



Longo was simultaneously running layers and layers of fraudulent schemes woven into multiple bankruptcy cases, many of these fraud schemes were run thru the law offices of Mile & Stockbridge (MD) and Foley & Lardner (DC)

Federal Bureau of Investigation  
Washington, D.C. 20535

EXHIBIT 1

February 19, 2016

MR. DONALD DAVID STONE  
SUITE 8  
871 NORTHEAST DIXIE HIGHWAY  
JENSEN BEACH, FL 34957

During this time early 1990's -2003 Longo's close associates **Gilbert & Mark C. Sapperstein were busy stealing & laundering \$3.5 million from the Baltimore School Board**, just one of many fraudulent schemes they were running simultaneously

FOIPA Request No.: 1330420-000  
Subject: LONGO, CHARLES RICHARD, SR.

Dear Mr. Stone:

The enclosed documents were reviewed under the Freedom of Information Act (FOIA), Title 5, United States Code, Section 552. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Explanation of Exemptions:

- | Section 552                                |   | Section 552a                    |  |
|--|---|---------------------------------|--|
| <input type="checkbox"/> (b)(1)            | <input type="checkbox"/> (b)(7)(A)            | <input type="checkbox"/> (d)(5) |  |
| <input type="checkbox"/> (b)(2)            | <input type="checkbox"/> (b)(7)(B)            | <input type="checkbox"/> (j)(2) |  |
| <input type="checkbox"/> (b)(3)            | <input checked="" type="checkbox"/> (b)(7)(C) | <input type="checkbox"/> (k)(1) |  |
|  | <input checked="" type="checkbox"/> (b)(7)(D) | <input type="checkbox"/> (k)(2) |  |
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|  | <input type="checkbox"/> (b)(7)(F)            | <input type="checkbox"/> (k)(4) |  |
| <input type="checkbox"/> (b)(4)            | <input type="checkbox"/> (b)(8)               | <input type="checkbox"/> (k)(5) |  |
| <input checked="" type="checkbox"/> (b)(5) | <input type="checkbox"/> (b)(9)               | <input type="checkbox"/> (k)(6) |  |
| <input checked="" type="checkbox"/> (b)(6) |   | <input type="checkbox"/> (k)(7) |  |

Explanation of these exemptions are on page 3 of this PDF

Only 43 pages out of 284 released

284 pages were reviewed and 43 pages are being released.

- Documents were located which originated with, or contained information concerning, other Government Agencies.
- This information has been referred to the OGA for review and direct response to you.
- We are consulting with another agency. The FBI will correspond with you regarding this information when the consultation is completed.
- In accordance with standard FBI practice and pursuant to FOIA exemption (b)(7)(E) and Privacy Act exemption (j)(2) [5 U.S.C. § 552/552a (b)(7)(E)/(j)(2)], this response neither confirms nor denies the existence of your subject's name on any watch lists.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist. Enclosed for your information is a copy of the Explanation of Exemptions.

For questions regarding our determinations, visit the [www.fbi.gov/foia](http://www.fbi.gov/foia) website under "Contact Us."

You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office Information Policy (OIP), U.S. Department of Justice, 1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's eFOIA portal at <http://www.justice.gov/oip/efoia-portal.html>. Your appeal to OIP must be postmarked or transmitted within sixty (60) days from the date of this letter in order to be considered timely. The envelope and the letter should be clearly marked "Freedom of Information Appeal." Please cite the FOIPA Request Number in any correspondence to us for proper identification of your request.

The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

See additional information which follows.

Sincerely,



David M. Hardy  
Section Chief  
Record/Information  
Dissemination Section  
Records Management Division

Enclosure(s)

During this time I had provided info. of what I knew about Longo and his co-conspirators, Gilbert & Mark C. Sapperstein and others to the IRS CID in Baltimore, the SEC in Philadelphia, FBI in Maryland, Florida, and Virginia, US Dept. of Education, Office of Inspector General and numerous other federal & state agencies, and they all refused to take any action against Longo or Sapperstein's.

In response to your Freedom of Information Act (FOIA) request, enclosed is a processed copy of FBI Baltimore files 49A-BA-85694, 49A-BA-85694 SUB 1A, and 213A-BA-70889. The enclosed documents contained in these files represent the first interim release of information responsive to your Freedom of Information Act (FOIA) request. This material is being provided to you at no charge.

As previously indicated, documents were located which originated with, or contained information concerning another agency. We are consulting with the other agency and are awaiting their response. Due to the fact that our office has processed all other information currently in our possession, your request is being administratively closed at this time, pending the completion of the outstanding consultation by our office. The FBI will correspond with you regarding those documents when the consultation is completed.

Additionally, inquiries regarding your OGA referral designated within the release as "Referral/Direct" may be directed to the following agency at:

General Services Administration- Office of the Inspector General  
Patricia Oliver, Paralegal Specialist  
Room 5332  
1800 F Street, N.W.  
Washington, D.C. 20405-0002

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

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

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

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

The enclosed material contains information regarding third parties. Your access under the Privacy Act, 552(a)(b). Accordingly, your access rights are limited to those provided by the Freedom of Information Act. This material was withheld from you pursuant to 552 (b)(6)/(b)(7)(C), which pertains to material in which the release would constitute an unwarranted invasion of the personal privacy of third parties. This material is not appropriate for discretionary release.



(Title) \_\_\_\_\_

(File No.) 49A-BA-85x94-1A's

Item	Date Filed	To be returned		Disposition
		Yes	No	
CCD 1	6/15/85		✓	Documents

This is interesting phrase looks like "Red Wallet"

See Red Wallet



Memorandum



To : SAC, BALTIMORE (49B-NEW) (SQ. 5) (P) Date 2/1/95

From : SA [redacted] b6 b7C

Subject: CHARLES R. LONGO, dba, NATIONAL TRAINING SYSTEMS INC. (NTSI) 7140 VIRGINIA MANOR COURT LAUREL, MARYLAND; SHIPPER'S CHOICE INC.; BANKRUPTCY FRAUD OO: BALTIMORE

CHAPTER 11 90-5-4907 SO

William F. Howard

[redacted] Department of Education, Maryland Attorney General's Office, telephone [redacted], advised that he had been conducting an investigation regarding captioned individual in an effort to recover over twelve million dollars in tuition payments from former students of the NTSI. Since it appears that LONGO has deferred all of the remaining assets of his company, [redacted] has all but completed his investigation.

b6 b7C

William F. Howard

In September 1990, a Chapter 11 Bankruptcy was filed regarding the NTSI and in November 1990, LONGO declared personal bankruptcy. LONGO is one hundred percent owner of NTSI. In July 1993, the corporate bankruptcy was dismissed. [redacted] advised that the liquidation plan for NTSI was confirmed in September 1992. The company never went into Chapter 13, consequently no trustee was appointed for the NTSI matter.

b6 b7C

This is interesting

The counsel for the Creditor's Committee is one [redacted] who is currently serving a sentence in unrelated matter.

William F. Howard

[redacted] advised that his investigation reflected that LONGO sold off much of the assets of the company and diverted these assets to himself. [redacted] has proof that LONGO sold a car for \$7,000.00. He was unable to prove that LONGO sold other assets of the company such as personal computers and the like.

Howard

2 - Baltimore HWB:glwm (2)

Round out allegations and present early to AUSA. Be mindful of statute of limitations. [Signature]

O.S.A. 2/12/95 [Signature]

49A-BA-85694-1 SEARCHED.....INDEXED..... SERIALIZED.....FILED..... FEB 0 1995 FBI - BALTIMORE [Signature]

b6 b7C

Joel Sher

49B-NEW

After the bankruptcy was filed, a Debtor in Possession (DIP) account was opened. [redacted] advised that approximately \$85,000.00 from the DIP account was deposited to a new account for a company formed by LONGO called Shippers Choice Inc. (SCI). Another \$65,000.00 from the NTSI account was unaccounted for but was apparently withdrawn from the NTSI DIP account.

b6  
b7C

Trustee

On December 9, 1994, LONGO filed bankruptcy for his second company, SCI. A Chapter 7 Bankruptcy was filed and the [redacted] is [redacted] of Shapiro and Olander. He believes that another partner of the firm [redacted] may also be working on the case.

Timothy McCormick

[redacted] advised he currently is in possession of various company records, including bank account records and depositions filed in bankruptcy proceedings. He believes that the Statute of Limitations may soon be approaching in regard to this matter.

Sher

Joel Sher

Memorandum



3-28-95  
MB

To : SAC, BALTIMORE (49A-BA-85694) (SQ 5) Date 3/24/95

From : SA [redacted]

Subject: CHARLES R. LONGO,  
dba NATIONAL TRAINING SERVICES INC. (NTSI);  
SHIPPER'S CHOICE INC.;  
BANKRUPTCY FRAUD  
OO: BALTIMORE

b6  
b7C

William F. Howard

Re memo from SA [redacted] to the SAC,  
February 1, 1995.

Reference memo advises that [redacted]  
[redacted] Office of the Attorney General, State of  
Maryland, 200 St. Paul Place, Baltimore, Maryland, informed the  
Baltimore Office of the FBI that the possibility exists that  
LONGO has committed bankruptcy fraud in the filing of personal  
bankruptcy for himself as well as his two companies, National  
Training Services Inc. and Shipper's Choice Inc.

On February 10, 1995, [redacted] was interviewed concerning  
these allegations and shortly thereafter facts concerning this  
matter was presented to AUSA [redacted] for a prosecutive  
opinion. AUSA [redacted] requested SA [redacted] investigate  
allegations of [redacted]

b5  
b6  
b7C

In 1998 Stone in Stone vs Warfield in the Southern District of Florida (SDFLA) would catch the top USDOJ federal prosecutors from Maryland & SDFLA lying in federal court claiming "Stone was only involved in a civil matter or business dispute with Longo". After Stone entered evidence of internal USDOJ notes discussing the criminal activities of Charles R. Longo, the federal prosecutors admitted to the court their knowledge of Longo's criminal activities.  
See pages

2 - Baltimore  
JKS:pef  
(2)  
Ref

49A-BA-85694-2  
SEARCHED \_\_\_\_\_  
INDEXED \_\_\_\_\_  
SERIALIZED MB  
FILED MS

49A-BA-85694

In view of the above, no further investigation is being conducted by the Baltimore Division at the present time. Tickler will be set for June 1, 1995 so that Bankruptcy Court can be recontacted to determine the status of LONGO's bankruptcy filing at that time. Baltimore will consider reopening this investigation at that time with the concurrence of the United States Attorney's Office is warranted.



FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1330420-0

Total Deleted Page(s) = 96

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Universal File Case Number 49A-BA-85694-1A(1)

Field Office Acquiring Evidence \_\_\_\_\_

Serial # of Originating Document \_\_\_\_\_

Date Received \_\_\_\_\_

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(City and State)

By  \_\_\_\_\_  
(Name of Special Agent)

To Be Returned  Yes  No

Receipt Given  Yes  No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure  
 Yes  No

Title:

Reference: \_\_\_\_\_  
(Communication Enclosing Material)

Description:  Original notes re interview of  
DOCUMENTS

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49 A - BA - 85694<sup>3</sup> - 1A

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FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1330420-0

Total Deleted Page(s) = 145

Page 3 ~ Referral/Direct - 213A-BA-70889 Serial 1/OIG;  
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(Title) \_\_\_\_\_

(File No.) 213A-BA-70889-1A's

Item	Date Filed	To be returned		Disposition
		Yes	No	
1	10/3/90	✓		Original motion picture [redacted]
2	10/7/90	✓		" " " " " " [redacted]
3	2/18/95	✓		Photocopies of Newspaper Article, letter to Freeh, dtd 9/25/94 from [redacted]

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213A-BA-70889-1A's

SEARCHED	INDEXED
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OCT 01 1990	
FBI - BALTIMORE	

*je*

Field File No. 213 A BA 70889-1A(1)

Serial # of Originating Document \_\_\_\_\_

OO and File No. \_\_\_\_\_

Date Received 9-21-90

From \_\_\_\_\_

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(City and State)

By H. Mounw

(Name of Special Agent)

To Be Returned  Yes  No    Receipt Given  Yes  No

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

Title:

Reference: \_\_\_\_\_

(Communication Enclosing Material)

Description:  Original notes re interview of

\_\_\_\_\_

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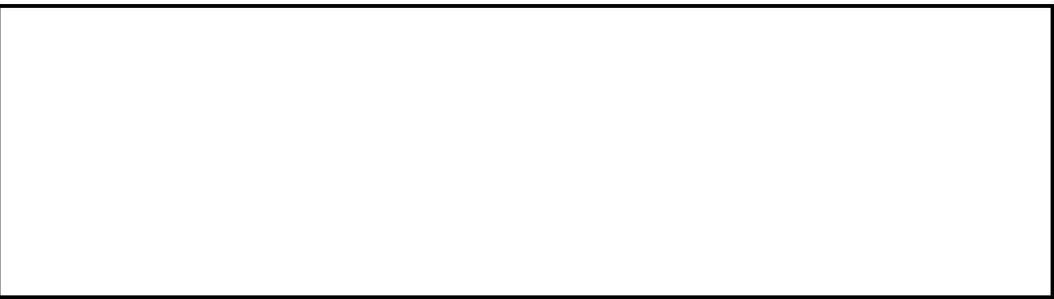
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9-21-20

8-B5  
11 J2  
14 J2

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Saw National Engr. Syst admitted in  
the Penny Saver. ~~Early~~ <sup>mid April</sup> ~~1990~~

Called the phone # & talked to   
asked me question about my income and ~~educat~~  
Background -

At the time I was not graduated from  
High Sch But had appt to take my  
GED at ~~Savannah~~ Learning Center - Chas. Bennis  
MD

He wanted me to come down the next day  
to register. I made arrangements but my  
ride fell thru - I called him back &  
He said he would pick me up -

And he come out to my house & took down  
me to Nat. Engr Syst 5 Chapin Highway <sup>N.E.</sup> in Chas Bennis  
MD

I signed up for Computerized office Technology -  
on ~~my~~ <sup>mid April</sup> ~~1990~~ - only paper I signed that  
day -

(2)

Went back to Sch - 2 Subject over  
one full out loan applied  
2nd was to take Placement test -

Started Sch on May 7-90 to <sup>mid</sup> August 1990  
when the Sch. closed

↓ Rec. Pell Grant For approx 700<sup>00</sup>  
Stafford loan \$2625<sup>00</sup>

CKs Com to Sch - use Signed CKs  
+ Sch kept + Cash for tuition

SLS - Supplemental loan for students - <sup>ADAM 1525<sup>00</sup></sup> ~~675~~<sup>00</sup>

Tuition	4795
Books	120
	<hr/>
	4915 <sup>-</sup>
- Initial Payment	25 <sup>-</sup>
	<hr/>
	4890

They took money for whole yr. Part <sup>we</sup> pay  
~~Book~~ Rec. help Educ.

(3)

Over the 4 month period Teacher kept leaving & we had total of 5 different teachers -

They said Discontinuing Classroom Learning However, you can do it Home - I chose not to do that

The day Before they closed they started a new class

2 other Class notes



b6  
b7c

2625
200
3325

4000
3325
675
890
1565

2625
200
3325

4890
3325
1565

Field File No. 213 A BA 70889 - 1A(2)

Serial # of Originating Document \_\_\_\_\_

OO and File No. \_\_\_\_\_

Date Received 10-5-90

From \_\_\_\_\_  
(Name of Contributor)

\_\_\_\_\_  
(Address of Contributor)

\_\_\_\_\_  
(City and State)

By H. Mason  
(Name of Special Agent)

To Be Returned  Yes  No    Receipt Given  Yes  No

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

Title:

Reference: \_\_\_\_\_  
(Communication Enclosing Material)

Description:  Original notes re interview of

\_\_\_\_\_

b6  
b7C

b6  
b7C

DISB -

10-5-90 b6  
b7C

Telephonically

Grand 14 Ago

Recomm school by Conin who  
went to school

March 20- 90 - Glen Burin 7310 Richin Hwy - spoke to

Approx 1500 to 1700

Signal for Pell Grant + Stafford Loan -  
Signet Bank

Fin Aid  
Person

Student Supplemental Loan - for 1500<sup>00</sup> Signet Bank  
Rec in Aug - 1990 - signal over to school

Signal + turned on to school Around end of June 90

2695<sup>00</sup>

END of  
July

part - Trig System -  
Charly Longo

He said he had to send CKs to Dept  
of Soc 1st - so he lent me  
300<sup>00</sup> via a ck for expense in  
8-22-90 ~~Reported~~ Cash CK -  
+ IT Substantly borrowed -  
now I have to go to court to  
make it good -

Subsequent Sept 5-90

gave me another ck for \$100 - cashed it  
in Laurel MD - in a liquor store in Laurel  
mall - Don't know if it bounced.

I sign up for Truck Driving Course - in Laurel - MD  
NTS -

Sept 7 - 50<sup>00</sup> ck -  
Cashed at School (NTS) for 50<sup>00</sup> Cash

Sept 11 - ~~200<sup>00</sup> NTS~~ - Personal ~~ck~~ acct of Cheryl  
Longo - for 250<sup>00</sup> drawn for his personal acct  
Cashed at 2<sup>nd</sup> MD Nat Bank  
Laurel - opened up ck acct at  
MD Nat Bank Laurel - for 200<sup>00</sup> - kept 50<sup>00</sup> Cash -

Sept 14 - ck for 50<sup>00</sup> Personal ck - Again  
Cashed at MD Nat Bank

Sept 19 Wed - - Left for Home (no money)

Kept ~~saying~~ saying that Fed Funds not Rec. by Home

Spoke to wfm at school - Said school bankrupt BUT  
would stay open for another week & a half

10-4-90 Rec Ltr from Dept of EDOC -

saying they will try to fund another school

so that I can complete my studies -



Universal File Case Number 213A-BA-70889-1A <sup>(3)</sup>

Field Office Acquiring Evidence \_\_\_\_\_

Serial # of Originating Document \_\_\_\_\_

Date Received \_\_\_\_\_

From \_\_\_\_\_  
(Name of Contributor)

\_\_\_\_\_  
(Address of Contributor)

\_\_\_\_\_  
(City and State)

By \_\_\_\_\_  
(Name of Special Agent)

To Be Returned  Yes  No

Receipt Given  Yes  No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

Yes  No

Title: CHARLES R. LONGO;  
NATIONAL TRAINING SYSTEMS, INC.,  
Laurel, Maryland;  
FAG - DEOD  
OO: BALTIMORE

Reference: MIAMI AIRTEL TO BALTIMORE DATED 1/26/95.  
(Communication Enclosing Material)

Description:  Original notes re interview of

ENCLOSED ARE PHOTOCOPIES OF NEWSPAPER ARTICLES,  
AS WELL AS A LETTER WRITTEN TO DIRECTOR FREEH,  
DATED 9/25/94, FROM DONALD STONE.

b6  
b7c

# STONE TECHNOLOGIES

TEL (407) 334-5909

While this letter dated Sept. 25, 1994 is in transit to Freeh at FBI headquarters in D.C. one day later Sept. 26, 1994, (40 miles from FBI headquarters), the US. Attorney for White Collar Crimes Maryland, Dale Kelberman, USDOJ Bankruptcy Trustee lawyer Lori Simpson, MD. Assistant Attorney General Higher Education Commission, William F. Howard & a Mike Beck are in a meeting discussing many of Longo's criminal activities

Mr. Louis Freeh  
Director FBI  
Dept. of Justice  
Washington D.C. 20535

Sept. 25, 1994

See pages 53-59 of this PDF for the Sept. 26 1994 meeting discussing many of Longo's numerous fraud schemes

Dear Mr. Freeh;

HOW MANY VICTIMS WILL CHARLES R. LONGO PREY ON BEFORE U.S. LAW ENFORCEMENT AGENTS WILL STOP HIM ON RACKETEERING CHARGES AND FELONY FRAUD.

THE COUNT NOW IS WELL OVER ONE HUNDRED VICTIMS, PRIVATE CITIZENS, TAXPAYERS AND MILLIONS OF EDUCATION DOLLARS. THIS DOESN'T COUNT ALL THE LITTLE PEOPLE THAT COULDN'T AFFORD A LEGAL BATTLE AGAINST LONGO, THAT HE JUST BURIED IN LITIGATION. IRONIC ISN'T IT !!!! HE USES STOLEN TAX DOLLARS TO STOP CITIZEN FROM BRINGING CHARGES AGAINST HIM.

The more accurate count was closer to 2000 documented victims in MD & VA.

I know you are busy opening new branches in Europe and flying agents to Argentina to investigate crime in foreign countries. No wonder you don't have time, money, or men to investigate DOMESTIC CRIME.

You can't PREVENT CRIME  
You can't STOP CRIME  
You bury your head in the sand when citizens bring to your attention CRIME IN PROGRESS

Bruff J. Procter, bagman & henchman for Longo & Gilbert & Mark Sapperstein organized crime syndicates

I am an inventor and in 1991 I formed Stone Industries Inc. to commercialize my technology. Charles R. Longo invested \$15,000.00 in this corporation in 1992. Unknown to me a [Bruff] [Procter] who was the [ ] of this corporation was helping Longo launder illegal money. In Oct. 1993 Charles R. Longo illegally seized this corporation.

b6  
b7C

Secretary/treasurer

Longo has now moved into the field of Patents and Trademarks having been very successful in the field of computer training school FRAUD and truck driver training school FRAUD. State of Maryland shut him down and then he reopened. State of Virginia shut him down and he turned around behind their backs and reopened.

