FEDERAL BUREAU OF INVESTIGATION
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FD-36 (Rev. 3-24-77)

FBI

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☐ Teletype	☐ Immediate	☐ TOP SECRET
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☒ Airtel	☐ Routine	☐ CONFIDENTIAL
		☐ E F T O
		☐ CLEAR

Date 1/19/79

TO: DIRECTOR, FBI

FROM: SAC, SAN FRANCISCO (122-312) (P) (SJRA)

RE: BERNARD MARCUS, FORMER PRESIDENT;
[redacted] FORMER TREASURER; b6 b7C
UNKNOWN SUBJECTS,
DAYLIN, INC.
HANDY DAN HOME IMPROVEMENT
CENTERS, INC.
dba ANGELS DO-IT-YOURSELF HOME CENTER
SAN JOSE, CALIFORNIA
LMRA
OO: SF

For information of the Bureau, [redacted] Chief, Criminal Division, United States Attorney's Office, San Francisco, Calif., has requested the San Francisco Division to conduct a limited investigation in connection with a complaint made by [redacted] Local 428, San Jose, CA.

Retail Clerks Local 428 had a collective bargaining agreement with Handy Dan which covered 178 employees in San Jose, California. An employee committee filed a Decertification Petition with NLRB and the employees held a representation election, which was won by the Union. [redacted] advised that the union subsequently learned from a "Wall Street Journal" article dated 11/29/78 that BERNARD MARCUS and [redacted] were fired for providing $140,000 to the Handy Dan Employee Committee to finance the Decertification Drive. b6 b7C

DE-8

122-51301-1

REC-37

23 JAN 24 1979

2 - Bureau
2 - San Francisco
[redacted]
(4)

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57APR 9

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

FBI/DOJ

SF 122-312

[redacted]

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San Francisco will contact officials of Retail Clerks Local #428 and members of the Handy Dan's Employee Committee to determine if Handy Dan paid $140,000 to finance the Decertification Drive.

FD-272 (Rev. 3-3-59)

FEDERAL BUREAU OF INVESTIGATION

Reporting Office	Office of Origin	Date	Investigative Period
SAN FRANCISCO	SAN FRANCISCO	3/5/82	12/27/78 - 2/24/82

Title of Case

"CHANGED"

BERNARD MARCUS,
Former President;
[redacted]
Former Treasurer;
[redacted]

Report made by: SA [redacted] Typed By: [redacted]

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Character of Case

LMRA [redacted]

Former Director of Personnel;
DAYLIN, INCORPORATED
HANDY DAN HOME IMPROVEMENT CENTERS, INCORPORATED, dba
ANGELS DO-IT-YOURSELF HOME CENTER,
San Jose, California

P R O S E C U T I V E

Title marked "Changed" to include middle name for subject [redacted] to include name of subject [redacted] and to delete unknown subjects from title.

REFERENCE:

San Francisco airtel to Director, 1/19/79.

Photo Pgs B1, B2, D2, E1, H1, I

CC TO: INTAS - CTAC
SEQ. REC'D 1-21-88
FEB 16 1988
[redacted]

Re: [redacted]

Approved	Special Agent in Charge	Do not write in spaces below
[redacted]		

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Copies made: 2cc 302 3-30-82 [redacted]

3 - Bureau (122-5130)
2 - Criminal Division, USDJ
1 - USA, San Francisco
(Attn: AUSA [redacted]
1 - San Francisco (122B-312)

12-5130-2 V-12

DEA

MAR 30 1982

Notations:

[redacted]

A*
COVER PAGE

FD-517 (12-2-77)

FEDERAL BUREAU OF INVESTIGATION

PROSECUTIVE REPORT OF INVESTIGATION CONCERNING

BERNARD MARCUS,
Former President;
[redacted]
Former Treasurer;
[redacted]
Former Director of Personnel;
Daylin, Incorporated,
Handy Dan Home Improvement Centers
Incorporated, Doing Business As
Angels Do-It-Yourself Home Center,
San Jose, California
LABOR MANAGEMENT RELATIONS ACT

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FBI/DOJ

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FD-518 (12-2-77)

Copy to: 1 - USA, San Francisco
(Attn: AUSA [redacted])

Report of: SA [redacted] Office: San Francisco b6 b7C
Date: 3/5/82

Field Office File #: 122B-312 Bureau File #: 122-5130

Narrative of Offense:

This investigation was instituted on 12/27/78 upon receipt of a request from [redacted], Chief, Criminal Division, United States Attorneys Office, San Francisco, California. AUSA [redacted] had been in receipt of a letter from the San Francisco Office of the Labor-Management Services Administration (LMSA). The LMSA had received information from a complainant, [redacted] an attorney representing the Retail Store Employees Union, Local 428, San Jose, California, alleging that $140,000 had been paid by Handy Dan Home Improvement Centers to a employee committee to finance a decertification drive in connection with a August 10, 1977 representation election. b6 b7C

In Janaury of 1978, Handy Dan Home Improvement Center Incorporated became a wholly owned subsidiary of Daylin, Incorporated. Angels Do-It-Yourself Center, San Jose, California was the operating Division of Handy Dan. As of 1977, the corporation operated approximately sixty-five stores on a nationwide basis. The only four stores in the chain that were union stores were located in the San Jose, California area.

In February of 1976, [redacted] hired [redacted] to work in San Jose and [redacted] to San Jose, California from Fresno, California to direct a decertification drive. b6 b7C

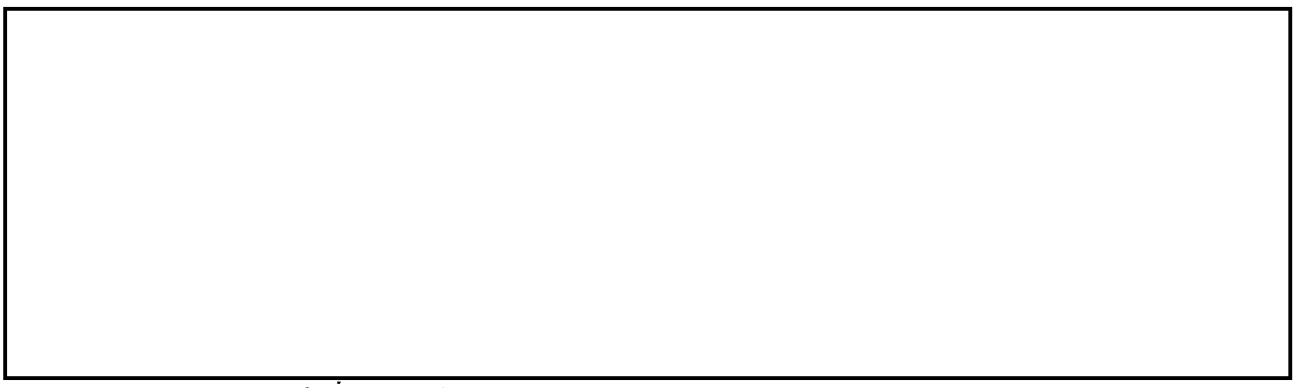
Investigation revealed that from early 1977 through early 1978 approximately $140,000 in corporate funds (Angels Division Funds) were provided to [redacted] in the San Jose area. These funds were provided to employees for the purpose of influencing them in their support of the company position in a union decertification drive. Numerous employees have admitted receiving cash (over and above wages) usually received in plain envelopes. b6 b7C

[redacted] have admitted helping [redacted]

[redacted] CPA, [redacted] explained that [redacted] b6 b7C

FBI/DOJ

SF 122B-312



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SF 122B-312

Enclosed for the United States Attorney, San Francisco, California are three Securities and Exchange Commission Official transcripts regarding witnesses [redacted] Bernard Marcus, and [redacted]

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SF 122B-312

NAME OF DEFENDANTS:

1. BERNARD MARCUS, described as:

Race	White
Sex	Male
Date of birth	5/12/29
Height	6'1"
Weight	175
Hair	Auburn
Eyes	Blue
Driver's license No.	Georgia 020454209
Address (as of 6/80)	680 River Chase Point Atlanta, Georgia

SF 122B-312

2. [ ] described as:

b6
b7C

Race
Sex
Date of birth
Place of birth
Height
Weight
Eyes
Address

Dirver's license No.

