

OFFICE OF PROFESSIONAL RESPONSIBILITY
REPORT OF INVESTIGATION

FILE NO: PRR1-94-0145

COMPLAINT CODE:

FILE TITLE: John Marcello et al

PREPARED BY / DATE: John Nolan/November 5, 1994

OTHER INSPECTORS: I/A Keith Francis

REPORT RE: Interview of Claude Duboc

Signature (Inspector)

DATE

11/28/94

Patrick Doman, Senior Inspector
Approved (Name & Title)

DATE

11-21-94

DETAILS:

1) On November 3, 1994 Inspector John Nolan and Intelligence Analyst Keith Francis interviewed Claude Duboc at the United States Attorney's Office in Gainesville, Fl. The purpose of this interview was to determine who was aware of Duboc's financial holdings; special attention was given to the question of who has the financial information contained in U.S. Customs report dated February 15, 1994. (See attached U.S. Customs report)

2) Initially Duboc was involved in producing movie films and advertising promotions for cigarette companies in the early 1970s. In 1974 Duboc moved his movie operation to Los Angeles, Ca. During this time period he became acquainted with James Kennedy who he later found out was James Mc Cann and Larry Spangler. As the business prospered, Duboc began to devote most of his time raising money for film projects for people like Mc Cann aka Kennedy, and Spangler, and less time producing films. Gradually, Duboc became familiar with investing in overseas

D E A S E N S I T I V E

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DEFENDANT'S
EXHIBIT

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shelter companies, therefore avoiding foreign taxes when it came to film distribution. In or around 1981, Mc Cann offered Duboc a business proposition in which Duboc would set up shelter companies and bank accounts in Luxembourg. The purpose of this business was to allegedly hide film profits from heavy taxes.

3) Mc Cann aka Kennedy and an associate of Mc Cann's, Henry Konnig, would deliver large amounts of cash to Duboc for deposit in these shelter companies. Duboc gradually realized that this cash was not totally film profits. Sometime around 1982 Mc Cann aka Kennedy, Duboc, and two Pakistani Nationals agreed to smuggle hashish from Pakistan to Canada. The plan was to have approximately a ton of hashish smuggled from Lahore, Pakistan thru Dubai thru Luxembourg thru Greenland to Canada by utilizing air cargo. The cargo would be falsely listed on the manifest as mineral ore samples from Australia. Duboc established a phony company and leased the necessary aircraft for the smuggling operation. Mc Cann aka Kennedy had the connections with the Pakistani Hashish Traffickers and the off loading crew who handled the wholesale/retail distribution. It was during this smuggling venture that Duboc met John Knock, and Richard Isidro who managed the off loading crew and the distribution of the hashish.

4) This smuggling project became very successful for the next several years. Often times Duboc would go to Montreal and pickup the drug proceeds and then go to Luxembourg where he would deposit the organization's profits in accounts he had set up. Around 1983 Mc Cann aka Kennedy broke away from the remainder of the group. Knock, Isidro and Duboc decided to bring in larger loads by using ocean going ships. They were able to accomplish this with the assistance of their Pakistani sources of supply. The first shipment was approximately eight tons of hashish. Knock, Isidro and Richard Buxom aka The Wizard handled the actual distribution of this load. As time went on, they increased the amount of hashish to approximately 30 to 40 tons per shipment.

5) By 1985 Isidro broke off from the group due to a money dispute with Knock. At this time the organization was controlled by Duboc and Knock. Duboc had been using a lawyer/investment banker (Roger Dahlem) to secret his narcotic holdings. Dahlem would set up shelter companies and accounts in Luxembourg for Duboc and also assisted Knock and other hashish/marihuana traffickers in hiding their profits. These traffickers never told Dahlem the source of these funds even though Dahlem might have had his suspicions. Finally in approximately 1988 Duboc and Knock requested Dahlem to use his connections in a Vancouver area bank to smuggle eight million dollars from Canada to Europe. The plan did not work, but Dahlem was interviewed by RCMP Investigators and it was evident to all that Knock/Duboc were involved in drug smuggling. Nevertheless Dahlem continued to assist Duboc by investing Duboc's drug profits in property in France and giving

Duboc valuable investment tips. Duboc, in turn, referred investors (narcotic and non narcotic) to Dahlem.

6) In 1984, Duboc separated from his wife, Robin. She stayed in France with their two children for a few years and then eventually moved to Houston, Tx. According to Duboc his wife knew little or nothing of his finances or how he made his living. He always told family or friends that he made his living as an oil broker. Sometime in 1987 or 1988 he and Robin were officially divorced. The financial agreement between the both of them was amicable. She used a New York lawyer, Richard Wilkser, for the divorce. Furthermore Duboc set up trust funds for his children and wife. It should be noted that there was a dispute later on in the Knock/Duboc Investigation about property that Mrs. Robin Duboc was willing to surrender through her lawyer, Robert Shapiro, to DEA/Los Angeles. Allegedly Shapiro contacted G/S John Marcello and told the agent that his client, Robin Duboc, wanted to surrender this property to DEA because even though it is listed to her, she is not the actual owner. The property consisted of a condominium and undeveloped land worth several million dollars. Duboc stated that his wife purchased this land with money he placed in these trust funds. She indeed was the owner of this Aspen property and she purchased it for investment purposes. He is certain that his wife would not voluntarily surrender this property to the government.