In February 1994 Longo filed a SHAM lawsuit against me. Because I can not afford an attorney Longo will be able to eventually force me to assign these Patents over to him and his associates who also are involved in questionable

# STONE TECHNOLOGIES

TEL (407) 334-5909.

business dealings. This will give the criminal element Longo and his associates represent a MONOPOLY over an emerging technology that may possibly be of great value to the American public. The invention is currently being researched by Goodyear Tire Company to see if it has commercial application.

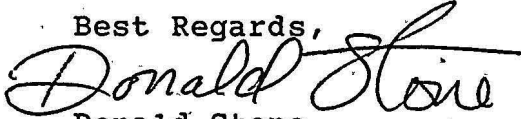
FELONY and RACKETEERING—The \$15,000.00 Longo invested in Stone Industries Inc. was in violation of FEDERAL BANKRUPTCY LAWS. Longo was under Federal Bankruptcy Protection personal and business, during this time. This represents only a small portion of the money he was hiding from the Federal Bankruptcy Court. Where did he get \$15,000.00 to invest in Stone Industries Inc.?????

If Longo as President of Stone Industries Inc. is selling securities to raise operating capital this also would be a **Felony.**

His activity is across state lines Maryland and Virginia and to finance these operations he bundles student loans and sells them to investors throughout the United States.

If you can't do anything to stop Longo please advise. I will keep looking until I can find a responsible law enforcement agency.

Best Regards,

  
Donald Stone

In early 1998 in the FL. Civil RICO a mysterious entity surfaced in the court papers of a James R. Johnson, Donald Stone Investments Inc. (Unknown to me they were using my name to allegedly sell fraudulent securities). Johnson was the president of Washington Investments.



*LONGO GOT OFF FREE & HAD DOCUMENTS EXPUNGED*

# Va. indicts trade school owner

*APPARENTLY THERE WAS A GLITCH IN THIS ARREST*

By Melody Simmons  
Evening Sun Staff

## NTS operates 2 locations in Md.

The owner and president of the National Training Systems Inc., which operates trade schools in Glen Burnie and Laurel and in Richmond, Va., has been indicted in Virginia on 46 counts of grand theft stemming from the NTS truck-driving school in Richmond.

Charles R. Longo, 46, was arrested Tuesday and was ordered held without bond yesterday by Prince George's County District Court Judge Sherrie Krauser. He was in the Prince George's County Detention Center,

awaiting extradition to Richmond, said David Eberhart, a Virginia prosecutor.

The charges of grand theft carry penalties of up to 920 years in prison.

Leonard L. Lucchi, Longo's attorney, yesterday refused to comment on the indictment. He said Longo, who owns a house in Annapolis and rents an apartment in Laurel, told him he was confused about the charges.

Longo and NTS have also been under

scrutiny by the Maryland Higher Education Commission, which in August ordered Longo to remove himself as manager of the Glen Burnie and Laurel schools and to refund tuition payments to students who dropped out of NTS before graduating.

The state charged that Longo has falsified student records to avoid paying the refunds, a practice Longo denied.

The Virginia indictment stems from charges that Longo — through an NTS "sat-

ellite" campus in Richmond — has embezzled about \$138,000 in student tuition fees, destroyed student records and funneled state and federal loan money to start a new shipping business in Laurel called Shippers Choice, Eberhart said.

An NTS maintenance employee yesterday answered the NTS' Laurel telephone as "NTS/Shippers Choice."

NTS of Virginia also added a computer curriculum which was not approved for loan funds from the state and enrolled computer students as truck driving students so they

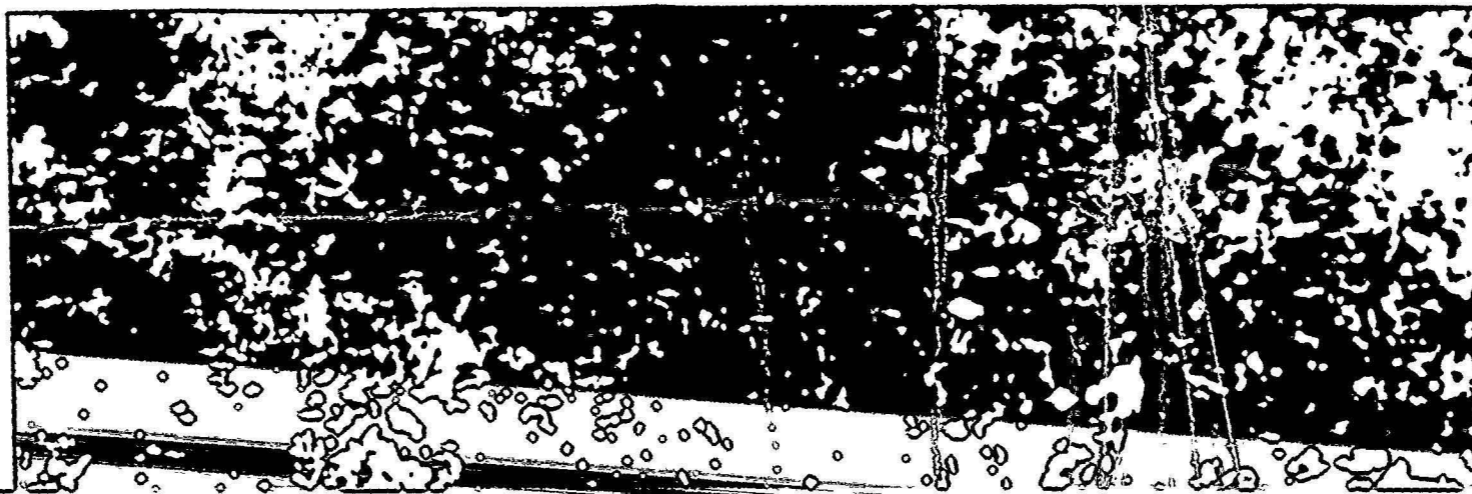
See INDICT, C3, Col. 1

## She digs trees for Dundalk

Diane Pinter has a clear vision for Dundalk. She wants her community to be as neat and orderly as a miniature Christmas garden village.

Pinter, a 42-year-old resident of Flagship Road, who possesses as much energy as any blast furnace in nearby Sparrows Point, is Dundalk's tireless advocate for trees.

With help from her neighbors, Baltimore County, the state and Baltimore Gas & Electric Co., Pinter has planted more than 250 trees.



## Arundel eases tax-cap stand

County sees

...were used as a precaution against German sabotage. In the early 1920s, trees were planted in Dundalk.

"So many of the trees were sycamores, which don't have a long life," Pinter said. "We've been planting flowering crab apples, seedless ashes and Regent Scholar trees. But we haven't put any sycamore back. Not a one."

## Trade school owner indicted

INDICT, From C1

would qualify for financial aid, Eberhart said.

Virginia officials seized nine trucks belonging to Shippers Choice last week, the prosecutor added.

"We have had zillions of complaints from NTS students. Ad nauseam. Ad infinitum," Eberhart said. "Longo knew he could not train these students and then cashed the valid checks. We believe a majority of the loan funds have ended up in Shippers Choice. He's now out of the education business and into the shipping business."

The Maryland NTS each year enrolls about 4,000 students who pay for courses with state loans and grants.

The Maryland Higher Education Commission charged last summer that NTS did not refund at least 200 state students who attended trade courses not approved by the state or did not complete courses and were due refunds. Higher Education Secretary Shaila Aery ordered NTS to post a bond as insurance that students would be able to complete their education at another trade school if NTS went out of business.

An administrative hearing was held on that order in September, no decision has been reached, a commission spokesman said.



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PH: 288-1111

Westview Mall  
1696 & Rt. 40  
PH: 788-2600

• GL

# Md. board faults trade school

## NTS in Glen Burnie said to ignore rules

By Patricia Meisol

Jackie Moyner and Leigh Ann Hohman, best friends from Glen Burnie, didn't bat an eyelash when movers carted away the soda machines at their new school Monday.

But when the school didn't give them books by Tuesday, they began to suspect the worst.

Less than 24 hours after enrolling in a \$4,195 computer course at the National Training Systems Inc. campus in Glen Burnie, the women say they learned from the president that the school's campus is closing. When they asked for their money back, the president instead urged them to sign up for his correspondence school.

Ms. Moyner, 22, and Ms. Hohman, 20, say they are out at least \$500 — the 10 percent the school gets to keep from their federal student loan because they showed up for two days. The school shouldn't have enrolled them if it was about to close, the women say, and they are angry.

So is the Maryland Higher Education Commission.

According to documents obtained yesterday by *The Sun*, the state believes NTS has been falsifying student records to avoid paying tuition refunds due those who dropped out and graduating secretaries and computer operators who can type only half as fast as the 55-words-a-minute requirement. And former NTS employees have told the state that the school shut down its computer to limit information to inspectors who came to visit last month.

The charges are contained in a 25-page complaint that says NTS engaged in a "systematic" pattern of unethical recruiting practices, including giving prospective students false information about average entry-level salaries for tractor-trailer jobs.

The commission also says the school's president and owner, Charles R. Longo, has been lying to them.

For the school to hold onto its license, the state says Mr. Longo must remove himself as manager of the school. The state also wants the school to refund tuition and rescind its certificates of completion to students in correspondence and on-site computer courses who were improperly admitted or graduated.

Yesterday Mr. Longo denied the latest charges against him and his school, one of the largest for-profit trade schools in Maryland. He said NTS would appeal the charges.

OK

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## NTS trade school shuts down, files for bankruptcy

### U.S. had acted to restrict funds over irregularities

By Patricia Melsol

The state's largest for-profit trade school has gone belly up, leaving at least 2,000 students stranded and the U.S. Department of Education facing a potential bill of \$7.8 million.

National Training Systems Inc. filed for protection from creditors under federal bankruptcy laws last week after closing its truck driving and office-computer technology training schools in Baltimore, Glen Burnie and Laurel.

NTS had been the subject of complaints by students and the target of state charges that it offered unapproved courses and violated other rules.

The school has enrolled tens of thousands of students in its combination study-by-mail and residential courses in truck driving and diesel mechanics during the last two decades, and branched out into computer and office technology in the 1980s. Last year it was the single largest borrower of federally guaranteed loans after the University of Maryland at Baltimore, but many students dropped out and defaulted on their federal loans.

NTS had a default rate of 51.2 percent in 1987 and 28.7 percent in 1988.

In June, the U.S. Department of Education notified NTS that it would withhold tuition money from the school until after students graduated and the school documented that it had followed the rules. Usually, schools get tuition money up front for training students.

NTS President Charles R. Longo did not return a phone message yesterday. Alan Grochal, the attorney handling the NTS bankruptcy, said the school's cash-flow was severely restricted by the federal government's decision three months ago to withhold money from the school.

The company listed \$8.6 million in liabilities and \$885,000 in assets, in bankruptcy papers filed Sept. 21. Like many profit-making trade schools, NTS depended heavily on federal money for its income.

By law, the school must refund the full tuition to students who were enrolled when it closed or help them complete their education in another school.