[ ]

SF 122B-312

3. [redacted] described as:

b6
b7C

Race
Sex
Date of birth
Place of birth
Height
Weight
Eyes
Address

Driver's license No.

[redacted]

SF 122B-312

PROSECUTIVE STATUS:

1. On December 27, 1978, [redacted] Chief, Criminal Division, United States Attorneys Office, San Francisco, California requested that the San Francisco Division of the Federal Bureau of Investigation conduct a limited investigation into the activities of Bernard Marcus and [redacted] in connection with a complaint made by [redacted] Attorney for the Retail Clerks Union, Local 428, San Jose, California. b6 b7C

2. On February 5, 1979, the facts of this matter were discussed with AUSA [redacted] AUSA [redacted] requested that it be determined if the National Labor Relation Board (NLRB) had a hearing in connection with the allegation that subject corporation gave additional compensation to employees who campaigned to vote against the union in the August 10, 1977 representation election.

3. On February 16, 1979, the facts of this case were again discussed with AUSA [redacted] AUSA [redacted] was advised that the NLRB did not hold a hearing in connection with the allegation that Daylin, Incorporated gave additional compensation to employees who campaigned to vote out the Retail Clerks Union. AUSA [redacted] advised that he would consider prosecution in this matter if the facts of the allegation could be substantiated. b6 b7C

4. During March of 1980, the facts of this case were discussed with AUSA [redacted] San Jose, California, during which time AUSA [redacted] was provided with numerous documents as obtained from the Securities and Exchange Commission (SEC), Los Angeles, California. AUSA [redacted] was informed that the SEC had been conducting an investigation regarding Daylin Incorporated. AUSA [redacted] requested that the Federal Bureau of Investigation's investigation into this matter continue with the thrust of the investigation concentrating on high management officials of Handy Dan and Daylin.

5. On February 4, 1982, AUSA [redacted] San Jose, California was recontacted to determine if he would consider presentation of this matter to a Federal Grand Jury (FGJ). AUSA [redacted] requested that he be provided with a written report prior to rendering a decision.

SF 122B-312

WITNESSES:

1. [redacted] b6 b7C

Telephone number [redacted]

[redacted]

Full text of interview pages 29 - 35, attached.

2. [redacted] b6 b7C

Telephone number [redacted]

[redacted]

Full text of interview pages 60 - 63, attached.

3. [redacted] b6 b7C

Telephone number [redacted]

[redacted]

Full text of interview pages 10 - 14, attached.

SF 122B-312

WITNESSES:

4. [redacted] b6 b7C

Full text of interview pages 8 and 9, attached.

5. [redacted] b6 b7C

Telephone number [redacted]

[redacted]

Full text of interview pages 23 - 25, attached.

6. [redacted]

[redacted]

Full text of interview pages 15 - 17, attached.

7. [redacted] b6 b7C

Full text of interview pages 26 - 28, attached.

SF 122B-312

WITNESSES:

8. [redacted] b6 b7C

Full text of interview pages 44 - 47, attached.

SF 122B-312

EVIDENCE:

A. Documents, as described below, as received from the Securities and Exchange Commission, Los Angeles, California:

1. Transcript of testimony of [redacted] of July 21, 1978. (Daylin (LA-266)) b6 b7C

2. Transcript of testimony of Bernard Marcus of July 7, 1978. (Daylin (LA-266))

3. Request to the Commission by the Commission's Los Angeles Regional Office (dated September 1, 1978) that a private investigation be instituted (Daylin (LA-266))

4. Documents obtained from Uarco Corporation (a corporation in litigation with Daylin)

   a. File entitled "Handy Dan - ~~confidential~~" (stamped by the Commission LA 266 001)

   b. File entitled "Union activities Northern Calif."

5. Transcript of testimony of [redacted] (11/14/78) b6 b7C

6. Daylin Organization Chart

7. Handy Dan - Names and addresses for former Hand Dan employees

8. Miscellaneous Commission Filings for Daylin and Hand Dan.

9. Daylin - Telephone notes of meetings

10. Daylin - Notes of interview

11. Miscellaneous Document and Witness Envelopes

12. Daylin - Subpoena copies

Evidence is in possession of the Federal Bureau of Investigation, San Jose, California.

SF 122B-312

UNPRODUCTIVE INVESTIGATION:

1. [redacted] 1256 Market Street, San Francisco, California, [redacted] was unable to provide any specific information and/or evidence to prove Handy Dan's management permitted the accumulation of a cash fund or permitted payment to employees to induce them to favor Handy Dan in the dispute with Local 428. b6 b7C

2. Bernard Marcus, represented by attorney [redacted] telephone number [redacted] represented by attorney [redacted] telephone number [redacted], declined to submit to interview regarding this matter. b6 b7C

3. [redacted] Blossom Hill Store, San Jose, California declined to submit to interview without first being provided with a written list of questions to be asked.

4. [redacted] Angels Headquarters in Los Angeles, California, refused to provide requested current address and telephone number for employee [redacted]

SF 122B-312

IDENTIFICATION RECORDS:

1. No identifiable arrest record is on file at the Federal Bureau of Investigation Identification Division for Bernard Marcus, [redacted] [redacted]

b6
b7C

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(REPORT FORMS (FD-302s)

b6
b7C

FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/19/79

[redacted] Retail Store Employees Union, Local 428, AFL-CIO, 240 S. Market Street, San Jose, California, telephone number [redacted] was contacted concerning HANDY DAN, doing business as ANGELS-DO IT YOURSELF HOME CENTERS. Present during the interview was [redacted] Local 428, and union Business Agent for the Angels stores. b6 b7C

[redacted] advised that Local 428 had a collective bargaining agreement with HANDY DAN, which covered approximately 178 employees in four stores located in San Jose, California. In May, 1977, an employee committee filed a Decertification Petition with the NLRB. The employees of Angels held a representation election on August 10, 1977 and they voted to retain the Retail Store Employees Union. The union won this election by two votes.

[redacted] stated that union officials had heard rumors during the decertification drive that the HANDY DAN management was financing the employee committee seeking decertification. HANDY DAN was alleged to have sent one of their security guards to San Jose and rented an apartment in order to hold strategy meetings and employee parties. b6 b7C

[redacted] advised that there rumors were confirmed when a "Wall Street Journal" article dated November 29, 1978, revealed that HANDY DAN's management had used a cash fund of $140,000 to induce employees to vote out the union. b6 b7C

[redacted] stated that [redacted]

In October, 1978, [redacted] was telephonically advised by [redacted] that [redacted] HANDY DAN, Los Angeles, California, had brought attache cases full of money to San Jose to be distributed to employees running the decertification drive. [redacted] can be located in

Interviewed on 1/19/79 at San Jose, California File # SF 122-312

b6 b7C

by SA [redacted] Date dictated 1/19/79

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[redacted]

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Wilseyville, California, telephone number [redacted]
The "Wall Street Journal" article stated that [redacted] was terminated by HANDY DAN for unauthorized business practices.

