

30 April, 2002

James H. Leavey, AUSA
Fleet Center
50 Kennedy Plaza, Eight Floor
Providence, R.I. 02903

**RE: CRIMINAL REFERRAL
BANKURPTCY PROCEEDING
CUMBERLAND INVESTMENT CORPORATION
CA. NO. 89-11051 ANV**

Dear Mr. Leavey:

Be advised that I have been directed by Judge Votolato to contact your office.

“THE COURT: You know what you need to do? You have to report this to the United States Attorney, because if that—you know, if you’re suggesting bankruptcy crimes, that’s not a matter that this Court deals with initially.....In fact, you have an obligation to do that.”

TR Hearing in Bankruptcy Court, Dist. of R.I., February 7, 2002, page 8.
(See information package, Bankruptcy Court Transcripts, T-6.)

In response to the Court’s directive, I have authorized Mr. Henry Roy to communicate with your office concerning any aspect of the above referenced case or the related criminal case, 92-099P. It is my understanding that you have spoken to Mr. Roy on Monday, April 29, 2002, and indicated that you would review the documents in the Designation of the Record, described below, concerning a Criminal Investigation of this matter.

I have given Mr. Roy a package of documents. These documents are the same records contained in the Designation of the Record, filed in the Bankruptcy Court on April 22, 2002. The records concern an appeal to the District Court for the District of Rhode Island, from a decision of the Bankruptcy Court, concerning Harold F. Chorney’s request to receive an accounting of the estate of Cumberland Investment Corporation from the Trustee, Jason D. Monzack. I believe that various criminal acts have been

committed concerning same. See attached list of possible "Criminal Acts" that fall within applicable statutes and are not presently time barred.

Be advised that my records indicate that attempts to notify court appointed officials and proper agencies of the US Trustee's Office about missing assets ** have apparently not resulted in any referral or other required paperwork. See Correspondence C-2 through C-6 inclusive. Motions concerning discrepancies with the assets, missing or switched assets have contained certification to the US Trustee in Providence as well as the Regional Office in Boston. (**Mr. Chorney noticed that some of the assets were not there when inventories and appraisals were being done to compute the amount of economic loss to the alleged victim, Eastland Bank, for sentencing purposes after his conviction on May 27, 1993.)

Apparently attempts by others to notify proper authorities has not resulted in any referral either. Mr. Nacu, a member of the Creditors' Committee, had contacted the Office of Professional Responsibility on February 10, 1995, concerning missing assets and his letter was referred to Mr. Patchan at the EOUST on March 17, 1995. See Correspondence C-7 and C-8 in information package.

At an earlier point in time, in July 1990, the Creditors' Committee in the Cumberland case, wanted an investigation concerning the assets of the estate referred to the FBI. Instead of an investigation, those seeking the investigation were threatened by parties involved with the Trustee's Office. The Chairman of the Creditors' Committee and others were removed from the Creditors' Committee. The composition of the Creditors' committee was changed around so that it included parties, who were not even creditors of Cumberland Investment Corporation. The end result being that no investigation was done and no referral was made to the FBI, Harold F. Chorney was fired from being Debtor in Possession and a Trustee was appointed to run the estate. This entire situation is fully documented and can be supplied to you upon request.

Subsequently, in seeking information concerning a Criminal Referral, and discovery concerning the assets of the estate of Cumberland Investment Corporation, in order to reconcile same, Harold F. Chorney contacted Lee Barnhill, EOUST on July 21, 1999. A specific list of items that I was seeking included the following:

1. Semi Annual Reports of Trustee to United States Trustee concerning Cumberland Investment Corporation
2. A copy of the "Preliminary Assessment and Report to the Executive Office" as stated in UST Manual 5-7.2 concerning assets of the estate of Cumberland Investment Corporation.
3. A copy of the written report referred to in UST Manual 5-7.2.2 concerning the estate of Cumberland Investment Corporation.

