

# Salad Oil Mess May Eventually Amount To \$150 Million Scandal

NEW YORK (UPI) — To a horde of investigators wading through the burgeoning edible oil scandal, the mess resembles an iceberg — most of it hidden from view.

But observers say that then all the facts are brought to the surface, the scandal may reveal \$150 million in skulduggery.

A scorecard won't be large enough to list the potential losers and victims.

These already include a number of bankrupt edible oil firms and their employees, two large Wall Street brokerage companies, American banks, foreign banks and insurance companies.

The big loser, however, may well be Mrs. American Housewife every time she buys salad oil for the dinner table.

As things now stand, the public will have to pick up the tab for costly government investigations no matter how the whole business turns out.

**Oil "Disappears"**

The crux of the matter is a huge amount of edible oil which "disappeared" from a big tank farm in Bayonne, N. J.

How much oil is missing, who took it, where did it go and where can it be found? The answers are being sought by a federal grand jury, private detectives, lawyers and a host of auditors who would make the investigative staff of the Internal Revenue Service envious.

The answers won't come easy, according to all appearances and the testimony of Nicholas Papaccio.

Papaccio, a former employee of Allied Crude Vegetable Oil Refining Corp., testified in U.S. District Court in Newark, N. J., in connection with his firm's bankruptcy proceedings.

He said it was simple to transfer oil from one tank to another at the 200-unit storage tank farm in Bayonne. Not all the tanks are used by the same firms. The tanks are connected above and below ground by an involved system of transfer pipelines, and once the oil from one tank is piped into another, it is next to impossible to trace it.

**Files Destroyed**

Files dealing with the assignment of some of those tanks were destroyed by fire, and harassed investigators reported difficulties in matching logs on other tanks with listed owners or leases.

The whole business came to light when Allied Crude filed for reorganization under Chapter II of the Bankruptcy Act last month. The firm had failed to cover multi-million-dollar margin calls on positions in vegetable oil futures.

This means that Allied, which had purchased the oil on credit in hope of selling it at a profit, was unable to come up with the balance of its payments.

The first phase of the mess was confined mostly to the futures market. Two Wall Street houses, Ira Haupt & Co. and J. R. Williston & Beane, which had acted for Allied Crude in oil dealings, were suspended by the New York Stock Exchange after Allied Crude failed to meet their margin calls.

Ultimately, Ira Haupt was liquidated with the New York Stock Exchange stepping in with up to \$12 million to care for its customers; J. R. Williston & Beane was acquired by another member firm.

**Leads To Inquiries**

This sparked a series of investigations dealing with the futures market in general, the results of which are not in yet.

While Phase One has not run its course, Phase Two — in the search for the oil itself — is in full swing.

Lawyers for Allied Crude obtained an injunction preventing two other firms with tanks in Bayonne from removing oil from their tanks.

Ravin & Ravin, attorneys for the Allied Crude receiver, said it had information that oil belonging to Allied Crude had been "diverted" to Hudson Tank Storage Co. and International Refining and Packaging Co.

Another oil storage firm, Harbor Tank Storage Co. of West New York, N.Y., which leases 41 Bayonne tanks from Allied, filed for reorganization under bankruptcy laws last week. The firm listed its debt at \$225,000 but said its contingent liabilities could go as high as \$40 million.

Harbor Tank said claims in an "unknown amount" have

been made against it for the delivery of certain edible oils against which certain warehouse receipts allegedly have been issued in connection with Allied Crude.

**Seeks Missing Oil**

Meanwhile, Bunge Corp., a large exporter of agricultural products, is pursuing its own investigation in an effort to locate 600 million pounds of vegetable oil it said was removed from tanks of another firm in Bayonne — American Express Warehousing, Ltd.—last month.

Bunge said it has receipts for 160 million pounds of oil, but only seven million pounds can be located.

Last week, the Senate permanent investigations subcommittee said it would look into the situation to see if present laws

covering purchase and sale of commodities need strengthening. At least two Department of Agriculture agencies have moved into the picture, as have FBI and the Securities and Exchange Commission. A federal grand jury also put its ear into the muddled waters.