[redacted] made available a list of Angel's employees who supported [redacted] during the decertification drive. [redacted] were active members of the employee committee that filed the decertification petition.

FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/14/79

[redacted] b6 b7C
California, telephone number [redacted], advised he is employed as [redacted] Calif., Angels Do It Yourself Home Center.

[redacted] stated he was employed by Angels in 1977 when the employees filed a decertification petition in connection with the collective bargaining agreement between Angels and the retail store employees union Local 428. [redacted] stated there were rumors that the corporate management of Angels was financing the decertification drive. b6 b7C

[redacted] stated that in November, 1978, he learned that the "Wall Street Journal" ran an article stating that HANDY DAN, doing business as Angels, had paid $140,000 to employees of Angels to vote out the union.

[redacted] advised that on October 14, 1978, he called [redacted] California. [redacted] was [redacted] provided the following information: b6 b7C

[redacted] b6 b7C
HANDY DAN, Los Angeles, California, [redacted]

[redacted] b6 b7C
[redacted] Calif., store to the Campbell store to organize and participate in the decertification drive.

[redacted] for HANDY DAN in Los Angeles, [redacted] Calif., [redacted]

Interviewed on 2/2/79 at San Jose, California File # SF 122-312

b6 b7C

by SA [redacted] Date dictated 2/7/79

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[redacted] b6 b7C

[redacted]

[redacted] was given money to [redacted]

[redacted] stated that [redacted] b6 b7C

[redacted] during the decertification drive and probably received money from [redacted] to distribute to other employees.

FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/28/79

[redacted] b6 b7C upon being advised of the identity of the interviewing Agent furnished the following information:

[redacted] advised that [redacted] b6 b7C He advised that he was working in the Campbell Store of Handy Dan during the decertification drive. He stated he was not part of the Decertification Committee, however, he did sign the petition to get the union out.

[redacted] advised that while he was at the store he was approached by neither management nor the union in an attempt to solicit his vote one way or the other.

[redacted] advised that when [redacted] b6 b7C He advised he [redacted] He advised that [redacted]

[redacted] advised that he is unaware of anyone receiving money from management for the purpose of obtaining a vote to decertify the union.

[redacted] advised that the day before the decertification election, management threw a party for all employees at the LeBaron Hotel in San Jose. [redacted] attended this party, however, no speeches by either management or union were given and no pressure was placed upon him for his vote either way.

[redacted] advised he is only interested in earning a decent living for himself and his family.

b6 b7C

Interviewed on 3/15/79 at Campbell, California File # SF 122-312-(1)

by SA [redacted] Date dictated 3/16/79

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription April 13, 1979

[redacted] b6 b7C
California, upon being advised of the identity of the interviewing Agent, furnished the following information:

[redacted] advised she is presently employed by [redacted] California.

[redacted] advised that [redacted] advised during this period of time [redacted] at the Campbell store located at 1750 South Bascom Avenue.

[redacted] advised that she supported the union decertification drive at Angel's in August, 1977. She stated that she asked people to sign the petition to get rid of the union because she did not like being in the Retail Clerk's union. She advised she became disillusioned with the union when she and other employees of Angel's were assessed when the butchers went on strike. b6 b7C

[redacted] advised that she had discussed [redacted] b6 b7C

[redacted] stated that subsequently to this, [redacted] b6 b7C

Interviewed on 4/3/79 at Campbell, California File # SF 122-312

by SA [redacted] Date dictated 4/5/79 b6 b7C

[redacted] b6 b7C

had "X amount of dollars to spend" in support of the decertification drive.

[redacted] advised that she did not receive any stock or any other money or assets from [redacted] or other representatives of management for her support of the decertification drive.

[redacted] advised that by hearsay only, she heard [redacted] b6 b7C

[redacted] stated that after [redacted] b6 b7C

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/10/79

[redacted] was interviewed at his place of employment, [redacted] California, [redacted] was advised of the identity of the interviewing Agent and that he was to be interviewed concerning his knowledge of a decertification drive that occurred in the fall of 1978, at Handy Dan's Store in San Jose, California. [redacted] stated that [redacted]

b6
b7C

When he first arrived at the San Jose store [redacted] As a result he [redacted] Toward the end of the decertification drive [redacted]

b6
b7C

[redacted] however continued working for decertification and when the drive failed he felt very depressed because of the amount of work he had put into the decertification drive.

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b7C

Subject to the decertification drive [redacted]

[redacted] advised that he believes that he was not treated fairly by Handy Dan both because of [redacted] He stated

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b7C

Investigation on 5/4/79 at Arnold, California File # SC 122-18
SF 122-312

by SA [redacted] Date dictated 5/8/79

b6
b7C

stated that

stated that on or about May , 1979, he received a telephone call from had been contacted by the FBI and when During the conversation made a statement to indicated that the

b6
b7C

never specifically told not to speak to the FBI, but merely pointed out what in his opinion the results would be.

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also indicated to

again stated made no but he definitely felt that

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b7C

stated that he was upset with

advised that he was reluctant to furnish any information to the FBI because he first of all felt nothing would be done and secondly because of the possible detrimental effect it would have on During the interview, however, did furnish the following information:

As previously stated in the fall of 1978, he

[redacted]

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b7C

[redacted]

b6
b7C

[redacted] stated that [redacted]

b6
b7C

[redacted]

[redacted] recalled on several occasions he observed [redacted] b6 b7C

The money was provided to the above employees with the hope that they would become pro-management in the ongoing decertification drive. The employees were never specifically instructed how to vote and the company did not withhold any moneys from anyone or require anyone to pay back any moneys if they did not agree with the management position. Money, however, was only furnished to those whom the company thought would eventually vote for the decertification. The company never followed up to determine if the money furnished the employees was actually paid to the Union.

During this period, exact date not recalled, [redacted] b6 b7C

[redacted] advised that one [redacted] was employed as the [redacted] in attempts to persuade them to the management's position in the decertification drive. The expenses including the cost of [redacted], various liquor bills, food bills, and other sundry items.

These expenses were charged as general business expenses against [redacted] store and other stores in the Handy Dan chain. [redacted] stated that he did not think it would be possible to review the books during the pertinent period and to isolate the expenses that were incurred by [redacted] b6 b7C

[redacted] has no personal knowledge as to the total amount of money spent by the Handy Dan management in the decertification drive but estimates that it was considerable.

[redacted] currently residing at at [redacted] California, telephone [redacted] and is employed at [redacted] California, telephone [redacted]

The interview was terminated at this point.

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/15/79

upon being advised of the identity of the interviewing agent and the nature of the interview, furnished the following information: b6 b7C

advised that she She stated she still does not know She advised that b6 b7C

Concerning the union decertification election held August 10, 1977, advised that b6 b7C

She advised that the b6 b7C

advised that She stated

advised that she was told by b6 b7C

Investigation on 8/9/79 at San Jose, California File # SF 122-312-2J

by S Date dictated 8/14/79

FBI/DOJ

b6
b7C

She advised that

advised that

She stated approximately individuals were hired between

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b7C

advised that she

b6
b7C

advised that at

advised that she believed that although she has no idea where the money went and she could not really explain this belief.

