come to them. [redacted] advised that the last time they dealt with [redacted] was when he was working at Four Phase and they do not intend to deal with him again. [redacted] and [redacted] both viewed checks made out to MMC Incorporated which total \$36,860.00 and they advised that they have never totaled the checks up but that all of the checks were paid to [redacted] for business they received from Four Phase Systems.

FEDERAL BUREAU OF INVESTIGATION

1/18/82

Date of transcription

[redacted]
[redacted]
telephone number [redacted] was advised of the identity
of the interviewing Agents and served with a subpoena directed

[redacted]

Investigation on 1/18/82 at San Jose, California File # SF 196B-808

by SC [redacted] dma Date dictated 1/18/82
SA [redacted]

333

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 4/23/82

[redacted] San Jose, California, was advised of the identity of the interviewing Agent and presented with a subpoena directed to himself, doing [redacted]. The subpoena was issued by the United States District Court for the Northern District of California, dated March 16, 1982.

The subpoena requested [redacted]

[redacted]

Investigation on 3/18/82 at San Jose, California File # SF 196B-808

by SAs [redacted] and [redacted] JWR/bav Date dictated 3/23/82

337

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.

FEDERAL BUREAU OF INVESTIGATION

2/11/82

Date of transcription

[redacted]
[redacted] California, 95050, was advised of the identity of the interviewing Agents and the fact that they were conducting an investigation concerning various illegal business practices going on in Silicon Valley.

[redacted] a Federal Grand Jury subpoena issued by the United States District Court for the Northern District of California, dated [redacted] 1982. The subpoena requested

[redacted]

Investigation on 2/11/82 at Santa Clara, California File # SF 288-808
by SE [redacted] b6
SA [redacted] b7C
[redacted] ma Date dictated 2/11/82

342

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted]
[redacted] Santa Clara, California, 95050, were advised
of the identity of the interviewing Agents and as a result of
a subpoena issued [redacted] by the U.S.
District Court for the Northern District of California, dated
[redacted] 1982, made available records requested from the
[redacted]

Investigation on 3/5/82 at Santa Clara, California File # SF 196B-808
by SAs [redacted] and [redacted] JWR/bav Date dictated 3/5/82
b6
b7C

343

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/82

[redacted] 3355 Woodward
Avenue, Santa Clara, California, 95050, was advised of the identity
of the interviewing Agents and presented with a Federal Grand Jury
subpoena. The subpoena was directed to [redacted]

[redacted]

Investigation on 5/13/82 at Santa Clara, California File # SF 196B-808
by SA [redacted] b6
SA [redacted] b7C Date dictated 5/13/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/1/82

[redacted] Santa Clara,
California, was advised of the identity of the interviewing
Agents and as a result of a Federal Grand Jury subpoena dated

[redacted]

[redacted]

Investigation on 6/1/82 at Santa Clara, California File # SF 196B-808by SA [redacted] a [redacted] Date dictated 6/1/82
SA [redacted] b6
b7C

345

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.

FEDERAL BUREAU OF INVESTIGATION

5/19/82

Date of transcription

[redacted]
[redacted] Sun Valley, California, 93152, telephone
number [redacted] was telephonically contacted by the inter-
viewing Agent and he and [redacted] were
questioned concerning documents that had been subpoenaed from
[redacted]

Investigation on 5/19/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] ma ^{b6}_{b7C} 346 Date dictated 5/19/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/11/82

[redacted] San Jose, California, was advised of the identity of the interviewing Agents and the fact that they wished to talk to him concerning a business practice prevalent in the Silicon Valley. [redacted]

[redacted]

[redacted] was presented with a subpoena directed to

[redacted]

Investigation on 2/11/82 at San Jose, California File # SF 29B-808

SE
SA [redacted]

dma

b6
b7C

Date dictated 2/11/82

340

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted] San Jose, 95129, was advised of the identity of the interviewing Agent and provided the following information:

[redacted] Multilayers, Inc., 62 Bonaventura Drive, San Jose, California. During the period of [redacted] 1980, until [redacted] 1981, he has had to pay various buyers for different corporations kickbacks for the business that he has received. He advised that he paid the following individuals:

[redacted] doing business as Northwest Consultants for business they received from Atari, Inc.

[redacted] doing business as P.M. Communications, for business they received from Accurex.

[redacted] doing business as Linden Associates, for business they received from Technology Laboratories Corporation, Seattle, Washington.

[redacted] advised that [redacted] made the arrangements for all of the payments and that he (Whitehouse the bookkeeper) signed the actual checks.

[redacted] provided copies of invoices from Northwest Consultants and Linden Associates and P.M. Communications and these copies have been placed in this file. [redacted] advised that these are the only kickbacks his company has ever been involved with and that he presently pays no one for the business that he receives.

Investigation on 2/26/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] v [redacted] Date dictated 3/2/82

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/15/82

[redacted], partner, Multilayers, Incorporated, 62 Bonaventura Drive, San Jose, California, was interviewed at his place of business. He was advised of the official identities of the interviewing Agents. He was further advised that he was being interviewed in connection with an investigation of certain payments made by his firm to certain firms for outside sales consulting services. [redacted] provided the originals of the following documents:

b6
b7CInvestigation on 3/3/82 at San Jose, California File # SF 196B-808by SAs [redacted] and [redacted] HJM/bav Date dictated 3/4/82

350

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.

SF 196B-808
HJM/bav

2

White piece of paper with the handprinted notation "PM Communications
December [redacted] PM is [redacted] to
be made out to [redacted]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/15/82

[redacted] Certified Public Accountant (CPA), Partner, Bardel Associates, 237 Mistletoe Road, Los Gatos, California, was interviewed at the offices of Multilayers, Inc., 62 Bonaventura Drive, San Jose, California. [redacted] was advised of the official identities of the interviewing Agents as well as the fact that he was being interviewed in connection with an audit of certain payments made by Multilayers to certain outside consulting firms. [redacted] stated that he was engaged as an outside financial consultant to Multilayers and is familiar with its books. [redacted] then supplied the following information:

[redacted] displayed [redacted] made for Multilayers in the months of [redacted] 1980, through [redacted] 1981. There were [redacted] charged to account number [redacted] in the period [redacted] 1980 through [redacted] 1981. The monthly cumulative totals were charged to the general ledger under account [redacted] further identified in the chart of accounts as Outside Services-Sales Consulting Fees. [redacted] stated that totals posted to account number [redacted] first appeared in the general ledger in October, 1980. These entries were further identified as:

[redacted]