The investigations, however, have been stymied because Anthony De Angelis, Allied Crude's president, declined to answer questions relating to the case at the Newark bankruptcy hearings.

Federal bankruptcy referee William Tallyn ordered De Angelis and Ben Rotello, controller of Allied, to show cause by Wednesday before a federal judge why they should not be

sent to prison "or otherwise dealt with" for refusing to answer.

De Angelis denied reports that he built up his huge positions in cottonseed and soybean oil futures on the premise that contracts would move higher if the Soviet Union turns its interest from gains to edible oils.

He said his positions were built up long before the commodity "thaw" with Russia.

At any rate, there was a sharp decline in vegetable oil

HERALD AND NEWS, Klamath Falls, Oregon Monday, December 16, 1963 PAGE-7

HERALD AND NEWS, Klamath Falls, Oregon Monday, December 16, 1963 PAGE-7

HERALD AND NEWS, Klamath Falls, Oregon Monday, December 16, 1963 PAGE-7

HERALD AND NEWS, Klamath Falls, Oregon Monday, December 16, 1963 PAGE-7

HERALD AND NEWS, Klamath Falls, Oregon Monday, December 16, 1963 PAGE-7

## JUST BEFORE CHRISTMAS-THE OUTDOOR-STORE CLEANS HOUSE!

# CLEARANCE SALE

We've got to reduce inventory before the first of the year, so we've slashed prices in every department now, just before Christmas... savings you can't afford to miss! Remember, this is a NEW store with all NEW merchandise... now at tremendous discount prices!

Hours 8:30 AM - 9 PM EVERY DAY

Shop this timely sale... Buy now for Christmas giving!

### OUR LOSS - YOUR GAIN!

**Famous LEE RIDERS**

These are 13 3/4 oz. denim, the authentic cowboy pants. Inventory sale

**\$3 29**

**Insulated RUBBER PACS**

By Goodyear. 9 eyelet full lace, heavy insulation, steel shank. Keep your feet warm. Inventory Sale

**\$6 88**

**Boy's Levi WOOL SHIRTS**

Wash 'n Wear — machine washable! Large selection of patterns and colors, sizes 10-12-14-16-18-20. Reg. \$8.95 Inventory sale

**\$4 88**

**TANKER JACKETS**

Quilted and insulated for warmth—water repellent with knit cuffs and collar. Inventory sale price

**\$5 88**

Reg. \$7.95

**DACRON VESTS**

5-oz. Dacron filled, nylon shell. Long kidney back, high knit collar. Red or brown color. Inventory sale price

**\$5 88**

**GENUINE SHEEPSKIN VESTS**

Extra long, kidney back, high collar. Genuine... NOT synthetic! Reg. 14.95. Inventory sale price

**\$9 88**

**Men's & Women's Hooded SKI JACKETS**

Loc. Full zipper pockets. Heavy nylon pile lining, a Collins and Aikman fabric. Hood attached, washable. In black or red. Reg. 19.95. Inventory sale price

**\$11 88**

by White Stag

**SLEEPING BAGS**

By White Stag 3 pound Dacron "88" filled. Full zipper pair model, genuine heavy flannel lined. Air mattress pocket, water repellent cover. Full size, 36"x80". Reg. 19.95. Inventory sale

**\$13 88**

Famous original

**Chippewa Mountain Boot**

These boots have the non-slip "Mountain" sole... "Vibram" made in Switzerland. Canadian veal tan upper. Reg. 29.95. Inventory sale

**\$17 88**

Black Bear

**WHIPCORD PANTS**

Nylon blend, heavy 18 oz. weight. Green or gray colors, all sizes. Inventory sale

**\$6 88**

**COTTON T-SHIRTS**

Heavy weight, full combed cotton in white. Sizes S-M-L. Reg. 95c value. Inventory sale 3 for 1

**\$1**

**COTTON BRIEFS**

For men. Full combed cotton. Sizes S-M-L. Reg. 95c value. Inventory sale 3 for 1

**\$1**

**THERMAL KNIT UNDERWEAR**

Each

Warmth without weight. Traps body heat to give warmth without bulk. Washable, no shrinkage. Shirts and drawers — Inventory sale price, each

**\$1 28**

**TURTLE NECK T-SHIRTS**

Heavyweight, long or short sleeves, every color of the rainbow. All sizes. Reg. 2.95. Inventory sale

**\$1 98**

**COWBOY BOOTS**

Famous name brands... Nacona, Tony Llama, Acme. All styles of heels, walking, dogger and riding; all heights, 12" to 16".