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b7C

advised that

b6
b7C

advised that , that she believes

advised that she has no actual knowledge of any cash being paid to employees for the purpose of paying their union dues or buying their loyalty,

[redacted] b6 b7C

[redacted] advised that [redacted]

[redacted] advised that in her own opinion, Angels employees would be better off without the union in that [redacted] b6 b7C

[redacted] advised that on August 10, 1977, after it became apparent that the union decertification drive would lose, [redacted] became furious. She stated that [redacted] were very upset by the decision and [redacted]

[redacted] advised that [redacted] b6 b7C She advised that [redacted]

[redacted] recalled that on one occasion, [redacted]

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/2/79

[redacted] advised [redacted] b6 b7C
[redacted] stated that [redacted] advised he was employed approximately [redacted]

[redacted] advised that he is personally anti-union oriented and that during the time of his employment [redacted] no one ever approached him and attempted to play upon his anti-unionism.

[redacted] stated that during the time he was employed for [redacted] He stated that at this time, [redacted] b6 b7C

[redacted] He stated that [redacted] said that he [redacted]

[redacted] stated that he would [redacted] b6 b7C

[redacted] reiterated that he was never talked to by [redacted] concerning the union decertification drive and he was never told which way to vote in the election. He stated the only thing that he and other employees were told by management in general was that the employees would not lose significant benefits by voting the union out. [redacted] stated that management of [redacted] attempted to show Texas stores that are non union as examples as to what [redacted] employees in [redacted] could expect so they would vote the union out. b6 b7C

Investigation on 9/21/79 at San Jose, California File # SF 122-31?

by SA [redacted] Date dictated 9/25/79

FBI/DOJ

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

4/22/80

Date of transcription

[redacted] b6 b7C

California, telephone [redacted] advised that beginning in [redacted]

She was contacted by [redacted] b6 b7C

[redacted] He stated that [redacted]

She advised that she was not paid any other monies other than her salary. [redacted] b6 b7C

[redacted]

She has absolutely no idea [redacted] b6 b7C

She was not aware that any other money was paid to other employees in furtherance of the decertification drive.

Investigation on 4/18/80 at Fresno, California File # SC 122-18

by SA [redacted] Date dictated 4/21/80

She stated that the company, Handy Dan, gave a party for all the employees of the Campbell store at the Le Baron Hotel in San Jose, California, in the late summer of 1978, just prior to the election. The party consisted of dinner, drinks and dancing. There were no speaches made in furtherance of decertification.

She advised that the company did not pay her Union dues or her initiation fee, as this was paid by her.

To the best of her knowledge, [redacted] did not receive any extra money, other than her salary. b6 b7C

No Handy Dan stock was offered to her in furtherance of her loyalty to Handy Dan. She advised that she never saw any large sums of money in the possession of [redacted]

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 6/11/80

[redacted] telephonically advised that he does not want to be interviewed by the FBI concerning the decertification drive that occurred at Angels Do-It-Yourself stores in 1977. [redacted] added that anything that the FBI wanted to ask him should be put in writing on official stationery so that [redacted] can give it to his corporate attorneys to examine and answer.

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Investigation on (telephonic) 5/2/80 at San Jose, California File # SF 122-312

by SA [redacted] Date dictated 5/6/80

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b7C

FBI/DOJ

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 6/6/80

An attempt was made on May 21, 1980 to contact [redacted] She was not home and a message was left for her to contact SA [redacted]

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On May 22, 1980, [redacted] telephonically contacted the San Jose Resident Agency of the FBI and stated that she does not want to be [redacted] by SA [redacted]

[redacted] on 5/21-22/80 at San Jose, California File # SF 122-312

b6
b7C

by SAs [redacted] and [redacted] Date dictated 5/23/80

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 6/9/80

[redacted] telephone no. [redacted] was advised of the identity of the interviewing agent and that the nature of interview concerned the decertification drive in 1977 at Handy Dan Home Improvement Center also known as Angels. [redacted] furnished the following information: b6 b7C

[redacted] was hired in [redacted] (name unrecalled). [redacted] position at that time was [redacted] b6 b7C

[redacted]

At the Campbell store, there was a lot of discussion concerning the pros and cons of being a union an/or non union employee. [redacted] b6 b7C

[redacted]

not distribute any money for anyone.

After the decertification election, [redacted] b6 b7C

[redacted]

Investigation on 5/21/80 at San Jose, California File # SF 122-312-33

by [redacted] Date dictated 5/23/80

b6
b7C

b6
b7C

She did understand through hearsay that heard that Marcus invested the company's money into some land. following orders from Marcus. cannot recall specifically who heard those comments from since there was an awful lot of conversation concerning the union difficulties at Angels.

b6
b7C

was working

telephone no. was very

b6
b7C

described as a likeable individual but

works in the

She was

Prior to

was shown a piece of paper with however, the

b6
b7C

After the election, which the union won, decided she did not want to be in the union and pay union dues. She and One of the

3
SF 122-312
[redacted]

b6
b7C

[redacted]

In addition to the above information, [redacted] advised that the union, Retail Store Employees Union, Local 428, had a dinner after the election to honor another union employee, [redacted] (last name unknown). Only union employees were allowed to attend.

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 6/11/80

[redacted] California was contacted at her [redacted] She was advised of the identities of the interviewing agents and that the nature of interview concerned the union decertification drive that occurred in 1977 at Angels of San Jose stores. [redacted] furnished the following information: b6 b7C

[redacted] b6 b7C

During the union decertification drive that occurred in 1977, [redacted] California store. [redacted] and spent most of her time [redacted] When b6 b7C

[redacted] b6 b7C

[redacted] Most of [redacted] proceedings occurred behind closed doors and [redacted] was not make privy to it. All [redacted] was

[redacted] b6 b7C

Investigation on 5/29/80 [redacted] at Santa Clara, California File # SF 122-312-34

by SAs [redacted] and [redacted] Date dictated 6/3/80

[redacted] b6 b7C

[redacted] at the Bank of America, whose name [redacted] could not recall, [redacted] did not believe the girl still worked at the Bank of America.

[redacted] b6 b7C initially thought that [redacted]

[redacted]

[redacted] b6 b7C denied receiving any cash or check payments under the table from [redacted] or anyone else. [redacted] was considered [redacted] and no influence with union employees.

[redacted] did hear of rumors about employees that were hired for the purpose of pushing for decertification; however, does not have any knowledge of anybody receiving any funds "under the table" for that purpose. [redacted] did not see any envelopes changing hands and that the first time she heard of these types of payments was when she read it in the union papers. In addition to the above information, [redacted] furnished the following: b6 b7C

[redacted]

[redacted] b6 b7C advised that [redacted]

[redacted]

[redacted]

b6
b7C

furnish some information. [redacted] suggested talking with [redacted] California, telephone [redacted]

[redacted] indicated that [redacted] declined to furnish [redacted] home address and telephone number, but did say that she would telephone [redacted] and ask him to contact the FBI.

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 7/25/80

[redacted] was contacted at the residence of [redacted] California, and interviewed concerning his employement activities during his employment with Handy Dan Improvement Center, Inc. (HDICI), doing business as Angels Do-it-Yourself Home Center (ADIYHC). [redacted] furnished the following information: b6 b7C

He was employed at [redacted] b6 b7C

[redacted] advised that he has maintained contact off and on with such individuals as [redacted] b6 b7C

[redacted] One of the other employees who [redacted] residing at [redacted] California. The only other individual that he could recall having had recent contact with was a [redacted] who is still residing somewhere in the [redacted] California, area, and can be contacted by telephone by finding the listing under the name [redacted]

[redacted] advised that he had known [redacted] b6 b7C

[redacted] stated that [redacted]

Investigation on 7/15/80 at Corona, California File # San Francisco 122-31; ~~Los Angeles 122-39~~

by SA [redacted] Date dictated 7/21/80

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[redacted] b6 b7C

[redacted] had previously informed him that he had instructions from the president of the company, Bernard Marcus, to do everything possible to disassociate all the employees from their retail clerk's union. [redacted] stated that [redacted] the instructions of Bernard Marcus as related to him by [redacted] It was [redacted] opinion that Marcus was strictly against the unions and highly obsessed with getting the union completely out of the various stores.