[redacted]

Investigation on 3/3/82 at San Jose, California File # SF 196B-808
by SAs [redacted] and [redacted]
[redacted] HJM/bav Date dictated 3/4/82

352

SF 196B-808
HJM/bav

2



b6
b7C

[redacted] further stated that he had located two
[redacted] identified as:



[redacted] advised that these [redacted] had also been charged to
account [redacted] for outside services--sales consulting fees. He stated
that the [redacted] ledgers and the general ledger for March
and [redacted] 1981, are currently unavailable for the purpose of
independent verification.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/9/82

[REDACTED]

stated that he was supplying certain documents in compliance with a Federal Grand Jury subpoena directed to his company and dated [REDACTED]. He then provided the following items:

[REDACTED]

Investigation on 4/9/82 at Palo Alto, California File # SF 196B-808

SA [REDACTED]
by SA [REDACTED]

b6
b7C

354

Date dictated 4/9/82

GRAND JURY MATERIAL — DISSEMINATE ONLY
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.

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

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 3/16/82

[redacted]
[redacted] San Jose, California, was advised of the
identity of the interviewing Agents and was served with a
subpoena, dated [redacted] 1982.

[redacted]

Investigation on 2/18/82 at San Jose, California File # SF 196B-808

by SAs [redacted] and [redacted] JWR/bav 2/22/82
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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/23/82

[redacted] Volta Electronics, 2118 Zanker Road, San Jose, California, was interviewed at his place of business. He was interviewed in the presence of his [redacted] who is also involved in the management of Volta Electronics. [redacted] was advised of the official identities of the interviewing Agents. He was further advised that he was being reinterviewed in connection with an investigation of allegations of bribes and kickbacks that had been paid to obtain manufacturing contracts. [redacted] stated that he was aware of this investigation. He recalled that he had been interviewed concerning this matter about one year ago by Special Agents of the Federal Bureau of Investigation. He then supplied the following information:

[redacted] stated that he [redacted] manufacturer of wire harnesses used in the electrical systems of various manufactured products. [redacted] stated that he had obtained a large amount of work from Atari Incorporated. He noted that at one time as much as 95% of his business was with Atari. He went on to state that on the average he maintains about 50% of his work with Atari. [redacted] further advised that in early 1981 his work with Atari dropped off to zero because the buyer at Atari, [redacted] decided to cut him off. [redacted] noted that this caused him serious financial hardship as well as forcing him to layoff a large number of his own employees.

[redacted] stated that he has never paid a bribe, kickback, or payoff to anyone in order to obtain contracts. [redacted] stated that no one has ever approached him with a solicitation for a bribe because it is well known that he has a reputation as one being strongly opposed to doing business in that manner. [redacted] related an incident that occurred in early 1981 in the office of [redacted] at Atari, Inc.. This was shortly after [redacted] had come onboard at Atari as their buyer. [redacted] his son [redacted] and [redacted] were present at this meeting. [redacted] made the comment that there should be "better cooperation". [redacted] responded that he would cooperate by furnishing service, a quality product, and deliver on time. [redacted] stated that it appeared that the quality of [redacted] product had deteriorated and that because of this, [redacted] was losing business at Atari. [redacted] stated that at that time he did not interpret [redacted] word "cooperate" to be a solicitation for a bribe. Later, after [redacted] had lost all his contracts with Atari, with no prospect for future work, did [redacted] feel that [redacted] may have been soliciting a bribe.

[redacted] advised that after the conference with [redacted] he began to closely examine his own records. He knew that his product

Investigation on 3/23/82 at San Jose, California File # SF 196B-808by SA [redacted] 350 dma Date dictated 3/23/82

SF 196B-808

quality had not deteriorated. His prices had not changed. [] began to notice a number of false reports against his product quality. There were also reports that he failed to deliver goods on time. He found this [] with defects in the products of other Atari vendors. [] also found that somehow the dates of delivery of his merchandise to Atari had been inaccurately reported on Atari's records so that it appeared that the merchandise had been delivered two and three days later than the date that the merchandise was actually delivered. [] complained to [] that he was not getting an opportunity to bid on new work. [] lied by saying that Atari was experiencing a production slump. [] knew better. He knew that Atari was operating at full production. [] also knew that his competitor, Socorro Manufacturing, was fully loaded with Atari orders. [] decided that he was going to test [] by submitting a bid on a contract charging only for materials. [] lost this bid.

After [] lost the "materials only" bid, he went to see [] at Atari. [] told [] about the "materials only" bid. He also supplied [] with documentation that Atari's records concerning his product quality and delivery date compliance were in error. [] told [] that he would look into the matter. Several weeks later [] and [] left Atari. Another buyer replaced [] again began to receive work from Atari.

[] stated that there should have been no reason why [] had cut off his firm and loaded Socorro Manufacturing with orders. [] advised that he was quite knowledgeable of the operations of Socorro Manufacturing since that firm's [] at one time was [] in a firm called Duffy Electronics. [] stated that he taught Ferriera the wire harness business. [] knew that he and [] had approximately the same size business, the same overhead and the same materials cost. [] was unaware of any kind of legitimate competitive edge Socorro Manufacturing had over [].

[] stated that he has no direct knowledge or evidence that [] was making payoffs to [] for the Atari business. [] did know through his partnership with [] that [] did like to "wine and dine" buyers of manufacturing companies. [] recalled an incident where [] owned by [] Electronics to a buyer. The buyer had used the mobile home for a trip along the Coast. This incident caused a heated argument between [] and []. There were other arguments concerning other matters and differences in ways of doing business that caused a split between [] and [] and the dissolution of Duffy Electronics.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 4/7/81

[redacted] Palo Alto, California, [redacted] business [redacted] was advised as to the identity of the interviewing agents and the fact that the agents wished to talk to him concerning kickbacks made from venders to buyers in some corporations in Silicon Valley.

