

FAILED TO LIST:

- That he jointly owned his mother's Watergate Apartment
- His ownership of 2,000 shares of Earl Groves Publishing Co. worth about \$2,000. He was given this stock for being a member of the board of advisers of "Black Enterprise" magazine.
- His position as member of the Boston University board of trustees
- \$17,950 in loans from his mother and sister.
- \$47,000 loan or "transfer" (?) from his mother-in-law: said it was a loan from Tye-- in which case he also failed to list the loan; failed to list his interest in Mrs. Scacco's trust.
- \$13,000 legal he received (prior to being elected Attorney General).
- That he was sole owner of 100% stock in Rem-Win land-holding co.: said he owned only 39% of the company.
- Has never listed any loans from A. Raymond Tye in any statement. Says he has always gone to Tye to bail himself out of financial problems.
- as taxable income \$824 in trustee fees and travel allowances and overstated the amount of business deductions they were entitled for renting the St. Martin and Martha's Vineyard property.

FALSELY STATED:

- That A. Raymond Tye gave him a loan for \$49,000 : later he acknowledged that this was a 'mistatement' -- instead Tye only loaned him \$2,000 and the rest came from his mother-in-law's divorce settlement. (These were the funds that were 'distributed' so Mrs. Scacco's settlement would not be used to pay for nursing home care and doctors fees. These are the funds that were involved in the Welfare fraud case.
- In a 1974 interview said he did not put any of his own money into the International Investors venture, but was Cohen's partner. In the recent article, he said that most of his \$37,500 investment was used to buy the Island Queen II.
- Brooke's records reveal \$38,000 in loans from Cohen. He says they are a mistake-- that that money is returns on his investment in 1963-4 in International Investors. His secretary Caryle Connelly said she thought it was a loan: then she said she knew it was a transfer but she listed it as a loan; she said she had done this before for Senator Brooke. Brooke's Unicom stock was listed as collateral for \$27,500 worth of loans.
- 1974 interview: said not currently the director of any firm: he has been "president and treasurer" of Rem-Win landholding Co. since 1969.
- Said that his \$125,000 personal loan was secured ; recently said it isn't secured.
- Said he owns only 39% of Rem-Win; he is listed as the sole owner and president of the company.
- Said that Cohen gave him an \$80,000 check for his interest in the company. Cohen initially said that he was not concerned in Rem-Win.

- 1974 Brooke said, "I never really had any large sums of money (when he was a lawyer)."

IRS investigator confirmed this when Brooke was investigated in 1963.

1978: Brooke says, "I had money. I had stocks and what-not. I practiced law.

I was very successful. I think I had an income of close to \$100,000."

During this time, he took a big loss on some Martha's Vineyard property..

He also pledged to personally pay off his campaign debts of \$30,000.



SENATOR BROOKE AND WELFARE FRAUD:

- Brooke has sworn under oath that he was aware that the transfer (of \$47,000 of Mrs. Scacco's money to Senator Brooke, his wife, two daughters and her brother) was made so that his crippled mother-in-law would not have to use the insurance money to pay for nursing home bills and doctors bills, which would be covered by Medicaid.
- State law prohibits anyone from obtaining Medicaid assistance if he/she has over \$2,000 in assets.
- Brooke told Welfare investigators that the August 9 deposition was the result of a stenographic error and that he had really meant Medicare. The transfer was made to circumvent the Medicaid eligibility requirements: for Medicare one need only be over 65.
- Robert Wait, Brooke's press secretary, confirmed that Barbara Masters, a secretary who welfare investigators found out had filed the Medicaid application for Mrs. Scacco, had worked as a part time staffer and campaign assistant for Brooke from January 1967 until early 1977. Brooke said she was assigned to help Mrs. Brooke with mail and social engagements. Masters now works for the state insurance department. (having participated in Welfare fraud?)