[redacted] stated that [redacted] b6 b7C

recalled that one day Marcus stated to him that he (Marcus) was willing to do anything to get rid of the union and based on Marcus' actions and speeches, [redacted] stated that he could see that Marcus really meant it.

[redacted] stated that during the time [redacted] b6 b7C

stated that [redacted]

Part of his actions in attempting to get rid of the unions for the company, was in retaining attorneys for legal representation, circulating petitions for a decertification election and [redacted] b6 b7C

[redacted] He stated that

[redacted]

[redacted] stated that [redacted] b6 b7C

[redacted] stated that from time to time, [redacted] requested that he [redacted]

[redacted] stated that [redacted]

[redacted] stated on a few occasions, he observed [redacted] b6 b7C

else. [redacted] advised that [redacted]

[redacted] stated that [redacted] b6 b7C

[redacted]

[redacted] advised that [redacted] b6 b7C

[redacted]

[redacted] stated that he had been told by [redacted] b6 b7C

[redacted]

[redacted] advised that he did not know about [redacted] b6 b7C

[redacted]

[redacted] stated that he did not believe that

[redacted]

position in the decertification election.

[redacted] recalled that the following people

[redacted]

[redacted]

phonetic) b6 b7C
(believed by [redacted] to be the

[redacted]

[redacted]

[redacted]

[redacted] advised that there were other names which he could not recall; however, with an employees list of company employees, he might possible recall others and at this time could only recall first names of any others who might have received cash.

[redacted] advised that he believed the source of [redacted] b6 b7C

[redacted] pointed out that with the employees list previously mentioned, he might recall the name of [redacted] which were used to create the slush fund.

[redacted] also stated that [redacted] and various [redacted] quoted statements by Bernard Marcus to him as Marcus saying that money was no object in getting rid of the union. It was [redacted] believe, and still is, that [redacted] and direction from the president of the company, Marcus. b6 b7C

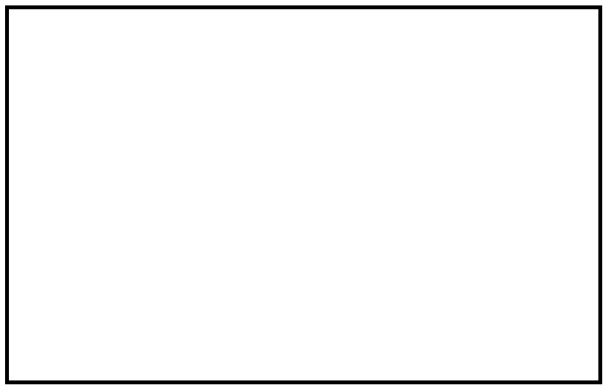
[redacted] stated the exact amount of money received by anyone is unknown to [redacted] however, he felt that [redacted] and [redacted] stated that he could [redacted] as to what the general operation of the employee committe that petitioned for decertification election would have come to. He stated that [redacted] b6 b7C

[redacted] stated that he would be more than willing to cooperate in any manner that he possibly could to furnish any information concerning the decertification election of Angels. b6 b7C

The following description was obtained through interview and observation:

Name
Address [redacted]

Date of birth
Place of birth
Height
Weight
Hair
Eyes
Employment
Drivers license
Social Security
Account Number



b6
b7C

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 7/30/80

[redacted] California, voluntarily appeared at the Riverside Resident Agency of the FBI and furnished the following information:

[redacted] stated that in addition to information previously furnished regarding the decertification election at Angel's Do-it-Yourself Home Center stores in San Jose, California, that he was once told by Bernard Marcus, former president of the company, in person, that he (Marcus) [redacted]

b6
b7C

Also present at the time Marcus made this statement to him was [redacted]

[redacted] stated that [redacted]

b6
b7C

[redacted] stated that in his opinion, the weakest of the [redacted] would be [redacted]

b6
b7C

[redacted] restated his desier to be as cooperative as possible and furnish any information that he might have concerning this matter.

Investigation on 7/21/80 Riverside, California File # San Francisco 122-312-3
Los Angeles 122-395

b6
b7C

by SA [redacted] Date dictated 7/25/80

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/8/81

Clinton Doolen was contacted at his place of employment, Bonanza Building Center, 865 Blossom Hill Road. He was advised of the identities of the interviewing Agents and that the nature of interview concerned the union decertification drive that occurred in 1977 at the San Jose area Handy Dan Home Improvement Centers, also known as Angels Do-It-Yourself Center. Doolen furnished the following information:

In 1965, Clinton Doolen was hired by the Daylin Corporation, home office City of Commerce, California. Daylin Corporation is the parent company who had acquired Handy Dan Home Improvement Center as a subsidiary. Doolen also worked for the Handy Dan Home Improvement Center. Doolen also worked for the Building Improvement Division, known as Angels, in the San Jose area until January, 1980, when four of the San Jose area Angels stores were sold to W.R. Grace, Inc. W.R. Grace, Inc., maintained the same staff at the four stores when it was Angels. These four stores are as follows:

865 Blossom Hill Road, San Jose, CA.
1775 Story Road, San Jose, CA.
1750 S. Bascom, Campbell, CA.
761 E. El Camino Real, Sunnyvale, CA.

The above four stores were the only four stores that were union shops.

In July, 1980, W.R. Grace, Inc. sold the above-described four stores to Burns-Philp, a Sydney, Australia firm and are now known as Bonanza Building Centers. Doolen heard that this sale was forced by the Federal Trade Commission since W.R. Grace also owned the Orchard Supply chain and due to the concentration of Orchard Supply and the four above-described stores in the same area, the Federal Trade Commission alleged unfair business practices. Doolen surmised that W.R. Grace, Inc. probably wanted to sell anyway to rid themselves of the union labor dispute concerning those four stores. b6 b7C

During the union decertification drive in 1977, Clinton Doolen was the manager of the Sunnyvale store and also spent some time in the Campbell store. The decertification drive was an

Investigation on 1/7/81 at San Jose, California File # SF 122-312

by SA [redacted] and SA rvs Date dictated 1/8/81

FBI/DOJ

[redacted] b6 b7C

effort to turn the four stores into non-union shops. There was much discussion going on throughout the Sunnyvale store concerning the pros and cons of being union or non-union. Clinton Doolen personally did not care if the store was union or not. Doolen felt it was up to the individual employee to make their own decision concerning being unionized or not. Doolen's job was simply to make a profit for the company and wanted to see the labor dispute come to an early solution. Doolen did not personally apply any pressure for the decertification of union employees.

Clinton Doolen could not state for certain that there were employees hired for the sole purpose of convincing union members to vote for union decertification, however, did feel that there was "a ringer" in there. This individual was [redacted] who Doolen believes [redacted] and may have had a role in the decertification drive. b6 b7C

[redacted] at that time, did not discuss much with Doolen. Doolen never cared for [redacted] Doolen to help distribute money to further the decertification drive, nor did [redacted] even tell him such activity was occurring. [redacted] The only thing that was discussed was the union labor dispute and most [redacted] Doolen did, however, suspect that cash was being paid under the table, but did not know positively that cash was being distributed. Doolen was not asked to distribute cash and did not personally see any cash being distributed. [redacted] Doolen never saw [redacted] b6 b7C

Clinton Doolen does remember Mr. Marcus stating at a managers' meeting that "money was no object". Doolen took this to mean that if money was needed to win the decertification election, Mr. Marcus was willing to spend it. Doolen does not remember the exact date or place of the managers' meeting, however, remembered the following individuals who attended it: Mr. Marcus, [redacted], and himself. b6 b7C

Clinton Doolen does remember having meetings both at the Hyatt House and the Los Gatos Inn.