[redacted] advised that he has been working for Atari for [redacted] years as a buyer and that [redacted] years before that, he was a [redacted] and performed other responsibilities. He advised that part of his responsibilities for buying was buying packaging material, sheet metal, cable harnesses, hand tools and that he is presently handling wood products, mostly cabinets. He advised that he deals with about 12 venders and P.S. Hurlbut, Laurelwood Avenue, Santa Clara, California, is one of their biggest venders. [redacted] advised that there are many rumors going about concerning buyers on the take and that three people in Atari are referred to as, [redacted] and that their names are [redacted]

[redacted] advised that he is not actually aware of [redacted] getting kickbacks from venders. He was aware though that at one time, he was the buyer for cable harnesses and that the suppliers at that time were [redacted] in Santa Clara and Volta in San Jose. He advised that since [redacted] has taken over buying wire harnesses, another company has been getting a lot of business and that company is Interface Electronics located in Seattle, Washington. [redacted] advised that [redacted] has personally come to him and has also appealed to [redacted] at Atari and has been very concern that orders placed with Volta has substantially decreased. [redacted] advised that Volta's business was 80% with Atari and that as a result of business being shifted to Interface, the company has been hurting financially. [redacted] advised that as Volta was being reduced substantially in orders, Interface was increasing their business. [redacted] advised that he discussed [redacted] complaint with [redacted] told him that it was none of his business. [redacted] advised that this decrease in Volta's business was according to rumors that [redacted] "would not play the game." [redacted] further advised that when [redacted] and [redacted] were hired on they did not go through the normal personnel channels. [redacted]

Investigation on 3/27/81 at Sunnyvale, California File # 196B-808
by SAs [redacted] and [redacted] JWR/dk
Date dictated 3/27/81

SF 196B-808
JWR/dk2

advised that before [] handled buying sheet metal, [] was the buyer. [] advised that he was told by [] that many times when requisitions were sent to their department to order sheet metal, [] placed a number of them himself and gave the rest of the orders to [] for him to place. [] advised that these sheet metal orders was placed with Scientific Custom Metals and Two Suns and that the owner of these companies is [] advised that Scientific Custom Metal Product and Two Suns Manufacturing and F & S Machine were companies in which the same man had the greatest financial interest and that these companies would be bidding against each other. [] advised that [] is that person.

[] advised that [] at work one day, made an obvious show of introducing [] when in fact, many people were aware that [] was a old friend of [] [] advised that [] made a constant show of gold watches and jewelry and that it was a joke among many of the people at Atari that [] might be registered to [] further advised that it was his understanding that [] was released from Atari approximately a month and a half ago because she would not work with the team.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/82

[redacted] San Jose, California, telephone number [redacted] was advised of the identity of the interviewing Agents and advised the following.

He has known [redacted] for approximately fourteen years. [redacted] advised that he first went to work for [redacted] when [redacted] was a [redacted] of Select Metal Products. [redacted] advised that [redacted] later sold Select Metal Products and opened another company called Scientific Custom Metal Products Incorporated. [redacted] advised that he worked for [redacted] until approximately six weeks ago when he quit. [redacted] advised that while he worked for [redacted] he worked as a Inspector which basically dealt with quality control.

[redacted] was shown checks drawn on the account of Scientific Custom Metal Products and made out to the following companies: "Q.C. Calibration", "Quality Control Services", and "Q.C. Services", "N.C. Programming", "Q.C. Maintenance", and "N.C. Programming Service". The checks total an amount of \$23,346.37. [redacted] advised that these checks were negotiated by himself and paid to him by Scientific Custom Metal Products Incorporated. [redacted] advised that these checks represented money paid to him for work that he did during hours other than his regular work day. [redacted] was asked why was he not paid overtime for this work and he advised that this was an arrangement reached by himself and [redacted]. He did not give a further explanation as to why his payment was done in this way. [redacted] advised that he paid taxes on all of this money and there was nothing illegal about it. [redacted] was advised that the FBI was investigating a prevalent practice going on in Silicon Valley. This practice involved buyers from larger corporations receiving kickbacks for business that they were to give to various venders. [redacted] advised that he heard this type of practice went on but that his duties were mostly limited to the machine shop area and that he did not know what was going on in the office.

[redacted] advised that he has heard various rumors about this type of practice going on in Silicon Valley but was unable to give any specific or first-hand information.

Investigation on 5/12/82 at San Jose, California File # SF 196B-808

SA [redacted]
by SA [redacted] 362 Date dictated 5/12/82

SF 196B-808

He advised that he had heard from the "rumor mill" that a [] who worked at Atari had [] because he was engaging in such a practice. He further advised that a person by the name of [] who was [] at Tab Products Company might have also been fired from that company because she was engaging in such a practice. [] advised that [] dealt with this person, [] whose last name he does not recall, and also dealt with []

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/29/82

[redacted] San Jose, California, contacted the Palo Alto Resident Agency of the FBI and advised the following:

He advised that he had previously spoken with Agents concerning money that he received from Scientific Custom Metal Products by way of checks made payable to OC Programming and other companies. He advised that when this first arrangement was made between he and [redacted] he had told [redacted] that he did not want to work overtime because he would have to pay too much taxes on this money. He advised that [redacted] told him that this could be handled and that it was [redacted] who suggested that he use a company and that [redacted] would pay him in the name of the company as a consulting fee. [redacted] said that later on [redacted] had told him that if he were to keep changing the names around, that no one would ever know.

[redacted] advised that it was his understanding that Scientific Custom Metal Products was being paid cash for their scrap metal from [redacted] but that now Scientific Custom Metal Products is paid by check for their scrap.

[redacted] advised that [redacted] own a shearing shop named C & R Precision Company. He advised that the C & R stood for [redacted]

[redacted] advised that shortly after [redacted] was visited by the FBI at his company, Scientific Custom Metal Products, he had a big crate made and that this crate was loaded with various documents and shipped to Southern California. He advised that [redacted] has a brother in Southern California and it may be that the documents were stored with him.

[redacted] advised that [redacted] also known as [redacted] who works at Scientific Custom Metal Products as a quoter, told [redacted] that he quoted jobs from certain corporations and that he added a 10% coverage to that price in order to pay for kickbacks.

Investigation on 3/21/82 at Palo Alto, Calif. File # SF 196B-808

by SA [redacted] /cad Date dictated 5/21/82

384

2
SF 196B-808
JWR/cad

[] also advised that he understood that [] the bookkeeper and the secretary, were told by [] that if the FBI started talking to them, that they were to get an attorney and that he would pay for the fees.

[] advised that Four Phase had a contract with Finishing Technology, Inc. located Frontage Road and Dwayne Avenue in Santa Clara and that the job consisted of painting a casting and that it also needed three holes drilled in it. [] advised that the scuttlebutt was that Finishing Technology would sub-contract these castings to Scientific Custom Metal Products for the three holes to be drilled. [] advised that Scientific Custom Metal Products would receive cash for this job in an envelope, that it would amount to approximately \$1,000 - \$1,800 a month, that the item was between \$1.10 and \$1.30 for the holes to be drilled, and that this money never went through Scientific Custom Metal Products' books.

