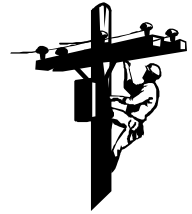




Drip Points



QUARTERLY NEWSLETTER OF THE NATIONAL INSULATOR ASSOCIATION

drippoints@nia.org

<http://www.nia.org>

In this issue of *Drip Points*:

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- ◆ From the First Past President ... *Steve Marks*
- NIA Board's Report to the General Membership
Regarding the Results of its Investigation into Imitation EC&M Insulators**
- ◆ Regional Reports... *Howard Banks, Ed Peters, Ken Willick*
- ◆ From the Nominations Chair... *Jack Roach*
- ◆ Historian Note... *Rick Soller*
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A NOTE FROM THE EDITOR



Hello everyone, well this is an issue of the Drip Points that should not be missed. I know some of you out there are of the opinion that the NIA is toothless or has not been doing much to aggressively pursue those that do not have your best interests at heart.

I talked to one fellow at the San Jose Western Regional a few weeks ago who made no bones about it, he was not an NIA member "because it was a waste of money". He told me, that "the NIA didn't do anything to enforce show rules or any other rules" and that "he wasn't going to waste his money" Well I took this with a grain of salt, because I know better, and I think that you do as well.

Over the coming months, you will learn more about the NIAs on going investigation, and I think this issue will get things kicked off quite well.

Be sure to read Steve Marks column carefully and to take a look at the color insert in this issue and draw your own conclusions.

There has been nothing more frustrating to me than being kept silent by an ongoing investigation. I really hope the limited information presented in this issue of *Drip Points* is a wakeup call to those of you who do not think enough is being done. I only wish we could have said some of this earlier.

There are folks on the NIA board that are enduring multiple threats of law suits, physical threats, false accusations of theft, and a lot of general verbal abuse on your behalf. If not for these folks, the hobby would be up to it's neck in fakes.

**Kevin Jacobson, NIA #6720
Information Director**

A MESSAGE FROM THE PRESIDENT



Well, the 34th National Insulator Convention in Springfield is now history. What a great show it was! Kudos to Steve Blair and Glenn Drummond for hosting this premier event! And thanks also to the many volunteers who helped these guys make the show a true success. The exhibits this year were truly awesome – maybe the best ever at a National! The outstanding color coverage in the August *Crown Jewels* will give you a pretty good synopsis if you did not have the good fortune to attend the show in person.

While I think of it, one of the important announcements at the show was the location of the 2004 National Convention. If you haven't heard, the 35th NIA Convention and Show will be held in the Eastern Region in New Kensington, PA (near Pittsburgh) on July 23 – 25. This show will be hosted by the experienced team of John Hovanec, Ron Barth and Tim Grantz with sponsorship by the Western Reserve Insulator Club. It should be another good show! So mark your calendars now for this upcoming event!

Perhaps the single-most noteworthy event of the convention was the award of Lifetime Membership to Steve and Lois Blair, and Glenn and Sandra Drummond for over three decades of service to the

hobby. Congratulations to the four of you!

Lynda and I also had the good fortune to attend the Western Regional Show in San Jose California a few weeks ago. It has been a long time since we've had one of the NIA shows in California and this was a premier event! Hosted by the NorCal Insulator Club, the high point was the outstanding group of exhibits (22 of them by my count), most of them "National quality"! I learned an awful lot from these displays and most of the attendees did likewise.

One more item on shows: I think I reported in an earlier *Drip Points* that the NIA was having a lot of trouble getting liability insurance for our shows. Thanks to the diligence of Treasurer Dudley Ellis, we were able to secure show insurance for calendar year 2003 – but at a substantial premium increase. We have only a one-year binder, so I worry that we'll have a similar problem next year. Remember, if you're hosting a show, as an NIA member you qualify to use our policy to cover your show's insurance requirement. As time goes on, we are finding that an increasing number of venues are requiring insurance coverage. This can cost upwards of \$300 a day! The NIA rate is only \$50 per day. (Call or email Dudley if you need some help on this.)