After the decertification election, and after there was an article in the Wall Street Journal concerning managerial improprieties during the decertification drive, Mr. Doolen was interrogated by During that interview with Doolen learned that b6 b7C Mr. Doolen was also informed by Doolen reiterated that he suspected that cash was being distributed by the management for purposes of obtaining favorable consideration in the union decertification drive, however, did not have any firsthand knowledge that he could testify to. Mr. Doolen never received any complaints from any of his employees that they were not getting any extra cash as some other employees did. The only complaints that Mr. Doolen heard during the decertification drive

Clinton Doolen knew that b6 b7C but did not have any knowledge that also knew that one of the Doolen attended the party the night before the election that was held at the LeBaron Hotel, however, nothing concerning the election was discussed.

In Doolen's opinion, if anyone had any knowledge concerning b6 b7C extra funds spent for purposes of promoting the decertification, it would have to be since all Doolen believes that the if he was, he also may have been knowledgeable. Doolen heard that Marcus

The that are now b6 b7C known as follows:

Clinton Doolen, Manager of the store located at 865 Blossom Hill Road, San Jose, CA. the store located at 1775 Story Road, San Jose, CA.

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SF 122-312

[redacted] b6 b7C

[redacted] the store located at 1750 S. Bascom, Campbell, CA. [redacted] the store located at 761 East El Camino Real, Sunnyvale, California.

[redacted] b6 b7C

The following descriptive data was obtained through observation and interview:

Name	Clinton Doolen
Race	White
Sex	Male
Date of birth	December 30, 1923
Height	6'2"
Build	Slender
Hair	Graying
Home address	7029 Via Valverde San Jose, California 95135
Home Phone	274-8053
Occupation	Manager, Bonanza Building Center, 865 Blossom Hill Road, San Jose, California
Business phone	227-2681

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 1/14/81

[redacted] was contacted at his place of employment, [redacted] b6 b7C He was advised of the identity of the interviewing agent and that the nature of interview concerned the union decertification drive that occurred in 1977 at the San Jose area Handy Dan Home Improvement Centers, also known as Angels Do-It-Yourself Center. [redacted] furnished the following information:

In March, 1973, [redacted] b6 b7C Angels Do-It-Yourself Center located at 865 Blossom Hill Road, San Jose. It was the only store in the San Jose area that was built under the Angels Do-It-Yourself Center name. The other three stores in the San Jose area were purchased by the Handy Dan subsidiary of Daylin Corporation from an individual by the name of [redacted] (phonetic). These stores, when owned by [redacted] were called [redacted] These four stores are as follows:

865 Blossom Hill Road
San Jose

1775 Story Road
San Jose

1750 S. Bascom Avenue
Campbell

761 E. El Camino Real
Sunnyvale

The California stores were called Angels Do-It-Yourself Centers, whereas the entire nationwide network was known as Handy Dan Home Improvement Centers.

In 1978, the above four listed Angels stores were sold to W.R. Grace Company. On July 4, 1980, the same four stores were sold by W.R. Grace Company to Burns-Philp Corporation. Burns-Philp assumed the original name of Bonanza Building Centers.

From March, 1973 until one week after the union decertification election in 1977, [redacted] b6 b7C

Investigation on 1/12/81 at San Jose, California File # SF 122B-312

by SA [redacted] Date dictated 1/13/81

[redacted] b6 b7C

[redacted] The Blossom Hill store, as well as the three other San Jose area Angels stores, were the only stores in all of the Handy Dan/Angels network that were union stores. The President, Bernie Marcus, was adamant against unions. Marcus hated unions with a passion and wanted to get the union out of those four stores. Marcus only attended about three or four managers' meetings. During those meetings, Marcus made it obvious that he hated the union, however, [redacted] does not remember Marcus ever saying, "money was no object" concerning getting the union out of those stores.

Prior to the union decertification election, an individual by the name of [redacted] b6 b7C

[redacted] heard that

[redacted] Clint Doolen. [redacted]

Prior to the decertification election, [redacted] b6 b7C

[redacted]

The night before the decertification election, [redacted] b6 b7C attended a party that was held at the LeBaron Hotel. The party was very low-keyed and no mention of the union election was made.

One week after the decertification election, [redacted]

[redacted]

[redacted] b6 b7C

[redacted]

After the decertification election, [redacted] heard all sorts of rumors. In fact rumors were rampant. [redacted] heard that money was passed under the table to employees in an effort to promote decertification. [redacted] did not hear in what amounts, nor did he hear who received the money. [redacted] was interviewed by [redacted]

[redacted]

Since [redacted] b6 b7C

[redacted]

Marcus [redacted]

[redacted]

The following descriptive data was obtained through observation and interview:

Name
Alias
Race
Sex
Date of birth
Height
Hair
Home address

[redacted] b6 b7C

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SF 122B-312

[redacted]

b6
b7C

Home telephone
Business

Business telephone

[redacted]

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 2/19/81

[redacted] b6 b7C

[redacted] California, telephone number [redacted] furnished the following information:

Between [redacted], he worked for the [redacted] b6 b7C

[redacted]

telephone [redacted]

While employed by [redacted] California, b6 b7C

[redacted]

He recalls that [redacted] on several b6 b7C

occasions, [redacted] California, [redacted] All

others including [redacted]

Thereafter he heard [redacted] b6 b7C

[redacted] California, business telephone

[redacted]

He reported to [redacted]

[redacted]

In initiating the investigation, he knew which

[redacted] b6 b7C

[redacted] These

Investigation on 2/5/81 at [redacted] California File # LA 122B-395

SF 122B-312

by SA [redacted] Date dictated

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122B-312-111

b6
b7C

California,
The investigation also determined and reported that the

California,

The investigation further indicated that

Also apparently involved was

b6
b7C

He recalls that

It is his recollection that

He also advised that

He advised that he heard from other employees that

b6
b7C

He knows that

He recalls from his interviews that

told him in a [redacted] b6 b7C
that [redacted]

[redacted] California,
told him that [redacted]

[redacted] told him that [redacted]

He advised that when he originally [redacted] b6 b7C

[redacted]

He advised that [redacted] b6 b7C

[redacted]

such purpose either.

He advised that he believes [redacted] b6 b7C

[redacted]

He further advised that he has heard that [redacted]

[redacted]

4
LA 122B-395
SF 122B-312

[redacted]

b6
b7C

4

FD-302 (REV. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription April 6, 1981

b6
b7C

telephone number [redacted] number [redacted] was informed of the identity of Special Agent [redacted] and that the inquiry concerned [redacted] California.

b6
b7C

[redacted] stated that [redacted] to an unrecalled date in [redacted]

His position with [redacted] California.

b6
b7C

[redacted] office in the City of Commerce, California, in the Los Angeles area. The Handy Dan Home Improvement Centers, Inc., office was in the same building in the City of Commerce.

He stated that Angels was a subsidiary of Handy Dan which was a subsidiary of Daylin, Inc.

He stated that there were about twenty Angels stores, twelve in southern California, four in San Jose, California, and four in outlying areas of California. He stated that there were Handy Dan stores in other states.