Maryland Higher Education Secretary Shalla R. Acry said yesterday that her office would help place students in other schools and refund tuition from a new fund set up for that purpose with contributions from trade school owners this year. Tuition ranged from \$3,000 to \$5,000.

State officials said that as many as 2,000 students were enrolled in NTS, many of them in home study programs.

#### Baltimore-Annapolis area

TODAY: Sunny and pleasant, high 82. Clear tonight, low 52.  
TOMORROW: Partly cloudy. High 78, low 55.

SUNDAY: Increasing cloudiness. High 72, low 55.

MONDAY: Rain. High 72, low 55.

TUESDAY: Rain. High 72, low 55.

#### Interstate forecast

I-95 NORTH, to New York City: sunny.  
I-95 SOUTH, to North Carolina: sunny.  
I-83, I-81 NORTH, to Pennsylvania and central New York: sunny.  
I-81 SOUTHWEST, to eastern Tennessee: sunny.  
I-70 WEST, to eastern Ohio: sunny.

#### At the resorts

	Today	Tomorrow
Atlantic City	Sunny 65/72	Sunny 68/75
C. Hatteras	Sunny 82/78	Sunny 65/80
Deep Creek	Sunny 45/75	Partly 48/72
Ocean City	Sunny 65/78	Partly 68/78
Poconos	Sunny 50/72	Sunny 52/72

#### Almanac data

	New moon	First quarter	Full moon	Last quarter
	Oct. 18	Oct. 26	Oct. 4	Oct. 10
Rise	7:00 a.m.	3:43 p.m.	6:55 a.m.	12:30 a.m.
Set				

Star Line (Md. Science Center) 539-7827

#### Air quality

4:30 p.m. report yesterday: moderate.

#### Pollen count

Not available.

#### Precipitation at BWI

Yesterday	0.00
Accumulated this month	1.04
Least in Sept.	0.21 in 1987
Most in Sept.	8.82 in 1975
Normal amount in Sept.	3.46
Annual average	41.84
Accumulated this year	32.32

#### Cooling degree days

Downtown	4	Airport	0
Total season	1,710	Total season	1,198
Each degree day represents 1 degree of difference from a standard temperature — in this case 65 degrees — in the average temperature of the day.			

#### Other weather data at BWI

	8 a.m.	2 p.m.	8 p.m.
Dry bulb temp.	52	77	69
Wet bulb temp.	51	64	61
Relative humidity	96	48	76
Barometer*	30.08	30.10	30.13

\*At sea level

Baltimore-Annapolis forecast	838-1212
Maritime, recreational, travel	859-5380
Local aviation conditions	760-8603

#### Weather broadcasts

Baltimore	182.400 MHz
Hagerstown	182.475 MHz
Salisbury	182.475 MHz
Lewes, Del.	182.550 MHz
Washington	182.550 MHz

#### Records set yesterday

None.

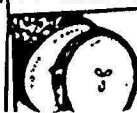
#### Travelers' forecast

#### New York City

Sunny. High 80, low 62.

#### Philadelphia

Sunny. High 74, low 58.



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COMMONWEALTH of VIRGINIA  
Department of Agriculture and Consumer Services  
PO Box 1163, Richmond, Virginia 23209

Divisions

Administration  
Animal Health  
Consumer Affairs  
Dairy & Foods  
Marketing  
Product & Industry Regulation

July 13, 1994

Mr. Donald Stone  
1820 N.E. Jensen Beach Boulevard  
Suite 648  
Jensen Beach, Florida 34957

RE: National Training Systems  
Shippers Choice

Dear Mr. Stone:

This will respond to your letter of July 3, 1994, requesting information about National Training Systems and Shippers Choice.

A thorough review of our computer records, which cover the last five years, reveals that there are 54 complaints on file against National Training Systems. There are no complaints on file against Shippers Choice.

Our records further reveal that all of the complaints regarding National Training Systems were received from 1990 to 1993 and involved the closing of a professional driving school owned by Mr. Charles R. Longo.

I hope this information will be helpful to you. If we can be of assistance in the future with any consumer matter within our jurisdiction, please let me know.

My regards to you.

Sincerely yours,

Betty Blakemore Sulzbach  
Director  
State Division of Consumer Affairs

LONGO OPENED SHIPPERS CHOICE IN LATE 93 SHORTLY AFTER THEY SHUT NATIONAL TRAINING SYSTEMS DOWN.



**D. STONE TECHNOLOGIES**  
1820 NE Jensen Beach Blvd.  
Suite 648  
Jensen Beach, FL 34957  
(407) 334-5909

Fold the top of envelope to the right of the return address.

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**MAIL**

UNITED STATES POSTAL SERVICE  
6030 20535  
\$2.75  
00038741-05

*FBI* **FIRST CLASS**  
*DIRECTOR LOUIS FREEH*  
*DEPT. OF JUSTICE*  
*WASHINGTON D. C.*  
*20535*

**RETURN RECEIPT REQUESTED**

*6720*

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/24/90

[redacted]  
home telephone [redacted] was interviewed at her residence. She related that in mid-April, 1990, she saw an advertisement in the Penny Saver for schooling with the National Training Systems, Glen Burnie, Maryland. She stated that she telephonically contacted the school and spoke to a [redacted], who asked her questions regarding her income and educational background. She advised that at the time she was not a high school graduate, however, had an appointment within the next week to take a GED test at a learning center in Glen Burnie, Maryland. She indicated that she subsequently received her GED.

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b7C

She continued that she made an appointment to visit National Training Systems the following day, however, she was unable to receive a ride. She telephoned [redacted] and attempted to cancel her appointment but [redacted] insisted that he drive to her home and escort her to the school. She related that he drove her to the National Training Systems school at 5 Crain Highway, N.E., Glen Burnie, Maryland.

b6  
b7C

She indicated that she registered for a Computerized Office Technology course. She stated that she went back to the school on two subsequent occasions, one to fill out a loan application and the other to take a placement test.

She related that she started school on May 7, 1990 and school closed its doors in mid-August, 1990. She indicated that she paid a whole year's tuition, but only received part of the education. She also advised that during the short time she attended class, her instructors left the school and she had a total of five different instructors.

She advised that in mid-August, she was told that the school was discontinuing classes but the students could complete the work from their homes. She related that she chose not to do that. She also related that the day before the school closed, a new class of students had begun.

She explained that she received two loans and one

Investigation on 9/21/90 at [redacted] File # 213A-BA-70889-2  
by SA HAROLD J. MORAN:mlm Date dictated 9/24/90

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213A-BA-70889

Continuation of FD-302 of , On 9/21/90, Page 2

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b7C

grant: a Pell Grant for approximately \$700.00, a Stafford loan for \$2,625.00 and a supplemental loan for students in the amount of \$1,565.00. She indicated that when the checks arrived at the school, she endorsed the checks and the school cashed them.

She indicated that two other students were a   
 at  and a

Q13A-BA-70889-2

SEARCHED.....	INDEXED.....
SERIALIZED <i>J.S.</i>	FILED <i>J.S.</i>
SEP 24 1990	
FBI - BALTIMORE	

*[Handwritten signature]*



*[Small handwritten mark]*



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/90

[redacted] date of birth: [redacted]  
 [redacted] residing at [redacted]  
 [redacted] telephone number [redacted] was interviewed  
 telephonically at his request.

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b7C

He advised that he had a cousin who had taken a course in Truck Driving at National Training Systems (NTS) in Laurel, Maryland and recommended the school to [redacted]. [redacted] stated that on March 20, 1990 he visited NTS at 7310 Ritchie Highway, Glen Burnie, Maryland and spoke to a [redacted] from Financial Aid. He indicated that at this time, he applied for a Pell Grant of approximately \$1,500.00 to \$1,700.00, a Stafford Loan for \$2,695.00 and a student supplemental loan for \$1,500.00. He related that he subsequently spoke to the school director, CHARLES LONGO who advised him that the checks for the grant and loans would be mailed to him and that he should endorse the checks and return them to LONGO at NTS. He advised that he received, signed and mailed these checks to LONGO in June 1990 (Pell Grant), July 1990 (Stafford Loan) and August 1990 (Student Supplemental Loan).

On August 22, 1990, LONGO advised him that he had to send all of the checks back to the Department of Education for processing but he wrote a check for \$300.00 for expenses to [redacted] on the school account. [redacted] cashed this check at a local store [redacted]. [redacted] indicated that the check subsequently bounced and he is currently being charged with Defrauding a Storekeeper.

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b7C

He continued that on September 5, 1990, LONGO issued him another check drawn on NTS for \$160.00. [redacted] indicated that he cashed this check at a liquor store in the Laurel Mall. As of this date, he has not been contacted by the store.

On September 7, 1990, he was issued another check for \$50.00 which he cashed at the school. He related that on September 11, 1990, he received a check for \$250.00 drawn on the personal account of CHARLES LONGO at Maryland National Bank, Laurel, Maryland. He stated that he opened up a checking account

(Telephonically)

Investigation on 10/5/90 at Baltimore, Maryland File # 213A-BA-70889by SA HAROLD J. MORAN, JR.:glwm Date dictated 10/9/90



213A-BA-70889

Continuation of FD-302 of

, On 10/5/90 , Page 2

at the same bank branch, deposited the \$250.00 check and withdrew \$50.00 cash.

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b7C

On September 14, 1990, he again received a check drawn on LONGO'S personal account in the amount of \$50.00 which he cashed at the Maryland National Bank.  advised that LONGO kept telling him that his  Federal funds had not been received from the Department of Education.

indicated that on September 19, 1990, he spoke to a white male at the school (FNU) (LNU) who advised that the school was bankrupt but would stay open for another week and a half.  advised this individual that he was from  and had no money to remain in Laurel for another week and a half.  stated that he returned home to  and on October 4, 1990 received a letter from the Department of Education indicating that they were attempting to locate another school for him to complete his studies.

b6  
b7C

He further stated that it is his understanding that he is responsible for the loans which he never received.

213A-BA-70889-3

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 10 1990	
FBI - BALTIMORE	

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

# Va. indicts trade school owner

Date: October 18, 1990  
Edition: The Evening Sun  
pg. C-1

Title:

Character:  
or  
Classification:  
Submitting Office:

Indexing:

By Melody Simmons  
Evening Sun Staff

## NTS operates 2 locations in Md.

The owner and president of the National Training Systems Inc., which operates trade schools in Glen Burnie and Laurel and in Richmond, Va., has been indicted in Virginia on 46 counts of grand theft stemming from the NTS truck-driving school in Richmond.

Charles R. Longo, 46, was arrested Tuesday and was ordered held without bond yesterday by Prince George's County District Court Judge Sherrie Krauser. He was in the Prince George's County Detention Center,

awaiting extradition to Richmond, said David Eberhart, a Virginia prosecutor.

The charges of grand theft carry penalties of up to 920 years in prison.

Leonard L. Lucchi, Longo's attorney, yesterday refused to comment on the indictment. He said Longo, who owns a house in Annapolis and rents an apartment in Laurel, told him he was confused about the charges.