I have one change to report concerning the NIA leadership team. Sandy Ellison, long-time Chairperson of the Awards and Recognition Committee has resigned her position to concentrate more on golf and the Prairie Signals Insulator Club. She has done a magnificent job in this crucial position and I'm going to miss her. On the "upside", I've chosen Bill Meier to replace Sandy in this important role. Bill doesn't need much of an intro-

duction as most of you know of his dedication to the hobby and the NIA over the past couple decades. While he's best known for bringing the hobby into "the computer age", he has also long been a champion of recognizing people for contributions they've made to the hobby. I welcome Bill to the team and look forward to working closely with him. If any of you have any ideas or suggestions concerning exhibits, awards, judging or things of this nature, please make them known to Bill. He'll be pleased to discuss them with you.

Finally, let me mention the "keynote address" of this *Drip Points* issue. You all know the time and effort we've been putting into ridding the hobby of imitation and altered insulators. And you all know about the Federal investigation concerning the imitation EC&M embossed insulators. To this point in time, we have been unable to share any details with you for fear of jeopardizing the investigation. Now, more of the facts can be shared and First Past President Steve Marks will bring you up to date in his column. Let me say that I am most pleased with the work that the Authentication and Classification Committee has done in this critical area. I think you will be amazed and impressed as well! (Thanks to an anonymous donor for funding the color insert again this issue.)

Well, I think that's all I have to say for the present, but let me close with the thought that I've really enjoyed meeting and talking with so many of you at the shows this summer. For both Lynda and me, that has to be the highlight of these annual get-togethers!

Best in collecting,

Tom Katonak, NIA #3567
NIA President

sulators. This category includes but is not limited to reproductions, copies, replicas, or counterfeits of Original Insulators. The Board also had concerns that the Dealer had knowingly misrepresented the rarity and value of various insulators he had offered for sale or trade.

The letter also advised the Dealer that it was the NIA's belief that the results of its investigation into the "Sierra Blocks" called into question all of the other "new finds" that the Dealer had introduced to the hobby. It was hoped that the letter would generate a dialogue between the Dealer and the NIA. The NIA offered the Dealer the opportunity to respond to the allegations in writing, in effect advising him that the insulator hobby deserved to know the truth about the "Sierra Blocks," and that this was his opportunity to provide that information in his own words. The letter also suggested that he might want to consider offering collectors who purchased these items a refund. The NIA offered the assistance of its Ethics Chairman to act as a point of contact and coordinator for refunds.

Rather than responding with answers to the Board's questions, the Dealer hired an attorney who threatened legal action against certain NIA Board and A&C Committee Members. In a letter dated February 1, 2002, the attorney demanded a retraction of the NIA's "libelous statements," and threatened suit if any information regarding his client or the insulators in question were provided to the NIA General Membership. The Board responded with a letter dated February 7, 2002, which stated (and bears repeating in this report), that the NIA is a non-profit corporation formed for educational purposes, whose Board and Committee Members are unpaid volunteers. It

is the NIA's goal to encourage growth and public awareness of the insulator hobby through collecting, dealing and educational endeavors; protecting the interests of insulator collectors and dealers; and establishing standards and ethics by which insulator collectors and dealers may fairly deal with one another. The letter went on to state that it was the NIA's belief that this particular matter was a matter of public concern, and that the NIA Board Members feel strongly that they have an ethical obligation, and are duty bound, to share their opinions concerning the authenticity of insulators with the General Membership.

This was met with a second letter from the Dealer's attorney, dated February 12, 2002, threatening legal action again if any information was provided to the NIA General Membership. In a letter dated February 21, 2002, the NIA Board responded that it believed that it had conducted a fair and independent investigation and had properly exercised its First Amendment Rights as an organization, and that despite its requests it had received no substantive information from the attorney or his client. The Board warned that any legal action filed against the NIA would be ill advised and that the NIA was prepared to take all necessary steps to uphold its Constitutional Rights. On February 11, 2002, the NIA Board confronted a second Dealer. Although that Dealer received his letter on February 19, 2002, he has never responded to the allegations. The NIA Board never heard from the first Dealer's attorney again.