He stated that he did not maintain contact with any current employees of Handy Dan or Angels.

Interviewed on 4/3/81 at Minneapolis (Edina), Minnesota File # Minneapolis ~~122B-11~~

b6
b7C

by SA [redacted] Date dictated 4/3/81

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122B-2

He stated that he does maintain contact with [redacted] former employees and identified them as follows: b6 b7C

[redacted] California, telephone number [redacted]

California.

[redacted] California, [redacted] California, telephone number [redacted]

[redacted] stated that he was not involved with [redacted] b6 b7C
[redacted] in efforts to obtain union decertification at the Angels stores in San Jose, California. [redacted]

He stated that [redacted] was employed by Angels.

He recalled that the union decertification issue was in about 1977-1978, exact dates unknown.

He stated that early in the decertification issue [redacted] b6 b7C

[redacted] He believed that [redacted] man gave

that advice.

b6
b7C

It was determined that

reported the

b6
b7C

Later,
reported

of this matter.

stated that
California,

b6
b7C

for Angels stores during the election.

for the
Angels stores in the San Jose area.

stated that

b6
b7C

California.

The union won the election by one or two votes. After the election,

b6
b7C

When the Daylin officials finally learned of the problem, they fired Marcus,

b6
b7C

stated that he did not receive or distribute envelopes containing cash at the instruction of

The "slush fund" was created from the improperly authorized to be issued, above. It was unknown

b6
b7C

stated he was not involved with the Committee of Employees Petitioning for the Decertification Election,

[redacted] The committee was guided by the legal counsel for Handy Dan out of New York according to [redacted] b6 b7C

[redacted] stated he was not personally aware of anyone who received cash payments from [redacted] stated he did not witness any such payments and did not personally receive any admissions from anyone paying or receiving such cash.

He stated that he assumed that [redacted] b6 b7C He stated that [redacted] should have more information and details along this line.

[redacted] stated that [redacted]

He stated that after the above [redacted] b6 b7C and the results of [redacted] earlier investigation should be available through Daylin records.

[redacted] also stated that he believed he may have some [redacted]

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/24/81

[redacted] New York, was interviewed in the presence of [redacted] He was advised of the nature of the inquiry and the identity of the interviewing Agent. He furnished the following information. b6 b7C

He is currently [redacted] In March, 1979, Gracs acquired Daylin Corporation and its subsidiaries, including Handy Dan Home Centers. Angels Do It Yourself Center is the operating division of Handy Dan. b6 b7C

He has been employed with [redacted] During the period in question he was [redacted]

His only knowledge of the activities concerning the union decertification program by Daylin personnel was after Bernard Marcus [redacted] His day to [redacted] b6 b7C

He was not involved in any way with any of the decertification activities. He does not know anyone who received any money in connection with the activities. He was told by [redacted] is the only extent of his knowledge. He did not participate in any payment activities.

Investigation on 6/24/81 at New York, New York File # NY 122B-1774

by SA [redacted] Date dictated 6/24/81

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 6/30/81

[redacted] b6 b7C
[redacted] California, [redacted] was interviewed at the Santa Ana Resident Agency office of the Federal Bureau of Investigation (FBI), advised of the identity of the interviewing agent, as well as the purpose of the interview, and thereafter furnished the following information:

[redacted] advised he is currently [redacted]

[redacted] also advised he will be returning to [redacted] California, [redacted] in the near future.

[redacted] stated Handy Dan Home Improvement Centers are currently [redacted] b6 b7C During the time in question, four divisions of Handy Dan Home Improvement Centers were in operation as follows: California Division (Angels Home Centers); Mid West Division with headquarters at Kansas City, Kansas; Southwest Division which included Alabama, Oklahoma, and Texas with headquarters at San Antonio; and the Phoenix Division (Angeles Home Centers). Daylin Corporation was in a position similar to a holding firm whereby they owned or operated the stores. Daylin has since gone bankrupt. Two companies, however, Handy Dan and Hospital Pharmacies have been operated successfully following the appointment of [redacted] b6 b7C

[redacted] specifically by [redacted]

Until approximately 1976, [redacted] represented Angels employees. [redacted] felt such union to be Local 428 of the Retail Clerks Union.

Investigation on 6/26/81 at Santa Ana, California File # Los Angeles ~~122B~~-395

by SA [redacted] Date dictated 6/30/81

FBI/DOJ

In 1976 [redacted] b6 b7C
[redacted] Later, when
Bernard Marcus, president of Angels was fired, [redacted]
[redacted]

[redacted] stated he is familiar with virtually all officers b6 b7C
of the company, however he maintains only limited contact with
[redacted]

[redacted]
further described [redacted]
[redacted] acknowledged
the union had been retained by a margin of one or two votes and
the situation was chaotic.

[redacted] stated [redacted] b6 b7C
[redacted]

[redacted] stated [redacted] b6 b7C
[redacted]

[redacted] stated he had no information relative to the
existence or the origin of a slush fund, nor did he have any
information relative to the general operation of the employee
committee that petitioned for the decertification election.

[redacted] stated he does not know of any individuals who
[redacted]

[redacted] felt Marcus [redacted]
[redacted]

[redacted] noted b6 b7C
that [redacted]

[redacted] stated all of the problems regarding the union, [redacted] California. As such, he did not have any knowledge regarding the alleged payments to employees, or other wrongdoing.

FD-302 (Rev. 11-27-70)

FEDERAL BUREAU OF INVESTIGATION

- 1 -

4/13/81

Date of transcription

b6
b7C

Oregon, was advised of the identity of the interviewing agent and the nature of the inquiry. He thereafter furnished the following information:

He advised California,

He said he was

He also advised he does not maintain any contacts with present or former employees of Handy Dan Home Improvement Centers, Inc., or Angels Do-It-Yourself Home Center, Inc., in San Jose, California.

He advised that he was indirectly involved with the activities surrounding the decertification petition filed by one of the corporate employees with the National Labor Relations Board. His indirect involvement was simply to follow instructions given him in his contacts with the employees with a full understanding what could be said and what could not be said, and he was very careful not to overstep those bounds. He said he did compare the benefit package offered by the union with the philosophy of the company. He said he was not directly involved with in any effort to obtain union decertification.

He also said

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b7C

He said he never saw any money given by these individuals or any other supervisory personnel of the company to any employees. He said he realized that money was being given to employees because he read about the allegations in the newspaper, and he believed that it did in fact occur; however, he had no direct knowledge of these monies. He did say

Interviewed on 3/18/81 at , Oregon File # SF 122B-312 PD 122B-44

SA

by Date dictated 3/23/81

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At that time, he said he did not give it a thought since

He advised

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He knew that

He said there might have been

He said he had no specific knowledge or information concerning the existence of a "slush fund" but said this information came to his attention when it was publicized in the local newspaper. He said nothing was ever budgeted from his store to the "slush fund" and, therefore, he would not have any knowledge of the existence of any such fund.

He also stated he was not aware of any individuals who received cash payments from any other employee of the company, but assumed that

He said he never had any discussion at all regarding any money in the "slush fund," any bribes offered to employees or the company's involvement with financing the decertification election.

