

UNITED STATES GOVERNMENT

Division Nov. 23, 1948

JAN 10 1949

Mr. [Name]

Assistant Secretary of War, Col. James B. Beane

There is transmitted herewith for information a copy of a report prepared by the Office of Special Investigations, Department of the Army, under date of October 12, 1948, in regard to the investigation of Lt. Col. James B. Beane, USA (Res) and his participation and knowledge of clandestine trading of surplus R-17's between the United States and Zatec Air Field, Czechoslovakia, for the Israeli Government.

Any further information received in regard to the subject as a result of a home check being conducted by this Division will be promptly forwarded.

Please expedite the forwarding of the foregoing report and return to this Division after it has served its purpose.

Attachment:

As stated.

DEPARTMENT OF STATE

JAN 11 1949

DIVISION OF SECURITY

NAVY DEPARTMENT

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DEPARTMENT OF STATE

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DETAILS:

1. This investigation was predicated upon receipt of a letter, Headquarters, Department of the Air Force, File No. CASS, subject: Interrogation of JAMES BISHOP BEANE, dated 3 September 1948.

AT BAKERSFIELD, CALIFORNIA

On 6 and 8 October 1948 this agent interrogated JAMES BISHOP BEANE, Lt. Colonel, USAF (Res) AC-417500, in regards to his participation and knowledge of clandestine ferrying of surplus B-17's between this country and Etoec Air Field, Czechoslovakia. BEANE stated in substance:

JAMES BISHOP BEANE, upon being released from active duty on 2 September 1947, went into business with a Mr. GRAY, an Englishman, and formed the CIA Perforadora, 6th Avenue South, Guatemala City, Guatemala. This business failed and consequently BEANE returned to the U.S. and accepted employment with the California State Employment Service, 1800-17th Street, Bakersfield, California. BEANE is presently residing in Apartment 315B, Winter Housing, an emergency housing project established at Winter Air Force Base, California, and is still employed by the California State Employment Service. As a secondary occupation BEANE instructed veterans in flying at the West-Arao, Kern County Air Port, La Cresta Air Port, and Montijo Air Port, all located at Bakersfield. While instructing here it was brought to BEANE's attention, by one of his students, that there were approximately 5 Jewish students taking CAA exams at the Bakersfield Junior College, and receiving flight instruction at the Bakersfield Air Park. The Bakersfield Air Park is owned and operated by ELEANOR RUDINICK, whose father is a very influential Jewish banker in Bakersfield. BEANE approached ELEANOR RUDINICK for information with a view of obtaining a job flying aircraft for the Israeli Government. ELEANOR RUDINICK denied any knowledge of this type of employment. However, BEANE was convinced that ELEANOR RUDINICK and maybe other Jewish people in town, knew something concerning the hiring of personnel for this work. BEANE contacted MAURICE CHAIN, an influential Jewish lawyer in Bakersfield, who also denied knowledge of the procedure to obtain such employment. However, CHAIN referred him to Rabbi LEVY of Bakersfield. BEANE contacted Rabbi LEVY who said he would see if he could find anyone who could furnish the information. Later, BEANE was contacted by Rabbi LEVY and given an address, which BEANE cannot recall, to go to in Los Angeles. It was understood that there was to be a meeting at this address, at which talks would be made by Jewish persons in regard to the Palestine problem. BEANE was given to understand, by Rabbi LEVY, he would be able to contact someone who could give him information on being employed. BEANE went to this meeting and while there he contacted E. P. FINEMAN, who introduced BEANE to LEO GARDNER, 12829 Moor Park Street, North Hollywood, California, Tel Nos. State 4-8097, and 4-8098. LEO GARDNER was described as being an ex-Colonel in the Air