Harold F. Chorney was told, in a letter dated September 21, 1999, signed by Martha L. Davis, General Counsel, EOUST, that no records requested existed. After other communications and conversations, Harold F. Chorney asked for the Semi Annual Reports of Trustee to United States Trustee, which are required by statute. In response Harold F. Chorney was referred to the US Trustee in Region 1, namely J. Christopher Marshall. No information was received from the Region. On May 4, 2001, Harold F. Chorney was told that, "no United States Trustee records were found responsive to your request.", signed by Lee Barnhill.

Copies of the inventory records of Cumberland Investment Corporation, certified by Throne Ernst & Whinney and removed by Trustee Cullen on or about August 17, 1990, were not produced by Mr. Monzack, the Chapter 7 Trustee after allegedly inquiring for this information from the US Attorney, and the FBI. See C-9, letter from Trustee requesting same. Harold F. Chorney could not obtain inventory records from his former accountants, who stated that the records were the property of the Trustee in Bankruptcy. Consequently, all inventories and sales were done under the aegis of the Trustee in Bankruptcy, and the third party certified records of a subsidiary of a public entity were not used subsequent to August 17, 1990. Mr. Monzack also notified Mr. Taft, a former client of Cumberland Investment Corporation seeking to locate his coins that were removed on August 17, 1990 by Mr. Cullen, that Mr. Posner had advised him that neither Mr. Chorney nor Mr. Lutes would be allowed to see the videotapes. See C-11, correspondence dated July 21, 1995 from Mr. Monzack.

Harold F. Chorney, independent of the bankruptcy court process, obtained documentation of the assets of Cumberland Investment

Corporation, removed by the Trustee in Bankruptcy, John F. Cullen. Documentation independently obtained includes: from A-1 Court Reporters, Transcript R-1, REMOVAL OF ASSETS, August 17, 1990, and from the United States Attorney's Office in Providence on October 19, 1999, as a result of an FOIA Request, 19 videotapes of the removal of the assets on August 17, and August 23, 1990. (Mr. Monzack indicates a 20th videotape. TR 2/7/02, pg.14.)

Up until February 7, 2002, it was unclear as to whether other assets of the estate may not have been sold. All attempts to obtain an accounting of the estate over the past several years through the bankruptcy court, indicating those assets seized, those sold and those remaining, have been noticeably and conspicuously objected to by the Chapter 11 and Chapter 7 Trustees and other court appointed officials. In addition, the Court has continuously DENIED an accounting of the estate.

It is abundantly clear from Mr. Monzack's statements on February 7, 2002, that all the assets have been allegedly sold. Trustee Monzack, did not produce the official company's inventory records, which were seized. However, based upon the information contained in R-1, Transcript of the Removal of the Assets, and the 19 videotapes of the removal of the assets, certain assets were incontrovertibly on the premises of Cumberland on 8/17/90, when removed by the Trustee. Based upon Motions to the Court for Notice of Intended Sale of Assets as well as the auction records of items sold, certain assets listed in R-1 and shown in the 19 videotapes, were never even listed for sale. There can be little doubt that these identified assets that were not listed for sale are indeed missing and unaccounted for. Since the list of items missing, given to Mr. Monzack in June 1994, was compiled from memory alone, there are probably other assets also missing or unaccounted for.

Mr. Monzack admitted that over \$300,000 in assets were missing on December 28, 1994. See C-7. Additional documentation indicates that other assets, which were sold, do not match the inventory descriptions and that there is a myriad of discrepancies with the assets sold, many of which are not subjective discrepancies.


Please review this package, limited in scope to Exhibits related to seeking discovery for an accountability of the assets of the estate of

Cumberland Investment Corporation, and respond to Mr. Roy concerning the information contained and how it may relate to various criminal acts.

Should you wish to speak to me directly prior to giving a written response to the above, I can be reached at the telephone number and address listed below. Should you wish to meet with me concerning this matter, please contact Mr. Roy to coordinate the meeting. I do possess a myriad of information that would be beneficial in a prosecution of this matter.

Thank you for your efforts and time in this matter.

Sincerely,


Harold F. Chorney
5 Cathedral Square, Apt 106
Providence, R.I. 02903
401 351-7311

cc Henry Roy