[] advised that it was scuttlebutt that [] received cash money from Trimetric which he bragged about being pocket money. [] advised that he got the impression that this money from Trimetric was never passed through the books of Scientific Custom Metal Products.

[] advised that S & S Precision, which was owned by [], contracted with a lot of various people to do individual jobs. He advised that in this way these individuals were able to report their own taxes and that S & S Precision did not have to pay any of their hospital benefits or Social Security. [] advised that [] was an individual that worked at S & S Precision, that he got paid this way, and that he formerly worked for the Bank of the West as a loan officer and dealt with []

[] advised that the shop foreman at Scientific Custom Metal Products is [] he is [], and his [] at S & S Precision. [] is well aware that work is done in Scientific Custom Metal Products' shop and that it is paid for by cash and does not go through the books.

[] also advised that [] offered to pay [] if the FBI ever wanted to talk to him.

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/18/82

[redacted] San Jose, California, advised the following.

He had worked for [redacted] when [redacted] was one of [redacted] along with [redacted] of Select Metal Products, Inc., located on Laurelwood Road in Santa Clara, California. [redacted] advised that [redacted] got out of the partnership and was paid off by [redacted]. He advised that [redacted] bought into the company and that [redacted] managed the shop and then he bought his own, Scientific Custom Metal Products.

[redacted] advised that the scuttle-butt among various people was that [redacted] was able to set up various buyers in various corporations that he did business with. [redacted] advised that it was also scuttle-butt that Select Metal Products was paying off [redacted] who was at Atari and also [redacted] who was at Atari.

Investigation on 6/18/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] /dma 366 Date dictated 6/18/82

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.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/11/82

[redacted] of P.S. Hurlbut, Inc., 382 Laurelwood Road, Santa Clara, California, 95050, telephone number (408) 988-4282, was advised of the identity of the interviewing Agents and advised the following. He has been working for Hurlbut, Inc., for approximately [redacted] and that their specialty is custom wood products.

[redacted] was advised that the FBI was investigating a business practice that was prevalent in Silicon Valley involving kickbacks to buyers of various corporations. [redacted] advised that he was aware that this type of activity went on but that their company did not need that type of business and refused to engage in that practice. [redacted] advised that around 1978 when [redacted] was doing business with Atari, they were in competition with a company across the street called Select Metal Products and that one of [redacted] was a [redacted] [redacted] advised that the buyer at Atari whom he dealt with was a [redacted] and [redacted] bought cabinets for Atari at that time. [redacted] advised that [redacted] never directly approached him for money for the business he received from Atari but that he made various hints which indicated to [redacted] that he was looking for something in exchange for the business he would give [redacted] from Atari. [redacted] advised that [redacted] that he got some trips on houseboats paid for [redacted] as a result of the business he would give Select Custom Metals. [redacted] also recalled one time having lunch with Flinn and Flinn advised him that he wanted to purchase a painting and was short on money and asked if Bassett would accompany him to get the painting. [redacted] advised that he understood the implication that Flinn was making and that he told Flinn that he had other things to do. [redacted] advised that during 1978 their business with Atari was very slim and he knew that Select Metal Products across the street was getting a lot of Atari's business. [redacted] further advised that this situation came to the management of Atari and that he later learned that Select Metal Products was underquoting them on \$100 items by approximately .25¢. [redacted] advised that this situation indicated to him that Flinn was passing on his quotes to Minyard. [redacted] advised that in the industry if a quote is within a couple of dollars in connection with a \$100 item that is considered extremely close. [redacted] further advised that he contacted [redacted] supervisor who was [redacted] and sent his quotes directly to Peria. [redacted] advised that Peria held on to his quotes until [redacted] quotes came in and then it became evident that Select Metal Products was not able to underbid [redacted] further advised

Investigation on 5/11/82 at Santa Clara, California File # SF 196B-808by SA [redacted] 367 Date dictated 5/11/82

SF 196B-808

that perhaps as a result of his complaints to Atari and maybe complaints by other people, [] left Atari and went to work for some other corporation whose name he does not know.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/28/82

[redacted] Los Altos, California, was advised of the identity of the interviewing Agents. [redacted] was advised that the FBI was conducting an investigation concerning the business practice of suppliers having to [redacted]

[redacted] advised that he was aware that this practice existed but that [redacted] this. He advised that [redacted] started around [redacted] of 1979 and that [redacted]. He advised that he incorporated sometime around May of 1980. [redacted] advised that around March of 1981, two other individuals, [redacted]

[redacted] joined the company. [redacted] advised that he came into the business with [redacted] and the other [redacted]

[redacted] advised that he is [redacted] with his other [redacted] [redacted] was shown a subpoena issued by the United States District Court of the Northern District of California, dated [redacted] 1982, directed to [redacted]

[redacted]

Investigation on 1/28/82 at Los Altos, California File # SF 196B-808

SA [redacted] b6
by SA [redacted] b7C 369 Date dictated 1/28/82

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/11/82

[redacted] Los Altos, California was interviewed in the office of his attorney, [redacted] at [redacted] San Jose, California. [redacted] was interviewed in the presence of [redacted] was advised of the official identities of the interviewing Agents. He was advised that he was being interviewed in [redacted]

[redacted]

Investigation on 3/11/82 at San Jose, California File # SF 196B-808

SA [redacted]
by SA [redacted]

b6
b7C

370

Date dictated 3/11/82

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

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.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/81

[redacted] were advised of the identities of the interviewing Special Agent and Accounting Technician at Scientific Custom Metal Products, Inc., 540 Parrot Street, San Jose, California and provided to these persons various documents connected with SCMP for these persons to review. During this time, [redacted] was asked by SA [redacted] what guidelines he, [redacted] used in determining whether the bill sent him by his various consultants were justified and correct. [redacted] advised there was a lot of information that he kept in his mind concerning work done by various consultants and he said that part of the norm used in determining whether the consulting fee was justified or not depended on the amount of business that the consultant would bring in.

[redacted] further commented on the way he determined the bills from consultants that part of this determination might depend on the volume of business brought in by the consultant and that it could be that this consultant was also a buyer for the corporation that [redacted] was doing business with. [redacted] advised that another factor in determining this bill would be the actual on site assistance of the consultant in which the consultant would lend his expertise to a job that required specialized tooling. [redacted] advised that it was his understanding that when he paid consultants, who were also buyers for big corporations, that SCMP did business with, that these buyers would pass no more information on to him than they would pass on to other competitive suppliers.