Because the Board had now formed an opinion and belief as to the credibility of these two dealers, it decided to investigate the dramatic colored EC&Ms that were also introduced to the hobby by

these two dealers. The Board contacted several collectors and friends of these two dealers. As a result, in August of 2002, the A&C Committee received information from a collector that led the A&C Committee to a series of discussions with a Confidential Informant. These discussions then resulted in a Northern California Deputy District Attorney contacting the A&C Committee in September 2002. The DA indicated that he was in possession of what he believed were materials possibly utilized in the manufacture of insulators. The DA indicated that the items came from a Confidential Informant who obtained them directly from one of the Dealers the NIA was investigating.

In October 2002, the A&C Committee was given the opportunity to inspect the suspected molds and insulators. The A&C Committee inspected a cache of EC&Ms. There were 29 green black glass "M-Mold" pieces; 8 clear "J-Mold" pieces; 1 peacock "J-Mold" piece; a broken aqua "M-Mold" piece; and a 30th green black glass "M-Mold" that appeared to have been sand-blasted to make it look old. In addition to the insulators, the A&C committee observed three mandrels for making threads in glass insulators two of which were not for EC&Ms, one of which was; a well made steel EC&M "M-Mold" (button on the reverse), which appeared to have been re-worked, having been previously used to make "L-Mold" pieces (button on the front); and a cruder steel mold similar to what has been classified as a "J-Mold."

The A&C Committee had the opportunity to place "J-Mold" and "M-Mold" pieces into the molds and noted that while the "M-Mold" pieces fit, the "J-Mold" pieces did not. This has led the A&C Com-

(Continued on page 5)

mittee to believe that the cruder steel mold may have been used for another style of EC&Ms. No questionable CEWs were observed, however, there was one questionable threadless, which had been broken in half. There were several "Sierra Blocks." There was also a plaster cast of a 130.1 Cal. Elec. Works (which the DA accidentally and unfortunately broke).

The A&C Committee took 63 pictures documenting "the evidence." Attached are several pictures showing the insulators, molds, mandrels, etc. (see pages 7 & 8) The molds, mandrels and insulators were then locked-up for safe-keeping in a police agency property locker. As a result of this inspection, the A&C Committee formed an opinion and belief that the "J, L and M mold EC&Ms" were Imitation Insulators (i.e. counterfeit, fake, etc.).

Because this now appeared to be a criminal matter (i.e. fraud, theft by deception, mail fraud, etc.), a determination was made to keep this information confidential. The U.S. Postal Inspectors were in fact investigating the matter and requested the NIA's assistance in obtaining a list of victims and documentation of their losses. They required documented losses in excess of \$100,000 in order to prosecute. To that end the NIA Board solicited information regarding suspect insulators from collectors in the December 2002 issue of "Drip Points" and on "Insulator Collectors on the Net" (ICON). In that same issue, the NIA Board provided a quick reference guide to identifying "J, K, L, M and N mold style EC&Ms," (which was also subsequently published in greater detail in the January 2003 issue of "Crown Jewels of the Wire" magazine), and published its opinion and belief that

"J, K, L, M and N mold style EC&Ms" are Imitation Insulators.

The Board also made a determination that these particular insulators were "objectionable to the best interests of the hobby" (i.e. likely to cause financial damage and/or loss or injury to collectors or organizations involved in the collecting of insulators, and the possibility of their use to commit fraud)."

By the beginning of 2003, the NIA Board had collected what it believed was enough information for the Postal Inspectors to proceed with their case, and therefore turned that information over to them. The Postal Inspectors, through a Federal Grand Jury Subpoena dated January 10, 2003, took possession of the molds, mandrels and insulators that were previously in the possession of the Northern California DA's Office.