BROOKE AND REM-WIN AND COHEN:

June 20, 1978 in a Globe interview: "initially Cohen told the Globe he was not involved at all with Rem-Win." Since then he has told them that he is, but has been unavailable for further comment. He is listed as a member of the Board of Directors of Rem-Win and according to Brooke has paid \$80,000 for his share of the company, although there is no legal documentation of this fact.

Brooke wrote on his Senate financial disclosure that he owns 39% of Rem-Win. 100% of the stock is in his name, only his name appears on the deed of sales for the St. Martin land, and he is listed as President and Treasurer of the Company. Cohen is listed as a director. Legally he is sole owner of the land worth from \$154,000 to \$300,000. Brooke's Senate financial disclosure statement says his interest is worth \$80-100,000. Local landowners estimate the land is worth between \$300-450,000.

Brooke says there was an \$80,000 check written by Cohen to him for his share of the company. Neither has any record of the transaction, so they plan to produce affidavits as evidence of the transaction. Cohen has apparently produced the front of a xeroxed check for \$80,000 from himself to Brooke.

Cohen's shares in the company were placed in Brooke's name because

1. Brooke formed the company alone, before the land was bought, and thus it would have been an unnecessary expense to switch some of the stock to Cohen's name.
2. Since Brooke was on the island more often, he could better represent the firm with potential buyers if he was the technical owner of all the stock. (None of the land has been sold yet and it was bought in 1969.)



BROOKE'S DEALINGS WITH COHEN CONCERNING THE MISMARKED \$38,000:

Cohen has given Brooke \$38,000: \$10,500 in 1970, \$27,500 in 1972. The money was deposited directly into Brooke's account and marked as loans: Unicom stock was listed as collateral for the \$27,500 loan: Brooke's divorce statement listed it as debts. Brooke now says that the money was not loans but returns of money he invested in 1963-4 through an unincorporated firm called International Investors. (This should be verifiable by checking his tax forms.) During that time, "I had money. I had stocks and what not. I practiced law. I was very successful. I think I had an income of close to \$100,000!" (Between 1959-63, Brooke took a big loss on some Martha's Vineyard property and bought three heavily mortgaged pieces of property. He also promised in 1962 to pay off \$30,000 in campaign debts.) However, in 1963, Brooke told IRS investigators that he had not made much money as a lawyer or investor. "I never made large sums of money, to be perfectly frank with you." From 1960-62, his law practice was subordinate to his political career. IRS investigator says, Brooke's law practice was minimal, he "didn't make much money." Brooke says the money was falsely listed. "I know it is an error made on her part (his secretary Caryle Connolly). I know it is not a loan. Therefore it did not have to be listed." Caryle Connolly first said she knew they were transfers but marked them as loans: then she later said she thought they were loans. She said she had listed transfers as loans before in the past. "I don't understand it. I know it must be a mistake because when the stock was sold, I know Cohen did not get any money." (The stock was collateral, it was not transferred to Cohen.)

The \$37,500 allegedly loaned to Cohen was to buy the Staten Island Ferry: according to Cohen, the joint venture entailed \$75,000 investment. Cohen also said that the venture lost \$40,000. Brooke says that the \$38,000 was a return on this investment. Thus Cohen would have taken all the loss himself. Brooke has nothing in writing to document his claim nor does he recall a specific stock purchase. It was invested through an unincorporated firm called International Investors. On October 24, 1974, Brooke said in a Globe interview that he does not now have an interest in any private business firm other than the land speculation on St. Martin. However, it is difficult to know whether or not he is still receiving money from his "initial investment in International Investors." However during the October 24 interview, Brooke said he did not put any of his own money into the venture, but was Cohen's partner.

Bullard -- the previous owner of the Ferry business -- said he believed that the money was Cohen's although he was not sure because the money came from Cohen's investment company in Toronto -- not from International Investors. "The boat was owned in equal part by Brooke and Norcom Investors."

In 1972, Brooke's checking account shows an entry -- Bank of Montreal loan on Unicom stock -- \$27,500. The money was listed as a loan from Cohen to Brooke in the divorce statements. Brooke says it was not a loan at all, but was actually transfers to him from International Investors.