Investigation on 4/6/81 at San Jose, California File # SF 196B-808

AT [redacted]
by and [redacted] Date dictated 4/6/81

376

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 4/7/81

As a result of a subpoena directed to [redacted]

[redacted]
[redacted] California, the interviewing
Agents met with [redacted] and [redacted]
[redacted][redacted] served with a Grand Jury sub-
poena dated [redacted] 1981, on [redacted] 1981 by Special Agent
[redacted] The subpoena requested [redacted]Investigation on 3/18/81 at San Jose, California File # SF 196B-808SA [redacted] and
by Accounting Technician [redacted]

b6

b7C

Date dictated 3/24/81

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.

SF 196B-808
JWR/aa

3



b3

These documents have been placed in this file.

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 4/4/81

[redacted]
California, was advised as of the identity of the interviewing agents and the fact that the agents wished to talk to him concerning a practice that may be prevalent in Silicon Valley concerning kickbacks from venders to buyers of big corporations.

b6
b7c

[redacted] advised that he started at Atari on [redacted] 6, 1980, and that he was hired by [redacted]. [redacted] advised that he is a [redacted] and that he previously worked at Ampex and his date of birth is [redacted].

[redacted] was advised that he, himself, [redacted] receiving kickbacks from venders and that it would be in his best interest if he were to talk to the FBI concerning his involvement.

[redacted] advised that before talking about his involvement wished to contact his wife and would recontact the agents later on in the evening.

No additional information was obtained from [redacted]

Investigation on 2/18/81 at Sunnyvale, California File # 196B-808

by SAs [redacted] and [redacted] JWR/dk Date dictated 2/23/81

b6
b7c

378

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 4/6/81

[redacted]
Hayward, California, telephone number [redacted] appeared at the office of the Palo Alto Federal Bureau of Investigation and was advised of the identity of the interviewing Agent and the fact that the Agent wished to talk to her concerning her employment at Atari. [redacted] advised that she started with Atari on [redacted] 1980, and was hired through [redacted] who at that time was the purchasing agent at Atari. She advised that [redacted] had [redacted] Four Phase Systems, and that [redacted] advised that she was [redacted] to handle the maintenance, repair, and operations orders. She advised that [redacted] because she was capable and a good worker.

She advised that she is not aware of any buyers at Atari who are receiving kickbacks as a result of orders placed with any vendors. She advised that there is a lot of talk concerning different buyers, but she is not personally aware of any of this type of activity, nor is she herself engaged in any of this type of activity.

She advised that [redacted] Atari supposedly because [redacted] She advised she felt the reason [redacted] from Atari is because [redacted] do a professional job and [redacted] She felt that [redacted] was the one [redacted] and had told her while she was employed there that she had to prove that she could work as a team before she got a raise.

[redacted] advised that the scuttlebutt around Atari was that [redacted] when he worked for Hewlett Packard, was on the take.

She further advised that if the Federal Bureau of Investigation (FBI) were investigating possible kickbacks at Atari, a particular commodity that could bear looking into would be plastic injection molds which were sold through Atari by a Copper State, and that the representative of that company is a [redacted] She advised another commodity that could

Investigation on 3/16/81 at Palo Alto, California File # SF 196-808

by SA [redacted] / aa Date dictated 3/21/81

370

SF 196-808
JWR/aa

2

bear looking into would be solder in which Atari purchased about six thousand pounds of solder a month at five dollars a pound.

[] advised that if she could be of any further help to the FBI in their investigation, she would make herself available.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription April 10, 1981

[redacted]
and [redacted] at Atari Incorporated, 1265 Borregas Avenue, Sunnyvale, California, was advised of the identities of the interviewing Agents and the fact that the Agents wanted to talk to her concerning an investigation that was being conducted involving buyers at different companies receiving kickbacks from vendors as a result of favored treatment.

[redacted] advised that the rumor was very strong in Atari that [redacted] were on the take. Also involved with them and very close is [redacted] Scientific Custom Metals Products in Tucson. [redacted] advised that [redacted] has had about [redacted] cars in the last six or seven months and that he has very outwardly displayed expensive items such as a brand [redacted] [redacted] advised that she thought [redacted] was a very strange person, that he had a [redacted] and that he had a very wild attitude. [redacted] advised that [redacted] explains a lot of his expensive items as "other deals he has going".

[redacted] advised that she was told by [redacted] an expeditor, that [redacted] made a big display in the office of introducing [redacted] [redacted] advised that it was known by many that [redacted] had always been close friends with [redacted] [redacted] advised that she had heard from an individual whose name she would not reveal that [redacted] was on the take at Four-Phase. [redacted] advised that she has no way of verifying that fact and perhaps the person that told her that may be wrong. [redacted] advised that the following individuals would perhaps have additional information concerning kickbacks:

1. [redacted] an expeditor at Atari
2. [redacted] a former buyer at Atari
3. [redacted]

[redacted] advised that her home address is [redacted] California, and business telephone number 745-6870.

Investigation on 2/27/81 at Sunnyvale, California File # SF 196B-808
by SAs [redacted] JWR/lv Date dictated 2/27/81

381

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/26/811

A. [redacted] Auburn, Washington, was contacted at his residence. He was advised of the identity of the interviewing Agent and that the interviewing Agent desired to speak with him regarding matters relating to the electronics industry in which [redacted] is employed. [redacted] indicated that he did not desire to speak with the Agent at that time as he felt he needed to get approval from his employer and talk with his attorney. He advised that following this he would be agreeable to talking with the Agent in the presence of his attorney.

Investigation on 2/21/81 at Auburn, Washington File # SE 196B-392

by SA [redacted] sbk Date dictated 2/25/81

382

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.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/30/81

[redacted] Comptroller, Advanced Technology Laboratories, Inc. (ATL), 13208 Northrup Way, Bellevue, Washington, 98005, advised as follows:

A review of records of his company reflect that his company has purchased a steel cart from Two Suns, Inc. of Santa Clara, California. This cart was developed by the Engineering Department and bids were obtained from various companies by the Engineering Department. These bids ranged from \$197.00 to \$438.00 per cart. Following standard procedure, the information concerning the cart was furnished to the Purchasing Department and he recalls having seen a memo from [redacted] who is a purchasing manager, indicating that it would be possible to purchase the carts from Two Suns, Inc. for a price which he believes was approximately \$198.00. Upon review of the existing records concerning price quotations for these carts, he has located a quotation request form dated September 2, 1980. This form is handwritten and reflects the price for the carts at \$227.50 each for an order of 250 carts and \$215.00 each for an order of 500. This quotation request form is not signed by a representative of Two Suns but is signed by [redacted] the purchasing manager for ATL. This is unusual inasmuch as the form is generally completed and signed by the company giving the price quotation and it appears that the quotation may have been received by [redacted] over the telephone.