Longo and NTS have also been under

scrutiny by the Maryland Higher Education Commission, which in August ordered Longo to remove himself as manager of the Glen Burnie and Laurel schools and to refund tuition payments to students who dropped out of NTS before graduating.

The state charged that Longo has falsified student records to avoid paying the refunds, a practice Longo denied.

The Virginia indictment stems from charges that Longo — through an NTS "sat-

213-BA-70889-4

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 19 1990	
FBI - BALTIMORE	
MORAN	

elite" campus in Richmond — has embezzled about \$138,000 in student tuition fees, destroyed student records and funneled state and federal loan money to start a new shipping business in Laurel called Shippers Choice, Eberhart said.

An NTS maintenance employee yesterday answered the NTS' Laurel telephone as "NTS/Shippers Choice."

NTS of Virginia also added a computer curriculum which was not approved for loan funds from the state and enrolled computer students as truck driving students so they

See INDICT, C3, Col. 1

## Owner of trade school is indicted

INDICT, From C1

would qualify for financial aid, Eberhart said.

Virginia officials seized nine trucks belonging to Shippers Choice last week, the prosecutor added.

"We have had zillions of complaints from NTS students. Ad nauseam. Ad infinitum," Eberhart said.

"Longo knew he could not train these students and then cashed the valid checks. We believe a majority of the loan funds have ended up in Shippers Choice. He's now out of the education business and into the shipping business."

The Maryland NTS each year enrolls about 4,000 students who pay for courses with state loans and grants.

The Maryland Higher Education Commission charged last summer that NTS did not refund at least 200 state students who attended trade courses not approved by the state or did not complete courses and were due refunds. Higher Education Secretary Shaila Aery ordered NTS to post a bond as insurance that students would be able to complete their education at another trade school if NTS went out of business.

An administrative hearing was held on that order in September; no decision has been reached, a commission spokesman said.

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: October 19, 1990  
Edition: The Baltimore Sun  
pg. D-2

Title:

Character:  
or  
Classification:  
Submitting Office:

Indexing:

**NTS CASE**

**Trade school owner indicted on 46 counts**

The owner and president of Maryland's largest for-profit trade school, now bankrupt, has been indicted on 46 counts of grand theft in the operation of National Training Systems' truck-driving school in Richmond, Va.

Charles R. Longo, 46, was arrested Tuesday and ordered held without bond in the Prince George's County Detention Center while awaiting extradition to Richmond, according to a report yesterday in *The Evening Sun*.

The indictment charges that Mr. Longo embezzled \$138,000 in student tuition fees, destroyed records and funneled government loan money to a new shipping company in Laurel called Shippers Choice, the newspaper said.

The target of numerous complaints from Maryland students, National Training Systems closed its truck driving and office-computer technology training schools in Baltimore, Glen Burnie and Laurel last month and filed for protection from creditors under federal bankruptcy laws.

213A-BA-70889-5

SEARCHED	INDEXED
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OCT 22 1990	
FBI - BALTIMORE	

*MALAN*

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

Baltimore, Maryland

December 19, 1990

RE: CHARLES R. LONGO;  
NATIONAL TRAINING SYSTEMS,  
Laurel, Maryland;  
FRAUD AGAINST THE GOVERNMENT -  
DEPARTMENT OF EDUCATION

This investigation was predicated upon information provided by [redacted] Criminal Investigator, Department of Education, Washington, D. C., that Charles R. Longo, President of National Training Systems (NTS), was misusing the Federal Pell Grant account. Additional allegations surfaced concerning whether or not NTS paid FICA, Federal and State taxes.

b6  
b7C

A Department of Education program review determined that over \$222,000.00 in Pell Grants was currently unaccounted for.

Interview of former students disclosed that checks received by them for Pell Grants and for loans were endorsed and given back to the school per Longo's instructions. These students then received small amounts of funds, however, were responsible for paying back all of the loans.

On November 30, 1990, Assistant United States Attorney (AUSA) [redacted] District of Maryland, Baltimore, Maryland, was contacted and advised that he would decline prosecution against Charles Longo and NTS as Longo was indicted in the State of Virginia and is being prosecuted for embezzlement of State and Federal tuition fees. In addition, Prince Georges County, Maryland and the Maryland Attorney General's Office are also conducting investigations into the activities of NTS and Charles R. Longo.

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In view of the above facts, the Baltimore Office of the Federal Bureau of Investigation is conducting no further investigation in this matter.

4 - Bureau  
1 - United States Attorney  
① - Baltimore  
HJM:cld  
(6)

213A-BA-70889-6  
INDEXED  
SERIALIZED  
FILED

U.S. Department of Justice  
Criminal Division

Fraud And Corruption Tracking Form

This form is to be completed upon presentation to a United States Attorney's office or a DOJ Division for a prosecutive decision. This form is not to be completed for referrals to the FBI for investigation. FBI completes at initiation.

(1) Originating Agency: FBI (4) Agency Case File #: 213ABA70889  
 (2) Investigative Office: BIA (5) Case Agent: M.D.R.A.V.  
 (3) Judicial District: DMD (6) Phone Number:

b6  
b7C

List Other Investigative Agencies Working Jointly:

(7) DOED (8)  (9)

(10-20) Nature of Violation (Check all that apply):

- GOV-Govt Employee Related
- BRI-Bribery
- COI-Conflict of Interest
- ORG-Organized Crime Related
- PRM-Program Fraud
- PRC-Procurement Fraud
- CPT-Computer Assisted
- THF-Theft/Govt Property
- HLT-Health Care Provider
- TOX-Toxic Waste Disposal
- OTH-Other

Subject Agency:

DOED (21) Agency ID      02 (22) Subunit      99 (23) Prog/Func      \$222,000.00 (24) Estimated Dollar Loss

(25-26) This case was referred to (Check one and enter subunit code and location):

USAO District      City: BALTIMORE (27) Date Referred: 11/13/09  
 DOJ Criminal Division Section      State: MARYLAND  
 Other DOJ Division      Subunit:

(28)  Check if declined on preliminary consultation (after cursory investigation)

(29) Total Number of Subjects under Investigation: 02

List up to three primary subjects below (If top 100 contractor, please list contractor name):

1. (31-33) Name LOVIEO CHARLES R (34)  Check if Subject is Organization & omit DOB  
 (35) Alias \_\_\_\_\_  
 (36)  Protect Identity      (37) Date Of Birth \_\_\_\_\_      (38-40) Occupation 47 99 01  
M M D D Y Y      Rel to Govt      Industry      Function

---

2. (42-44) Name NATIONAL TRAINING SYSTEMS (45)  Check if Subject is Organization & omit DOB  
 (46) Alias \_\_\_\_\_  
 (47)  Protect Identity      (48) Date Of Birth \_\_\_\_\_      (49-51) Occupation     
M M D D Y Y      Rel to Govt      Industry      Function

---

3. (53-55) Name \_\_\_\_\_ (56)  Check if Subject is Organization & omit DOB  
 (57) Alias \_\_\_\_\_  
 (58)  Protect Identity      (59) Date Of Birth \_\_\_\_\_      (60-62) Occupation     
M M D D Y Y      Rel to Govt      Industry      Function



**DOJ ORGANIZATIONS**

**FACT CODES**

**SUBJECT OCCUPATIONS**

**USA OFFICES/FEDERAL JUDICIAL DISTRICTS**

CODE	DEFINITION	CODE	DEFINITION
ALN	Alabama, N	MOE	Missouri, E
ALM	Alabama, M	MOW	Missouri, W
ALS	Alabama, S	MT	Montana
AK	Alaska	NE	Nebraska
AZ	Arizona	NV	Nevada
ARE	Arkansas, E	NH	New Hampshire
ARW	Arkansas, W	NJ	New Jersey
CAN	California, N	NM	New Mexico
CAC	California, C	NYN	New York, N
CAE	California, E	NYE	New York, E
CAS	California, S	NYS	New York, S
CO	Colorado	NYW	New York, W
CT	Connecticut	NCE	North Carolina, E
DE	Delaware	NCM	North Carolina, M
DC	District of Columbia	NCW	North Carolina, W
FLN	Florida, N	ND	North Dakota
FLS	Florida, S	OHN	Ohio, N
FLM	Florida, M	OHS	Ohio, S
GAN	Georgia, N	OKN	Oklahoma, N
GAM	Georgia, M	OKE	Oklahoma, E
GAS	Georgia, S	OKW	Oklahoma, W
GU	Guam	OR	Oregon
HI	Hawaii	PAE	Pennsylvania, E
ID	Idaho	PAM	Pennsylvania, M
ILN	Illinois, N	PAW	Pennsylvania, W
ILS	Illinois, S	PR	Puerto Rico
ILC	Illinois, C	RI	Rhode Island
INN	Indiana, N	SC	South Carolina
INS	Indiana, S	SD	South Dakota
IAN	Iowa, N	TNE	Tennessee, E
IAS	Iowa, S	TNM	Tennessee, M
KS	Kansas	TNW	Tennessee, W
KYE	Kentucky, E	TXN	Texas, N
KYW	Kentucky, W	TXE	Texas, E
LAE	Louisiana, E	TXS	Texas, S
LAW	Louisiana, W	TXW	Texas, W
LAM	Louisiana, M	UT	Utah
ME	Maine	VT	Vermont
MD	Maryland	VI	Virgin Islands
MA	Massachusetts	VAE	Virginia, E
MIE	Michigan, E	VAW	Virginia, W
MIW	Michigan, W	WAE	Washington, E
MN	Minnesota	WAW	Washington, W
MSN	Mississippi, N	WVN	West Virginia, N
MSS	Mississippi, S	WVS	West Virginia, S
		WIE	Wisconsin, E
		WIW	Wisconsin, W
		WY	Wyoming

**CRIMINAL DIVISION SECTIONS**

CODE	DEFINITION
FRD	Fraud
GLL	General Litigation and Legal Advice
ISS	Internal Security
NDD	Narcotic & Dangerous Drug
OCR	Organized Crime & Racketeering
PSI	Public Integrity

**OTHER DOJ DIVISIONS**

CODE	DEFINITION
ATR	Antitrust
CIV	Civil
CRT	Civil Rights
LDN	Land & Natural Resources
TAX	Tax

