

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

- Copy to:
- 1 - 112th INTC Group, Region II, Room 912, 251 North Field, Dallas, Texas (RM)
 - 1 - Office of Naval Intelligence, 8th Naval District, U. S. Naval Station, Building 255, New Orleans, La. (RM)
 - 1 - Office of Special Investigations, District II, Tinker Air Force Base, Oklahoma (RM)

Report of: SA JAMES P. HOSTY, JR. Office: DALLAS
Date: April 8, 1964.

Field Office File No.: DL 105-1716 Bureau File No.: 105-126128
DL 105-1717 105-126129

Title:

RUTH HYDE PAINE;
MICHAEL RALPH PAINE

Character: INTERNAL SECURITY - RUSSIA

Synopsis:

Investigation into financial standing of MICHAEL and RUTH PAINE set out including analysis of bank accounts. MICHAEL R. PAINE is beneficiary under trusts established by paternal and maternal grandparents. One such trust as of 1/1/63 had appraised value of \$269,000. Mrs. RUTH PAINE states she has made one trip to Western Europe and her husband has made one trip to Western Europe. MICHAEL PAINE has served in Korea with the U. S. Army. Mrs. PAINE advised that neither she nor her husband has visited Communist-dominated country.

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DETAILS:

Date 4/7/641

Mr. GEORGE K. STEPHENSON, 700 Dover Lane, Richland Hills, Texas, advised that he is employed as an engineer at Bell Helicopter Company, Fort Worth, Texas, and is acquainted with his fellow employee, MICHAEL R. PAINE. Mr. STEPHENSON stated that he recalled having a conversation with MICHAEL PAINE prior to November 22, 1963, when MICHAEL PAINE told him that a Russian-born woman and her children were living with his wife. MICHAEL PAINE stated that the husband of this Russian-born woman, whom MICHAEL PAINE did not identify by name, was, according to MICHAEL PAINE, "100 percent communist". Mr. STEPHENSON stated that MICHAEL PAINE did not imply or indicate in any way that he approved of this individual because of his political beliefs. According to Mr. STEPHENSON, MICHAEL PAINE indicated that he felt sorry for this person's Russian-born wife.

Mr. STEPHENSON stated that he recalled MICHAEL PAINE stating "I may have a problem here and I may have gotten myself into something and I better try to get out of it". Mr. STEPHENSON stated that he understood by this statement that MICHAEL PAINE was concerned about having the wife and children of this individual reside with his wife in view of his pro-communist statements.

Mr. STEPHENSON stated that he recalled having had one business transaction with MICHAEL PAINE about a month prior to November 22, 1963, in which he, STEPHENSON, sold a 1955 Oldsmobile to MICHAEL PAINE for \$200. Mr. STEPHENSON volunteered the information that MICHAEL PAINE did a strange thing when he paid him in two \$100 checks rather than in one \$200 check. STEPHENSON stated that he asked MICHAEL PAINE why he had paid him in such a manner and MICHAEL PAINE replied it was his understanding that if a purchase of an automobile was \$100 or less he could avoid the payment of a state tax and this was the purpose of the two \$100 checks.

Mr. STEPHENSON stated that he considers both MICHAEL PAINE and his wife, ROSE PAINE, to be completely loyal to the United States, however, slightly idealistic and lacking in common sense.

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on 4/1/64 at FORT WORTH, TEXAS File # DL 105-1716
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 by Special Agent SA JAMES P. BOSNY, JR./les Date dictated 4/6/64

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Previous investigation at the Hillcrest State Bank, Dallas, Texas, determined that JACK and GERTRUDE ARNOLD, 6915 Roper Street, Dallas, Texas, opened a joint-checking account, No. 2200392, with the bank on February 8, 1951. According to the bank's records, JACK ARNOLD's occupation is that of a "landscaper".

A review of the transactions in this account disclosed that on August 9, 1963, a cashier's check, in the amount of \$3000 purchased by one MICHAEL R. PAINE at the Irving State Bank, Irving, Texas, was deposited to the ARNOLDS' account.

The balance of this account on November 29, 1963, was \$1,214.59.

Mrs. JACK ARNOLD, 6915 Roper Street, Dallas, Texas, advised on November 30, 1963, that during August, 1963, her husband, JACK ARNOLD, sold two acres of land located in Irving, Texas, to one MICHAEL R. PAINE of Irving, for the sum of \$3000. She stated PAINE paid for this land with a cashier's check in the above amount. Mrs. ARNOLD also advised that neither she nor her husband was acquainted with MICHAEL R. PAINE prior to the above transaction and have had no contact with him since that date.