The company had not done business with Two Suns prior to this. It is possible, although he does not know this to be a fact, that [redacted] may have previously done business with Two Suns through a company by which he was previously employed and, therefore, consulted Two Suns for a bid in connection with these carts. This would not be unusual inasmuch as a buyer or other person in the Purchasing Department may know of sources in addition to those the company has previously used and these sources may be consulted for quotations.

[redacted] has been employed since [redacted] 1980 as a purchasing manager at ATL. Prior to that time he was employed for a short period of time as a consultant by ATL. It appears from reviewing the records that early dealings with Two Suns were handled by [redacted] however, subsequent dealings have been handled by a buyer with the first name of [redacted]. Contact with the supplier would normally be handled

Investigation on 1/28/81 at Bellevue, Washington
by SA [redacted] sbk Date dictated _____

383

SE 196B-392

by a buyer rather than the purchasing manager.

The records reflect his company has made four payments to Two Suns in connection with the purchase of carts. The first payment was October 25, 1980, in the amount of \$1,485.00. This was a payment for two Prototype carts at \$750.00 each, with a 1% discount. The second payment was December 25, 1980, in the amount of \$1,679.25, which represented payment of \$1,200.00 for carts and \$479.25 for tooling. The third payment was January 10, 1981, in the amount of \$2,300.00 which was payment for 10 carts at \$230.00 each. The last payment was January 23, 1981, in the amount of \$2,450.25 which was payment for 9 carts at \$275.00 each.

Upon reviewing all the documentation concerning dealings with Two Suns he has discovered that although the original quotation request for Two Suns was \$215.00 each for 500 carts and he believes a purchase order was issued in this amount, the billing from Two Suns has been for more than \$215.00 per cart. Ten carts were billed at \$230.00 each. In connection with the carts they were originally painted blue and white and subsequently some of the carts were ordered pumpkin rather than blue and thus were given a different part number, however, they were billed \$275.00 each for these carts. He feels that this price discrepancy is excessive for the minor difference in paint color.

Two Suns is currently delinquent in shipments inasmuch as carts which were due to be received in mid-January have not yet been received. It is possible that Two Suns may ask for an expediting charge in order to get the carts delivered in time; however, no indication of a request of this type has been received at this time.

FEDERAL BUREAU OF INVESTIGATION

1

3/18/81

Date of transcription

[redacted] Tally Corporation,
8301 S. 80th, Kent, Washington, advised that a review of his
records for the years of 1979 and 1980 reflect that his
company purchased no more than approximately \$3,000 worth
of materials from Scientific Custom Metals Company for
either of those years. He stated that his company has their
own sheet metal fabricating facility and, therefore, there is
very little purchasing of sheet metal from other manufacturers.

Investigation on 3/6/81 at Kent, Washington File # SE 196B-392
by SA [redacted] sbk 385 Date dictated 3/12/81

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/2/82

[redacted]
[redacted]
California, was advised of the identity of the interviewing Agent and the fact that the FBI was doing an investigation in Silicon Valley regarding suppliers having to pay buyers kickback fees.

[redacted] advised that he had heard rumor that such an investigation was going on and he also was aware that the practice of paying buyers kickbacks was also going on. [redacted] also advised that at one time [redacted]

[redacted] was provided with a subpoena directed to [redacted] issued by the United States District Court for the Northern District of California, dated [redacted] 1982. The subpoena requested

b3

Investigation on 2/1/82 at Santa Clara, California File # SF 196B-808

by SA [redacted]

dma

b6
b7CDate dictated 2/2/82

386

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 5/3/82

[redacted] Attorney, telephonically contacted the Palo Alto, California Resident Agency of the Federal Bureau of Investigation. [redacted] stated that he was calling as a follow-up to an FBI interview of his client, [redacted] 1982. [redacted] stated that the [redacted] would be available for pickup on [redacted], 1982. [redacted] stated that he would be out of town at that time. He requested that his client not be interviewed at that time since he would not be present. [redacted] stated that he discussed a few questions the interviewing Agent had raised in connection with a [redacted] then relayed [redacted] comments as follows:

[redacted] stated that his client acknowledged that he [redacted] within a two year period. [redacted] stated that [redacted] It was [redacted]

[redacted] stated that his client stated that he paid the firm [redacted] for cost accounting services. [redacted] advised that he was unaware that [redacted] had been listed on public records as a secretarial service business.

[redacted] stated that his client stated that he would have to examine the [redacted] before he could [redacted]

[redacted] advised that [redacted] was upset because he had recently received notification that the Internal Revenue Service intended to execute a complete audit of his [redacted] for the past five years. [redacted] expressed concern that his [redacted] would not be available for the IRS audit because they had been furnished to the FBI in compliance with a Federal Grand Jury subpoena.

Investigation on 4/20/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] /bav 387 Date dictated 4/21/82

FEDERAL BUREAU OF INVESTIGATION

b6
b7C

5/11/82

Date of transcription

[redacted] Tab Products Company, 1451 California Avenue, Palo Alto, California, was interviewed at his place of business. He was advised of the official identities of the interviewing Agents as well as the fact that he was being interviewed in connection with an investigation concerning allegations that kickbacks and bribes had to be paid in order to obtain certain manufacturing contracts. He was advised that he was being interviewed to determine the identity of a former Tab Products Company buyer who allegedly was fired for receiving kickbacks. [redacted] then supplied the following information:

[redacted] stated that he was aware of a situation that occurred in late 1979 at the Tab Products Company, Forms Handling Equipment Division. There were three employees involved in a scheme to fraudulently bill Tab Products for product finishing services. Tab Products received billings for painting and other finishing work from firms subsequently identified or closely associated with these three Tab Products Company employees. The services billed were never provided.

[redacted] advised that this information was developed based upon a complaint made to his father by the owner of Precision Metal Fabricators. The owner of Precision Metal Fabricators was a personal friend of his father. He pointed out to him that there was no basis in a dramatic decrease in Tab Products contracts with Precision Metal Fabricators. An investigation into this complaint disclosed the above described scheme.

[redacted] suggested that [redacted] at the Tab Products, Forms Handling Equipment Division, in San Jose, would have additional details concerning this scheme.