**INVESTIGATIVE ORGANIZATIONS**

CODE	DEFINITION
AID	Agy for International Devel OIG
USDA	Agriculture OIG
OSI	Air Force Off of Spec Invest
CID	Army Criminal Invest Command
BATF	Bur of Alcohol, Tob & Firearms CE
DOC	Commerce OIG
DCIS	Defense Criminal Invest Service
DEA	Drug Enforcement Admin
DOED	Education OIG
DOE	Energy OIG
EPA	Environmental Protection Agy OIG
FBI	Federal Bureau of Invest
FEMA	Federal Emerg Mgmt Agency
GSA	General Services Admin OIG
GPO	Government Printing Office
HHS	Health & Human Services OIG
HUD	Housing & Urban Development OIG
INS	Immig & Naturalization Service
DOI	Interior OIG
IRS	Internal Revenue Service CID
DOL	Labor OIG
NASA	Natl Aeronautics & Space Admin OIG
NIS	Naval Invest Service
OPM	Office of Personnel Mgt.
NRC	Nuclear Reg Commission
PIS	Postal Inspection Service
SBA	Small Business Admin OIG
SSA	Social Security Admin OSP
DOS	State OIG
DOT	Transportation OIG
TRE	Treasury OIG
CUS	US Customs Service OI
USSS	US Secret Service OI
VA	Veterans Admin OIG
OTH	Other Federal Investigative Agy

**RELATIONSHIP TO GOVERNMENT**

CODE	DEFINITION
<u>Government Employee - Federal</u>	
01	GS I-12
02	GS/GM I3 & Over (NOT SES)
03	Senior Executive Service
04	Presidential Appointee
05	Wage Grade
06	Military: E1-E6
07	Military: E7-E9
08	Military: Warrant Officer
09	Military: Officer 01-04
11	Military: Officer 05, 06
12	Military: Officer 07 & Over
13	Foreign Service Officer (FO/FP-I or below)
14	Senior Foreign Service
15	Other Foreign Service Related
21	Former Federal Employee
22	Other Federal Employee
<u>Government Employee - Other</u>	
31	State Government
32	Local Government
<u>Other Relationship to Government</u>	
41	Consultant
42	Contractor
43	Subcontractor
44	Grantee
45	Subgrantee
46	Vendor
47	Loan Recipient
48	Public Assistance Recipient
49	Government Insurance Recipient
50	VA Benefit Recipient
51	Licensed Practitioner
71	Other
99	No Relationship

**INDUSTRY TYPES**

CODE	DEFINITION
01	Aerospace, Defense Related
02	Banking, Finance Related
03	Building Services
04	Business Supply
05	Construction
06	Customs Brokering
07	Customs Carting
08	Distilling
09	Energy Related
10	Farming, Ranching
11	Firearms, Explosives
12	Food and Beverage Supply
13	Government
14	Health Care Institutions
15	Health Care Services and Supplies
16	Import/Export
17	Insurance
18	Manufacturing
19	Real Estate
20	Repair Related
21	Research and Development
22	Securities, Commodities
23	Social Services
24	Tobacco
25	Transportation
26	Warehousing
98	Not Applicable
99	Other

**JOB FUNCTIONS**

CODE	DEFINITION
01	Officer, Board Member, Corporate Executive
02	Manager, Administrator
03	Accountant, Bookkeeper, Auditor
04	Allied Health Related
05	Architect, Engineer
06	Clerk, Other Clerical
07	Computer Related
08	Contracting Officer
09	Laborer
10	Law Enforcement Officer
11	Lawyer, Judge
12	Physician, Dentist, Other Health Treatment Providers
13	Quality Control Inspector
14	Sales, Marketing, Retailing
15	Scientist
16	Security Officer, Guard
17	Supervisor, Foreman
18	Teacher
19	Technician
98	Unemployed
99	Other

**FACT FORM DISTRIBUTION**

Please forward completed FACT forms to the FACT System via your agency point of contact.

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

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

Date 12/19/90

1 TO : DIRECTOR, FBI

2 FROM : SAC, BALTIMORE (213A-BA-70889) (SQ 7) (C)

3 SUBJECT : CHARLES R. LONGO;

4 NATIONAL TRAINING SYSTEMS,

5 Laurel, Maryland;

6 FAG-DOED;

7 OO: Baltimore

8 Enclosed for the Bureau is the original along with

9 three copies of a LHM, dated and captioned as above. A copy

10 of the enclosed LHM is being provided to AUSA [redacted]

11 District of Maryland, to confirm his opinion declining on this

12 matter on November 30, 1990.

13 No further investigation is being conducted, and

14 accordingly the captioned matter is being closed.

15 2 - Bureau (Encl. 4)

16 ① - Baltimore

17 HJM:cld

18 (3). *cl*

*Close 12/23/90*

*add 12/20/90*

*12/21/90*

*(Handwritten initials in a circle)*

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b7C

213A-BA-70889-7

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

(Number) (Time)

Per SEARCHED \_\_\_\_\_

INDEXED \_\_\_\_\_

SERIALIZED \_\_\_\_\_

FILED \_\_\_\_\_

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to  
File No. 213A-BA-70889

7142 Ambassador Rd.  
Baltimore, Maryland 21207

December 19, 1990

The Honorable Breckinridge L. Willcox  
United States Attorney  
101 W. Lombard Street  
Eighth Floor  
Baltimore, Maryland 21201

Attn: AUSA [redacted]

b6  
b7C

RE: Charles R. Longo;  
National Training Systems,  
Laurel, Maryland;  
Fraud Against the Government -  
Department of Education.

Dear Sir:

Please find enclosed a letterhead memorandum outlining the original allegations, the facts of the investigation conducted and the prosecutive opinion of Assistant United States Attorney (AUSA) [redacted] on November 30, 1990.

b6  
b7C

Sincerely yours,

Joseph V. Corless  
Special Agent in Charge

By: [redacted]  
[redacted]  
Supervisory Special Agent

1 - Addressee (Encl. 1)  
① - Baltimore  
HJM:cld  
(2) *cld*

*213A-BA-70889-8*  
SEARCHED \_\_\_\_\_  
INDEXED \_\_\_\_\_  
SERIALIZED \_\_\_\_\_  
FILED \_\_\_\_\_  
*HJM*

C

NOTE: Hand print names legibly; handwriting satisfactory for remainder.  
Indices:  Negative  See below

Subject's name and aliases  
Charles Longo, dba  
Shippers Choice Inc.

Character of case  
Complainant  Protect Source  
Complaint received  
 Personal  Telephonic Date [ ] Time [ ]

12/19/90  
JOB [ ]

Address of subject  
8346 Washington Blvd.  
Jessup, MD 20794

Complainant's address and telephone number  
[ ]

Subject's Description	Race	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Height	Hair	Build	Birth date and Birthplace
	Age		Weight	Eyes	Complexion	Social Security Number
	Scars, marks or other data					

Facts of complaint

[ ] advised that he is enrolled at Shippers Choice Inc, a truck driving school. He believes they are engaging in fraudulent loan practices. Indices reflect a mark case (213A-BA-70889) re Shippers Choice and Longo.

[ ] was not asked to fabricate any loan forms, nor did he have any firsthand knowledge of same.

[ ] is pursuing this matter through the state of Maryland.

213A-BA-70889-9

Do not write in this space.

4h 4h

SQ#7

SA [ ]  
(Complaint received by)

BLOCK STAMP

b6  
b7C  
b7D

FBI

CH

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

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

Date 1/26/95

See pages 53 to 59. (Not part of this FOIA request, but an earlier FOIA in late 1995) Approx. 4 months earlier on 9/26/94 USDOJ & MD. State discussions about numerous criminal activities of Charles R. Longo & associates in Baltimore

TO : SAC, BALTIMORE (213A-BA-70889)

FROM : SAC, MIAMI (213A-BA-70889) (FPRA) (RUC)

SUBJECT : CHARLES R. LONGO;  
 NATIONAL TRAINING SYSTEMS, INC.,  
 Laurel, Maryland;  
 FAG - DEOD  
 OO: BALTIMORE

INDICES SEARCHED

- UCFN
- FOIMS
- MANUAL
- CIU
- ELSUR

Re Bureau routing slip to Miami dated 10/31/94 captioned, "Complaint Letter of DONALD STONE".

Enclosed for Baltimore is one (1) envelope containing photocopies of newspaper articles, as well as a letter written to Director LOUIS FREEH, FBI, DEPARTMENT OF JUSTICE, Washington, D.C., dated 9/25/94 from DONALD STONE.

DONALD STONE was contacted on 1/25/95 pertaining to his letter to the Director, dated 9/25/94. Mr. STONE was telephonically contacted at telephone number 407/334-5909. Mr. STONE discussed in depth the background pertaining to CHARLES R. LONGO; however, he was unable to provide any specific information of evidentiary value which could be utilized in any sort of Bankruptcy Fraud case against Mr. LONGO. In essence, Mr. STONE agreed that his dispute with Mr. LONGO was a civil matter.

FBI agent tries to spin criminal matter as a civil matter

Robin Lord

DONALD STONE indicated that he has spoken extensively with [redacted] CID Agent, IRS, Baltimore, Maryland, [redacted] State Attorney General for the BOARD OF HIGHER EDUCATION in Maryland, [redacted] and that he has also contacted the UNITED STATES

b6  
b7c

William F. Howard

- ② - Baltimore (Enc. 1)
- 1 - Miami
- DEV/jah
- (3)

See Ref 1A (3)

213A-BA-70889-10

SEARCHED INDEXED  
 SERIALIZED FILED

FEB 3 1995

Approved:

Transmitted

Per - BALTIMORE

This is a lie and complete fabrication by this FBI agent, I knew that this was a criminal matter across interstate lines and would never agree with anybody that I was only involved in a civil matter with Longo & his associates. Total FBI fabrication ! FBI trying to de-criminalize multiple federal felony offenses.



213A-BA-70889

Alleged to be a Major Stanford Franklin.  
I'm not positive on this identity as I had dealings with another MD. State Police Officer also that was charged with investigating gambling matters.

ATTORNEY'S OFFICE in Baltimore. Major [redacted] MARYLAND STATE POLICE, telephone number [redacted] Stevensville, Maryland, was also contacted pertaining to Mr. LONGO. Mr. STONE acknowledged that CHARLES R. LONGO is currently being investigated by several police agencies, and he characterized IRS agent [redacted], Major [redacted] and [redacted] as being very familiar with Mr. LONGO and his activities.

b6  
b7c

Robin Lord IRS  
CID Baltimore

Miami will submit routing slip to the Bureau advising that STONE has been contacted and information has been forwarded to Baltimore for information.

This communication is being submitted to Baltimore for any action deemed appropriate.

**NOT PART OF THIS RECENT FBI FOIA REQUEST.**

**These Documents Were Obtained Late 1995 With A FOIA Request To USDOJ BANKRUPTCY TRUSTEE, Washington D.C.**

**Everything in Red are the Annotations of Donald Stone**

EXHIBIT 2

**Stone in May/June 1995 discovers that Longo crime syndicate associates Gilbert & Mark Sapperstein have a lot of friends in the MD. AG. Office (specifically Joseph Curran Jr.).**

In May/June 1995 in a brief conversation with MD. Assistant AG. William Howard, Howard told Stone that the Sapperstein's were well known at the MD. Attorney General's Office. Stone thinking that Gilbert & Mark Sapperstein were also under investigation by the MD. AG. like Longo & Procter. Stone then asked Howard what he meant. Howard responded " They have lots of friends at the Maryland Attorney General's Office".