**ALL AT DISCOUNT PRICES!**

Men's

**DOESKIN SLACKS**

"Golden Luxury" washable Scotch-Gard slacks. Superior styling, non-itch, tremendous strength, brown, charcoal, gray, green. Sizes 32-46. Reg. 9.95 pair. Inventory sale

**\$6 88**

**SHEEP LINED HOUSE SHOE**

By Dunham. Heavy leather sole, rubber heel, permanent counter. Warm sheep lined. All sizes. Reg. \$6.95 — Inventory sale

**\$4 68**

**LEISURE LO-CUT**

Eze sponge sole, double tanned calf upper, elastic gore for comfort. Real value! All sizes. Reg. \$8.95. Inventory sale

**\$6 88**

**NORFLEX WORK SHOES**

6-inch leather upper, heavy sponge rubber sole. Plain toe, Goodyear storm welt. All sizes. Reg. \$7.98... Inventory sale

**\$3 98**

**DACRON VESTS**

5-oz. Dacron filled. Light weight, washable. Two pockets. Special

**\$4 88**

**JACKETS B-29**

Heavy 16-oz. wool, quilted lining. Finger tip length with Mountain cloth shell, Water repellent. 4 pockets. Regular 15.95. Inventory sale

**\$10 88**

**Western Style COATS**

By Land 'N Lakes. Wool and cashmere by Schuster. Beautiful taffeta lined, long and regular styles. Washable, quick drying. Several colors. Reg. 26.95. Inventory sale

**\$21 88**

Boy's Dacron

**SKI JACKETS**

All Nylon gold, reversible to red. Washable, water repellent. Full zipper front, 2 zipper pockets. All sizes S-M-L. Reg. 17.95 Inventory sale

**\$11 88**

6x30

**BINOCULARS**

Center focus, coated optics & coated prisms. Fully guaranteed. Complete with leather case and straps. Reg. 29.95 Sale

**\$17 88**

**GENUINE MOCCASINS**

Double tanned upper, complete leather thong laced. Heavy rubber sole, double stitched. All sizes. Reg. 7.95 Inventory sale

**\$5 48**

**FISHING EQUIPMENT**

All At 40% OFF List

Names brand List

Includes: rods, reels, lures, jugs, bait, tackle, and accessories. These are name brands — Garcia, Quik, Fenwick, Heddon, Oconn City, Montague and all others. Save now!

**BLUE CHAMBRAY SHIRTS**

Good weight, Sanforized and full cut. Two pockets. Inventory sale

**98c**

**Men's & Women's INSULATED COVERALLS**

Outer shell completely laminated to Scott foam. Heavy Nylon lining, windproof sleeves with knit cuff. Take up bottoms. Full 2-way zipper. Completely washable... warmth without weight. "Blizzard proof" 1-pc. suit. Inventory sale

**\$18 88**

**THE OUTDOOR STORE**

Shop 'til 9 p.m. Every Night This Week!

618 Main Ph. 2-6027

**COMPLETE STOCK OF RE-LOADING COMPONENTS**

Everything for the Reloader at Discount Prices!

**CONVERSE CHEST HIGH WADERS**

Famous "Rod & Reel" model. All rubber with heavy boot foot. Finest wader made. Sizes 6 thru 12. Reg. \$24.95. Inventory sale

**\$16 88**

**Famous "Falcon" brand LEATHER BOOTS**

8-inch oil tanned upper, moccasin toe, cushion insole. Full neoprene sole and heel are all resistant. No nail! Ideal boot for work or sports. All sizes. Reg. \$12.95. Inventory sale

**\$8 88**

**LUCAS FURNITURE**

195 E. Main

**OPEN EVERY NIGHT Till 8 PM**

**STOREWIDE SALE IN PROGRESS**

**LUCAS**



Herald and News