Investigation on 5/11/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] a 380 Date dictated 5/11/82

FEDERAL BUREAU OF INVESTIGATION

5/13/82

Date of transcription

[redacted] Tab Products Company, Forms Handling Equipment Division, 2390 Zanker, San Jose, California, was interviewed at his place of business. He was advised of the official identities of the interviewing Agents as well as the fact that he was being interviewed in connection with an investigation concerning allegations that kickbacks and bribes had to be paid in order to obtain certain manufacturing contracts. He was further advised that he was specifically being interviewed to determine the circumstances of the dismissal of former Tab Products senior buyer, [redacted] then supplied the following information:

[redacted] stated that he took over as [redacted] shortly after [redacted] left Tab Products. He stated that [redacted] did provide a letter of resignation at the time of her departure from Tab Products. In fact, [redacted] was the subject of an internal investigation concerning allegations that [redacted] at Tab Products, had engaged in a scheme to secure kickbacks from vendors and bill Tab Products for services that were not supplied. The firms J.M.L. Company and Altrac Company were utilized in the scheme. Warner and Mandella had an interest in J.M.L. Company. [redacted] were [redacted] in Altrac Company. [redacted] assistant at Tab Products, [redacted] also resigned her job at Tab Products in protest to the manner in which the Warner matter was handled. [redacted] subsequently took a job at Altrac Company.

[redacted] stated that he was not personally involved in this investigation. He stated that [redacted] a former Tab Products officer and Morrie Reader, a current Tab Products officer conducted an investigation. [redacted] completed an investigative report on this matter. [redacted] stated that he was unwilling to furnish a copy of this report since he was not sure whether it was proper to furnish this information to the FBI.

[redacted] stated that no specific information ever came to his attention concerning firms that made payoffs to obtain manufacturing contracts. He stated that he never ordered his buyers to cease doing business with firms because of rumors that payoffs were being offered. [redacted] further stated that he had never heard anything of this nature concerning the firm Scientific Custom Metal

Investigation on 5/11/82 at San Jose, California File # SF 196B-808
by SA [redacted] /dma 389 Date dictated 5/11/82

SF 196B-808

Products, Inc.

[redacted] supplied the following descriptive data concerning [redacted]

Full Name	[redacted]
Sex	Female
Race	Caucasian
Marital Status	Married to [redacted]
Children	[redacted]
Former Husband	Telephone [redacted]
Dates of Employment	Hired on [redacted] 1973 as a receptionist [redacted] 1979 as a senior buyer
Friend	[redacted] Telephone [redacted]
Last Known Address	[redacted] Aptos, California (as of [redacted] 1979)
Telephone Number	[redacted]

FEDERAL BUREAU OF INVESTIGATION

5/24/82

Date of transcription

[redacted] Los Altos, California, telephone number [redacted] was interviewed at his residence. He was advised of the official identity of the interviewing Agent. He was advised that he was being interviewed in connection with an investigation involving allegations that bribes and kickbacks had been solicited and paid to obtain manufacturing contracts. [redacted] stated that he had conducted an investigation concerning this same matter involving a former Tab Products [redacted] the provided the following information:

[redacted] stated that he was formerly employed as [redacted] for the Tab Products Forms Handling Division. [redacted] was Immediate Supervisor. [redacted] was Production Manager and [redacted] left Tab Metal Products and took a job as Quality Control Supervisor at Select Metal Products. After working at Select Metal Products for awhile [redacted] reported to [redacted] that [redacted] had been receiving kickbacks from Select Metal Products for Tab Products contracts. At that time [redacted] did not give much credence to this information since the informant had been the subject of a police investigation in which he had admitted being in possession of some stolen watches. Upon receipt of this allegation, [redacted] questioned [redacted] about Select Metal Products. [redacted] denied the allegation or receiving bribes and kickbacks. [redacted] dropped the matter primarily because he questioned the character of the source of the allegation.

About two years later, on [redacted] 1979, [redacted] who is a partner in the firm Airtronics Sheet Metal, Sunnyvale, California, contacted Tab Products to report that [redacted] was accepting kickbacks from [redacted] the [redacted] of Deco, in exchange for Tab Products business. [redacted] learned of this through [redacted] who is a personal friend and a former Deco employee. [redacted] was also formerly employed at Deco as a bookkeeper. [redacted] claimed that she made bookkeeping entries to conceal kickback payments. [redacted] stated that the kickbacks were paid in cash and offset on the books as cash withdrawals. [redacted] had made several off-hand comments to [redacted] indicating that he had made payments to Warner for Tab Products business. On October 23, 1979, [redacted] came forward himself and supplied this information to [redacted] who was a Tab Products Executive [redacted] in charge of the Forms Handling Division. [redacted] reacted to this information by interviewing [redacted] On November 6, 1979, [redacted]

Investigation on 5/24/82 at Los Altos, California File # SF 196B-808

by SA [redacted] /dma

391

Date dictated 5/24/82

SF 196B-808

denied paying kickbacks for Tab Products business. He accused [redacted] of deceiving him regarding future Tab Products business. [redacted] and [redacted] really did not accept [redacted] denial.

[redacted] continued his investigation into Warner's activities. He learned that Warner, her husband, Jack Warner, and Warner's Supervisor, John Mandella, were principals in two different firms that Tab Products did business with. These two firms were Altrac and J.M.L. Company. Jacobson considered this at the very least to be a serious conflict of interest.

b6
b7C

[redacted] also learned from [redacted] of Curtis Machine, San Jose, California that Streck had given [redacted] a \$4,000 interest free loan that was never paid back. This was done under the promise the [redacted] would provide additional Tab Products business.

[redacted] provided a copy of an internal confidential report that he had prepared for Tab Products concerning this matter.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/20/82

[redacted] Tab Products Inc., 2690 Hanover Avenue, Palo Alto, California, was interviewed at his place of business. He was advised of the official identity of the interviewing Agent. He was advised that he was being interviewed in connection with an investigation involving allegations that bribes and kickbacks had been solicited and paid to obtain manufacturing contracts. [redacted] was advised that he was specifically being interviewed to determine his knowledge of circumstances around the termination of former Tab Products Plant Manager, [redacted] and Tab Products Plant Manager, [redacted] stated that he was somewhat familiar with this matter and had assisted former Tab Products Forms Handling Division Manager, [redacted] [redacted] then supplied the following information:

[redacted] stated that the investigation into [redacted] and [redacted] activities began when he received a telephone call from an individual who initially did not disclose his identity. This person told [redacted] that [redacted] was receiving kickback payments from a sheet metal supplier for Tab Products. [redacted] told the caller that he could not act on this information because the caller refused to identify himself. [redacted] did inform [redacted] of the allegation. [redacted] learned that Tab Products was loosing on certain contracts handled by [redacted]. There was very little paperwork to justify special order premium prices paid to a certain sheet metal vendor. The vendor denied the allegations. He said that he was concerned that his reputation would be harmed because of these allegations. The vendor suggested that [redacted] alone might be at fault.