In response, the Dealers under investigation appeared to have started a campaign of disinformation to try to "legitimize" the insulators that the NIA had exposed. One Dealer also contacted several A&C Committee Members with more threats of legal action, not only against the NIA Board and A&C Committee Members, but also against the collectors who were providing the Postal Inspectors with testing samples. And, in the A&C Committee's opinion, these Dealers staged a "new find" of another imitation EC&M. The constant threats of litigation and pending criminal investigation by the US Postal Service, unfortunately delayed the dissemination of information to the NIA General Membership. The NIA Board was very aware that its Members wanted answers and proof regard-

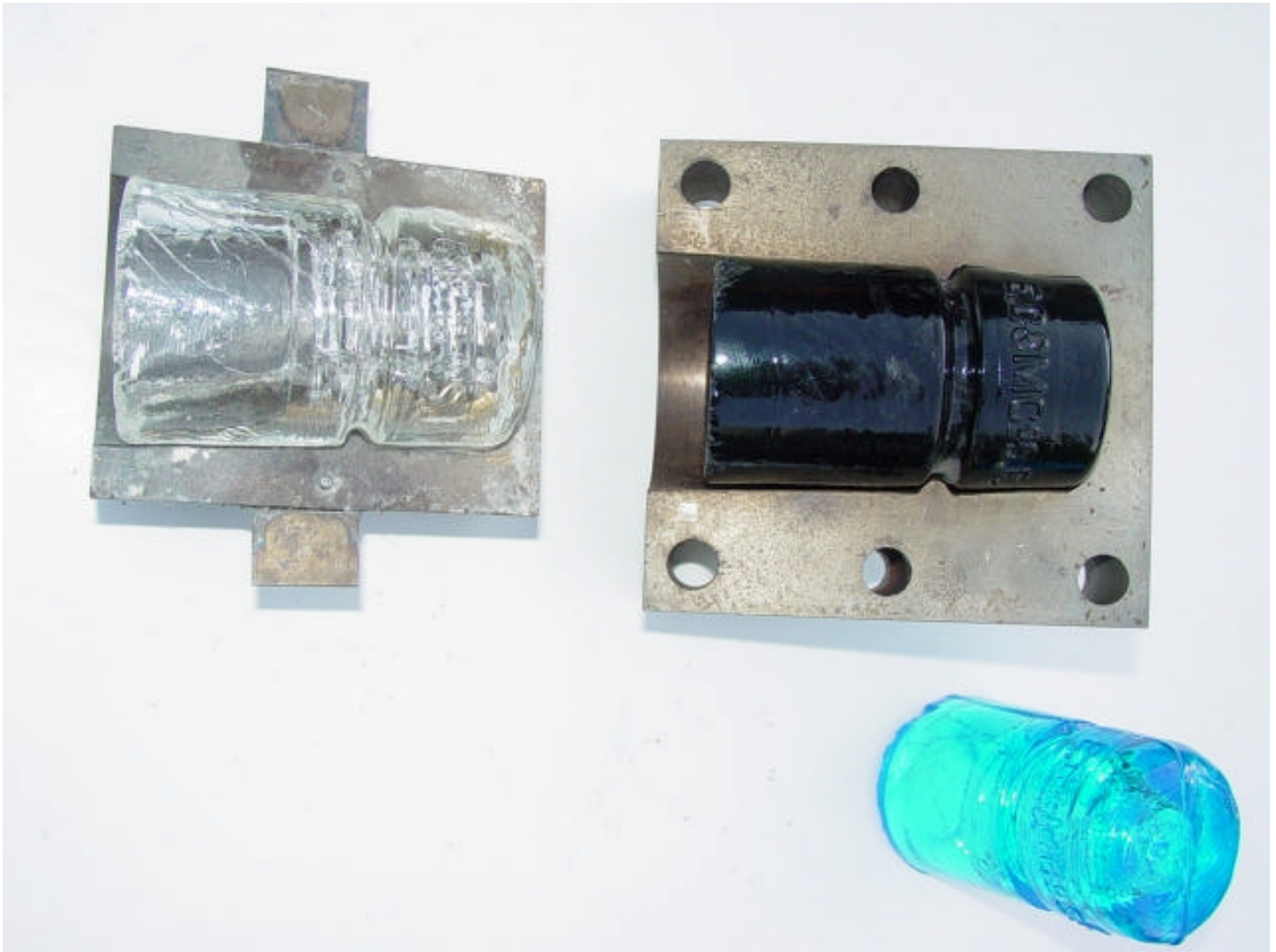
ing the EC&Ms, but under the circumstances that information needed to be withheld at that time.

