

Memorandum

Red annotations are those of the requester, Donald Stone.
Handwritten notes lower left hand at bottom, mentions "round out allegations"



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

From : SA [redacted]

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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 50

[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.

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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.

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

[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.

Round out allegations

2 - Baltimore
HWB:glwm
(2)

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

O.S.A.
2/2/95
[initials]

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

49B-NEW

After the bankruptcy was filed, a Debtor in Possession (DIP) account was opened. [] 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 Another \$65,000.00 from the NTSI account was unaccounted for but was apparently withdrawn from the NTSI DIP account.

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

[] 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.

Memorandum



3-28-95
ML

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

From : SA [redacted]

(2)
[Handwritten initials and date 3/28/95]

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

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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]

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[Large redacted area]

② - Baltimore
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49A-BA-85694-2
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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.