[redacted] investigation continued. He learned that [redacted] husband at that time, [redacted] and [redacted] had entered into a partnership to operate a machine shop. [redacted] learned that this firm was being paid by Tab Products for contract work. [redacted] also developed information that identified the anonymous caller as a sheet metal shop owner whose wife worked for the Tab Products vendor accused of making the kickback payments.

[redacted] stated that he could not recall the specific details of this matter. He stated that he cannot recall either the name of the person who first informed him that [redacted] was receiving kickbacks or the identity of the person who was the Tab Products vendor who was alleged to be making the bribe payments. [redacted] stated that [redacted] would provide that information as well as other specific information about this matter.

Investigation on 5/20/82 at Palo Alto, California File # SF 196B-808

by SA [redacted] /dma

393

Date dictated 5/20/82

FEDERAL BUREAU OF INVESTIGATION

5/17/82

Date of transcription

[redacted] who is also known as [redacted] and [redacted] was interviewed at her place of business, Dastek Corporation, 131 Albright Way, Los Gatos, California, where she is employed as a Purchasing Agent. [redacted] was advised of the official identities of the interviewing Agents. She was also advised that she was being interviewed in connection with an investigation involving allegations that bribes and kickbacks had been paid by certain vendors in order to obtain manufacturing contracts. [redacted] was further interviewed concerning her knowledge of the business of [redacted] the [redacted] Scientific Custom Metal Products, Inc. [redacted] then provided the following information:

[redacted] stated that for a period of time when she was employed as a buyer for Tab Products Inc., she maintained a close personal relationship with [redacted]. She advised that [redacted] never asked her to supply him with any bid information that would give him a competitive edge. [redacted] stated that [redacted] never offered her a bribe or anything else of value in order to secure a Tab Products contract. [redacted] noted that [redacted] provided an excellent quality product. [redacted] prices were always higher than his competitor's prices. Exceptions to authorize contracts to [redacted] at higher prices were always made by [redacted] supervisor, [redacted] and the Tab Products Accounting Department.

[redacted] stated that she has little knowledge of [redacted] other business activities. [redacted] never said or did anything that would indicate that he wanted to bribe or influence other buyers in order to obtain manufacturing contracts for his firm. She noted that [redacted] did socialize with buyers from other manufacturing firms including [redacted].

[redacted] advised that she [redacted] her position at Tab Products. She denied ever entering into a scheme to defraud Tab Products by authorizing payment for services that were never performed. She stated that her husband, [redacted] were [redacted] in the firm Altrac. She stated that this business relationship was considered by some at Tab Products to be a conflict of interest. She advised that there was never a conflict of interest and that special care was taken in any business contracts with Tab Products.

[redacted] stated that the last time that she has had contact with [redacted] was about [redacted] years ago when she left Tab Products.

Investigation on 5/17/82 at Los Gatos, California File # SF 196B-808

SA [redacted]
by SA [redacted] /dma

394

Date dictated 5/17/82

SF 196B-808

[redacted] stated that she currently resides at [redacted]
[redacted] California, and has residence phone number [redacted]

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

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

Total Deleted Page(s) ~ 109

Page 16 ~ Duplicate

Page 17 ~ Duplicate

Page 18 ~ Duplicate

Page 23 ~ Duplicate

Page 24 ~ Duplicate

Page 25 ~ Duplicate

Page 26 ~ Duplicate

Page 64 ~ b3

Page 65 ~ b3

Page 66 ~ b3

Page 67 ~ b3

Page 68 ~ b3

Page 69 ~ b3

Page 70 ~ b3

Page 72 ~ b3

Page 84 ~ b3

Page 93 ~ b3

Page 96 ~ b3

Page 102 ~ b3

Page 108 ~ b3

Page 115 ~ b3

Page 122 ~ b3

Page 128 ~ b3

Page 172 ~ b3

Page 177 ~ b3

Page 178 ~ b3

Page 220 ~ b3

Page 224 ~ b3

Page 228 ~ b3

Page 230 ~ b3

Page 233 ~ b3, b6, b7C

Page 235 ~ b3

Page 238 ~ b3

Page 239 ~ b3

Page 240 ~ b3

Page 241 ~ b3

Page 243 ~ b3

Page 244 ~ b3

Page 246 ~ b3

Page 247 ~ b3

Page 248 ~ b3

Page 249 ~ b3

Page 250 ~ b3

Page 251 ~ b3

Page 252 ~ b3
Page 253 ~ b3
Page 254 ~ b3
Page 255 ~ b3
Page 257 ~ b3
Page 258 ~ b3
Page 259 ~ b3
Page 260 ~ b3
Page 261 ~ b3
Page 262 ~ b3
Page 264 ~ b3
Page 265 ~ b3
Page 266 ~ b3
Page 267 ~ b3
Page 268 ~ b3
Page 269 ~ b3
Page 270 ~ b3
Page 271 ~ b3
Page 272 ~ b3
Page 273 ~ b3
Page 274 ~ b3
Page 276 ~ b3
Page 277 ~ b3
Page 278 ~ b3
Page 279 ~ b3
Page 280 ~ b3
Page 281 ~ b3
Page 282 ~ b3
Page 283 ~ b3
Page 284 ~ b3
Page 285 ~ b3
Page 286 ~ b3
Page 287 ~ b3
Page 288 ~ b3
Page 289 ~ b3
Page 290 ~ b3
Page 291 ~ b3
Page 292 ~ b3
Page 293 ~ b3
Page 294 ~ b3
Page 295 ~ b3
Page 296 ~ b3
Page 297 ~ b3
Page 298 ~ b3
Page 299 ~ b3
Page 300 ~ b3
Page 301 ~ b3
Page 302 ~ b3
Page 303 ~ b3
Page 304 ~ b3
Page 306 ~ b3

Page 337 ~ b3
Page 344 ~ b3
Page 348 ~ b3
Page 352 ~ b3
Page 353 ~ b3
Page 354 ~ b3
Page 355 ~ b3
Page 361 ~ b3
Page 369 ~ b3
Page 370 ~ b3
Page 385 ~ b3
Page 386 ~ b3
Page 387 ~ b3
Page 390 ~ b3