In June of 2003, the Postal Inspectors informed the A&C Committee that while the dollar amount for damages had been met, they were concerned about criminal prosecution (which requires a higher burden of proof than civil actions), because the majority of the transactions between the collectors and the Dealers were conducted in cash and without receipts (like most hobbies). They also informed the A&C Committee that the molds, mandrels and insulators were being sent to the government's forensic laboratory for testing.

On August 11, 2003, the A&C Committee was advised that the U.S. Attorney reviewing the case was declining criminal prosecution at this time due to the lack of documentary evidence (specifically lack of receipts tying the victims to the Dealers). Although the U.S. Attorney had documentation for \$50,000 worth of purchases, the government's threshold to prosecute is currently \$100,000. The possibility for criminal charges against the two Dealers, however, still remains.

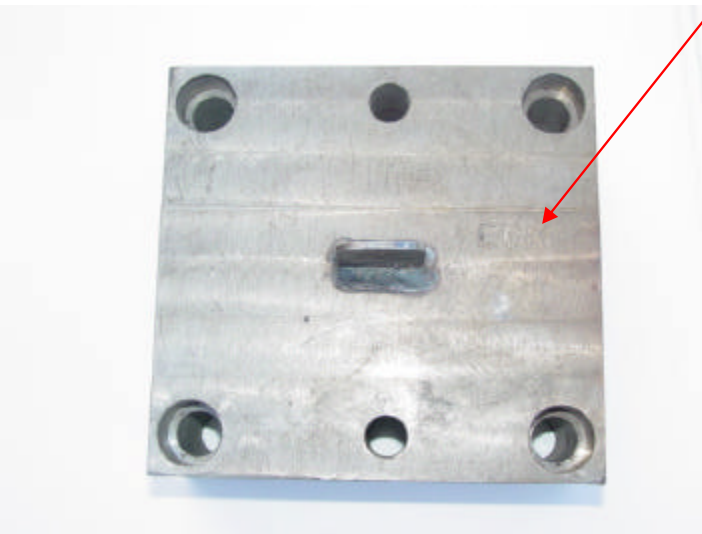
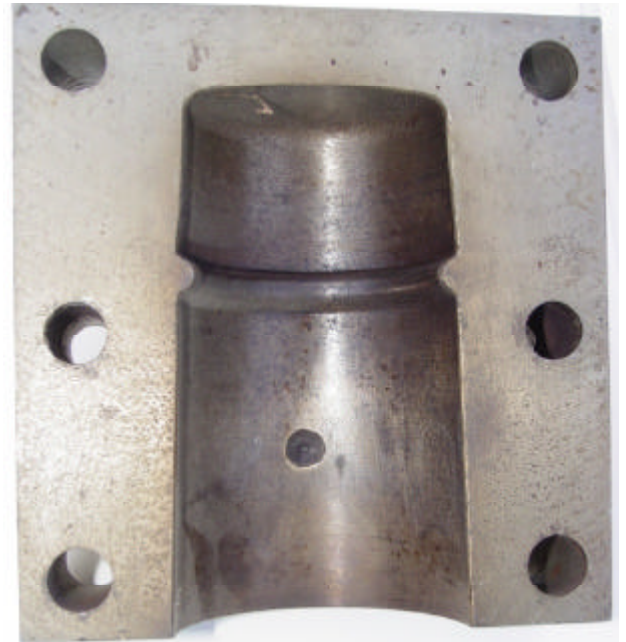
On this same date the Postal Inspector advised the A&C Committee that the government's forensic laboratory had completed preliminary testing on one of the molds, and had determined that it was of modern production and not antique at all. That mold was also determined to be the mold from which a peacock blue EC&M was made. The Postal Inspector went on to indicate that the evidence that the insulator was a fake was "incontrovertible." It is also the government forensic laboratory's opinion that the mandrels and in-

(Continued on page 6)





Marked
"EC&M"





From the Treasurer

2002-2003 FINANCIAL REPORT
NATIONAL INSULATOR ASSOCIATION
6/30/2003

Dudley Ellis, NIA #5085
Treasurer

Beginning Balance-General Fund	7/1/2002	7797.41
Museum Exploratory Committee		972.01
Authentication/Ethics Account		1696.75