7) Regarding Duboc's divorce, he stated that his wife, Attorney Richard Wilkser from New York and Robin's second husband (Kimball) knew little or nothing about his finances. Duboc also stated that Attorney Shapiro and his wife have known each other over twenty years. Briefly Shapiro was Duboc's defense attorney after his arrest and his return to Los Angeles. After being transferred to Gainesville to face charges in the Northern District of Florida Duboc hired F. Lee Bailey as his attorney. Nevertheless, Duboc is certain that Shapiro has only minimal knowledge of his finances.

8) Inspector Nolan and I/A Francis questioned Duboc on why he eventually moved his finances from Luxembourg to the Orient. The main reason was that Luxembourg changed its laws regarding currency into the country. Duboc sent an associate by the name of Donald Kennedy (Irish National) to Singapore and Hong Kong to explore the possibilities of laundering and hiding their drug proceeds in these areas. Upon Kennedy's return, Duboc began to have his money couriers (Sonia Vaca being one) transport drug money from Canada and the U.S. to Singapore where other couriers would turn the money over to Indian/Pakistani money changers. They, in turn, would be instructed to forward/deposit this money to shelter companies and accounts previously set up by Duboc in Singapore.

9) By 1990 Knock decided to take a less active role in the

hashish/marijuana smuggling operation. For all practical purposes he retired. Al Madrid, a close associate of Knock, took his place. Active bosses of this organization were now Madrid, Buxsom aka The Wizard and Duboc. }

10) Duboc was also questioned about AMS, the major holding company for his drug proceeds. He picked this company in Hong Kong out of the phone book. Initially he dealt with an elderly Chinese woman in setting up the shelter companies. Occasionally he would talk over the telephone with Eric Kalkhurst, one of the managers of AMS. The only time he met Kalkhurst was the day he was arrested in Hong Kong in late March, 1994. Knock asked Duboc to purchase some property in Hawaii for investment purposes. Duboc used these front companies to make the purchases for Knock. Duboc also used AMS front companies to purchase land in New York and in France. He never made this company aware that his cash accounts were maintained in Baharan.

11) In 1994, Kalkhurst reached out for Duboc to let him know that Kalkhurst had received a letter from DEA which stated that DEA was going to seize some property managed by AMS for Duboc/Knock. After much initial confusion, Duboc contacted an attorney from Coudert Brothers by the name of Henry Uciniski. This attorney had been recommended to Duboc by Kalkhurst. Duboc met Uciniski twice in the Coudert Brothers Branch Office in Bangkok. He talked with the attorney regarding his possible problems with DEA. Uciniski had a copy of this letter from DEA and advised Duboc to stay away from Hong Kong.

12) During this same time period Duboc contacted his friend, Larry Spankler, for possible recommendation of an attorney. Spankler referred him to an attorney Richard Hirsch. Duboc also reached out for Dahlem who he had parted company with on friendly terms in 1991. Duboc decided to get the French properties out of the Hong Kong accounts and he needed Dahlem's assistance. Also during this sequence of events, Duboc had conversations with Knock who happened to be in France about the possible seizure.

13) Duboc and Dalhem met in Hong Kong where they met with Spankler who had come to give Duboc moral support. The next day Duboc sent Dahlem to check the AMS files, make copies, and hopefully figure a method to transfer the French properties out of these accounts. Later that day, Duboc met Kalkhurst at the hotel at which time he was arrested by the Hong Kong Police. Dahlem was also held for questioning.

14) Inspector Nolan paraphrased financial data contained in the U.S. Customs report to Duboc. The purpose was to learn what person or persons who had access or knew this information about Duboc. He mentioned all his associates, family, friends, lawyers and accountants. Some knew bits and pieces but only one individual knew all that was contained in the U.S. Customs

report: Eric Kalkhurst. Duboc was certain of this fact. He was also questioned if he knew any of the following people: John Marcello, Frank Tarallo, Steve Swanson, Batte T. Smith aka Tahoe Tommy, Bruce Rifkin, Billy Joe Cornick, Leo Mangan, Shaffer Brothers, Terry Restall, Paul Beaulieu and Marshal Way. Duboc had heard of Tahoe Tommy from Knock and his associates. He knew of Way and referred to him as aka Pinky. All the other individuals mentioned he did not know. In the early part of the afternoon on November 3, 1994 this interview was completed.