CHRONOLOGY OF BROOKE'S FINANCIAL DEALINGS:

- 1958: Bought 4 parcels of land containing 1 house on Martha's Vineyard for \$18,000 with \$15,000 mortgage.
- 1959: Bought 2 more lots on Martha's Vineyard containing one house for \$4,500 with \$3,100 mortgage: He sold this property in 1963 for \$8,500, having taken "heavy losses."
- 1960-62: Member of the Boston Finance Commission, received \$5,000 salary.
- 1962: Elected Attorney General, pledged to personally pay off his \$30,000 campaign debt.
- 1963: Bought Beacon Street house for \$38,500 with a \$30,000 mortgage with the Boston Five Cents Savings Bank.  
"invested \$37,500 in International Investors with Cohen."
- 1969: Refinanced the Martha's Vineyard house for \$86,000 from the South Boston Savings Bank  
Bought a \$190,000 house in St. Martin: has \$125,000 personal unsecured loan from the Commonwealth National Bank.  
Acquired a \$6,500 interest in Rem-Win for the 30 acres in St. Martin
- 1970: \$7,500 personal loan from Cohen.
- 1972: Cooperative apartment in Watergate for \$67,500 with \$24,528 mortgage  
Listed a loan from the Bank of Montreal for \$27,500: later said it was a personal loan from Cohen: now says it was a transfer from International Investors--a return on his investment.  
Used Mrs. Scacco's insurance settlement money to help pay for his Watergate apartment.
- 1973 - 1976: he earned \$283,013: his estimated expenses were \$328,000. Consistently he spends about \$30,000 per year more than he earns.



He has never listed when he received \$17,950 personal loans from his mother and sister.

He is ranked among the top 20 members of Congress who receive speaking fees: since 1970, he has received \$125,599, including \$500 from Tower, Chisholm and Power -- Cohen's insurance agency, \$2,000 from the Wine and Spirits Wholesalers of America, arranged by Ray Tye. He also received \$7,500 from Interlude International (should be checked out for connections with Cohen) (Also Berry World Travel, \$1,250)

Among his stock holdings:

New Jersey Insurance Company	--8,000
Academy Insurance	30,000
Unicom	\$27,500

Cohen is a member of Tower, Chisholm and Power Insurance company. Previous aid Barbara Masters is now working for the state insurance department.

HOW MUCH MONEY HAS COHEN INVESTED WITH BROOKE AND WHAT HAS HE GOTTEN IN RETURN :

- According to Brooke, Cohen invested \$80,000 in Rem-Win (though there is no documentation.)  
Brooke has sole title to the property. Cohen is listed as a director.
  - He bought the Staten Island Ferry for \$37,500. Cohen says that it ultimately cost \$75,000. The business lost \$40,000.
  - Tower, Chisholm and Power gave Brooke \$500 fee.
  - Cohen has "transferred to" or "loaned" \$38,000.
  - \*\* The sole venture Cohen could stand to gain from is the Rem-Win venture (if he actually can claim profits when he doesn't legally own the property).  
However, none of that property has been sold.
- Assuming everything Brooke has said is a "mistatement", Cohen has invested \$158,500 in Brooke and has not received a penny on his investment.

QUESTIONS TO BE LOOKED INTO:

Check into Norman Cohen's Financial affiliations: *essfully. Finally*

1. Do his investments have any connection with the Alaska Pipeline or oil companies?
2. Does he have connections with the travel agencies? (Is Interlude International a travel agency he's associated with?)
3. Does he have other arrangements in the Caribbean--like Rem-Win but in other parts, Haiti ?
4. Would his companies have had anything to do with receiving GSA loans?

Check Brooke's tax forms:

1. Was he listing any of his "mistaken" loans for interest deductions?
2. Was there anything listed on his tax forms about his "investment" of \$37,500 in International Investors?

*Check into Brooke's dealings with insurance - how has he worked on legislation concerning it? Does he tie into it through Cohen?*