These documents are internal USDOJ documents describing numerous criminal activities of Charles R. Longo and Bruff J. Procter that Stone had obtained in late 1995 with a FOIA request.

Unknown to me, until later, Stone realized these agencies were trying to block my access to these documents because they would be detrimental to Longo and Sapperstein's sham lawsuit to steal Stone's patents and invaluable to Stone in fending off this sham lawsuit.

Prior to this, Stone in May/June 1995 had served or tried to serve a Subpoena Duece Tecum on three of these agencies.

**1. The US Attorneys office USDOJ, Baltimore,MD.**

US Attorney for Maryland, Lynne Battaglia simply quashed Stone's subpoena (Battaglia was MD. AG. Curran's head of his Criminal Div. at the MD. AG. Office prior to becoming US Attorney for MD)

This was done to conceal her **Chief of White Collar Crimes, Dale Kelberman** from disclosing any information that would be detrimental to Longo's sham lawsuit against Stone and beneficial to Curran's personal friends Gilbert & Mark Sapperstein

**2. The US DOJ Bankruptcy Trustee Baltimore,MD.**

**Lori Simpson** USDOJ Bankruptcy Trustee attorney repeatedly evaded Stone's process server with help from her boss US Bankruptcy Trustee Karen Moore

**3. The Maryland Attorney Generals Office Baltimore**

William (Bill) Howard simply falsified an affidavit filed with the Worcester County Circuit Court ridiculing me and smearing me claiming he had no knowledge Donald Stone Industries Inc. and that I was simply on a fishing expedition.

These were the same documents used to catch the top Maryland & Florida federal prosecutors lying in the Southern District of Florida in Stone vs. Warfield in 1998.



See 9-25-94 Stone letter to FBI Director Freeh (See pgs. 27-28 of this PDF)

Lori Simpson US DOJ Bankruptcy Trustee lawyer

Dale Kelberman Chief of White Collar Crimes Maryland US DOJ

Mike Beck, Investigator, Maryland Dept. of Higher Education

Bill Howard Maryland Attorney General lawyer MD. Higher Education Division

9-26-94

Longo - Meeting with US, Bill Howard, Dale Kelberman, Mike - →

Operating private career school - MD since late 20s - truck driving - then opened other training centers in MD + Va - correspondence course - truck driver home study then 3 weeks of on-site training - very few people made it to the resident training -

in one year he pulled down more federal aid in MD than College Park

was legitimate enterprise - certain features the state didn't like.

He was licensed by state - as vocational school - he sued to get that license - because his trucks were failing the MVA standards - he said they were only being used as student vehicles - then after he was licensed as providing vocational training he was eligible for federal aid.

Inspector General of Dept. of Education - looked at Pell grants - investigation was completed in Feb-1994 started in 1990-1991. Senate Select Committee wanted to look into NTS but were told that IG had the matter under investigation.

IG report was issued - said NTS followed all the proper procedures & if anything the government owed them \$ -

NTS 1-1 used special consultant for assistance

their paperwork - Earl Grovat + Associates - Florida Co - that  
Howard says employees <sup>specialize in this</sup> told them that dates had  
been changed - he told OIG - doesn't know if that  
was ever looked into.

Supervisor of OIG said they are looking into it again -  
(John Taylor) - said they were doing a review -

NIS files 10-21-90 - case dismissed 7-92 - on motion of IRS  
Longo filed 11-13-90 <sup>by court under confirmed</sup>  
plan -

Total refunds owed to students of \$8 million - of NIS -

Crochal represents Charles Longo -  
Howard Rubenstein represents ex-wife  
Mel Paul represented Creditors' Committee

Sellinger - was personal attorney

bodykeeper -  
outside Charles Fagan - Pikeville

Charles R. Longo  
(National Training Systems, Inc./Shippers' Choice, Inc.)

I. Background

1. Notice of Deficiencies from MHEC to NTS (6/28/90)
2. Recommended Decision from ALJ Tranen (8/15/91)
3. Notice of Deficiencies from MHEC to NTS (8/10/92)
4. Proposed Order from ALJ Lewis-Frazer (6/28/91)
- X MHEC's Proposed Findings of Fact and Conclusions of Law (4/11/94) *NTS + Longo -*
6. MHEC's Complaint Objecting to Discharge of Debtor (9/16/93)
7. MHEC's Motion to Convert to Chapter 7 (11/23/93)
8. MHEC's Amended Counterclaim against Shippers' Choice, Inc. (7/21/94)

II. Possible Bankruptcy Fraud

A. Basic Information

9. NTS Bankruptcy Schedules
10. Longos' Bankruptcy Schedules
11. Longos' Check Register

B. \$51,368.44 taken from NTS in last week before bankruptcy

12. NTS Credit Line Account computer summary
13. NTS Credit Line bank account statements
14. Charles Longo Chevy Chase bank account statements and letter from Martin Snider

(first meeting with Alan Grochal, NTS bankruptcy counsel, took place on 9/18/90; petition was filed on 9/21/90)

C. Postpetition conversion of \$7,000 Cougar proceeds to own use

1. See findings pp. 42-43, 76, 85-86

D. Postpetition transfers from NTS to Shippers' Choice: (a) at least \$85,422.04 included on May - Sept. 1991 monthly reports, never approved by Court, and (b) at least \$66,932.96 totally

unaccounted for

15. NTS Monthly Reports (May-Sept. 1991)
16. Tydings & Rosenberg ledgers and bank statements
- E. Postpetition conversion of NTS computer and other personal property
  - See June 1991 monthly report (above) - \$7,300 computer purchase
  - 17. Gary Boardwine deposition (5/23/94) (re computer, phones and fax machine)
- F. Failure to disclose, and unknown use of, separate bank account for Charles Longo, with a balance of \$9,203.22 on date of his petition
  - See Longos' Schedules (above), pp. 1, 10
  - 18. Citizens Bank account statements
- G. Many examples of false statements - see Complaint Objecting to Discharge for some

III. Possible Securities or Mail Fraud Concerns

A. Private Offerings by Shippers' Choice/American Credit Co. totaling approximately \$500,000 in Sept. '92, Dec. '92 and Mar. '93, guaranteed by Charles R. Longo

-with no disclosure of the financial status of Mr. Longo, the fact that he was in bankruptcy, and with the guarantee of questionable legality in the bankruptcy proceedings

-warranties to investment broker that company was authorized to conduct its business in accordance with law and that no actions or proceedings had been filed or threatened against it, contrary to cease and desist letters from MHEC

-possible misuse of proceeds by Charles R. Longo individually, rather than for corporate purposes

-possibly not registered as exempt in all necessary states

19. Confidential Term Sheets (Depo. Exs. 1 and 2)
20. Agency Agreements dated 11/25/92 and 3/1/93

**B. Private Offering of up to \$1,000,000 on or after July '93**

-possible misuse of proceeds by Charles R. Longo individually, rather than for corporate purposes as stated in placement memorandum

-similar representation that company was not a party to any litigation, nor had any been threatened against it

-financial information differs drastically from info on tax return and internal financial statement for same period

21. Confidential Private Placement Memorandum, 7/14/93

22. 1992 Federal Income Tax Return for Shippers' Choice see p. 4

23. Shippers' Choice internal financial statements as of Dec. 31, 1992 (run 3/24/93)

**B. Donald Stone Industries/Investors/Bruff Procter -- complaints by Donald Stone**

24. E.g., Complaint and Answer in Charles R. Longo and Donald Stone Industries, Inc. v. Donald J. Stone

**IV. Possible Income Tax Concerns**

**A. 1989 Joint Personal Return**

-failure to report \$300,000 dividend. See Proposed Findings above, pp. 48-49

-possible unreported officer loan, vending machine and Lamborghini income. See Proposed Findings above, pp. 66-70, 49-52 and 39-40.

-questionable "personal interest" claim of \$35,000 (\$7,000 deduction)

-failure to report \$28,873 Nissan income claimed later

**B. 1990 Individual Return**

-possible unreported officer loan income/questionable deductions for \$704,317 in claimed "business losses" for loans# pp. 29-31, 49-52 and 39-40.

-mysterious transfers from NTS probably not reported or

accounted for on income tax return

C. 1991 and later returns

-allegedly receiving no salary from Shippers' Choice, but showing huge amounts of income/cash flow on monthly bankruptcy reports and in checking account; unknown how much income reported

25. Summary of Bank Deposits and Other Cash Payments

-See Charles Longo monthly bankruptcy reports through 12/93

26. Charles Longo deposition extracts and officer loan account summary

V. Possible Federal Aid Concerns

- A. Approximately \$700,000 in aid drawn down by NTS for ineligible ACT program in early 1989 - possible flaw in system - was approved 6 months later - student now have to repay financial aid -
- B. Individual allegations of fraud in cashing student loan checks by NTS

↓  
180 students  
probably high %  
↑ loans are in default



J. JOSEPH CURRAN, JR.  
Attorney General

JOHN K. ANDERSON  
Chief Counsel for  
Educational Affairs



NORMAN E. PARKER, JR.  
RALPH S. TYLER  
Deputy Attorneys General

STATE OF MARYLAND  
OFFICE OF THE ATTORNEY GENERAL  
EDUCATIONAL AFFAIRS DIVISION

TELECOPIER NO.  
(410) 576-6437

**SEE Pages 53 thru 57 of this PDF for proof that William F. Howard is a liar and clearly falsified this affidavit, commonly known as Obstruction of Justice & Fraudulent Concealment**

WRITER'S DIRECT DIAL NO.  
(410) 576-6455

June 2, 1995

Mr. Richard H. Outten  
Clerk of the Court  
Circuit Court for Worcester County  
Room 104, Court House  
P.O. Box 40  
Snow Hill, Maryland 21863

This is a falsified affidavit from the Maryland Attorney Generals Office by William F. Howard to smear, vilify & ridicule Stone and to help & protect MD. AG Joseph Curran Jr.'s friends Gilbert & Mark Sapperstein steal Stone's patents even though Howard is Longos arch enemy

Re: Donald Stone Industries, Inc. and Charles R. Longo  
v. Donald J. Stone  
Civil Action No: 94CV0182  
Docket No: SP-59/117

Dear Mr. Outten:

Please find enclosed for filing in the above-captioned case William F. Howard's Motion to Quash Trial Subpoena Served by Defendant Stone, with proposed Order, and Motion to Shorten Time for Defendant Stone to Respond to William F. Howard's Motion to Quash Trial Subpoena, with proposed Order.

Thank you for your cooperation and attention to this matter.

Irrefutable evidence against Howard was obtained much later by Stone, USDOJ bankruptcy tapes of Howard discussing Donald Stone Ind. Inc. with Longo Jan. & Feb. 1995 & USDOJ notes of Howard discussing Longos multitude of criminal activities dated Sept. 1994

Very truly yours,

Andrew M. McDonald  
Assistant Attorney General

\Clk.WCO  
cc: Donald D. Stone ✓  
Joseph G. Harrison, Jr., Esquire

Howard's honest testimony in this sham lawsuit would have stopped Longo & Sapperstein organized crime syndicate dead in their tracks & possibly resulted in the collapse of Gilbert & Mark Sapperstein \$3.5 million Baltimore School Board theft they were running between 1991-2003.