Revenues

Donations	550.00	
Membership Dues	10198.00	
Miscellaneous Income	250.04	
Product Sales	3151.00	
Total Revenues:		<u>14149.04</u>

General Fund Expenses

Advertising	734.95	
Bank Charges/Taxes	0.00	
Marketing Products	1959.75	
Misc. Postage	1017.26	
Misc. Printing	715.14	
Misc. Supplies	822.98	
Misc. Professional Services	1233.40	
Crown Jewels Rebates	148.00	
Drip Points Printing	2316.79	
Drip Points Postage	1160.09	
Show Advertising Subsidy	974.82	
Show Awards	483.90	
Stationery Supplies	0.00	
Telephone	46.01	
Special Projects	724.47	
Education Disp Postage	203.55	
Total Expenses:		<u>12541.11</u>

Closing Balance, General Fund:		9405.34
Museum Exploratory Committee Expenditures	0.00	
Museum Exploratory Committee Balance		972.01
Authentication/Ethics Account Expenditures	0.00	
Authentication/Ethics Account Balance		<u>1696.75</u>
Total Balance on Hand 6/30/03		12074.10



**NIA Product
Sales sell well
at the
Springfield, Ohio
National!**

Did you meet someone new at the show? Did you recognize someone by his or her name badge? Did you meet a fellow collector from your area? If you would like to be recognized more easily by your fellow collectors, then order your

NIA engraved name badge today -->>> order form on the back page!



Fall into Fall with a nice embroidered denim long or short sleeve shirt or embroidered sweatshirt!

The NIA board and its chairpersons work very hard to keep this publication informative and you updated with the associations needs, issues, show updates, as well as, advances in education, promotion and research of the insulator hobby.

By supporting product sales, you directly affect the income that is directed to the betterment of this hobby!

Product suggestions are always welcome as are special orders for sizes, brands or styles!



