

3 Indicted on Perjury Charges in Loan Probe

2 Southland Businessmen, Florida Man Accused of Lying in Swindle Testimony

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Two local businessmen and one from Florida have been indicted by a federal grand jury here on perjury charges stemming from an investigation into an alleged \$15 million international swindle operation.

The Southern California part of the alleged swindle, it was learned, involved the bilking of a dozen real estate developers in the last 20 months. The victims reportedly lost \$2 million to \$3 million paying fees in a tight money market for foreign loans that never materialized.

U.S. investigators consider the alleged swindles the most sophisticated ever seen in the country. One reason is that headquarters assertedly are based on two remote islands.

Indicted for allegedly giving false testimony to the grand jury here were Ronald Gene Gibson, 30, of 848 Larrabee St., Wendell Thompson, 55, of 730 E. Elmwood Ave, Burbank, and Philip M. Wilson, 34, of Hollywood, Fla.

Denies Role for Bank

U.S. Dist. Judge E. Avery Crary set bond of \$100,000 each for Wilson and Gibson and \$15,000 for Thompson. They will be arraigned in the "near future," said U.S. Atty. Robert L. Meyer and Asst. U.S. Atty. Richard Kirshner, who is in charge of the continuing investigation.

Wilson is accused of falsely stating he never acted as a representative of the Bank of Sark and that he was strictly a broker for Transcontinental Casualty Insurance Co.

Those two institutions—the former based on a tiny island in the English Channel, the latter in the Bahamas—have been the focus of a three-year investigation by agents for the FBI, U.S. Postal Service, Securities and Exchange Commission and agencies in Europe, South America and the Bahamas.

The investigations, it was learned, concern whether Transcontinental and the Bank of Sark are merely fronts for fraudulent insurance sales, real estate loan commitments and other activities carried out by 25 to 30 men around the world.

Wilson is under federal indictment in St. Louis for alleged insurance fraud in a case that involves the Bank of Sark.

Thompson is under federal indictment in Alabama for alleged insurance fraud, and Gibson was convicted two years ago of the interstate transportation of money taken by fraud. He was placed on probation.

Thompson is accused by the grand jury here of lying when he testified he never received any money from Transcontinental and was never an officer of the firm.

Gibson is charged with falsely denying he ever boasted to anyone that he was related to Teamsters Union leader Jimmy Hoffa.

According to the indictments, the local investigation concerns several possible fraud violations.

U.S. Atty. Meyer declined comment on details, but it was learned that victims of alleged swindles in Southern California include the developers of convalescent hospitals and mobile home parks.

The alleged scheme flourished while loan money was scarce and interest rates were high.

Loan Offers Described

Developers who advertised they needed money allegedly were contacted by a representative of Transcontinental who offered to provide loans of from \$300,000 to \$2 million within six months to two years.

To bolster the credibility of Transcontinental, the Bank of Sark allegedly was used as a credit reference.

The Transcontinental representative was paid a fee for processing the loan commitment papers.

The borrower took the commitment papers to a local bank or other lending institution in order to obtain interim financing. Allegedly, the Transcontinental commitment was to repay the interim loan at a later period. Not a single local institution reportedly went along with the scheme, however. And no borrower allegedly was able to get back the fee he paid the Transcontinental man.