After Oct. 1993 Longo was running Donald Stone Industries Inc. (DSII) at the same address as Shippers Choice and co-mingling Shippers Choice assets with those of DSII embezzling money from DSII and also using DSII corporate identity to further his multitude of fraudulent schemes, money laundering, bankruptcy fraud, securities fraud

DONALD STONE INDUSTRIES, INC. \* IN THE CIRCUIT COURT  
AND \* FOR WORCESTER COUNTY  
CHARLES R. LONGO, \* STATE OF MARYLAND  
Plaintiffs,  
v. \*  
DONALD D. STONE, \* CIVIL ACTION NO: 94CV0182  
Defendant. \* DOCKET NO: SP-59/117  
\* \* \* \* \*

**WILLIAM F. HOWARD'S**  
**MOTION TO QUASH TRIAL SUBPOENA**  
**SERVED BY DEFENDANT STONE**

**William F. Howard, Deputy of the Educational Affairs Division**

of the Office of the Attorney General of Maryland, a non-party, by his attorneys, **J. Joseph Curran, Jr., Attorney General of Maryland,** and Andrew M. McDonald, Assistant Attorney General, respectfully submits this Motion to Quash pursuant to Maryland Rule 2-510(e) and says:

Gilbert & Mark Sapperstein's good buddy

1. Mr. Howard moves this Court to quash the subpoena served upon him by Defendant Donald D. Stone (pro se) in order to protect Mr. Howard from undue burden and expense, annoyance, oppression, and a waste of time and State resources. Mr. Howard has no personal knowledge of facts or possession of any documents relevant to the trial of this case.

2. On June 1, 1995, Mr. Howard was served in the Office of the Attorney General with a subpoena requested by Mr. Stone, acting pro se. This subpoena ordered Mr. Howard to personally appear to testify in the trial of this case on June 19, 1995. The subpoena further ordered Mr. Howard to produce at that time "All documents

pertaining to Charles R. Longo, Shippers Choice, National Training Systems, and Bruff J. Procter." A copy of the subpoena is attached hereto as Exhibit 1.

2. Mr. Stone has also reportedly requested that similar subpoenas be served upon Hon. Janet Reno, Attorney General of the United States; Hon. Lynne Battaglia, United States Attorney for Maryland; Hon. Louis J. Freeh, Director of the Federal Bureau of Investigation; and Hon. J. Joseph Curran, Jr., Attorney General of Maryland<sup>1</sup>; among others.

3. This case appears to involve a dispute between Plaintiffs Donald Stone Industries, Inc. and Charles R. Longo and Defendant Donald J. Stone arising out of an unhappy business venture. Plaintiffs seek declaratory judgments and injunctions effectively giving them control over certain inventions and patents.

Plaintiffs also seek substantial compensatory damages.

4. Mr. Howard has no personal knowledge of any facts relevant to the trial of this case, as set forth in his Affidavit, attached hereto as Exhibit 2. Similarly, Mr. Howard does not have possession of any documents relevant to the trial of this case. In addition, the documents identified in the subpoena, which are wholly irrelevant to the facts of this case, are quite voluminous. These documents are presently stored in approximately 20 boxes.

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<sup>1</sup>When and if Attorney General Curran is served with a subpoena in this case, this Office will file a Motion to Quash, on the grounds that Attorney General Curran, like Mr. Howard, has no personal knowledge of facts relevant to the trial of this case.

Howard lying, cheating, stealing and falsifying affidavits in a court of law, obstructing justice on behalf of MD. AG. Curran and his buddies Gilbert & Mark Sapperstein.

5. To require Mr. Howard to appear to testify in this case or to produce the documents identified would subject Mr. Howard to undue burden and expense, would be oppressive, and would waste valuable State resources.

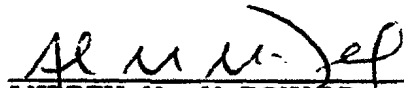
6. It is difficult to understand Mr. Stone's motivation for subpoenaing Mr. Howard. Mr. Stone could be engaging in a misguided fishing expedition, or he could be attempting to harass Mr. Howard and the other officials he has subpoenaed. Whatever Mr. Stone's motivation, however, the subpoena served upon Mr. Howard should be quashed.

WHEREFORE, for the reasons set forth above, William F. Howard, a non-party, requests this Court to quash the trial subpoena served upon him in this case by Defendant Donald J. Stone.

Respectfully Falsified by Joseph Curran Jr. on behalf of his personal acquaintances Gilbert & Mark Sapperstein organized crime syndicate simultaneously helping Gilbert and Mark Sapperstein steal & launder \$3.5 million from the Baltimore School Board between 1991-2003

Respectfully submitted,

J. JOSEPH CURRAN, JR.  
Attorney General of Maryland

  
ANDREW M. McDONALD  
Assistant Attorney General

200 St. Paul Place, 17th Floor  
Baltimore, Maryland 21202  
Tel: (410) 576-6450

Attorneys for William F. Howard

Points and Authorities

1. Maryland Rule 2-510(e).

  
ANDREW M. McDONALD

\A:Stone.How

CIRCUIT COURT FOR WORCESTER COUNTY  
COURT HOUSE, ROOM 104  
SNOW HILL, MARYLAND 21863

WRIT OF SUBPOENA

DONALD STONE INDUSTRIES INC. :

Case No. 94CV0182

AND

CHARLES R. LONGO (individually) :  
vs. PLAINTIFFS :

Docket No. SP-59/117

DONALD D. STONE :

Defendant :

STATE OF MARYLAND, WORCESTER COUNTY, TO WIT:

TO: (Name, Address, County)

William F. Howard  
Assistant Attorney General of Maryland  
Educational Affairs Div.  
200 St. Paul Place 17th Floor  
Baltimore, Maryland. 21202

Tel. (410) 576-6450

County-Baltimore

YOU ARE HEREBY COMMANDED TO: ( ) Personally appear; ( ) Produce documents or objects only; (x) Personally appear and produce documents or objects; AT CIRCUIT COURT FOR WORCESTER COUNTY, Snow Hill, M.

ON Monday, the 19 day of June, 19 95 at 9:30 a.m. ~~pm~~

AND PRODUCE THE FOLLOWING DOCUMENTS OR OBJECTS: All documents pertaining to Charles R. Longo, Shippers Choice, National Training Systems, and Bruff J. Procter.

Subpoena requested by ( ) Plaintiff (x) Defendant and any questions should be referred to: \_\_\_\_\_

Donald D. Stone (Pro Se) 1820 N.E. Jensen Beach Blvd. Suite 648, Jensen Beach, FL. (407) 334-5909

(Insert name of Party of Attorney: Address and Phone Number)

WITNESS, the Honorable Chief Judge of the First Judicial Circuit.

Date Issued 4-11-95

Richard H. Gitten  
Clerk

NOTICE:

- (1) YOU ARE LIABLE TO A BODY ATTACHMENT AND FINE FOR FAILURE TO OBEY THIS SUBPOENA.
- (2) This subpoena shall remain in effect until you are granted leave to depart by the Court or by an officer acting on behalf of the Court.
- (3) If this subpoena is for attendance at a deposition and the party served is an organization, notice is hereby given that the organization must designate a person to testify pursuant to Rule 2-412 (d).
- (4) An original and one copy of this subpoena is required for each witness.

SHERIFF'S RETURN

EXHIBIT  
1

DONALD STONE INDUSTRIES, INC.

AND

CHARLES R. LONGO,

Plaintiffs,

v.

DONALD J. STONE,

Defendant.

\*  
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IN THE CIRCUIT COURT  
FOR WORCESTER COUNTY  
STATE OF MARYLAND

CIVIL ACTION NO: 94CV0182  
DOCKET NO: SP-59/117

\* \* \* \* \*

AFFIDAVIT

I, William F. Howard, depose and state as follows:

1. I am over eighteen years of age, a resident of the State of Maryland and am competent to testify as a witness.

2. Since 1987 I have been employed as an Assistant Attorney General in the Educational Affairs Division of the Attorney General's Office, and in that capacity I have represented the Maryland Higher Education Commission, a State agency.

3. I have reviewed the Complaint and Answer in this case, and I have no personal knowledge of any of the allegations, defenses or other matters raised therein. I have no personal knowledge of any transactions relating to Donald Stone Industries, Inc. or of transactions between or among Donald Stone, Charles R. Longo, Bruff Procter or any other investors. To the best of my understanding, I have no personal knowledge of any facts or possession of any documents relevant to the issues in this case.

4. In my capacity as counsel to the Maryland Higher Education Commission, I have participated in litigation before the State Office of Administrative Hearings, State Circuit Court, and federal

EXHIBIT  
2



Bankruptcy Court involving Mr. Charles R. Longo and two defunct companies formerly owned by him, National Training Systems, Inc. and Shippers' Choice, Inc., some of which is still pending. In the course of those proceedings, I have accumulated a large volume of documents (approximately 20 boxes worth) relating to those entities. None of those documents relate to Donald Stone or Donald Stone Industries, Inc., other than a few documents sent to me by Donald Stone himself.

5. When Mr. Stone advised me of his intention to subpoena me and Attorney General J. Joseph Curran, Jr. as witnesses in his case, I requested that he not do so, because neither of us has any relevant personal knowledge of any facts material to Mr. Stone's case. I particularly requested that he not subpoena Mr. Curran, because I believed that Mr. Curran had absolutely no knowledge, information or documents in any way related to Mr. Stone's case. Mr. Stone persisted, and informed me that he wished to question Mr. Curran about the reasons why no one was doing anything about the many bad actions of Mr. Longo.

We now know that Curran was protecting Longo to help Longo steal Stone's patents on behalf of Curran's buddies Gilbert & Mark Sapperstein

I SOLEMNLY AFFIRM under penalties of perjury and upon personal knowledge that the contents of the foregoing affidavit are true.

Date: June 2, 1995.

  
WILLIAM F. HOWARD

a:\affidavit

DONALD STONE INDUSTRIES, INC.

AND

CHARLES R. LONGO,

Plaintiffs,

v.

DONALD D. STONE,

Defendant.

\*  
\*  
\*  
\*  
\*  
\*  
\*

IN THE CIRCUIT COURT  
FOR WORCESTER COUNTY  
STATE OF MARYLAND

CIVIL ACTION NO: 94CV0182  
DOCKET NO: SP-59/117

\* \* \* \* \*

**ORDER**

Having considered William F. Howard's Motion to Quash Trial Subpoena Served by Defendant Stone, any Opposition thereto, and for good cause shown, it is this \_\_\_ day of June, 1995,

ORDERED that the Motion is GRANTED, and the subpoena is QUASHED.

\_\_\_\_\_  
Judge  
Circuit Court for Worcester County

\Ord.sto