He said he was told by

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He also stated that [redacted] b6 b7C

[redacted] said he was [redacted]

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/5/82

[redacted] b6 b7C
employed by [redacted] California, telephone number [redacted] voluntarily appeared at the San Jose, California Resident Agency of the Federal Bureau of Investigation and voluntarily provided the following information:

[redacted] stated that he was employed as [redacted] b6 b7C
[redacted] California. He was hired by [redacted] He recalled that when he was first hired [redacted]

[redacted] recalls that as of 1977, the corporation operated approximately sixty-five stores on a nationwide basis. As of early 1977, the only four stores in the chain that were union stores were located in the San Jose, California area. With respect to the stores in the San Jose area, the cost of running these particular stores were much higher than the cost as related to the non-union stores. Specifically, he recalls that since the San Jose area stores were union stores, the wage levels were higher and the benefit levels were higher as compared to the other stores operated by the corporation.

[redacted] advised that in early 1977, he either had a conversation with [redacted] or with Bernard Marcus, Corporate President concerning b6 b7C the fact that the expenses at the four stores in the San Jose area were much higher than the expenses for the other stores operated by the chain. He recalls that it was discussed that the company was able to hire employees at a non-union store at a much more favorable rate than hired for a union store.

[redacted] stated that subsequent to his discussion with

Investigation on 2/24/82 at Campbell, California File # SF 122B-312

by SA [redacted] Date dictated 3/1/82

FBI/DOJ

SF 122B-312

[redacted] b6 b7C

either Marcus [redacted] He advised that it was his belief that the union decertification plan was devised by [redacted] and Bernard Marcus.

He recalled that [redacted] b6 b7C

He recalled that when [redacted] He recalled that [redacted] did not ask any questions or ask for an explanation as to what the expenses were for. However, he did recall that [redacted] indicated that it was "alright" to honor the requests from [redacted] He advised that when [redacted]

[redacted] advised that it was apparent to him that the [redacted] b6 b7C He commented that he did not want to know the details of the operation and therefore did not ask a lot of questions of [redacted]

[redacted] recalled that [redacted] contacted [redacted]

[redacted] recalled that from approximately [redacted] b6 b7C

[redacted] He recalled that some of [redacted]

SF 122B-312

[redacted] b6 b7C

[redacted] advised that he believes that in early [redacted]

[redacted] recalled that the fiscal year closed in approximately October of 1977 and he at that time personally contacted [redacted] b6 b7C at which time he asked [redacted] stated that he knew from conversation with [redacted]

[redacted] stated that he was unable to recall any specific conversations he had with Bernard Marcus concerning the money provided to [redacted] b6 b7C

[redacted] recalled that during the period of April, 1977 through approximately June of 1977, he was [redacted] In discussions relating to the budget with [redacted] Marcus he recalled asking if he should include something in the budget for [redacted] He recalled that Bernard Marcus authorized him to include approximately [redacted] of the budget, categorized in travel and entertainment expenses, to be provided to [redacted] He believed that [redacted] was present at the meeting with Marcus [redacted] when the authorization was granted.

With respect to the [redacted], [redacted] advised that [redacted] b6 b7C

[redacted] recalled that most of the checks that [redacted]

[redacted] had a subsequent conversation with [redacted] b6 b7C at which time [redacted] stated that it was his belief that [redacted] the various stores in the [redacted] He recalled that many of the [redacted]

[redacted] stated that he believed that [redacted]

SF 122B-312

[redacted] recalled that he was informed by [redacted] The instructions received from [redacted] came from either Bernard Marcus or [redacted] b6 b7C

[redacted] stated that it was his opinion that the idea generated to decertify the union was by Bernard Marcus and [redacted]

[redacted] stated that he knew [redacted] by Marcus and/or [redacted] stated that he recalled attending a meeting with Marcus, [redacted] He recalled that at the meeting in [redacted] However, he was unable to recall any specific comments made at the meeting.

[redacted] stated that [redacted] He recalled that [redacted] He further recalled that Bernard Marcus made an address at the party however, Bernard Marcus did not make any comments concerning the election. b6 b7C

The following descriptive information concerning [redacted] was obtained through interview and observation:

Sex
Race
Date of birth
Place of birth
Address

Home telephone number
SSAN
Marital status
Height
Weight
Eyes
Educational background

[redacted]

FD-36 (Rev. 5-22-78)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

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

Date 4/1/83

TO: DIRECTOR, FBI (122-5130)

FROM: SAC, SAN FRANCISCO (122B-312) (C) (SJRA)

SUBJECT: BERNARD MARCUS
ET AL
LMRA
OO: SAN FRANCISCO

Re San Francisco Division Prosecutive Report of SA [redacted] dated 3/5/82.

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b7C

Enclosed for the Bureau is the original and three copies of an LHM concerning captioned matter.

A copy of the enclosed LHM has been provided to AUSA [redacted] San Jose, California.

Photo

CC TO: Treas-CTOC
REQ. REC'D 1-21-88
FEB 16 1988
[redacted]

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b7C

Re: [redacted]
200-crim./DOJ
[redacted]
4181CE

ENCLOSURE

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APR 2 1933

[redacted]

2 - Bureau (Encs. 4)
1 - San Francisco
[redacted]
(3)

-1*-

Approved: [redacted] Transmitted _____ (Number) _____ (Time) Per _____

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

San Francisco, California

April 1, 1983

BERNARD MARCUS,
Former President;
[redacted] b6 b7C

DAYLIN INCORPORATED
HANDY DAN HOME IMPROVEMENT CENTERS
Doing Business As
ANGELS DO-IT-YOURSELF CENTER
San Jose, California
LABOR MANAGEMENT RELATIONS ACT

Reference is made to a Federal Bureau of Investigation (FBI), San Francisco Division, Prosecutive Report of Special Agent (SA) [redacted] dated March 5, 1982. b6 b7C

Investigation into this matter was predicated upon the receipt of a request, December 27, 1978, from [redacted] Chief, Criminal Division, United States Attorney's Office, San Francisco, California. Assistant United States Attorney (AUSA) [redacted] advised that he had been in receipt of information from the San Francisco Office of the Labor Management Services Administration indicating that $140,000 had been paid by Handy Dan Home Improvement Centers to an employee committee to finance a decertification drive in connection with an August 10, 1977 representation election.

Subsequent investigation has revealed that from early 1977 through April of 1978, approximately $140,000 in corporate funds (Angels division funds) were provided to [redacted] for disbursement to store employees in the San Jose area. These funds were provided to employees for the purpose of influencing them in their support of the company position in a union decertification drive. b6 b7C

In January of 1978, Handy Dan Home Improvement Centers became a wholly owned subsidiary of Daylin Incorporated. The

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122-5130-

ENCLOSURE

only four stores, on a nationwide basis, that were union stores were located in the San Jose, California area.

Former employees [redacted] have been located and interviewed and [redacted]. b6 b7C

[redacted], has advised that starting in early [redacted] has advised that [redacted] further advised that [redacted] b6 b7C

Numerous former Handy Dan employees have been located and interviewed in the San Jose area who admitted receiving cash, over and above wages, usually received in a plain envelope from [redacted] b6 b7C

[redacted] stated that he received authorization from Bernar Marcus to include funds, as provided to [redacted]

On March 14, 1983, AUSA [redacted], San Jose, California declined prosecution in this matter for several reasons. AUSA [redacted] stated that he was of the opinion that there statute of limitation problems in this matter in that the union election was more than five years ago. Further, he was of the opinion that insufficient evidence was developed to indict the primary targets, Bernard Marcus and [redacted]. AUSA [redacted] was further of the opinion that [redacted] b6 b7C

AUSA [redacted] was further of the opinion that any additional investigation into this matter by the FBI would not be warranted.

~~Name~~ Check

122-5130- 2 (pages B-1, B-2, D-2, E-1, H-1,1)
3

~~2-16-88~~

Treasury- CTOC