**Carolyn Berry – NIA #4336
Product Marketing Chairman**

2003 NATIONAL INSULATOR ASSOCIATION

BOARD OF DIRECTORS

Tom Katonak, NIA #3567 President

1024 Camino de Lucia Corrales, NM 87048
505-898-5592
tkatonak@comcast.net

Ken Willick, NIA #3709 Eastern Region VP

7349 Seneca Avenue Lima, NY 14485
585-624-3007
limaporc@yahoo.com

Ed Peters, NIA #6300 Central Region VP

5424 Dufferin Drive Savage, MN 55378
952-447-2422
edpeters@wamnet.com

Howard Banks, NIA #900 Western Region VP

1560 Hugo Road Merlin, OR. 97532
541-479-8348
hbanks@grantspass.com

Dudley Ellis, NIA #5085 Treasurer

131 Plantation Way Stockbridge, GA 30281
770-957-9928
pony102@bellsouth.net

Bob Stahr, NIA #4186 Executive Secretary

515 Carriage Drive, 2D West Chicago, IL 60185
630-231-4171
bob@hemingray.com

Joe Beres, NIA #563 Membership Director

1315 Old Mill Path Broadview Heights, OH 44147
440-526-3478
jjjb@aol.com

Kevin Jacobson, NIA #6720 Information Director

1102 West Aster Drive Phoenix, AZ 85029-2808
602-564-0815
kwjacob@uswest.net

Steve Marks, NIA #4951 First Past President

3655 W. Anthem Way, Suite A-109, PMB #413
Anthem, AZ 85086 623-551-0873
anthempostnet@earthlink.net

Kevin Lawless, NIA #1679 Second Past President

3363 Guilderland Avenue Schenectady, NY 12306
518-357-2333
kflbostons@aol.com

STANDING COMMITTEE CHAIRPERSONS

Charles Bibb, NIA #6097 Ethics

P.O. Box 1 Inverness, MS 38753-0001
662-265-5134
zedkay@deltaland.nett

Rick Soller, NIA #2958 Historian

4086 Blackstone Avenue Gurnee, IL 60031
847-782-8602
com574@clc.cc.il.us

Bill Rohde, NIA #1219 By-Laws

Post Office Box 1008 Williams, CA 95987
530-473-2461
mudman@colusanet.com

Jack Roach, NIA #4156 Nominations

8 Tremont Trace Wimberly, TX 78676
512-847-7302
jackroach@email.msn.com

John McDougald, NIA #689 Authentication & Classification

P.O. Box 21157, Sedona, AZ 86341
928-284-3628
cpamcd@aol.com

Bill Meier, NIA #4322 Awards & Recognition

103 Canterbury Court, Carlisle, MA 01741-1860
978-369-0208
bill@insulators.com

Carolyn Berry, NIA #4336 Product Marketing

1010 Wren Court Round Rock, TX 78681
512-255-2006
pyrex553@aol.com

Bob Berry, NIA #1203 Research & Education

1010 Wren Court Round Rock, TX 78681
512-255-2006
pyrex553@aol.com

Bob Merzoian, NIA#3941 Promotions

1080 N. Scenic Drive
Porterville, CA 93257-1637
(559) 781-6319
bobmerzoian@mac.com



Carolyn Berry, NIA # 4336
 1010 Wren Court
 Round Rock, TX 78681- 2741
 (512) 255-2006 -- pyrex553@aol.com

NIA - Fall 2003
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Men's Golf/Polo Shirts**

Please call or email me for color / styles available - \$38.00

NEW* Women's golf/polo shirts --

- *Sleeveless- white pique / navy collar (\$32)
- *S/S golf - butter yellow pique with navy/black collar/ sleeve band (\$38)

Denim Shirt -- (all sizes orderable)

NEW* Women's stonewash blue denim - sleeveless L ___ XL ___ (\$32)

Men's - med. wt. pre-shrunk cotton -- stonewash blue -- left-side pocket

Embroidered logo S ___ M ___ L ___ XL ___ \$32.00

*S/S ___ *L/S ___ 2X ___ \$35.00

T-Shirt -- Hanes Beefy 'T' - Heavy weight - Screen-printed logo (front & back)

L ___ XL ___ (\$15) or 2X ___ 3X ___ (\$16) Ash gray - no pocket

Hanes Beefy 'T' - Heavy weight - Ash Gray: embroidered logo on left front, only!

M ___ \$18 (no pocket) L ___ XL ___ (\$20 - pocket) 2X ___ (\$21-pocket)

NIA Label Pin - etched/enamel; NIA logo \$5.00

Sweatshirts -- Heavy weight - Birch gray - Screen-printed logo

S ___ M ___ (\$16.00) L ___ XL ___ (\$20.00)

NEW! **Embroidered logo (front only) M ___ L ___ XL ___ (\$25) 2X ___ 3X ___ (\$30)

Embroidered Cap -- Stone/Navy, low-rise, embroidered logo \$16.00

Denim Cap -blue denim, low-rise, embroidered logo \$16.00

Mug -- 10 oz. - white ceramic w/ screen-printed logo \$7.00

Patch -- light blue back w/ embroidered logo/red embroidered edge \$4.00

Koozie™ -- The original Koozie™ fits any standard beer or soda can;

Silver screened NIA logo on: NIA blue ___ red ___ green ___ \$2.25

less \$.25/item= ___

Decal -- light blue w/ logo- red border; for inside car window \$1.00

Name Badge -- white badge engraved w/ blue letters - screen-printed logo epoxy pinback, beveled edges (fill in form below) \$12.00

Badge Bar -- white w/ engraved blue letters (ie. NIA position) \$4.00

Subtotal _____

U.S. Postage _____

Total Enclosed _____

Women's Size Chart:

S (28-30) M (32-34) L (36-38) XL (40-42)

Men's Size Chart:

S (32-34) M (36-38) L (40-42) XL (44-46)
 2X (48-50) 3X (52-54)

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 Address _____
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****U.S. Postage: \$5.00** for the first item & **\$1.50** for each additional item ordered. Postage for Patches, Decals, Pins or Name Badges/Bars are **\$0.50** per item. **for non-US postage, AK & HI, please contact me for an exact postage quote!!

Please make check or money order in U.S. funds payable to: National Insulator Association or NIA

Name Badge Engraving Information (must be a current NIA member!)

Name _____ NIA # _____ City _____ State _____
 Name _____ NIA # _____ City _____ State _____

Bar: _____

